

July 2, 2024

Intraday...

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy ACC July Fut at 2765.5-2771.5	Acc Limited	2798.5	2843.5	2739	Intraday
Sell MCX July Fut at 3922.8-3928.8	Multi Commodity Exchange Of India	3880.8	3813.3	3971	Intraday

[Daily view](#)

Weekly...

Action	Scrip	Target	Stoploss	Time frame	Status
Buy AURPHA July Fut at 1218.0-1222.0	Aurobindo Pharm	1300.0	1179.0	Weekly	Open
Sell ABB July Fut at 8510.0-8535.0	ABB	8100.0	8751.0	Weekly	Open

[Weekly view](#)

Other Product offerings

Derivatives Strategy

Underlying	Action
Pidilite Industries	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Tech Mahindra	Buy

Duration : 1-3 months

Click here to see [open calls](#)



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Nifty

	Close	Pvs Close	% Change
Spot	24141.95	24010.60	0.55%
Future	24206.25	24132.25	0.31%
Basis	64	122	-
OI (Lakhs)	159.98	154.91	3.27%
PCR	1.21	1.16	-

Bank Nifty

	Close	Pvs Close	% Change
Spot	52574.75	52342.25	0.44%
Future	52709.10	52529.70	0.34%
Basis	134	187	-
OI (Lakhs)	28.37	27.46	3.30%

Pivot Level

	Nifty Future	Bank Nifty Future
S2	23928	51976
S1	24035	52275
Pivot	24100	52466
R1	24206	52765
R2	24271	52956

- ❖ The steady buying interest on dips suggests bulls are in control. We feel dip around 24000 to 24030 levels provide buying opportunity as 24000 Put option holds highest OI.

- ❖ Sell Nifty 23800 Put option (July 4 expiry) in the range of | 30-32; Target: | 14; Stop loss: | 42

- ❖ The Bank Nifty continued its underperformance vis-à-vis Nifty. For the day, we expect Bank Nifty to trade between 52500 – 53000 levels. Market participant can create fresh long position if Bank Nifty futures comes near 52600 levels.

- ❖ Buy Bank Nifty future in the range of 52600-52650; Target: 52900-53000 ; Stop loss: 52400

- ❖ FII's sold ₹426 crore in the cash segment while DII's bought ₹ 426 crore in the last session. FII's have bought index futures worth ₹ 264 crore while in index options they sold ₹ 24993 crore. In stock futures segment, they sold ₹ 983 crore.

- ❖ Stocks in Ban: India Cement and Indus Tower

Note: Index calls may be changed, if view differs during market hours and positional recommendations given in Derivatives Strategy should not be linked to intraday index/stock calls.

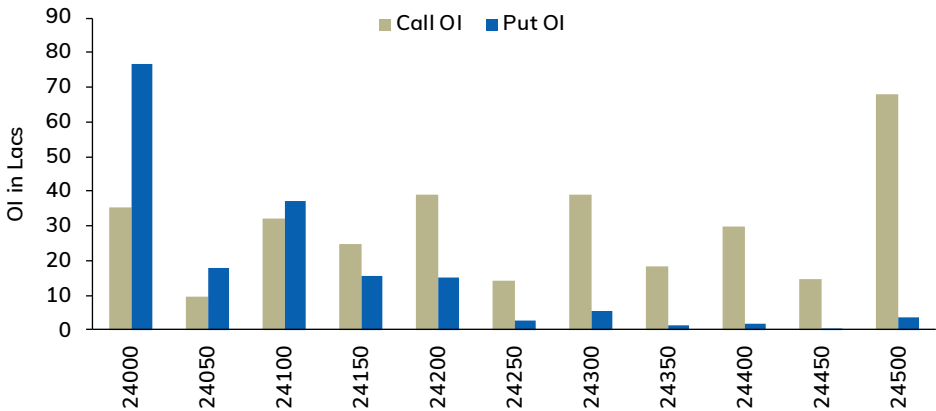
Source: NSE, Seediiff, Bloomberg ICICI Direct Research

