

September 15, 2021

Quant Pick – ONGC

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
ONGC	Buy	123-125	145	112	3 months

Derivatives Strategy

Underlying	Action
Colgate	Buy
HPCL	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Mahindra & Mahindra	Buy
Tata Motors	Buy
Cipla	Buy

Duration : 1-3 months

Click here to see [open calls](#)

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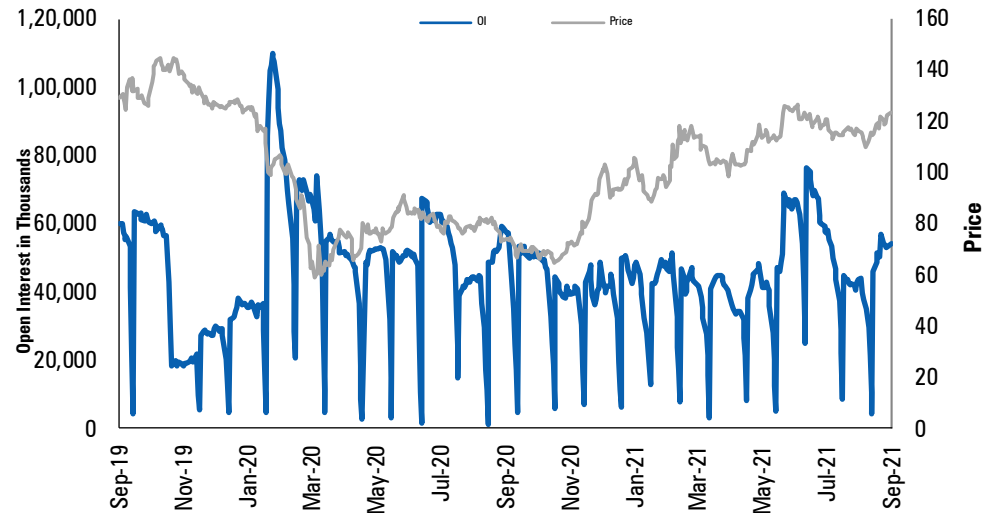
Buy ONGC in range of ₹ 123-125; Target: ₹ 145;
 Stop Loss: ₹ 112; Time frame: Three months

Snapshot

Spot Price	124.00
Beta	0.86
12M Avg Price (₹)	109.0
3M Avg Roll (%)	83.0%
HV 30 Day (% Annualised)	59.00

Price vs. open interest pattern

Long accumulation likely to take stock higher



Source: NSE, Seodiff, ICICI Direct Research

- Since the August series, the Nifty Energy index has gained over 11% against a 10% increase in the Nifty. Both midcap and large cap stocks witnessed buying support at every decline. The recent outperformance of oil & gas stocks brings the focus to ONGC, which has so far been unable to replicate the gains seen by the rest of its peers. We expect a catch up exercise to be seen in ONGC. The stock can move towards ₹ 145 levels
- The open interest in the stock has increased gradually in the last two weeks along with a price recovery. This month we saw additions of 20% in open interest. Considering continuous additions and recovery of the stock, we expect further fresh accumulation to be seen, which should take the stock higher in the coming sessions
- On the options front, the stock has significant Put option base at the 110 strike and has been trading above these levels for the last two months. Even in the August series, the major Put base remains at the 110 strike while the Call strike of 120 and 130 strike has noteworthy open interest. With initial sign of closure among Call writers, we expect some positive momentum in the coming days
- The stock witnessed noteworthy delivery based action in August around ₹ 112-115. Since then, it has largely hovered around these levels and absorbed the ongoing market volatility. However, it witnessed an up move along with the market recovery. Earlier also, the stock remained quite resilient suggesting prevailing strong positive bias
- From December 2020 to June 2021, the stock witnessed a gradual up move towards ₹ 128. Since then, it has remained largely range bound with time and price based correction. This recent decline towards ₹ 110-112 has given another opportunity to go long on the stock for fresh upsides
- **Note:** Call has been initiated on iClick2Gain on September 14, 2021

Date	Scrip	Action	Recommendation
02-Sep-21	Colgate	Buy	Positional Future: Buy Colgate September future in range of ₹ 1729-1732; Target: ₹ 1818; Stop Loss: ₹ 1678 Time-Frame: till September expiry
06-Sep-21	Hindustan Petroleum	Buy	Positional Future: Long Hindustan Petroleum (HINPET) September future in range of ₹ 275-277; Target: ₹ 300 Stop Loss: ₹ 260
08-Sep-21	Bank of Baroda	Buy	Positional Option: Buy BANBAR (BANK OF BARODA) SEP CALL 80 STRIKE RATE in the range of 2.6-3 Target 6 and StopLoss 1.4
14-Sep-21	Nifty	Sell	Long/Short Strategy: Sell Nifty 16 September 17400 Call at 72-76 & sell 17400 Put at 64-68, Premium inflow: 136-144, Target: 5, Stop-loss: 275, Time-frame: till 16 September expiry.
14-Sep-21	Bank Nifty	Sell	Long/Short Strategy: Sell Bank Nifty 16 September 36500 Put at 110-130 & buy 35500 Put at 11-13, Target: 1, Stop-loss: 214.5, Time-frame: till 16 September expiry

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	% Ret	Time Frame
08-Jun-21	Cipla	Buy	925-945	1090	855	950	1.7%	3 months
03-Aug-21	Mahindra & Mahindra	Buy	750-765	885	682	750	-1.0%	3 months
04-Aug-21	Indusind Bank	Buy	1025-1040	1195	939	1039	0.5%	3 months
06-Aug-21	Tata Motors	Buy	295-303	360	268	307	2.5%	3 months
27-Aug-21	Torrent Power	Buy	488-492	560	451	482	-1.6%	3 months
14-Sep-21	PVR	Buy	1385-1400	1592	1275	1408	0.9%	3 months
14-Sep-21	ONGC	Buy	123-125	145	112	125	0.0%	3 months

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Source: Bloomberg, ICICI Direct Research

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ICICI Securities Ltd. | Retail Equity Research

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