

BLUECHIPS READY TO ROLL

Two Nifty heavyweights to watch out for!

Bajaj Finance



Fundamental View

The NBFC has informed the exchanges that the RBI has **lifted the restriction** on sanctioning and disbursing its digital loans, which were put in place in November 2023. These restrictions had temporarily depressed profitability in Q3 FY24/ Q4 FY24 (~4% on net income), and lifting them should allow the company to see some **improvement in RoA** (return on assets) in a seasonally low Q1, driven by better fees. The top end may appear more promising with increased fee contributions if the company can regain lost ground in Q4.

Derivatives View

The scrip is witnessing **pre-rollovers at 58%**, with the option chain strongly favoring the Bulls. Put writers are decisively aggressive at 7000PE, adding over 1200 contracts overall, while Call writers are aggressively building positions all the way up to the 7500 and 8000 strikes, with more than 2000 contracts each. The stock has also sustained a **breakout above the 6900 zone** on a monthly basis, suggesting continued momentum for a sharp upside move.

Reliance Industries



Fundamental View

RIL's New Energy giga-factories are expected to start in 2024. RIL aims to use a **large captive hydrogen demand** as an anchor to set up scale electrolyser and solar capacities. Investors should not expect large EBITDA from these projects in the near term. However, improved communication from RIL on this business could become a stock driver. Recent company guidance of maintaining **net debt to EBITDA of less than 1x** also implies positive free cash flow generation.

Derivatives View

The scrip is witnessing **pre-rollovers of 54%**, with the next series showing aggressive put writers building up their positions convincingly at 2900PE – overall more than 4100 contracts. Call writers also hint at **upside potential up to 3200**, with maximum fresh additions at 3200CE – more than 445 contracts. The stock has been consolidating on a monthly basis between the 2850-2940 zones. A breach on the upside will likely trigger sharp momentum towards higher targets.