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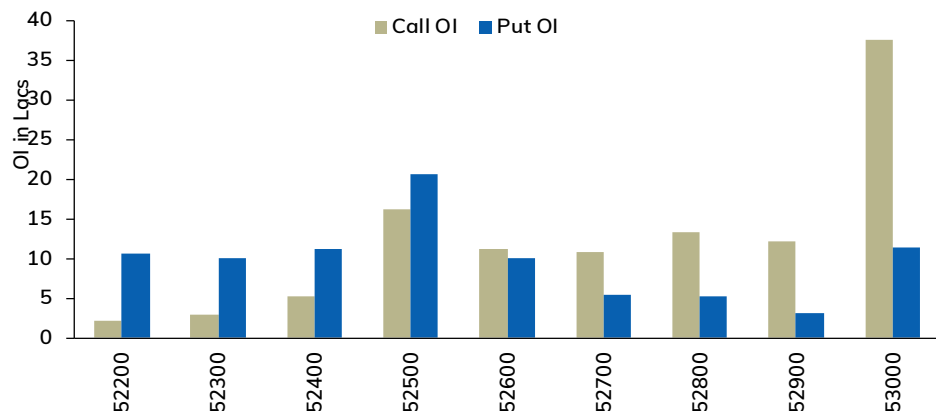
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Nifty 24000 Put strike holds substantial OI...

Nifty Weekly Option OI Distribution



Bank Nifty Weekly Option OI Distribution



- ❖ In Nifty, 24500 Call strike holds noteworthy OI of ~68 lakhs shares.
- ❖ On the Put side, 24000 strike holds substantial OI of ~76 lakhs shares

- ❖ In Bank Nifty, 53000 Call strike hold highest OI of ~38 lakhs shares .
- ❖ On the Put side, major Put base is placed at 52500 strike with ~21 lakh shares

Long Buildup

Name	Price (%)	OI(%)
MGL	6.90%	51.04%
OFSS	3.14%	20.15%
HEROMOTOCO	0.38%	10.95%
MARUTI	0.62%	10.44%
SUNTV	3.39%	10.31%

Short Buildup

Name	Price (%)	OI(%)
PNB	-0.68%	7.54%
IDFC	-1.59%	7.17%
ASHOKLEY	-1.29%	6.35%
ZYDUSLIFE	-0.64%	5.39%
BAJAJFINSV	-0.25%	5.14%

Long Unwinding

Name	Price (%)	OI(%)
INDIACEM	-2.61%	-9.99%
AXISBANK	-0.56%	-1.92%
RELIANCE	-0.62%	-1.80%
LUPIN	-0.73%	-0.79%
TATACONSUM	-0.25%	0.12%

Short Covering

Name	Price (%)	OI(%)
PVRINOX	4.88%	-6.52%
COFORGE	2.53%	-5.50%
UBL	1.09%	-5.16%
RAMCOCEM	2.17%	-4.75%
HINDUNILVR	1.16%	-4.00%

Source: NSE, Seediff, Bloomberg ICICI Direct Research

Intraday recommendation with historical price performance...

i) Acc Limited (CMP: 2768.5)

