



Key developments during the week

- India Jan-Mar GDP growth 4.8%; FY13 at 5.0%, as forecast
- India FY13 fiscal deficit 4.9% of GDP vs 5.2% Budget aim
- India core sector grows 2.3% in Apr vs 5.7% year ago
- India Apr CPI industrial workers inflation 10.24% vs 11.44% Mar
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- PM says lower inflation to give more space for pro-growth RBI policy
- Chidambaram happy with lower FY13 fisc gap; doesn't wish to cut FY14 spend
- Montek says need substantial acceleration for 6% GDP growth in FY14
- Green Tribunal OKs restarting of Sterlite Tuticorin unit with riders
- BSE gets SEBI approval to launch debt trading platform
- Govt OKs 8 FDI proposals worth 7 bln rupees; defers Telenor's plan
- HCC's Lavasa project back on track; gets equity funding, more debt
- DLF Jan-Mar consol net loss 41.9 mln rupees vs 2.12 bln PAT
- GMR Infra Jan-Mar consol PAT 5.79 bln rupees vs 3.66 bln loss

INDEX	31-May-13	24-May-13	Change (in %)
NIFTY	5985.95	5983.55	0.04
SENSEX	19760.30	19704.33	0.28
NSE 500	4681.45	4685.60	-0.09
NSE MIDCAP	2023.75	2064.60	-1.98
NIFTY JUNIOR	12312.05	12325.80	-0.11
BSE SMALLCAP	5943.46	5992.46	-0.82
BSE 200	2409.22	2410.64	-0.06

INDEX	31-May-13	24-May-13	Change (in %)
BSE CD	7695.00	7433.09	3.52
BSE OIL AND GAS	8654.79	8569.84	0.99
BSE PSU	6655.84	6677.58	-0.33
BSE FMCG	6772.13	6659.84	1.69
BSE Capital Goods	9407.38	9589.01	-1.89
BSE AUTO	11166.34	10873.02	2.70
BSE REALTY	1684.92	1797.62	-6.27
BSE BANK	14261.24	14591.54	-2.26
BSE TECH	3602.53	3560.64	1.18
BSE HEALTHCARE	8846.91	8729.72	1.34
BSE IT	6065.34	5954.82	1.86
BSE METALS	8503.01	8657.35	-1.78

Domestic events week ahead

- Jun 03** : Manufacturing PMI for May, by HSBC.
- Jun 03-05**: Power generation for May, by Central Electricity Authority.
- Jun 03-07**: Major port traffic in Apr-Feb, by Indian Ports Association.
- Jun 05** : Services PMI and composite PMI for May, by HSBC.
- Jun 05-10**: Foreign tourist arrivals in May, by tourism ministry.
- Jun 06-11**: Automobile sales data for May, by SIAM.
- Jun 07** : WMA and forex reserves as on May 31, by RBI.

Source: NW18

INDEX	31-May-13	24-May-13	Change (in %)
Dow Jones	15115.57	15303.10	-1.23
Hang seng	22392.16	22618.67	-1.00
Nikkei	13774.54	14612.45	-5.73
FTSE	6583.09	6654.34	-1.07

Global events week ahead

- Jun 03**: US FOMC Member Yellen Speaks, Spanish Manufacturing PMI, Italian Manufacturing PMI, Final Manufacturing PMI, US Final Manufacturing PMI, US ISM Manufacturing PMI, US Construction Spending m/m, US ISM Manufacturing Prices,
- Jun 04**: **Japan** Average Cash Earnings y/y, Spanish Unemployment Change, Europe PPI m/m, US Trade Balance, US FOMC Member George Speaks
- Jun 05**: Spanish Services PMI, Italian Services PMI, Europe Final Services PMI, Europe Retail Sales m/m, Europe Revised GDP q/q, US ADP Non-Farm Employment Change, US Revised Nonfarm Productivity q/q, US ISM Non-Manufacturing PMI, US Factory Orders m/m, US Crude Oil Inventories, US Beige Book,
- Jun 06**: Spanish 10-y Bond Auction, French 10-y Bond Auction, German Factory Orders m/m, Europe Minimum Bid Rate, ECB Press Conference, US Unemployment Claims, US Natural Gas Storage
- Jun 07**: **Europe** German Trade Balance, French Gov Budget Balance, French Trade Balance, German Industrial Production m/m, US Non-Farm Employment Change, US Unemployment Rate, US Average Hourly Earnings m/m, US Consumer Credit m/m



