

Key developments during the week

- India FY14 GDP growth estimated at 6.9%
- India Apr-Dec fiscal gap 5.324 trln rupees vs 5.164 trln YoY
- India Apr-Dec tax mop-up 7.957 trln rupees vs 7.437 trln YoY
- Jayant Sinha says Indian economy size to double to \$4 trln in 10-12 years
- Jayant Sinha says rupee has strong tailwinds with firm capital flows
- Minister Sinha says "quite confident" of meeting FY15 fiscal gap aim
- Moody's says India's food subsidy reforms credit positive
- Bharti arm to apply for payments bank license; Kotak Bank to invest 19.9%
- HC asks RBI to respond by Feb 12 on PIL for probe into PSU bank NPAs
- Competition panel may use moral suasion with realty companies, drop charge
- Jaitley says new commercial relation forged with US post Obama visit
- Finance minister source says Jan gold import situation "comfortable" so far
- Jaitley says government in a position to meet FY15 fiscal targets
- Govt says US, India to formulate smart city action plans in three months
- FIPB to meet on Feb 4 to consider 36 FDI proposals

INDEX	30-Jan-15	23-Jan-15	Change (in %)
NIFTY	8808.90	8835.60	-0.30
SENSEX	29182.95	29278.84	-0.33
NSE 500	7166.70	7710.25	-7.05
NSE MIDCAP	3484.30	3451.10	0.96
NIFTY JUNIOR	19546.45	19462.25	0.43
BSE SMALLCAP	11329.26	11366.09	-0.32
BSE 200	3641.16	3639.64	0.04

INDEX	30-Jan-15	23-Jan-15	Change (in %)
BSE CD	10655.36	10269.95	3.75
BSE OIL AND GAS	10143.20	9901.43	2.44
BSE PSU	8205.06	8355.21	-1.80
BSE FMCG	8275.45	8118.69	1.93
BSE CAPITAL GOODS	17095.72	17016.00	0.47
BSE AUTO	19985.90	20106.78	-0.60
BSE REALTY	1811.36	1672.99	8.27
BSE BANK	22715.52	22984.00	-1.17
BSE TECH	6136.48	6203.40	-1.08
BSE HEALTHCARE	15666.51	15506.76	1.03
BSE IT	11178.71	11228.25	-0.44
BSE METAL	10190.20	10510.06	-3.04

INDEX	30-Jan-15	23-Jan-15	Change (in %)
DOW JONES	17164.95	17672.60	-2.87
HANG SENG	24507.05	24850.45	-1.38
NIKKEI	17674.39	17511.75	0.93
FTSE	6749.40	6832.83	-1.22

Domestic events week ahead

- Feb 02:** Core sector growth for December, by commerce and industry ministry.
- Feb 02:** Manufacturing PMI for January, by HSBC.
- Feb 02-06:** Power generation for January, by Central Electricity Authority.
- Feb 03-06:** Foreign tourist arrivals in January, by tourism ministry.
- Feb 03-06:** Major port traffic in Apr-Jan, by Indian Ports Association.
- Feb 04:** Services PMI for January, by HSBC.
- Feb 04:** Money supply as on Jan 16, by RBI.
- Feb 06:** WMA and forex reserves as on Jan 30, by RBI.

Source: NW18

Global events week ahead

- Feb 02:** Japan Final Manufacturing PMI, China HSBC Final Manufacturing PMI, Spanish Unemployment Change, Spanish Manufacturing PMI, Italian Manufacturing PMI, Europe Final Manufacturing PMI, UK Manufacturing PMI, US Personal Spending m/m, US Final Manufacturing PMI, US ISM Manufacturing PMI
- Feb 03:** UK Construction PMI, Europe PPI m/m, US Factory Orders m/m
- Feb 04:** China HSBC Services PMI, Spanish Services PMI, Italian Services PMI, Europe Final Services PMI, UK Services PMI, Europe Retail Sales m/m, US ADP Non-Farm Employment Change, US Final Services PMI, US ISM Non-Manufacturing PMI, US Crude Oil Inventories
- Feb 05:** German Factory Orders m/m, Europe Retail PMI, UK Official Bank Rate, UK Asset Purchase Facility, US Trade Balance, US Unemployment Claims, US Prelim Nonfarm Productivity q/q, US Prelim Unit Labor Costs q/q
- Feb 06:** German Industrial Production m/m, French Gov Budget Balance, French Trade Balance, UK Trade Balance, US Non-Farm Employment Change, US Unemployment Rate, US FOMC Member Lockhart Speaks