Buy ACC July Fut at | 2765.5-2771.5

Target 1: 2798.5 Target 2: 2843.5

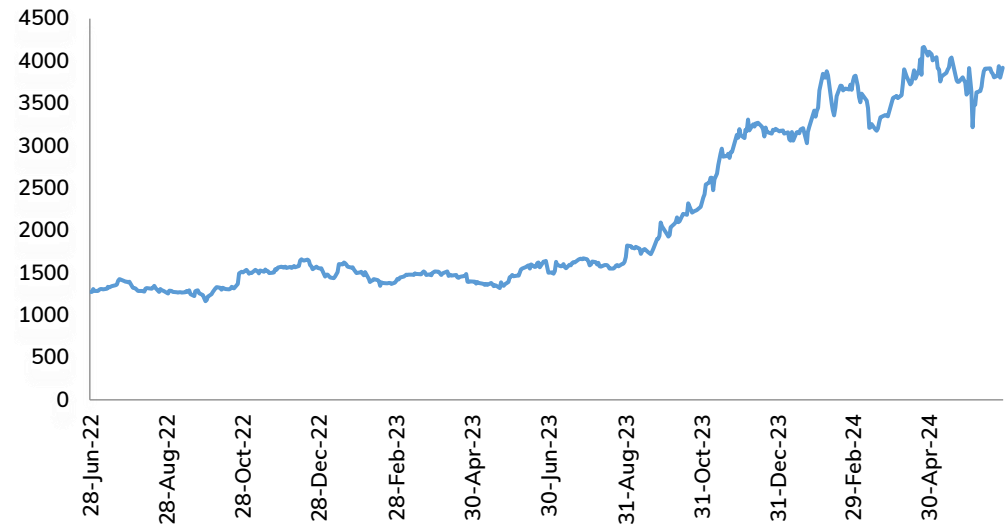
Stop Loss: 2738.5

ii) Multi Commodity Exchange Of India (CMP: 3925.8)

Sell MCX July Fut at | 3922.8-3928.8

Target 1: 3880.8 Target 2: 3813.3

Stop Loss: 3970.8



Strategy Follow-up

Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
1-Jul-24	NIITEC	Buy	Long Fut	5468.1	5618.1	5408.1	-	Not initiated
1-Jul-24	POLI	Sell	Short Fut	7011.4	6786.4	7101.4	-	Not initiated

Weekly Recommendation

Weekly future recommendations:

1) Buy AURPHA (AUROBINDO PHARMA LTD) JUL in the range of 1218-1222 Target 1300 and StopLoss 1179

Rationale

Pharmaceutical stocks have rebounded from their major support and are witnessing fresh buying interest. Aurobindo Pharma, in particular, has shown resilience within the sector. During the current consolidation phase, increase in delivery volumes was observed near 1150 level. The low leverage in the stock futures suggests that fresh long positions are likely to form at current levels, as the risk-reward ratio quite favorable. Additionally, significant put writing at the ATM 1200 strike indicates limited downside risk. We anticipate that the stock could move towards the 1300 level in the upcoming sessions.

2) Sell ABB (ABB INDIA LIMITED) JUL in the range of 8510-8535 Target 8100 and StopLoss 8751.

Rationale

In the recent up move seen in ABB, significant long addition of positions were seen which seems to be rolled into July series as well. However, after testing 9000 levels, stock failed to witness any follow up move. At the same time, notable writing is visible at Call strikes ranging from 8500 to 9000 suggest that the stock may see liquidation of long positions in short term. We feel call writers are likely to limit the stock's upside potential and the stock may see a pullback towards 8100.

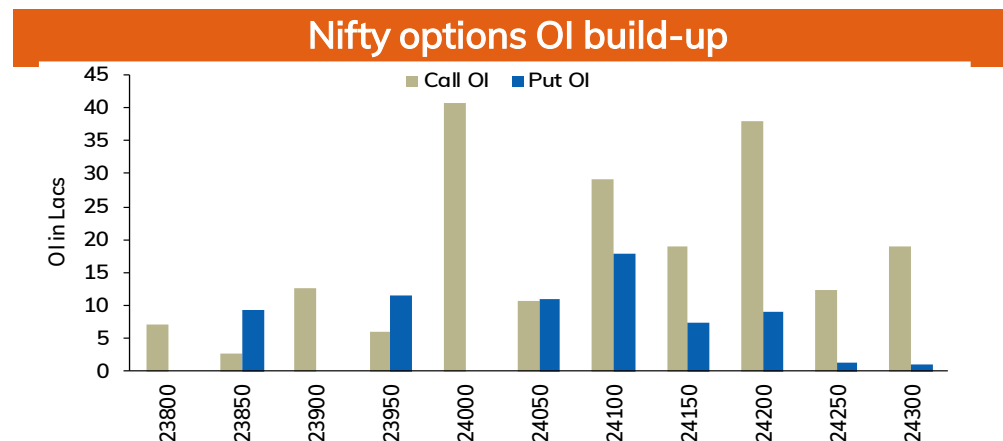
Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
HDFC Life	Bullish	Sell Futures	596	630	575	-7040	Exit in Loss
Titan	Bearish	Sell Futures	3393	3260	3491	4550	Profit Booked

Source: Bloomberg, ICICI Direct Research

The recommendation was released on One click derivatives on

Nifty: Extreme long positions in system suggesting cautious at higher levels...

