

June 16, 2021

Quant Pick – Bank of Baroda

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
Bank of Baorda	Buy	84-86	102	76	3 Months

Derivatives Strategy

Underlying	Action
Titan	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
BEL	Buy
Cipla	Buy
HDFC	Buy

Duration : 1-3 months

Click here to see [open calls](#)

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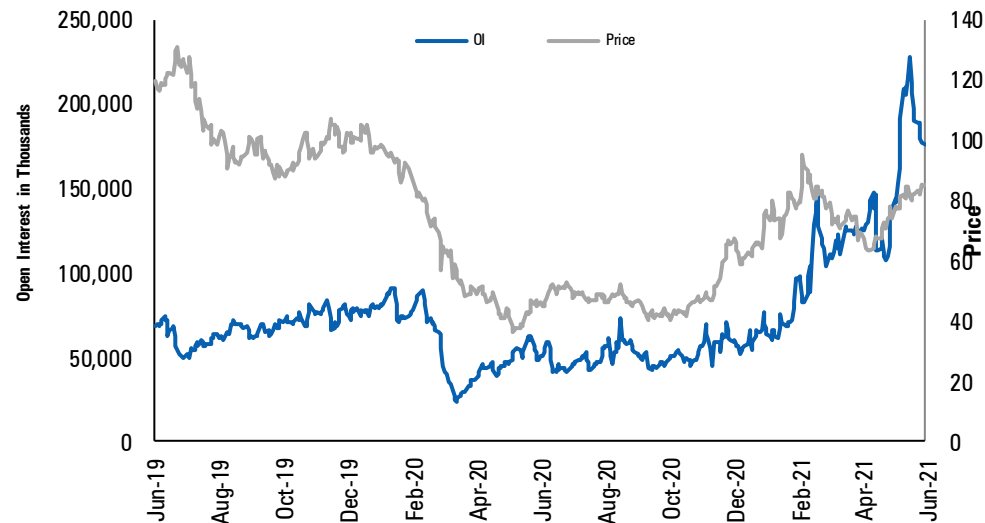
Buy Bank of Baroda in range of ₹ 84-86; Target: ₹ 102; Stop Loss: ₹ 76; Time frame: Three months

Snapshot

Spot Price	85.00
Beta	1.36
12M Avg Price (₹)	66.5
3M Avg Roll (%)	86.0%
HV 30 Day (% Annualised)	61.00

Price vs. open interest pattern

Long positions remain intact despite intermediate consolidation



Source: NSE, Seediff, ICICI Direct Research

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- Leading private banking stocks seem to be moving into a consolidation phase after a sharp up move was seen in the last one year. However, stock specific moves are likely to continue while the focus should be on PSU banking. Bank of Baroda is one such stock, which seems to be moving out of the current consolidation and is likely to make 52 weeks highs in coming weeks
- In PSU banking, SBI has been one of the best performers in the last one year but Bank of Baroda has been an underperformer. It has seen a gradual build-up of open interest in the last couple of months with the recent price performance. However, there is ample room for further increase in price. We expect further long additions in the stock once it sustains above ₹ 85 levels
- From the options space, the major Call option base was in place at 85 and 90 strikes for the June series. With the recent move, further additions of positions are visible at these strikes. We believe sharp closures may be seen among these positions once the stock sustains above ₹ 85. On downsides, the Put base is visible at 80 strike, which should act as immediate and major support for the stock in the coming weeks
- The stock witnessed noteworthy delivery volume activity in January and May. Fresh delivery based buying was seen around ₹ 70-76. Hence, any declines in the stock can be utilised as a fresh buying opportunity
- The stock made a 52-week high near ₹ 100 in February 2021. Since then, it has corrected towards its medium term support of ₹ 64 levels. Currently, it has been largely range bound hovering around ₹ 78 and ₹ 86. It failed to sustain above ₹ 85 despite many attempts in the past trading sessions. However, recently, the stock has taken support at lower band level of ₹ 78 and is now witnessing fresh buying momentum
- Note: Call has been initiated on iClick2Gain on June 15, 2021

Date	Scrp	Action	Recommendation
9-Jun-21	Jubilant Foodowrks	Buy	Long/Short Strategy : Buy Jubilant Foodworks June future at 3180-3200 & sell 3350 Call at 62-66, Target: 3415, Stop-loss: 2999, Time-frame: till June expiry.
9-Jun-21	Titan Company	Buy	Positional Future : Buy Titan June future at 1710-1720, Target: 1853, Stop-loss: 1644, Time-frame: till June expiry.

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Source: Bloomberg, ICICI Direct Research

Date	Scrp	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
10-May-21	HDFC	Buy	2525-2565	2950	2348	2550	0.4%	3 months
18-May-21	BEL	Buy	151-154	180	137.5	151	-1.0%	3 months
24-May-21	Lupin	Buy	1200-1225	1430	1098	1189	-1.7%	3 months
4-Jun-21	Page Industries	Buy	30350-30650	27850	36200	30146	-1.2%	3 months
7-Jun-21	Apollo Tyres	Buy	234-238	278	212	236	0.0%	3 months
8-Jun-21	Cipla	Buy	925-945	1090	855	969	3.6%	3 months
15-Aug-21	Bank of Baroda	Buy	84-86	102	76	85	0.0%	3 months

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Source: Bloomberg, ICICI Direct Research

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