Weekly Sector Outlook and Stock Picks

Auto sector – To take cues from Jan sales numbers this week

Shares of major automobile manufacturers this week are seen taking cues from their respective sales numbers to be announced on Jan 2. The January numbers would be tepid on the back of excise duty hike, so the stocks are seen under pressure this week. Maruti Suzuki India Ltd is likely to be least affected by the reversal, due to a fall in crude prices pulling up sales of petrol vehicles when compared with the diesel-powered ones. The presence of a bias towards petrol-powered vehicles in Maruti Suzuki's portfolio would see it report better numbers than its peers. Mahindra & Mahindra Ltd, on the other hand, would be seen facing the brunt of the reverse-dieselization, and post a fall in sales. The overbearing presence of a diesel portfolio in M&M's ranks makes it an underperformer currently. New launches in the passenger vehicle division, and signs of a revival in the heavy commercial vehicle space would see Tata Motors Ltd post positive sales numbers for the month of January, and the stock is seen trading with a positive bias. Hero MotoCorp Ltd is scheduled to detail its Oct-Dec earnings on Jan 3. The company is seen reporting a 34% on-year rise in net profit at 7.03 bln rupees.

Bank Sector – Bias seen negative this week; RBI policy key focus

Bank stocks are expected to trade with a negative bias this week, with expectations the trend of weak Oct-Dec earnings to continue. Bank stocks slumped after two big lenders ICICI Bank and Bank of Baroda reported weak earnings for Oct-Dec, primarily due to asset quality stress. We expect other big banks such as Punjab National Bank too also report weak Oct-Dec earnings on account of asset quality deterioration. However, the overall sentiment in banks continues to be positive and the coming week remains a good opportunity to buy, with the economy expected to pick up in the coming quarters given the expected easing in interest rates by the Reserve Bank of India. Meanwhile, stock-specific activity is expected to continue, with Indian Bank, Punjab National Bank, Canara Bank, Central Bank of India, Allahabad Bank, among others, scheduled to detail their Oct-Dec results this week.

Capital Goods Sector – To see stock-specific action this week

Shares of capital goods companies are likely to be stock-specific this week, as many major companies in the sector will be announcing their Oct-Dec results. Energy and environment equipment maker Thermax announced its Oct-Dec earnings. The company reported standalone net profit of 762.08 mln rupees, up 14.35% on year. This week, engine and genset maker Cummins India will detail its Oct-Dec earnings on Jan 2, while Avantha Group-promoted Crompton Greaves will do so on Jan 3. Cummins India is seen reporting standalone net profit at 1.76 bln rupees, up 20% on year, and net sales at 11.69 bln rupees, up 17% on year. Electrical equipment maker Crompton Greaves is seen reporting consolidated net sales of 35.60 bln rupees, up 6% on year, and net profit of 865 mln rupees, up 39% year-on-year.

Cement Sector – To trade with positive bias this week

Stocks of major cement companies are expected to trade with a positive bias this week, in anticipation of a big push for the real estate and infrastructure sectors in the Union Budget. Cement stocks have been rallying for post Reserve Bank of India's move of slashing key policy rates earlier this month, and the momentum is seen continuing in the run-up to the Budget, scheduled to be detailed on Feb 28. Following the earlier 25 bps rate cut, the Budget is expected to introduce further reforms to boost building in India, especially given the 'Make in India' focus real estate, select infrastructure companies, and consequently cement companies seen benefitting the most in the long-term. Market will also keep an eye on the Oct-Dec earnings of ACC. ACC is seen reporting Oct-Dec net profit at 1.99 bln rupees, down 28% year-on-year. The company is scheduled to detail its earnings for the quarter on Jan 3.

