

May 19, 2022

Quant Pick – MCX

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
MCX	Buy	1260-1275	1485	1150	3 months

Derivatives Strategy

Underlying	Action
Kotak Mahindra Bank	Buy

Duration : 1-2 months

[Click here to see open calls](#)

Quant (Derivatives) Pick

Underlying	Action
MCX	Buy
BEL	Buy

Duration : 1-3 months

[Click here to see open calls](#)

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Buy MCX in range of ₹ 1260-1275; Target: ₹ 1485;
 Stop Loss: ₹ 1150; Time frame: Three months

Snapshot

Spot Price	1283
Beta	0.87
12M Avg Price (₹)	1551
3M Avg Roll (%)	93%
HV 30 Day (% Annualised)	39.8

Price vs. open interest pattern



Source: NSE, Seediff, ICICI Direct Research

May 19, 2022

- Broader markets have relatively underperformed vis-à-vis the Nifty in the current round of volatility. A stock like MCX has been consolidating above its crucial support level of ₹ 1150. It has already spent four months in the broader consolidation range of ₹ 1150-1500. Currently, the stock is trading near the lower range of the band. We believe the risk-reward is favourable for the stock at current levels
- The open interest in the stock has increased sharply in the last three months. During the current series, open interest was almost at a nine-month high. As the stock has failed to participate in line with market movement, short positions were formed in it. However, consider the buying support, we believe a short covering trend may be seen, which should take the stock higher in the coming sessions
- On the options front, the stock has the highest Call option base at the 1300 strike followed by 1400 strike. In the money Call strike of 1300 may start witnessing closure, which could offer much-needed momentum towards the current expiry itself. At the same time, the Put open interest base is firming up at 1200 Put strike from where the stock has seen a sharp reversal recently. It is likely to act as strong support in the near term
- The stock saw significantly high delivery based activity during February 2022 at ₹ 1150-1200 levels. In the recent profit booking leg, the stock retested these levels and witnessed a sharp pullback. We believe accumulation is going on in the stock at lower levels while upsides are likely to be seen in coming sessions
- The stock has shown a tendency of witnessing sharp directional moves after testing its mean-2 sigma level, which is at 1200. The mean for the stock is currently placed around ₹ 1500. We expect the stock to climb towards ₹ 1500 levels
- Note: Call has been initiated on iClick2Gain on May 18, 2022

Date	Scip	Action	Recommendation
13-May-22	SBI Cards	Sell	Positional Future :Sell SBICAR (SBI CARDS AND PAYMENT SERV LTD) MAY in the range of 728-738 Target 630.5 and StopLoss 789.5
13-May-22	Hindustan Unilever	Buy	Positional Future :Buy HINLEV (HINDUSTAN UNILEVER LIMITED) MAY in the range of 2186-2196 Target 2362 and StopLoss 2098.8
16-May-22	Kotak Mahindra Bank	Buy	Positional Future :Buy KOTMAH MAY in the range of 1803-1815 Target 1925 and StopLoss 1739

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Price	Target	Stop Loss	Last close	Return at close	Time Frame
16-Mar-22	Navin Fluorine	Buy	3950-3985	4625	3610	3886	-2.5%	3 months
16-May-22	BEL	Buy	220-226	260	202	233	3.1%	3 months
18-May-22	MCX	Buy	1260-1275	1486	1150	1291	1.9%	3 months

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Source: Bloomberg, ICICI Direct Research

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