

Key developments during the week

- India Apr-Feb fiscal gap 5.07 trln rupees, up 2.8% on yr
- Oct-Dec current account gap 6.7% of GDP vs 4.4% year ago
- Fin min panel proposes financial regulatory framework with 7 agencies
- India Feb CPI industrial workers inflation 12.06% vs 11.62% Jan
- Moody's sees India power sector remaining grim over next 12-18 mos
- Head says NHB to seek extension for home fin cos to raise FX debt
- US FDA lifts import alert on Aurobindo Pharma's Hyderabad unit
- GMR Group co to sell stake in 2 South African coal mining assets
- Novartis India promoter to cut stake to meet public shrholding norm
- Godrej Properties launches affordable housing scheme in Ahmedabad
- DQ Entertainment in licensing pact with Walmart for sale of DVDs
- KEC Intl MD expects revenue to grow 20% in FY13, 15-20% in FY14
- IL&FS Transport gets order for 13.5-blm-rupee road project
- Bharat Electronics to mfg sub-assemblies for Boeing's F/A-18 jets
- BHEL to supply main equipment for 2x800 MW Gadawara plant
- HCL Tech sells full 49% stake in JV to NEC Corp for \$12 mln

INDEX	28-Mar-13	22-Mar-13	Change (in %)
NIFTY	5682.55	5651.35	0.55
SENSEX	18835.77	18735.60	0.53
NSE 500	4438.35	4404.50	0.77
NSE MIDCAP	1933.00	1912.10	1.09
NIFTY JUNIOR	11222.80	11091.15	1.19
BSE SMALLCAP	5804.65	5772.93	0.55
BSE 200	2287.96	2271.57	0.72

INDEX	28-Mar-13	22-Mar-13	Change (in %)
BSE CD	7094.55	6825.22	3.95
BSE OIL AND GAS	8326.60	8422.26	-1.14
BSE PSU	6481.16	6377.08	1.63
BSE FMCG	5919.19	5853.30	1.13
BSE Capital Goods	9017.59	9123.58	-1.16
BSE AUTO	9994.23	10115.33	-1.20
BSE REALTY	1780.09	1781.36	-0.07
BSE BANK	13033.35	12866.93	1.29
BSE TECH	3900.94	3847.20	1.40
BSE HEALTHCARE	8008.09	7952.69	0.70
BSE IT	6885.46	6787.91	1.44
BSE METALS	8758.32	8625.34	1.54

INDEX	28-Mar-13	22-Mar-13	Change (in %)
Dow Jones	14578.54	14512.03	0.46
Hang seng	22299.63	22115.30	0.83
Nikkei	12389.67	12338.53	0.41
FTSE	6411.74	6392.76	0.30

Domestic events week ahead

- Apr 01:** Manufacturing PMI for March, by HSBC.
- Apr 03:** Services PMI and composite PMI for March, by HSBC.

Source: NW18

Global events week ahead

- Apr 01:** US Final Manufacturing PMI, US ISM Manufacturing PMI, US Construction Spending m/m
- Apr 02:** Japan Average Cash Earnings y/y, German Prelim CPI m/m, Spanish Unemployment Change, Spanish Manufacturing PMI, Italian Manufacturing PMI, Europe Final Manufacturing PMI, Italian Monthly Unemployment Rate, Europe Unemployment Rate, US Factory Orders m/m, US Total Vehicle Sales
- Apr 03:** US FOMC Member Evans Speaks, US CPI Flash Estimate y/y, US ADP Non-Farm Employment Change, US ISM Non-Manufacturing PMI, US Crude Oil Inventories
- Apr 04:** US FOMC Member Bullard Speaks, Japan Monetary Policy Statement, Japan BOJ Press Conference, Spanish Services PMI, Italian Services PMI, Europe Final Services PMI, Europe PPI m/m, Europe Minimum Bid Rate, ECB Press Conference, US Challenger Job Cuts y/y, US Unemployment Claims, US FOMC Member Evans Speaks, US FOMC Member George Speaks, US Natural Gas Storage
- Apr 05:** Japan BOJ Monthly Report, Europe Retail Sales m/m, Europe Final GDP q/q, German Factory Orders m/m, US Non-Farm Employment Change, US Trade Balance, US Unemployment Rate, US Average Hourly Earnings m/m