FMCG Sector – Seen rangebound; Godrej Consumer earnings eyed

Shares of fast moving consumer goods companies are likely to trade rangebound this week tracking the overall broader market trend and lack of any major triggers. Market participants will eye Oct-Dec earnings of Godrej Consumer Products, to be released on Jan 5. Godrej Consumer is likely to report a consolidated net profit of 2.43 bln rupees up 24% on year. Hindustan Unilever is seen positive. Revival in consumer demand and fall in input costs are seen supporting HUL in the long run. ITC shares broke its rangebound trend and rose 5.5% on week. However, we do not expect any significant upward movement due to overhang of likely changes in government's fiscal policies on cigarettes, which could hit the company. The Reserve Bank of India's bimonthly monetary policy on Jan 3 will be in focus. The central bank is widely expected to keep rates unchanged after the surprise 25 bps cut announced earlier this month.

**IT Sector – In range this week on lack of triggers**

Shares of information technology companies are expected to trade in a range this week in the absence of any specific triggers. Investors will keenly watch the movement of the rupee against the dollar, though only significant movement on either side will impact IT stocks. HCL Technologies announced its Oct-Dec earnings, beating estimates. Its revenue, in dollar terms, grew 12.8% on year to \$1.5 bln. Investors closely monitored US President Barack Obama's talks with India Prime Minister Narendra Modi, especially on H1B visas. While nothing specific was discussed on the topic, Obama said, he had "noted India's concerns" and the topic is expected to come up once the two countries start the bilateral investment talks. Given that H1B visa allows US companies to employ foreign professionals, Indian IT companies, and IT giants like Tata Consultancy Services and Infosys are the highest users of these visas. Prospects of the US economy's revival have also brightened up. US Federal Reserve Chair Janet Yellen on Jan 29 offered an upbeat assessment on the US economy in a meeting. Optimism in the US economy translates into an increase in client budgets that would mean Indian IT companies hold a lot of promise, as they are expected to clock better revenue.

Oil Sector – Fuel price review key for oil PSUs, bias positive

Shares of state-owned oil marketing companies Indian Oil Corp Ltd, Bharat Petroleum Corp Ltd and Hindustan Petroleum Corp Ltd may open a tad muted this week. There are talks that the government may ask the companies to skip the fortnightly revision this week in view of the assembly elections in Delhi on Feb 7. While the move may not have a significant financial impact for the three companies, it would be sentimentally negative. However, the recovery in oil prices has helped these companies reverse inventory losses piled over the last few months due to the sustained decline in crude oil prices. If the crude prices continue strengthening or remain stable, shares of the three fuel retailers will trade positive bias on a weekly basis. Shares of Reliance Industries Ltd may also remain buoyant this week. While recovery in crude oil prices will help the company recoup some of its inventory losses, it will also lift earnings from its upstream business. Moreover, the company has decided to invest again in its KG-D6 block, lifting the uncertainty over the fate of the block over which it is embroiled in several disputes with the government. The company's partner in the block BP plc said this week that they will invest 60 bln rupees by 2016 to boost gas recovery from the block. The two companies are also aiming to develop NEC-25 block on the Odisha coast that consists of many discoveries.

Pharma sector – Seen positive; Lupin, Wockhardt results eyed

Shares of frontline pharmaceutical companies are seen trading positive this week due to defensive buying as the markets at large are seen down. The street will also be looking for Oct-Dec earnings of key pharmaceutical majors, including Aurobindo Pharma Ltd, Lupin Ltd, Wockhardt Ltd and Alembic Pharmaceuticals Ltd. Shares of Aurobindo Pharma, Lupin and Sun Pharmaceuticals would outperform, while Dr Reddy's Laboratories Ltd shares to underperform. Dr Reddy's is not at lifetime high right now. The particular stock is moving in range and would continue to do so.

Metal Sector – In range; Tata Steel, Jindal Steel eyed

Shares of metal companies are expected to trade range bound this week with investors eyeing Nifty metal majors Tata Steel and Jindal Steel and Power which are scheduled to detail their results this week. The market will also eye the Reserve Bank of India's policy meet on Feb 3. Most market participants believe that a further rate cut will only be possible after the Union Budget. Tata Steel Ltd is expected to post a consolidated Oct-Dec net profit of 82 mln rupees in Oct-Dec, down an enormous 98% from a year ago. Net sales of the company are expected to be 336.75 bln rupees, down 8%. Jindal Steel is scheduled to detail its results on Jan 3. Lower realisations along with de-allocation of captive coal block powering power and sponge iron units are likely to pull down the company's consolidated Oct-Dec net profit by 57% on year at 2.42 bln rupees. Net sales of the company are seen falling 1% on year to 52.93 bln rupees.

