

Derivatives Strategy – Positional Option

Buy Bank of Baroda April 110 Call for target of ₹ 10.9

Few open Calls...

Derivatives Strategy

Underlying	Action
Colgate	Buy
Bajaj Finance	Buy

Duration : 1-2 months

Recommendation in the report

Stock	Action	Initiation Range	Target	Max loss	Time Frame
Bank of Baroda April 110 Call	Buy	5.8-6.2	10.9	3.9	till April expiry



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Positional Option: Buy Bank of Baroda April 110 Call at ₹ 5.8-6.2, Target: ₹ 10.9, Stop loss: ₹ 3.9, Time frame: Till April expiry



Snapshot

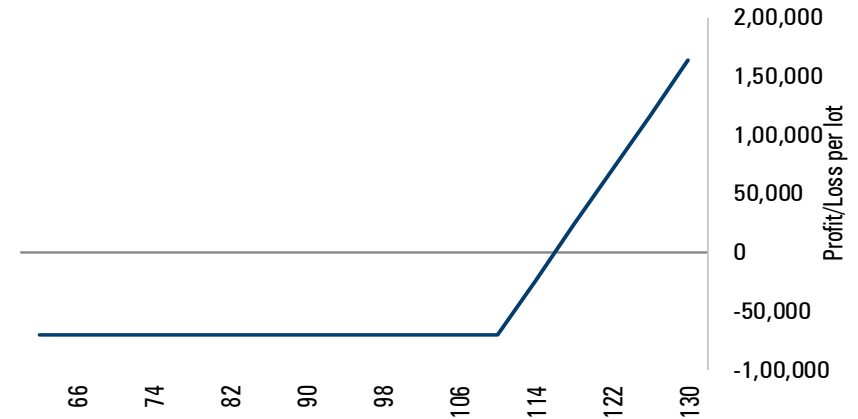
Spot Price	109
Beta	1.20
12M Avg Price (₹)	87
3M Avg Roll (%)	91%
HV 30 Day (% Annualised)	53.0

- As the broader market consolidated above 17000, stock specific activity amid sectoral rotation was clearly visible last week where IT stocks witnessed profit booking due to higher US yields whereas few banking stocks witnessed buying at lower levels
- In the banking space, private banks have relatively underperformed but stocks like Bank of Baroda have shown significant resilience and are already witnessing closure in OTM Call strike for April series
- Despite fresh short additions in a few F&O stocks in March series, no major shorting blocks were observed in Bank of Baroda. The OI remained nearly the yearly low levels
- Due to lower OI base and closure in OTM strike Calls, we feel fresh buying interest should emerge in the April series
- Major Call OI block as of now is placed at the 110 strike. A close above this level should trigger fresh upsides in the stock. However, delivery based buying volumes picked up near ₹ 105-102, which should act as a support zone. We remain positive on the stock and feel its likely to head towards ₹ 120 levels in the April series

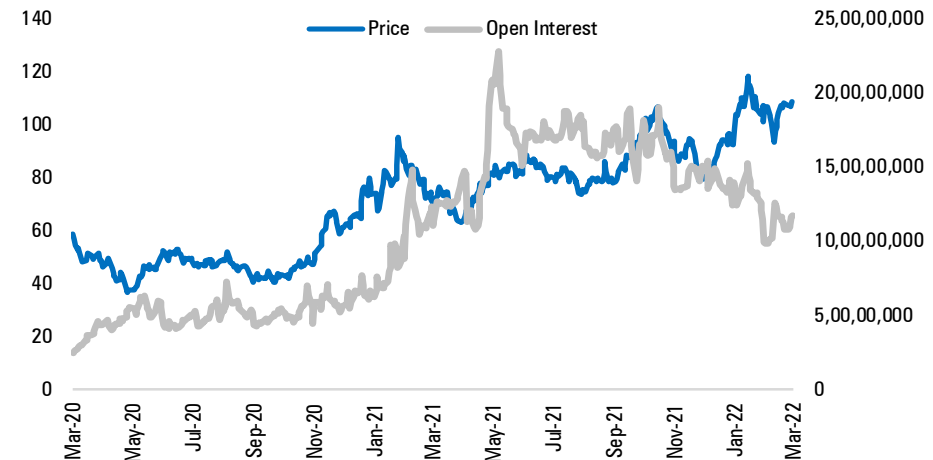
Note : Recommendation given on Iclick2gain on March 25, 2022

Source: NSE, Seediff, Bloomberg, ICICI Direct Research

Option Pay-off



Price & OI chart



Date	Script	Action	Recommendation
15-Mar-22	Colgate	Buy	Positional Future : Buy Colgate Palmolive March futures at ₹ 1512-1518, Target: ₹ 1620, Stop loss: ₹ 1459, Time frame: Till March expiry
17-Mar-22	Bajaj Finance	Buy	Long/Short Strategy : Buy Bajaj Finance March future at 6980-7000 & sell 7200 Call at 91-95, Target: 7295, Stop-loss: 6695, Time-frame: till March expiry.
17-Mar-22	Adani Ports	Buy	Positional Future : Buy Adani Ports (ADAPOR) March future in the range of ₹ 740-745 Target ₹ 785.5 and Stop Loss ₹ 719.5.
22-Mar-22	India Cement	Buy	Positional Option : Buy India Cement March 210 CALL in the range of 7.5-8.0 Target 16.8 and StopLoss 3.45, Time-frame: till March expiry
25-Mar-22	Muthoot Finance	Sell	Positional Future : Sell Muthoot Finance (MUTFIN) March future in the range of ₹ 1335-1345 Target ₹ 1230 and Stop Loss ₹ 1401.5.

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Source: Bloomberg, ICICI Direct Research

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Source: Bloomberg, ICICI Direct Research

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ICICI Securities Ltd. | Retail Equity Research

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