

September 9, 2024

Intraday...

Action	Scrip	Target 1	Target 2	Stoploss	Time frame
Buy NIITEC Sept Fut at 6630.1-6636.1	Coforge	6693.1	6783.1	6573	Intraday
Sell AARIND Sept Fut at 605.95-608.95	Aarti Industries Limited	598.5	585.0	616	Intraday

[Daily view](#)

Weekly...

Scrip	Target	Stoploss	Time frame	Status	
Buy DIVLAB Sep Fut at 5115.0-5125.0	Divis Lab	5325.0	4990.0	Weekly	carried forward
Sell BATIND Sep Fut at 1412.0-1418.0	Bata India	1330.0	1461.0	Weekly	open

[Weekly view](#)

Other Product offerings

Derivatives Strategy

Underlying	Action
Divis Lab	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Havells	Buy
CUB	Buy

Duration : 1-3 months

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Weekly Recommendation

Weekly future recommendations:

1) Buy DIVLAB (DIVIS LAB) SEP in the range of 5115-5125 Target 5325 and StopLoss 4990.(carried forward)

Rationale

In recent weeks, Divis Lab has consolidated within the 4900 to 5100 range, with notable delivery buying at these levels indicating accumulation in the stock. Given its moderate leverage, we believe the stock is poised for fresh buying, which could drive it higher from current levels. On the options front, the 5100 Call strike has significant open interest, which had been acting as a resistance. However, last week, the September futures managed to break above this level. We expect the stock to maintain its upward momentum, supported by short covering in call writers' positions, potentially leading it towards the 5325 level.

2) Sell BATIND (BATA INDIA LIMITED) SEP in the range of 1412-1418 Target 1330 and StopLoss 1461.

Rationale

Bata India has once again reversed from its resistance level of 1480. The current decline is accompanied by an increase in open interest in the futures segment, suggesting the addition of short positions. On the options front, the 1480 and 1500 call strikes are showing significant open interest, indicating limited upside potential. The overall price setup appears weak, suggesting that this weakness could extend further down towards 1330 levels.

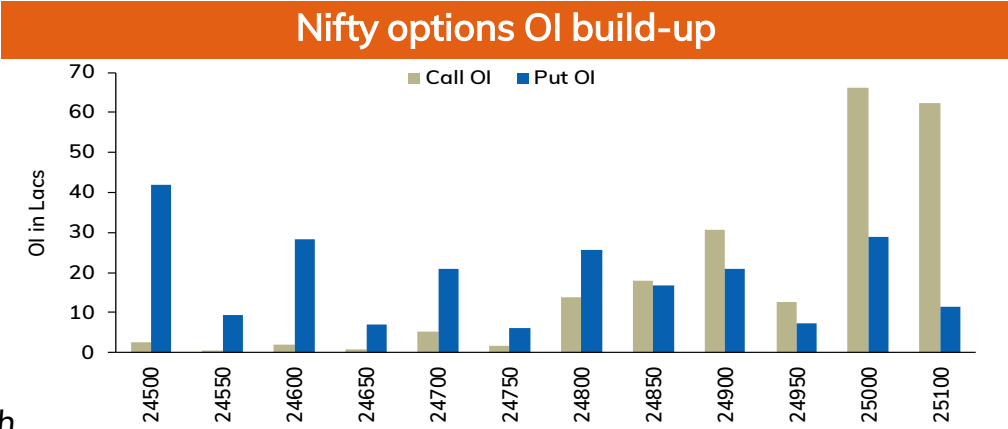
Recommendation follow up							
Underlying	View	Strategy	Reco	Target	Stoploss	Profit/Loss	Comment
Astral	Bearish	Sell Futures	1941	1835	2000	11010	Profits Booked

Source: Bloomberg, ICICI Direct Research
September 9, 2024

The recommendation was released on One click derivatives on
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Nifty: Range shifts lower to 24500 and 25000...