- The Nifty gained momentum in the monthly settlement week and made fresh high gaining more than 2% last week. However, broader markets remained largely rangebound and both midcap and small cap indices gained nearly 0.5% each. Fresh buying among index heavyweights helped Nifty to move beyond 24000 where Reliance was the major driver with gains of over 7%.
- From the rollover perspective, Nifty futures saw significant long additions from FII and their net longs have increased sharply near 3.5 lac contracts at the start of July series. It was in a stark contrast of June series where they have net short with nearly 3 lac contracts. The retail participants have turned cautious in Nifty and are significantly net shorts in the system. Also, premium in Nifty futures has also seems lower considering inception of the new series suggesting short additions. Hence, pressure is likely to be seen in index at higher levels.
- On the options front, relatively higher Call writing is visible at OTM Call strikes compare to Put strikes, suggesting some pressure at higher levels. However, Put base at 24000 strike itself is significantly high which may restrict immediate downsides. Thus, a move below 23800 may trigger further weakness in the markets. On higher side, we believe that Call base placed at 24500 is likely to act as a major hurdle in the weekly settlement.
- The volatility index has inched higher but closed the week below 14 levels once again. However, we expect it to move towards 15 levels and don't see major decline due to upcoming quarterly results and Union budget in the mid series.

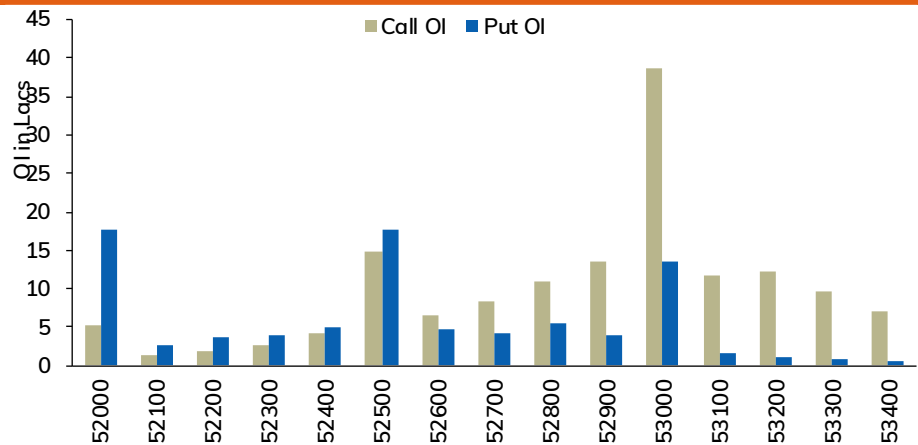


Source: Bloomberg, ICICI Direct Research
July 2, 2024

Bank Nifty likely to consolidate between 51500 and 53000 levels...

- Banking index moved further but failed to sustain above 53000 mark and reverted due to some pressure among private sector heavyweights at higher levels. Despite it, Bank Nifty managed to gain another 1.25% last week and both PSU and private sector stocks managed to gain. We believe that Bank Nifty may spend some time in consolidating below 53000 levels in the coming sessions whereas 51500 mark is likely to act as immediate support.
- Bank Nifty options activity is significantly tilted towards Call options and 53000 Call strike is heavily written while no major Put base is in sight. Put option concentration is equally distributed among 51500 to 52500 Put strikes. The options data suggesting expected profit booking at higher levels and move below 51500 may extend the weakness in the banking index. Moreover, July series futures open interest is relatively on a lower side and fresh additions are likely to induce some directional movement.
- Stock specific, private sector heavyweights have witnessed some good covering last week but are reverting from their major Call bases. They need to move beyond their Call bases for any fresh momentum. On the other hand, PSU space may witness some recovery in the coming sessions after remaining laggard post-election verdict.
- Financial Nifty has also gained nearly 2% last week closed just below 23500 levels. Just like Bank Nifty, higher Call writing is visible at ATM and OTM Call strikes significantly high Call base at ATM 23500 strike above which a short covering move can be expected for the weekly settlement.