Telecom Sector – In range this week; Bharti Airtel's results eyed

Shares of major telecommunications companies are seen trading in a range this week for lack of a clear trend in the sector. There is no trend right now as such, so the sector, as well as sector leader Bharti Airtel is expected to trade in a range. But because of the recent fall in the stocks, a negative bias will be seen. Bharti Airtel's listed tower infrastructure subsidiary Bharti Infratel Ltd is also set to report its earnings a day ahead on Jan 3. Bharti Infratel is seen reporting consolidated net profit for the three-month period ended December, to rise 24% year-on-year to 5.09 bln rupees, primarily on improved tenancies led by the entry of Reliance Jio Infocomm Ltd. Reliance Communications is expected to follow the sectoral trend, and will be range-bound this week.



Market Range for Week 8650- 9080

Nifty	Values
Support 1	8750
Support 2	8680
Support 3	8580
Resistance 1	8880
Resistance 2	8980
Resistance 3	9080

Resistance – Nifty facing Resistance level @8880 level above this level it may go up to @8980 & @ 9080 level.

Support - Support comes for market @8750 level for Nifty; below this level Nifty next support @8680 and @8580 will be the major support for market.

Technical – Last week Nifty opened at 8871 & it made a high of 8996. Last week we have seen some profit booking from higher levels. Nifty made a low of 8775 & closed at 8808. Last week Nifty drags 221 points from its high & on weekly basis it closed at 27 points lower. Sensex made a weekly high of 29844 & a low of 29070 almost it drags 774 points in the week from its high. So overall last week we have seen profit booking.