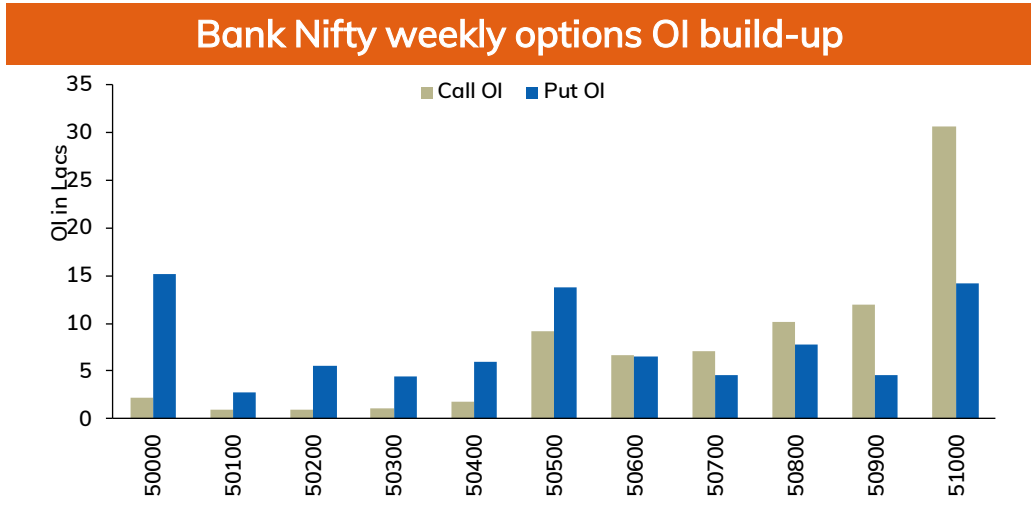
- Nifty broke its four-week winning streak, closing with losses exceeding 1.5%. The most significant decline was in the CPSE index, where PSU banks faced sharp corrections, losing nearly 4%. However, despite global volatility, the broader market continued to outperform.
- Looking ahead, we anticipate that 25300 will serve as an immediate resistance level. Aggressive long positions should be avoided unless Nifty sustains above 25000 levels. In the options segment, notable Call writing is evident at both ATM and OTM strikes, signaling selling pressure at higher levels. Meanwhile, the primary Put base for the upcoming week is seen at the OTM 24500 strike. Interestingly, more Put closures were observed for the monthly expiry rather than the weekly expiry which suggests weakness likely to continue.
- In futures segment, Nifty index leverages remains high, apart of FIIs other market participant holds short positions. Additionally, the high premium (basis) in Nifty futures suggests that upward movements could be limited in the coming week. Therefore, a sustainable move above 25000 is crucial to signal the start of a fresh uptrend on the back short covering among call writers positions.
- The VIX closed the week 11% higher, following a sharp reversal after hitting an all-time high of 25300. Put closures at the monthly series of 25000 strike contributed to the market pullback, and VIX has been on the rise. We anticipate that this increase in volatility could extend in the near term.



Source: Bloomberg, ICICI Direct Research
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Bank Nifty: Immediate support placed at 50000...

- The banking index significantly underperformed the broader market last week, losing almost 1.75%. Bank Nifty closed below the 51000 mark, and a major recovery seems unlikely unless it surpasses 51500 during the current settlement.
- In the options segment, Call strikes at 51000 and 51500 hold significant open interest, indicating resistance. On the Put side, there is no substantial concentration, with the highest Put base at 50000, which is likely to act as immediate support. A move above 51500 could trigger short covering and extend the uptrend in Bank Nifty.
- Stock-specific performance was weak, with both private and public sector banks underperforming despite broader market strength. HDFC Bank provided some support by closing flat, but overall, Bank Nifty's relative underperformance is expected to continue, with a potential down move toward 50000 levels.
- In Financial Nifty, the index failed to cross the 24000 mark, and profit-taking in the NBFC space led to a sharp reversal. As with Bank Nifty, Call writers are heavily active in Financial Nifty, suggesting further downside potential. We expect this profit-taking phase to extend toward the 23,200 and 23,000 levels in coming week.



- Globally, the S&P 500 Index experienced its steepest weekly decline in 15 months, as concerns about a potential economic slowdown seemed to dampen market participant sentiment. US Treasury yields across curve nose dive after weaker than expected economic data from US cemented hopes for rate cut in September meeting however there is no clear signs on size of rate cut
- Domestically, FII's buying spree continued and remained net buyer for the second consecutive week despite some selling were seen in the last two trading sessions. FII's have bought 7.6k crore vs 24k crore seen in the last week. Also, DII remained net buyer of 7.5k crore.
- In the F&O space, FIIs have continue to increase their long positions during the week and their net long positions in index future has decreased to over 1.6 lakh contracts from 2.1 lakh contracts as markets witnessed profit taking. On the other hand, retail participants has covered their short positions in the current pullback, from net short of 91k contract to 17k contract. In the stock futures segment, FIIs continue to remained net longs with 5.4 lakh contracts.
- Crude oil prices declined by 7.45% in the previous week amid weaker than expected economic data from US and concern over Chinese demand. Further, prices dip on signals that Libya's rival factions could be closer to an agreement to end the dispute. For this week, we expect NYMEX crude oil prices to bounce back towards \$72 level amid potential hurricane system approached the US Gulf Coast, larger than expected withdrawal from US crude oil inventories and OPEC+ to delay planned oil output increases.

