

May 18, 2021

Quant Pick – ACC

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
ACC	Buy	1860-1890	2190	1690	3 Months

Derivatives Strategy

Underlying	Action
UPL	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
ACC	Buy
Axis Bank	Buy
HDFC	Buy

Duration : 1-3 months

Click here to see [open calls](#)

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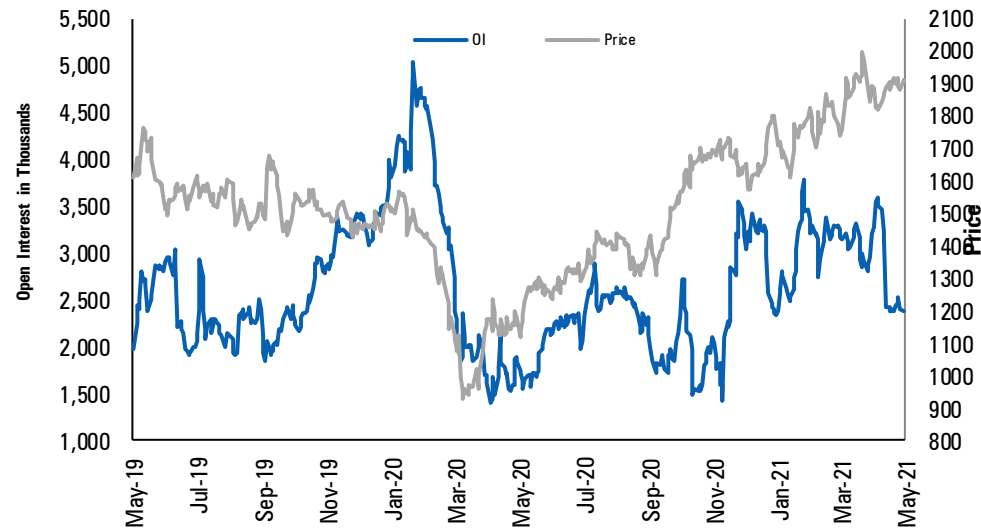
Buy ACC in range of ₹ 1860-1890; Target: ₹ 2190;
 Stop Loss: ₹ 1690; Time frame: Three months

Snapshot

Spot Price	1914.00
Beta	0.90
12M Avg Price (₹)	1646.0
3M Avg Roll (%)	89.6%
HV 30 Day (% Annualised)	72.00

**Price vs.
 open interest
 pattern**

Low leverage likely to help in further momentum



Source: NSE, Seediff, ICICI Direct Research

- The Nifty seems to be moving out of its ongoing consolidation for the last two months led by the private sector banking space. While most heavyweights remained largely range bound in the last couple of weeks, major action was seen among non-index stocks. We expect the infra space and especially stocks from the cement space to regain strength and witness a fresh uptrend in the coming sessions
- Cement stocks have found renewed traction in the last few sessions where stocks like ACC were able to move out of the prevailing range and are likely to witness fresh upsides. After making lifetime highs in March near ₹ 1850 levels, the stock has largely consolidated above these levels despite ongoing market volatility. We expect it to move higher on the back of fresh accumulation in open interest
- The current open interest in the stock is relatively lower compared to the last few months. Despite the closure seen in open interest, the stock was able to hold itself suggesting inherited strength. With the recent price performance, we expect the stock to witness fresh accumulation
- From the options space, no major Call option base is in place for the May series. The only accumulation is visible at ATM 1900 strike. As the stock is already trading above these levels, continued upsides is expected in the short-term
- After a brief period of distribution, the delivery Z-Score has again started to move into the positive territory as the stock is witnessing fresh accumulation in the delivery segment
- ACC has been finding it tough to sustain above its long term mean+2*sigma levels. Currently, these levels are placed near ₹ 1900, which has been acting as a hurdle for the stock. Now, after moving above it, we expect the upside momentum to take it towards its 3*sigma levels, which are placed near ₹ 2200
- Note: Call has been initiated on iClick2Gain on May 17, 2021

Date	Scrip	Action	Recommendation
17-May-21	BPCL	Sell	Positional Option: Sell BPCL May 430 Put at 4.3- 4.8, target: 0.10 , stoploss: 7.6. Time Frame: till May expiry
17-May-21	UPL	Sell	Positional Option: Sell UPL May 700 Put at 6.3- 6.8, target: 0.10 , stoploss: 11.1. Time Frame: till May expiry
17-May-21	Biocon	Sell	Positional Option: Sell BIOCON May 420 Call at 3.4- 3.9, target: 0.10 , stoploss: 7.1. Time Frame: till May expiry
17-May-21	Tech Mahindra	Sell	Positional Option: Sell Tech Mahindra May 980 Call at 9.8- 10.3, target: 0.10 , stoploss: 18.1. Time Frame: till May expiry

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
6-May-21	Axis Bank	Buy	700-717	840	635	709	-0.8%	3 months
10-May-21	HDFC	Buy	2525-2565	2950	2348	2486	-2.1%	3 months
17-May-21	ACC	Buy	1860-1890	2190	1690	1910	1.1%	3 months

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Source: Bloomberg, ICICI Direct Research

May 18, 2021

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