For the coming week the market range we expect 8650-9080

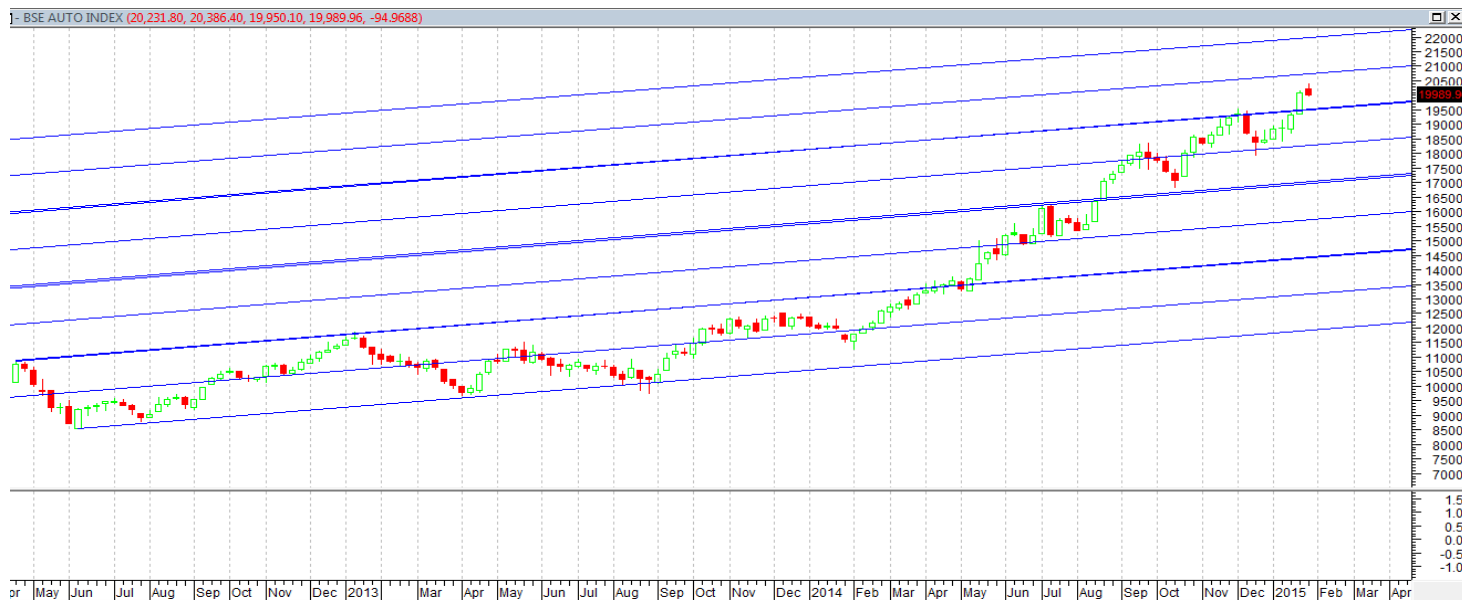
Weekly Chart View –

Last week we had expected market range (8650-9150) market made a high of 8996 & low of 8775, so overall it holds our both side range.

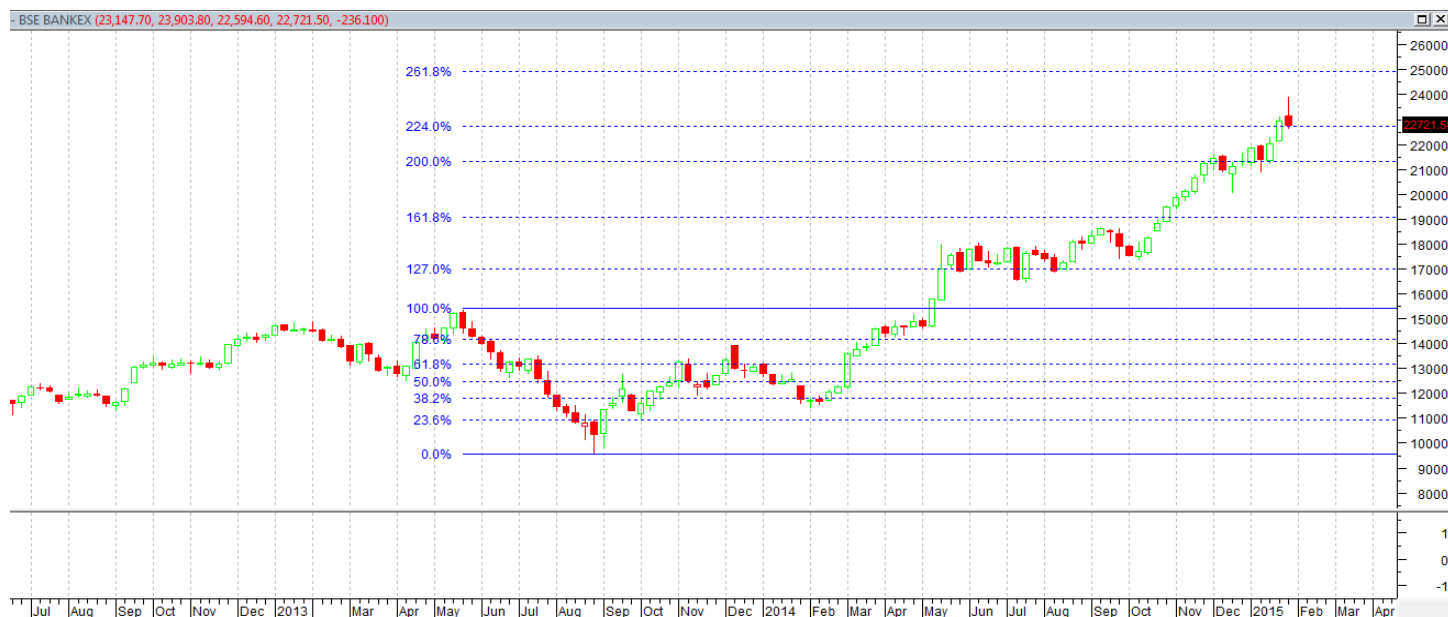
In last week report we had mentioned on daily chart we witness narrow range body formation & on weekly chart we had witness “Bullish candle”, because of that we had mentioned only above 8880-8900 we can see some upside ,but market fail to sustain above 8900-8950 level. Now on daily chart we can see “Bearish candle” & below 5DMA moving avg. On weely chart facing resistance at upper line of channel. So overall from here 8950-9000 will be major resistance unless we did not get close above that, we can see some rangebound market ,or some pressure can see at higher levels,on the other hand 8650-8620 will be major support.

