

July 6, 2021

Quant Pick – UltraTech Cement

Quant Pick					
Stock	Action	Initiation Range	Target	Stop loss	Time Frame
Ultratech Cement	Buy	6775-6875	7770	6318	3 Months

Derivatives Strategy

Underlying	Action
Hindalco	Buy
Aurbindo Pharma	Buy

Duration : 1-2 months

Click here to see [open calls](#)

Quant (Derivatives) Pick

Underlying	Action
Ultratech Cement	Buy
NMDC	Buy
HDFC	Buy

Duration : 1-3 months

Click here to see [open calls](#)

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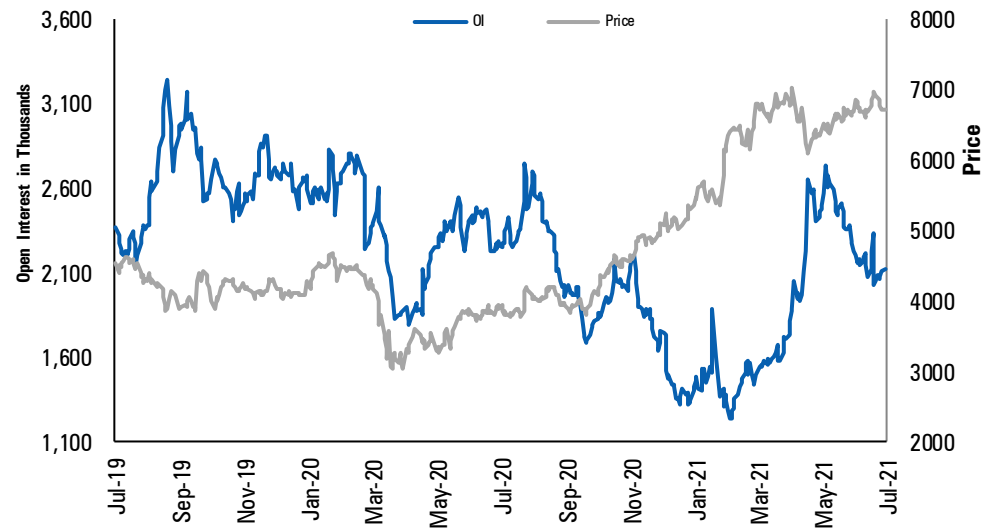
Buy UltraTech Cement in range of ₹ 6775-6875; Target: ₹ 7770; Stop Loss: ₹ 6318; Time frame: Three months

Snapshot

Spot Price	6950.00
Beta	1.01
12M Avg Price (₹)	5875.0
3M Avg Roll (%)	93.0%
HV 30 Day (% Annualised)	45.00

Price vs. open interest pattern

Fresh accumulation likely to provide up move



Source: NSE, Seediff, ICICI Direct Research

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- Broader markets have started outperforming along with the Nifty. Select stocks from the infrastructure sector may witness renewed momentum amid a sustained broader market recovery. Cement stocks like UltraTech Cement are likely to perform better in the coming trading sessions along with the ongoing recovery in sectoral peers like Ambuja Cement and ACC
- Since May 2021, UltraTech has taken support near ₹ 6600-6700 levels on multiple instances. Also, looking at the significant delivery volume activity in May 2021 and then in mid-June 2021, these levels seem very crucial. In such a scenario, the positive bias may continue in the stock till these levels are held
- On the F&O front, leveraged positions in the stock have declined considerably in the last two months as stock prices remained subdued and were unable to perform in line with the market. Despite sharp closure, the stock has been able to hold its Put base indicating prevailing positive bias in the stock. We believe fresh addition in the stock will trigger another round of up move in it
- On the options front, the stock has the highest Call option base at the 7000 strike followed by 7200 strike. Near the money Call strike of 7000 in UltraTech Cement has started to witness 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 6500 and 6700 Put strike from where the stock has seen a sharp reversal recently and is likely to act as strong support in the near term
- The delivery Z-Score has again started to move into the positive territory since April 2021 as the stock is witnessing fresh accumulation in the delivery segment
- Note: Call has been initiated on iClick2Gain on July 6, 2021

Date	Scrp	Action	Recommendation
25-Jun-21	Hindalco	Buy	Positional Option: Buy Hindalco July 385 Call at 11-13, Target: 25, Stop-loss: 4.5, Time-frame: till July expiry.
29-Jun-21	Reliance Industries	Sell	Long/Short Strategy : Sell Reliance July 2100 Call at 68-70 & 2100 Put at 60-62, Premium inflow: 128-132, Target: 30, Stop-loss: 201, Time-frame: till July expir
2-Jul-21	Aurobindo Pharma	Buy	Long/Short Strategy : Buy Aurobindo Pharma July future at 996-1002 & buy 1000 Put at 30-32, Target: 1100, Time-frame: till July expiry.

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Source: Bloomberg, ICICI Direct Research

Date	Scrip	Action	Buy Price	Target	SL	CMP	%Ret	Time Frame
10-May-21	HDFC	Buy	2525-2565	2950	2348	2517	-0.9%	3 months
24-May-21	Lupin	Buy	1200-1225	1430	1098	1152	-4.8%	3 months
4-Jun-21	Page Industries	Buy	30350-30650	36200	27850	30860	1.2%	3 months
7-Jun-21	Apollo Tyres	Buy	234-238	278	212	229	-3.0%	3 months
8-Jun-21	Cipla	Buy	925-945	1090	855	973	4.1%	3 months
15-Jun-21	Bank of Baroda	Buy	84-86	102	76	87	2.1%	3 months
28-Jun-21	NMDC	Buy	179.5-181.5	205	167	173	-3.9%	1 months
6-Jul-21	Ultratech Cement	Buy	6775-6875	7770	6318	6950	1.1%	3 months

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Source: Bloomberg, ICICI Direct Research

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