Weekly Sector Outlook and Stock Picks

Auto sector - Rangebound this week in run-up to FY13 sales nos

Shares of major automobile manufacturing companies are expected to move in a narrow range this week on release of monthly and yearly (Apr-Mar) sales numbers, which in no way are going to be positive for companies. Mahindra & Mahindra is one of the few companies that is expected to post impressive sales numbers for the ongoing financial year, mainly on high sales of its recently launched sport utility vehicles, XUV500 and Quanto. The Maruti Suzuki India counter might also see some positive movement as the company is likely to have recorded a 4-5% on year rise in sales, mainly on high sales of its multi-purpose vehicle Ertiga. If the government accepts industry demand of exempting sub 1.2-mln-rupee sports utility vehicles from excise hike, it would be a positive for counters such as Mahindra & Mahindra and Force Motors.

Capital Goods sector - Seen underperforming this week

Shares of most capital goods and engineering companies are seen underperforming this week as most companies are likely to have had lower-than-expected order inflows in Jan-Mar. The fourth-quarter is traditionally a strong one for capital goods companies as a lot of government contracts get sealed. But this has not been the case in Jan-Mar so far. Once the orders come back to the sector, shares of fundamentally strong companies like L&T and BHEL could see some positive traction.

FMCG Sector - Bias seen negative this week; ITC to buck trend

Shares of major fast-moving consumer goods companies, apart from ITC, are seen trading with a negative bias this week as the market awaits indicators that will quantify the perceived moderation in demand. ITC shares are expected to buck the trend on account of an announcement on pricing of cigarettes that will come this week.

Cement Sector – Seen under pressure; Mar despatch data eyed

Shares of major cement companies are seen under pressure in the coming sessions as sentiment for the sector remains poor due to unusually low demand. Investors will take cues from March despatches data, due this week. With cement companies having failed to raise prices of the commodity over the past two months amid low demand, investors are worried about cement makers' performance during Jan-Mar.

Oil Sector –PSU retailers in range this week with positive bias

Shares of state-owned oil marketing companies are likely to trade in a narrow range with a slight uptick this week, as the companies are expected to receive disbursement of around 250 bln rupees from the finance ministry. In the first fortnight of February, the finance ministry informed the three state-owned oil companies that it will pay an additional compensation of 250 bln rupees as its share for revenue losses incurred on subsidised sale of petroleum fuels in the current financial year ending March. Investors will also keenly eye any revision in prices of fuels that may be announced this week by the three public sector oil retailers IOC, BPCL and HPCL.

Steel Sector - Down on weak fundamentals, likely bearish results

Shares of major steel companies are seen down this week due to weak fundamentals and expectations of bearish Jan-Mar earnings. Domestic steel prices have fallen below international prices due to sluggish demand for the alloy. Moreover, rise in cheaper imports from Japan and Korea are restricting local steel players from hiking their product prices. These factors, along with weak auto sales and sluggish construction demand, are contributing to the weak fundamentals of the sector. According to the Society of Indian Automobile Manufacturers, India's automobile sales growth in this financial year is seen at 3.6%, lower than the previous year.

**Bank sector – Rangebound with positive bias; pvt banks in focus**

Bank stocks are likely to trade rangebound with a positive bias this week tracking upbeat cues from the broader markets. Stocks of private bank companies are likely to rise among investors ahead of the announcement of Jan-Mar earnings. State-owned banks are likely to face margin pressures and also stress on profitability on account of rising stress in asset quality and higher provision requirements.

Telecom Sector – To trade sideways with positive bias this week

Stocks of telecom providers are expected to trade sideways with a positive bias this week, with select telecom stocks having undergone major correction and now poised for consolidation.