Bank Nifty weekly options OI build-up



FII's remain buyer in the equity segment...

- Globally, risk assets consolidated amid rate cut uncertainties. While US equities closed the week almost flat, bullion prices also remained above \$2300 mark. The US volatility index has remained subdued suggesting no major concerns. However, a uptick was observed in the bond yields on Friday despite some cool-off in inflation as political uncertainty looms there.
- The FIIs have remained net buyers last week as well and bought more than 4600 crores last week. However, most of the funds were seen coming on monthly settlement day. We expect them to remain positive in coming sessions and it may help performance coming into large cap names once again. On the other hand, domestic institutions continue to support the markets and they have also bought 7100 crore last week.
- In the F&O space, FIIs continue to increase their long positions and their stance has changed drastically from the June series inception to July series. From almost 3 lac net shorts in early June, now FIIs are net long with nearly 3.5 lac contracts net long in Index futures. At the same time, increasing short positions from retail participants suggests some caution at higher levels. However, in stock futures segment, they continue to remain net longs with over 6.8 lac contracts.
- Crude oil prices rallied more than 1% in the previous week amid softening of dollar and hopes of interest rate cuts by US Federal Reserve this year. For this week, we expect NYMEX crude oil prices to rise further towards \$84 level amid growing bets of higher demand for fuel due to summer driving season and forecast of supply deficit stemming from OPEC+ cuts in 3rd quarter. While, investors will remain cautious ahead of US FOMC meeting minutes and job data to get more clarity on interest rate cut timeline.

FII/DII buying in equities (in ₹ crore)

Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
24-Jun-24	1776	3263	758	-654	-821
25-Jun-24	2698	1118	55792	1176	-149
26-Jun-24	2886	6486	-8273	-3535	5104
27-Jun-24	4369	8129	24698	7657	-3606
28-Jun-24	1711	5129	7904	-23	6658

Source: Bloomberg, ICICI Direct Research

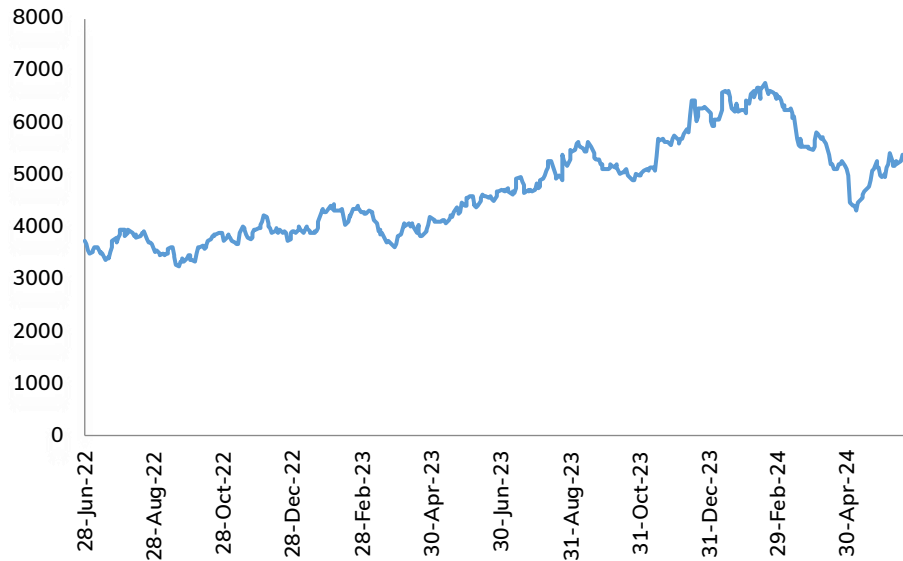
Intraday recommendation with historical price performance...

i) Coforge (CMP: 5468.05)

