

December 9, 2021

## Quant Pick – Bharti Airtel

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
Bharti Airtel	Buy	700-717	815	648	3 months

### Derivatives Strategy

Underlying	Action
Chola Finance	Buy

Duration : 1-2 months

[Click here to see open calls](#)

### Quant (Derivatives) Pick

Underlying	Action
HDFC Bank	Buy
HDFC	Buy
LT	Buy

Duration : 1-3 months

[Click here to see open calls](#)

### Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Dipesh Dedhia

dipesh.dedhia@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Siddhesh Jain

siddhesh.jain@icicisecurities.com

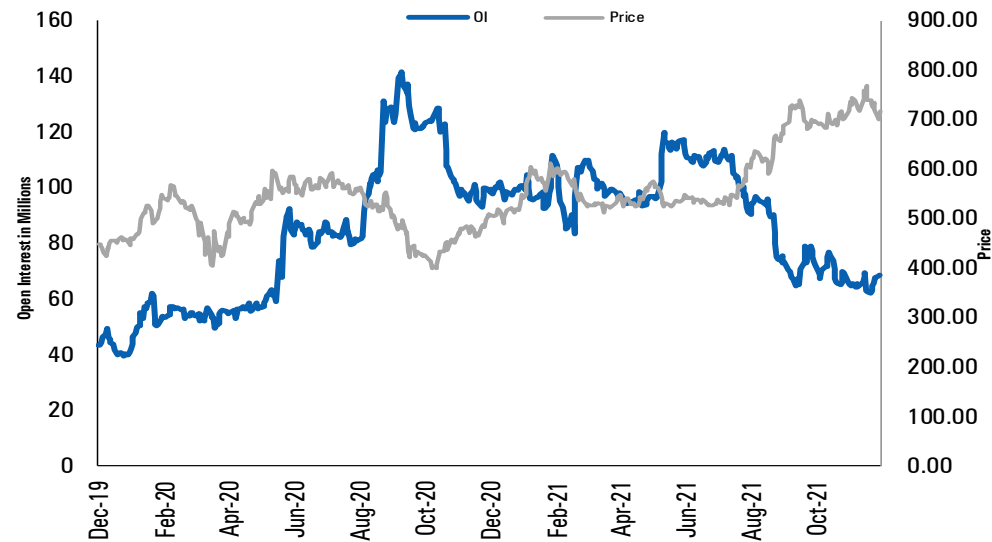
# Buy Bharti Airtel in range of ₹ 700-717; Target: ₹ 815; Stop Loss: ₹ 648; Time frame: Three months

## Snapshot

Spot Price	716.00
Beta	0.86
12M Avg Price (₹)	619.0
3M Avg Roll (%)	85.0%
HV 30 Day (% Annualised)	43.00

## Price vs. open interest pattern

### Fresh accumulation likely to take stock higher



Source: NSE, Seediff, ICICI Direct Research

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- The Nifty is exhibiting signs of recovery after sharp declines of almost 10% since mid October. Select stocks from the communication sector may witness renewed momentum amid broader market volatility. Stocks like Bharti Airtel is likely to perform better in the coming trading sessions along with the ongoing recovery seen in sectoral peers
- Recently, the Nifty witnessed long liquidation. Due to that, the December series of Nifty open interest (OI) is one of the lowest seen in the last 3 months. At the same time, most of the stock futures have started the December series with significantly low open interest. Open interest in Bharti Airtel is at 18 month low indicating significant room for fresh additions in the stock. After recent correction up to its Put base of 700, we have seen fresh accumulation at lower levels and we believe stock to find fresh strength in the coming days.
- On the options front, the stock has the highest option Put base at the 700 strike while the Call base is at the 750 strike. In spite of significant volatility in recent days, the stock has maintained its trading range of ₹ 700-750 making it a strong formation at lower levels.
- In the last multiple instance, noteworthy delivery volumes were witnessed in the stock at ₹ 700 levels. We expect levels around ₹ 680 and ₹ 700 to act as important supports for the stock in the short-term. The previous bull rally in October 2021 was seen from these levels. We expect the stock to consolidate above ₹ 700 levels and stage a pullback towards its Call base.
- In the previous correction, the stock had broadly held zone of ₹ 680-700. This time also it has reverted closer to this level and seems to be respecting the said support. The Delivery Z score reading in the cash segment indicates there is still room for further delivery pick-up in coming days. In due course, an up move should pan out in the stock
- **Note:** Call has been initiated on iClick2Gain on December 8, 2021

Date	Scrip	Action	Recommendation
30-Nov-21	Chola Finance	Buy	<b>Positional Option:</b> Buy Cholamandalam Finance December 560 Call at 24-26, Target: 50, Stop-loss: 12.5, Time-frame: till December expiry.
03-Dec-21	Adani Ports	Buy	<b>Long/Short Strategy:</b> Buy Adani Ports December future at 743-747 & Sell 780 Call at 16.5-18.5, Target: 798, Stop-loss: 704.5, Time-frame: till December expiry.
08-Dec-21	Bank Nifty	Buy	<b>Positional Future :</b> Buy Bank Nifty December future at 37080-37130, Target: 38000-38200, Stop-loss: 36695, Time-frame: till 5-7 days.
08-Dec-21	Tata Motors	Buy	<b>Long/Short Strategy:</b> Buy Tata Motors December future at 483-486, buy 485 Put at 15-16 & sell 515 Call at 7.50-8.50, Target: 523, Maximum loss: 7-8 points, Time-frame: till December expiry.

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*Source: Bloomberg, ICICI Direct Research*

Date	Scrip	Action	Buy Price	Target	SL	CMP	% Ret	Time Frame
30-Nov-21	HDFC Bank	Buy	1500-1518	1650	1425	1554	3.0%	3 months
03-Dec-21	Larsen & Toubro	Buy	1815-1835	2120	1660	1825	0.0%	3 months
07-Dec-21	HDFC	Buy	2800-2830	3110	2620	2853	1.0%	3 months
08-Dec-21	Bharti Airtel	Buy	700-717	815	749	715	0.0%	3 months

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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1<sup>st</sup> Floor, Akruti Trade Centre,  
Road no.7, MIDC  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)



*Source: Bloomberg, ICICI Direct Research*

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