Weekly Chart

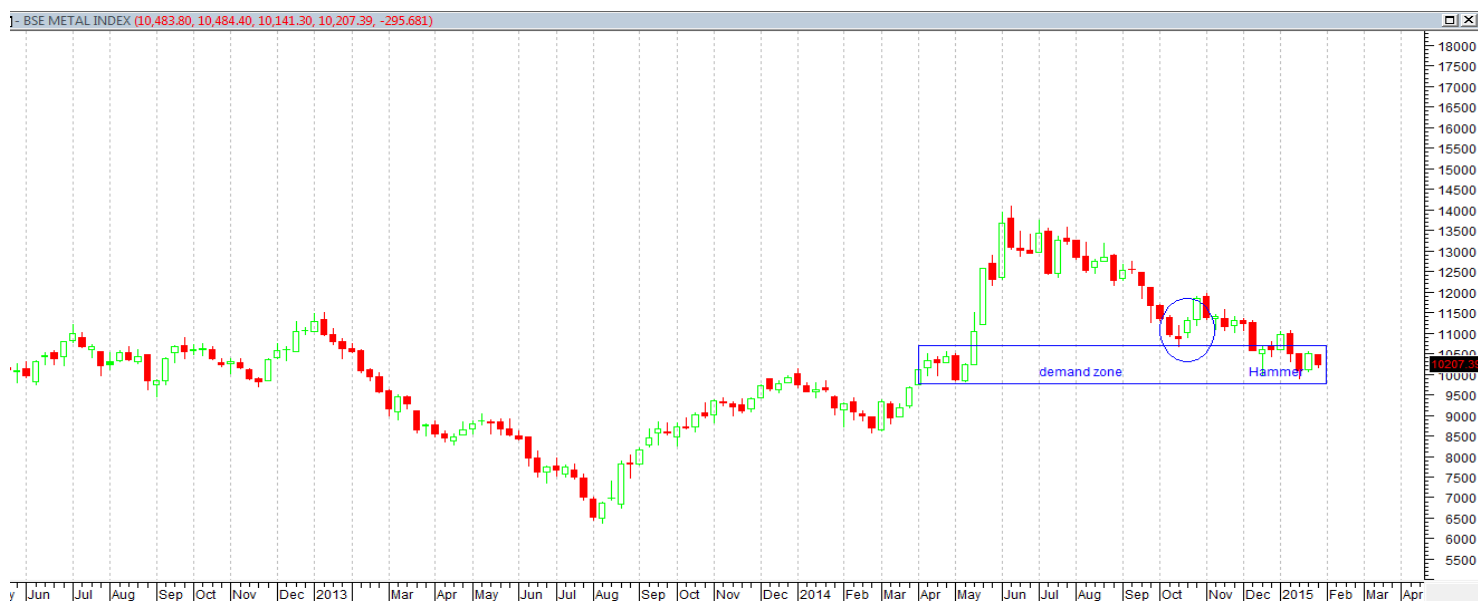


**Weekly Sectoral Technical Outlook****BSE Auto Index****CMP: 19985****BSE Auto**

At present we are observing a narrow range body formation which suggests a breather of the current up move. We maintain our positive stance that those holding long position should trial the stop loss to 19000. On the upside it can test 20400 - 21000 levels.

BSE Bankex**CMP: 22715****BSE Bankex**

At present we are observing a narrow range body formation which indicates a breather of current up move. We maintain our stance that those who have gone long in this sector can trial the stop loss to 22100. On the upside it can test 23500 - 24200 levels.

**BSE Metal Index****CMP: 10190****BSE Metal Index**

At present we are observing that prices are still trading in demand zone. We maintain our stance that those who have gone long should maintain a stop loss of 9790. On the upside it can test 10800 - 11300 levels.

BSE IT**CMP: 11178****BSE IT**

At present we are observing a narrow range body formation which suggests a breather of current up move. We maintain our earlier stance that those who have gone long in this sector can trial the stop loss to 10900. On the upside it can test 11350 - 11800 levels.