Buy NIITEC July Fut at | 5465.05-5471.05

Target 1: 5528.1 Target 2: 5618.1

Stop Loss: 5408.1

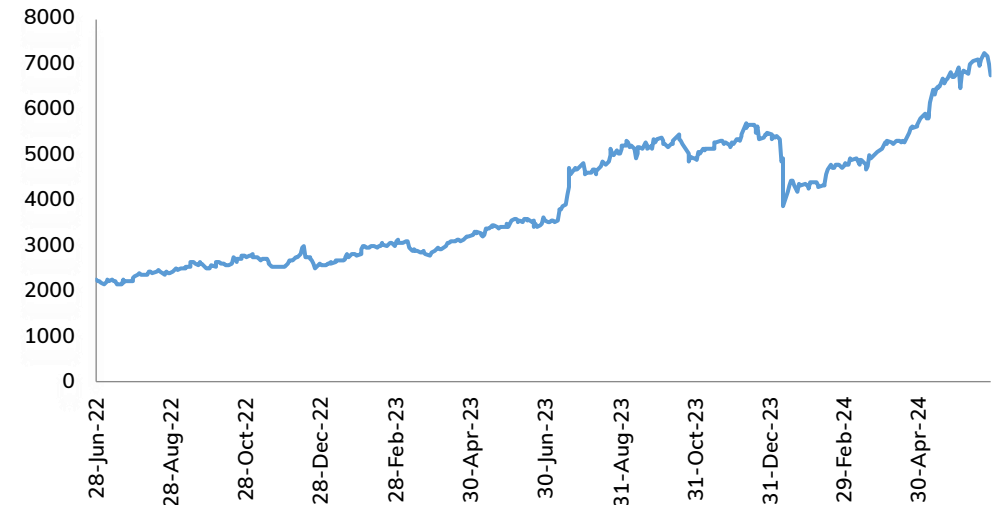


ii) Polycab India Limited (CMP: 7011.35)