Weekly Sector Outlook and Stock Picks

Auto sector – To track major indices; monthly sales eyed

Shares of major automakers are seen tracking the indices this week; they would also be impacted by sales numbers for the month of May. Maruti is likely to post strong numbers, which should have a positive effect on its stock. Maruti Suzuki India Ltd had over the past two months seen its counter facing a steep upward rally as a result of the depreciation in the value of yen. The stock has corrected over the past two weeks and reached its Feb 1 levels now. Maruti Suzuki is expected to be one of the few companies posting an on-year rise in its sales numbers, which will also be a positive for its scrip. Tata Motors Ltd, which posted a better-than-expected net profit at 39.45 bln for Jan-Mar, saw its shares surge by over 5%. Buoyed by the pre-monsoon demand for tractors, Mahindra & Mahindra Ltd would experience a positive movement in its counter this week, and also for a few more days to follow. Hero MotoCorp expected to fare positively during the week, primarily on news that the company will launch two motorcycles, and one scooter before December.

Capital Goods sector – Seen trading mixed; L&T, BHEL may gain

Shares of capital goods and engineering companies is seen mixed this week with long-term investors picking up shares of Larsen & Toubro and Bharat Heavy Electricals, which are currently trading at attractive levels. These companies have strong fundamentals but are currently trading at a discount. Shares of electrical equipment maker Crompton Greaves are seen down. Crompton Greaves' operating margin is likely to see some slight improvement in 2013-14 (Apr-Mar) on the back of the completion of restructuring of its Belgian operations. BGR Energy Systems are also likely to trade with a negative bias on 3 Jun as the company has fixed a floor price of 163 rupees for its offer for sale, a discount to closing price of 192.95 rupees. Promoter of BGR Energy Systems will sell 6.13% stake or 4.42 mln shares of the company on 3 Jun, in order comply with SEBI's minimum public shareholding norm.

Cement Sector – Subdued this week on weak demand scenario

Cement companies' stocks are likely to track the broad market this week but the trend is seen subdued because of a weak demand outlook for the construction material as monsoon sets in. Cement companies in Andhra Pradesh may hike prices should bring in some confidence among market participants regarding renewed demand, but even that will not be sustained. Also, Jan-Mar earnings of most cement companies have been dull. Major cement players reported a sequential decline in realizations during the March quarter, contrary to the trend in earlier years. Shares of India Cements, which fell about 7% this week and about 18% last week, will continue to be in focus. The stock has been bearing the brunt of developments relating the Indian Premier League betting scandal. The company's Vice Chairman and Managing Director N. Srinivasan's son-in-law, Gurunath Meiyappan, was put behind bars on allegations for betting. Meiyappan is team principal of Chennai Super Kings, the IPL franchise owned by India Cements.

FMCG Sector – Companies with good Jan-Mar volume growth in focus

Shares of fast-moving consumer goods companies such as Hindustan Unilever, Colgate Palmolive (India) and Dabur India, which have been able to deliver a strong volume growth in Jan-Mar. Companies like HUL, Dabur and Colgate have delivered good volume growth, they may have spent more on advertising for doing so, but they have displayed that they have the capacity to grow in a tough market, the money spend on advertising should be seen as an investment in the brands. This trend can be observed in stocks like Colgate Palmolive, which continues to find favour despite a drop in profits owing to higher advertising spends. Colgate Palmolive reported a 5.8% year-on-year drop in profit to 1.23 bln rupees due to a strong increase in advertising and employee costs. Net sales for Jan-Mar increased 18.3% to 8.12 bln rupees on account of 12% overall volume growth.

IT Sector – Positive this week on weakness in rupee vs dollar

Shares of major information technology companies are seen trading positive this week due to weakness in the rupee, which is expected to boost companies' performances in the near term. The rupee fell to an over 11-month low against the dollar because of weak macroeconomic fundamentals and several global factors including the gradual strengthening of the dollar globally. So far this month, the rupee has depreciated more than 4% against the US currency. Investors will keep an eye on the draft US immigration bill, which, if implemented, can be a cause of worry for the sector. The Indian IT industry had raised concerns that the draft US immigration bill will push up operational costs of companies deploying foreigners to work there.

**Oil Sector – PSU companies shares may open up Mon, rangebound for week**

Shares of state-owned oil marketing are expected to open up this week after Indian Oil Corp announced a hike of 50 paise per litre on diesel and 75 paise per litre of petrol. The other two companies Bharat Petroleum Corp Ltd and Hindustan Petroleum Corp Ltd usually follow Indian Oil in revising prices. The market will closely monitor the progress on fuel reforms during the year as the country approaches general elections in 2014. The government allowed state-owned companies to raise diesel prices in small measures over a period of time. Since then, the revenue loss on the fuel has come down to around 4.9 rupees a litre, almost half of what it was earlier, because of price hikes and fall in crude prices. The reduction in subsidy is also good for the upstream companies Oil and Natural Gas Corp and Oil India as they had to share a substantial portion. For BPCL, an additional trigger would be the announcement of the sale of 20% stake in the Rovuma basin block in Mozambique by partners Videocon Industries and Anadarko Petroleum Corp. The announcement on stake sale is expected in just over a week.