FII/DII buying in equities (in ₹ crore)					
Date	FII				DII
	Index Fut	Stock Fut	Index Opt	Cash	Cash
02-Sep-24	-600	2186	-8469	5153	356
03-Sep-24	389	5992	25247	2968	1896
04-Sep-24	-1333	-5541	-29081	1197	97
05-Sep-24	-670	-4201	-58671	-1047	2971
06-Sep-24	-3107	-7266	1264	-621	2121

Source: Bloomberg, ICICI Direct Research

Intraday recommendation with historical price performance...

i) Coforge (CMP: 6633.1)

Buy NIITEC Sept Fut at | 6630.1-6636.1

Target 1: 6693.1 Target 2: 6783.1

Stop Loss: 6573.1

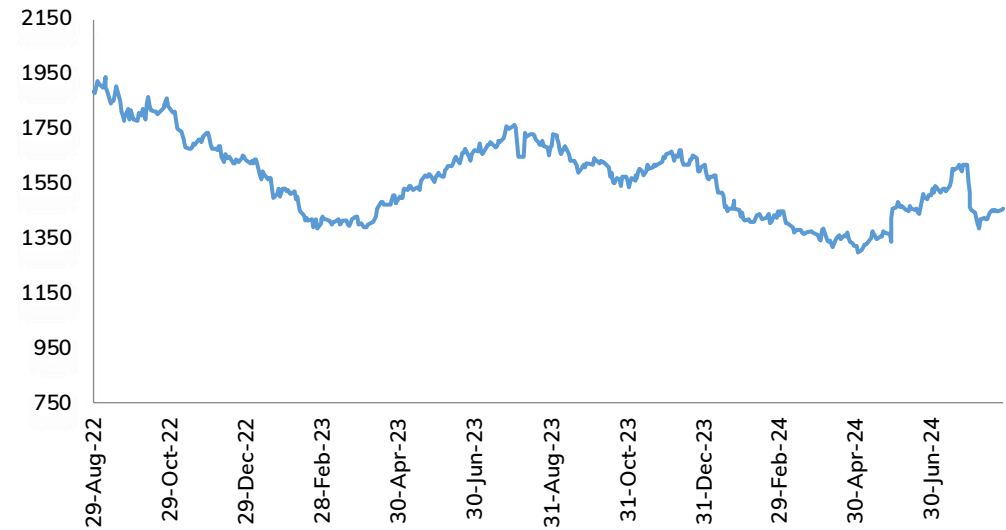


ii) Aarti Industries Limited (CMP: 607.45)