Sell POLI July Fut at | 7008.35-7014.35

Target 1: 6921.4 Target 2: 6786.4

Stop Loss: 7101.4

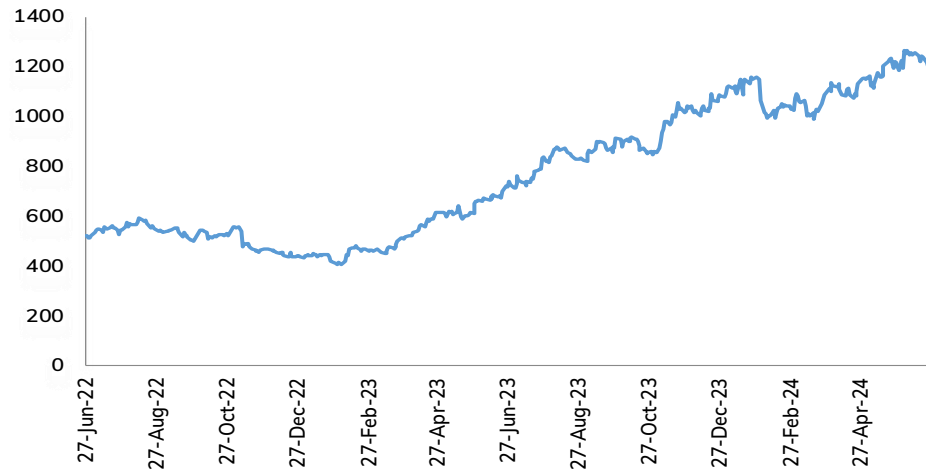


Strategy Follow-up

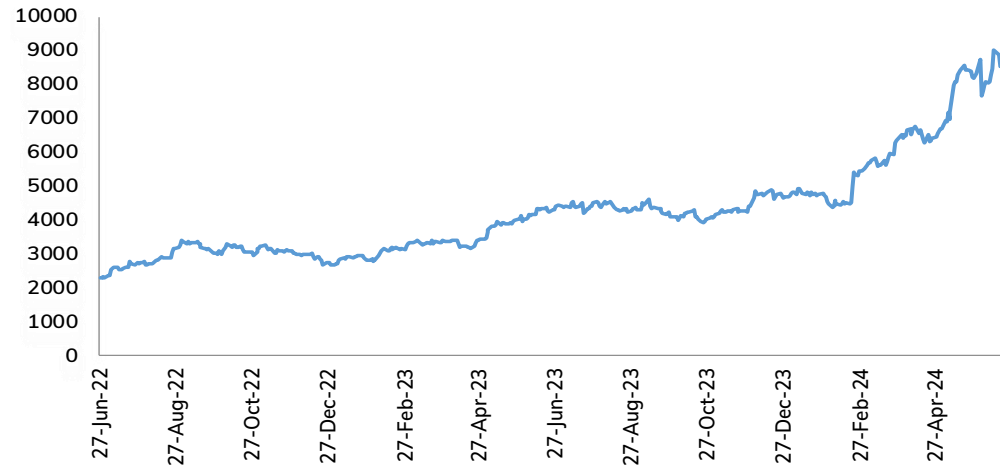
Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
27-Jun-24	GAIL	Buy	Long Fut	219.5	224.4	217.5	-	Not initiated
27-Jun-24	IPCLAB	Sell	Short Fut	1095.8	1061.1	1109.6	-	Not initiated

Recommended Stocks: Historical price performance...

Aurobindo Pharma



ABB



Source: NSE, Seediff, Bloomberg ICICI Direct Research

Forthcoming Events...

Date & Time (IST)	Country	Data & Events
Monday, July 01, 2024		
7:15 AM	China	Caixin Manufacturing PMI
All Day	Europe	German Prelim CPI m/m
7:30 PM	US	ISM Manufacturing PMI
Tuesday, July 02, 2024		
2:30 PM	Europe	CPI Flash Estimate y/y
7:00 PM	US	Fed Chair Powell Speaks
7:30 PM	US	JOLTS Job Openings
Wednesday, July 03, 2024		
7:15 AM	China	Caixin Services PMI
5:45 PM	US	ADP Non-Farm Employment Change
6:00 PM	US	Unemployment Claims
7:30 PM	US	ISM Services PMI
8:00 PM	US	Crude Oil Inventories
11:30 PM	US	FOMC Meeting Minutes
Thursday, July 04, 2024		
11:30 AM	Europe	German Factory Orders m/m
All Day	UK	Parliamentary Elections
2:00 PM	UK	Construction PMI
Friday, July 05, 2024		
11:30 AM	Europe	German Industrial Production m/m
6:00 PM	US	Average Hourly Earnings m/m
6:00 PM	US	Non-Farm Employment Change
6:00 PM	US	Unemployment Rate

Derivatives Strategies: Open recommendations

Date	Scrp	Action	Recommendation
10-Jun-24	Pidilite Industries	Buy	Positional Future :Buy PIDIND (PIDILITE INDUSTRIES LTD) JUN in the range of 3160-3175 Target 3380 and StopLoss 3049.9. (rolled)
26-Jun-24	Maruti	Buy	Positional Future : Buy MARUTI (MARUTI SUZUKI INDIA LTD) JUL in the range of 12250-12300 Target 12800 and StopLoss 11989.9
1-Jul-24	ABB	Sell	Positional Future : Sell ABB (ABB INDIA LIMITED) JUL in the range of 8510-8535 Target 8100 and StopLoss 8751
1-Jul-24	Aurbindo Pharma	Buy	Positional Future : Buy AURPHA (AUROBINDO PHARMA LTD) JUL in the range of 1218-1222 Target 1300 and StopLoss 1179
28-Jun-24	Indraprasth Gas	Buy	Long/Short Strategy: Buy IGL July futures 500- 502, sell 540 Call 8.5- 9.5, Target 540, Stoploss, 474.9 (till July futures).

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Source: Bloomberg, ICICI Direct Research

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Quant Picks: Open recommendations...

Date	Scrip	Action	Price	Target	Stop Loss	Last close	Return (%)	Time
22 Mar 24	Indusind Bank	Buy	1470-1490	1700	1350	1464	-1.7%	3 months
12 Jun 24	Tata Chemical	Buy	1100-1120	1265	1016	1104	-1.4%	3 months
21 Jun 24	Syngene	Buy	710-720	810	650	712	-0.4%	3 months
25 Jun 24	City Union Bank	Buy	164-168	190	151	167	-0.6%	3 months

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Source: Bloomberg, ICICI Direct Research

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