Pharma sector – Seen up this week on uncertainty in broad market

Shares of major pharmaceutical companies are seen trading with an upward bias this week following disappointing current account deficit for Oct-Dec coupled with global and political uncertainties. India's current account deficit widened to touch a record high of 6.7% of gross domestic product in Oct-Dec from 4.4% a year ago and 5.4% in Jul-Sep. The broad market looked uncertain for the week ahead, and investors would turn towards defensive stocks such as pharmaceuticals and fast moving consumer goods. Defensive stocks tend to move up when the broad market is down.

Market Range for Week 5550- 5850

Nifty	Values	Resistance – Nifty facing Resistance level @5720 level above this level it may go up to @5750 & @ 5780 level. Support - Support comes for market @5650 level for Nifty; below this level Nifty next support @5610 and @5550 will be the major support for Market.
Support 1	5650	
Support 2	5610	
Support 3	5550	
Resistance 1	5720	
Resistance 2	5750	
Resistance 3	5780	

Technical – Last week Nifty opened at 5707 & it made a high of 5718. Last week we have seen some selling in the market. Nifty made a low of 5604 & closed at 5682. Last week Nifty drags 114 points from its high & on weekly basis it closed at 31 point's higher. Sensex made a weekly high of 18950 & a low of 18835 almost it drags 382 points in the week from its high. So overall last week we have seen selling pressure from higher level.

For the coming week the market range we expect 5550-5850

Weekly Chart View –

Last week we had expected market range (5550-5780) market made a high of 5718 & low of 5604 so overall it holds our both side range.

In last week report we had mentioned, on daily chart market was below lower trendline but above 200DMA&EMA & on weekly chart below lower trendline, because of all that we had mentioned 200DMA & EMA will be major support & from that level we all have seen some bounce in the market but same time did not cross resistance which was 5750-5780. Now on daily chart market still holding 200DMA&EMA & oscillator showing some oversold position. On weekly chart market holding 50WMA, but still below lower trendline. So overall unless we did not get close below 5600-5550 we can see some oversold rally or consolidation & major resistance still 5750-5780, if we get close above then we can see some more upside in the market.

**Weekly Chart****Market Commentary –**

Markit Economics will unveil HSBC India Manufacturing PMI, which gauges the business activity of India's factories, for March 2013 on Monday, 1 April 2013.

Markit Economics will unveil the result of a monthly survey on the performance of India's services sector for March 2013 on Wednesday, 3 April 2013. The HSBC services Purchasing Managers' Index, based on a survey of around 400 companies, fell to 54.2 in February from a one-year high of 57.5 in January. Services make up over 60% of India's economy.

Auto and cement stocks will be in focus as companies from these two sectors start unveiling monthly sales volume data for March 2013 from Monday, 1 April 2013.

IndusInd Bank and NMDC become a part of the 50-unit CNX Nifty index with effect from Monday, 1 April 2013. These two stocks replace Siemens and Wipro in Nifty.

The Q4 March 2013 corporate earnings will start trickling in from around mid-April 2013. Investors and analysts will closely watch the management commentary that would accompany the result which could cause revision in their future earnings forecast of the company for the year ending 31 March 2014 and or for the year ending 31 March 2015.

Upside on the domestic bourses may be capped due to increase in supply of equity in the market over the next few months. Reduction of promoter stake to meet the Securities & Exchange Board of India (Sebi) mandated minimum public shareholding of 25% for private companies and 10% for state-run firms will result in supply of equity in the market over the next few months. As per the Sebi mandated minimum public shareholding rule, private-sector



Companies must cut founders' stake to adhere to the rules by 30 June 2013, while the deadline for state-run firms is 31 August 2013. PSU divestment will also add to share sale glut in FY 2014. The government has set a target of Rs 40000Crore from divestment of government stake in state-run firms and Rs 14000 crore from divestment of stake in non-government Companies for FY 2014.