Sell AARIND Sept Fut at | 605.95-608.95

Target 1: 598.5 Target 2: 585

Stop Loss: 616.5

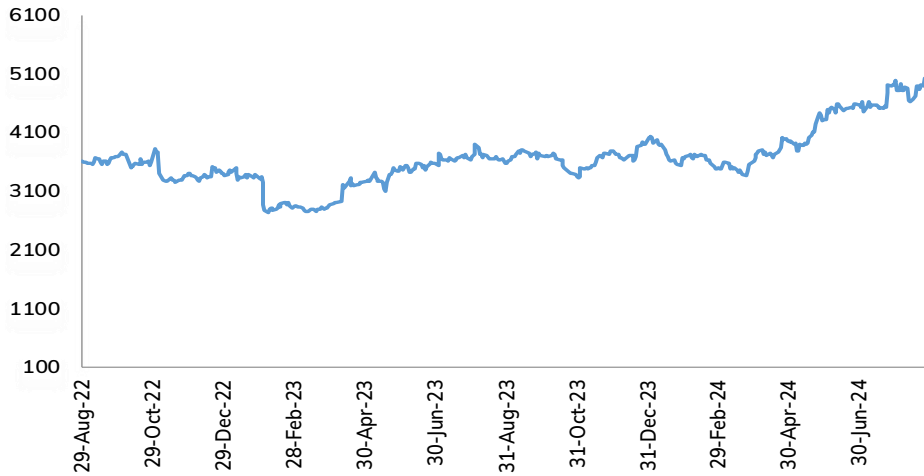


Strategy Follow-up

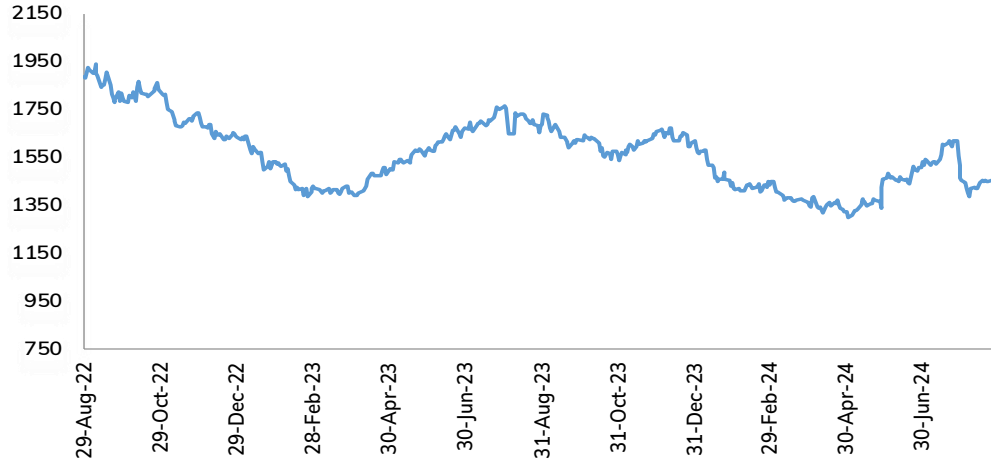
Date	Stock	View	Strategy	Reco	Target	SL	P&L	Comment
6-Sep-24	RAMCEM	Buy	Long Fut	850.5	861.0	839.9	-9010	Stoploss Triggered
6-Sep-24	ABB	Sell	Short Fut	7668.7	7596.7	7740.7	-	Not initiated

Recommended Stocks: Historical price performance...

Divis Lab



Bata India



Source: NSE, Seediff, Bloomberg ICICI Direct Research

Forthcoming Events...

Date & Time (IST)	Country	Data & Events
Monday, September 9, 2024		
7:00 AM	China	CPI y/y
2:00 PM	Europe	Sentix Investor Confidence
Tuesday, September 10, 2024		
11:30 AM	UK	Claimant Count Change
11:30 AM	UK	Average Earnings Index 3m/y
Wednesday, September 11, 2024		
11:30 AM	UK	GDP m/m
6:00 PM	US	CPI y/y
8:00 PM	US	Crude Oil Inventories
Thursday, September 12, 2024		
5:30 PM	India	CPI y/y
5:45 PM	Europe	Main Refinancing Rate
6:00 PM	US	PPI m/m
6:00 PM	US	Unemployment Claims
8:00 PM	US	Natural Gas Storage
Friday, September 13, 2024		
2:30 PM	Europe	Industrial Production m/m
7:30 PM	US	Prelim UoM Consumer Sentiment
7:30 PM	US	Prelim UoM Inflation Expectations

Derivatives Strategies: Open recommendations

Date	Scrip	Action	Recommendation
2-Sep-24	Divis Laboratories	Buy	Positional Future : Buy Divis Lab SEP in the range of 5115-5125 Target 5325 and StopLoss 4990
5-Sep-24	Apollo Hospital	Buy	Long/Short Strategy: Buy Apollo hospital 6980- 7020, Sell 7300 Call 64-67, Target 7300, Stoploss 6789., Till Expiry.
5-Sep-24	PVR	Buy	Long/Short Strategy: Buy PVR INOX Sept futures 1570-1579, Sell 1660 16-18, Target 1660, Stoploss 1504.9, Till expiry
6-Sep-24	Bata India	Sell	Positional Future : Sell BATIND (BATA INDIA LIMITED) SEP in the range of 1412-1418 Target 1330 and StopLoss 1461.

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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
12 Jun 24	Tata Chemical	Buy	1100-1120	1265	1016	1059	-5.4%	3 months
25 Jun 24	City Union Bank	Buy	164-168	190	151	167	-0.6%	3 months
19 Aug 24	Havells	Buy	1865-1885	2165	1710	1872	-0.7%	3 months
22 Aug 24	Bandhan Bank	Buy	202-208	240	185	197	-5.3%	3 months
26 Aug 24	Vedanta Ltd	Buy	450-460	529	418	460	0.0%	3 months
5 Sep 24	SRF	Buy	2600-2630	2960	2400	2504	-4.2%	3 months

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Source: Bloomberg, ICICI Direct Research

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