Weekly Technicals of Key Companies –

Company	Closing 30-Jan-15	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1560.45	1553.03	1602.42	1644.38	1511.07	1461.68
AMBUJACEM	248.75	248.93	256.87	264.98	240.82	232.88
ASIANPAINT	857.75	878.12	902.13	946.52	833.73	809.72
AXISBANK	588.10	586.38	605.77	623.43	568.72	549.33
BAJAJ-AUTO	2391.70	2401.95	2429.70	2467.70	2363.95	2336.20
BANKBARODA	193.15	202.20	218.80	244.45	176.55	159.95
BHARTIARTL	373.70	377.48	391.92	410.13	359.27	344.83
BHEL	291.75	287.57	301.98	312.22	277.33	262.92
BPCL	748.85	724.30	787.80	826.75	685.35	621.85
CAIRN	232.85	237.63	244.27	255.68	226.22	219.58
CIPLA	695.75	696.88	710.77	725.78	681.87	667.98
COALINDIA	360.85	371.87	383.68	406.52	349.03	337.22
DLF	169.90	166.23	178.67	187.43	157.47	145.03
DRREDDY	3233.25	3261.78	3351.47	3469.68	3143.57	3053.88
GAIL	423.00	421.03	429.47	435.93	414.57	406.13
GRASIM	3884.05	3878.02	3981.03	4078.02	3781.03	3678.02
HCLTECH	1791.75	1739.77	1871.98	1952.22	1659.53	1527.32
HDFC	1262.50	1294.03	1330.32	1398.13	1226.22	1189.93
HDFCBANK	1077.35	1072.95	1105.00	1132.65	1045.30	1013.25
HEROMOTOCO	2865.50	2875.12	2927.23	2988.97	2813.38	2761.27
HINDALCO	139.70	140.82	143.38	147.07	137.13	134.57
HINDUNILVR	932.55	942.28	958.17	983.78	916.67	900.78
ICICIBANK	360.70	369.58	384.52	408.33	345.77	330.83
IDFC	172.05	171.30	178.50	184.95	164.85	157.65
INDUSINDBK	870.20	868.80	886.20	902.20	852.80	835.40
INFY	2141.90	2163.28	2199.62	2257.33	2105.57	2069.23
ITC	368.55	363.30	377.25	385.95	354.60	340.65
JINDALSTEL	158.65	156.97	162.63	166.62	152.98	147.32
KOTAKBANK	1322.20	1344.18	1371.02	1419.83	1295.37	1268.53
LT	1700.55	1711.30	1739.25	1777.95	1672.60	1644.65
LUPIN	1585.30	1550.67	1625.78	1666.27	1510.18	1435.07
M&M	1265.10	1295.03	1330.07	1395.03	1230.07	1195.03
MARUTI	3647.35	3663.67	3742.18	3837.02	3568.83	3490.32
NMDC	141.50	141.05	144.90	148.30	137.65	133.80
NTPC	143.65	143.92	147.13	150.62	140.43	137.22
ONGC	351.35	351.30	356.55	361.75	346.10	340.85
PNB	189.65	196.22	204.43	219.22	181.43	173.22
POWERGRID	148.00	148.57	151.13	154.27	145.43	142.87
RELIANCE	915.25	910.08	939.67	964.08	885.67	856.08
SBIN	308.95	317.32	327.63	346.32	298.63	288.32
SSLT	201.95	202.17	207.93	213.92	196.18	190.42
SUNPHARMA	917.75	916.23	941.47	965.18	892.52	867.28
TATAMOTORS	585.15	591.15	601.70	618.25	574.60	564.05
TATAPOWER	90.50	89.52	92.53	94.57	87.48	84.47
TATASTEEL	390.45	392.72	401.73	413.02	381.43	372.42
TCS	2482.05	2509.02	2548.03	2614.02	2443.03	2404.02
TECHM	2868.50	2873.50	2986.50	3104.50	2755.50	2642.50
ULTRACEMCO	3140.35	3145.75	3194.50	3248.65	3091.60	3042.85
WIPRO	606.55	605.35	615.70	624.85	596.20	585.85
ZEEL	376.75	380.52	387.98	399.22	369.28	361.82

Source: Iris Software



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