Weekly Technicals of Key Companies –

Company	Closing 28-Mar-13	Buy/Sell Trigger	Resistnace 1	Resistance 2	Support 1	Support 2
ACC	1159.20	1156.73	1172.37	1185.53	1143.57	1127.93
AMBUJACEM	174.20	173.40	180.80	187.40	166.80	159.40
ASIANPAINT	4917.25	4921.88	4996.67	5076.08	4842.47	4767.68
AXISBANK	1300.70	1304.07	1331.08	1361.47	1273.68	1246.67
BAJAJ-AUTO	1799.55	1797.62	1840.93	1882.32	1756.23	1712.92
BANKBARODA	675.40	671.73	691.87	708.33	655.27	635.13
BHARTIARTL	291.75	291.73	298.02	304.28	285.47	279.18
BHEL	177.00	178.32	182.38	187.77	172.93	168.87
BPCL	377.70	376.55	384.95	392.20	369.30	360.90
CAIRN	272.45	275.25	282.80	293.15	264.90	257.35
CIPLA	379.75	380.67	385.08	390.42	375.33	370.92
COALINDIA	309.10	304.37	314.73	320.37	298.73	288.37
DLF	234.70	236.50	245.10	255.50	226.10	217.50
DRREDDY	1766.50	1764.57	1797.93	1829.37	1733.13	1699.77
GAIL	318.25	315.50	330.75	343.25	303.00	287.75
GRASIM	2813.30	2845.08	2890.22	2967.13	2768.17	2723.03
HCLTECH	795.00	786.67	813.33	831.67	768.33	741.67
HDFC	826.25	819.15	837.10	847.95	808.30	790.35
HDFCBANK	625.35	619.68	636.82	648.28	608.22	591.08
HEROMOTOCO	1542.00	1574.53	1633.12	1724.23	1483.42	1424.83
HINDALCO	91.60	90.32	93.73	95.87	88.18	84.77
HINDUNILVR	466.95	467.03	475.72	484.48	458.27	449.58
ICICIBANK	1045.20	1034.57	1066.98	1088.77	1012.78	980.37
IDFC	143.60	142.45	147.80	152.00	138.25	132.90
INFY	2889.35	2872.98	2913.32	2937.28	2849.02	2808.68
ITC	309.45	306.90	312.55	315.65	303.80	298.15
JINDALSTEL	347.75	349.88	360.67	373.58	336.97	326.18
JPASSOCIAT	65.45	64.77	66.83	68.22	63.38	61.32
KOTAKBANK	653.00	646.35	666.35	679.70	633.00	613.00
LT	1366.20	1373.52	1413.53	1460.87	1326.18	1286.17
LUPIN	628.55	627.78	640.07	651.58	616.27	603.98
M&M	861.30	860.47	880.83	900.37	840.93	820.57
MARUTI	1281.20	1292.43	1318.77	1356.33	1254.87	1228.53
NTPC	141.95	142.38	144.37	146.78	139.97	137.98
ONGC	311.40	308.13	317.27	323.13	302.27	293.13



PNB	717.90	722.13	740.27	762.63	699.77	681.63
POWERGRID	105.80	105.07	107.13	108.47	103.73	101.67
RANBAXY	438.75	437.22	452.33	465.92	423.63	408.52
RELIANCE	772.90	786.88	809.37	845.83	750.42	727.93
RELINFRA	324.45	331.80	348.55	372.65	307.70	290.95
SBIN	2072.75	2074.97	2122.83	2172.92	2024.88	1977.02
SESAGOA	155.50	154.40	158.80	162.10	151.10	146.70
SIEMENS	548.65	542.42	570.23	591.82	520.83	493.02
SUNPHARMA	818.95	821.02	827.73	836.52	812.23	805.52
TATAMOTORS	269.15	271.13	275.92	282.68	264.37	259.58
TATAPOWER	96.50	95.87	98.18	99.87	94.18	91.87
TATASTEEL	312.85	313.95	327.20	341.55	299.60	286.35
TCS	1575.75	1562.52	1596.63	1617.52	1541.63	1507.52
ULTRACEMCO	1868.95	1859.87	1903.03	1937.12	1825.78	1782.62
WIPRO	437.15	435.18	443.87	450.58	428.47	419.78

Source: Iris Software

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