Steel Sector – To fall further this week on weak fundamentals

Shares of major steel companies are expected to continue their downward movement this week on weak fundamentals. There is over-supply in the domestic market and uncertainty over when demand for steel will pick up. The uncertainty on demand is the main factor that is expected to keep performance of domestic steel giants muted in the coming sessions. In the global market, iron ore prices tumbled to a seven-month low as negativity about the outlook for demand and concerns regarding overcapacity in the Chinese industry spread through. Iron ore is the key raw material used in the making of steel. The China Iron and Steel Association in its report said that mainland's steel industry made \$24.72 mln profits in April, recording the fourth monthly decline. This indicates slowing demand in the world's largest consumer of steel. It portends a gloomy global steel demand, which will impact sentiment in the domestic steel industry.

Pharma sector – Pharma stocks seen gaining this week

Shares of major pharmaceutical companies are seen gaining this week after making losses due to disappointing Jan-Mar earnings. Post results, shares of Cipla are seen rebounding this week after they fell this quarter. Cipla disappointed the Street, as a lower-than-expected growth in revenues from both domestic and overseas markets and an unexpected fall in operating margins dragged its Jan-Mar net profit down. The Mumbai-based drug maker reported a net profit of 2.67 bln rupees for the quarter ended March, 8.3% lower than a year ago. The company's operating margins shrunk to 20.7% from 21.1%. Shares of companies such as Sun Pharmaceuticals Industries and Lupin, which fell last week, are also seen gaining this week. Ranbaxy Laboratories seen under pressure this week. The company has become a topic of discussion since it pleaded guilty in the US and agreed to pay \$500-mln penalty to the US government to settle criminal and civil lawsuits that had leveled charges of falsifying data from its drug facilities.

Telecom Sector – RComm seen weak, Idea sideways this week

The rally in the shares of Reliance Communications Ltd is over now and the stock is expected to see steady corrections in the coming sessions. The stock has rallied as high as 117 rupees in the last two months, as the sentiment around it has remained positive, aided by prospects of a possible tower-sharing deal with Reliance Industries and a stake sale in its arm, Reliance Globalcom. These moves, if successful, will help bring down Reliance Communications' burgeoning debt. Bharti Airtel Ltd is expected to continue trading with a bearish bias, while Idea Cellular Ltd is expected to trade sideways in a narrow range.

Market Range for Week 5880- 6080

Nifty	Values	
Support 1	5950	Resistance – Nifty facing Resistance level @6050 level above this level it may go up to @6080 & @ 6120 level.
Support 2	5910	
Support 3	5880	
Resistance 1	6050	Support - Support comes for market @5950 level for Nifty; below this level Nifty next support @5910 and @5880 will be the major support for Market.
Resistance 2	6080	
Resistance 3	6120	



Technical – Last week Nifty opened at 5989 & it made a high of 6133. Last week we have seen volatility. Nifty made a low of 5975 & closed at 5985. Last week Nifty drags 158 points from its high & on weekly basis it closed at 119 point's lower. Sensex made a weekly high of 20254 & a low of 19678 almost it drags 576 points in the week from its high. So overall last week we have seen some volatility.

For the coming week the market range we expect 5880-6080

Weekly Chart View –

Last week we had expected market range (5880-6120) market made a high of 6133 & low of 5989, so overall it holds our boths side range only just by few points it broke upper side range in intraday trade.

In last week report we had mentioned, on the daily chart market was below short term moving avg & channel, on weekly chart we had witnessed bearish candle, because of all that we had mentioned can see volatility & all we have seen same. Now on daily chart market still below short term moving avg (5&20) SMA & below trendline. On weekly chart market trading between channel & as of now not able to cross upper line of channel & also made a bearish candle, so overall if we get close below 5980-5950 can see some more pressure in the market & upper side remain 6080-6120 will be major resistance.

On Friday the Dow fell 209 points, or 1.3%.The S&P500 sank 1.4% & Nasdaq slid 1%.Despite Friday's losses ,all three indexes ended may in the black.The Dow & S&P500 both gained about 2%,while the Nasdaq advanced nearly 4%.

Weekly Chart



**Market Commentary –**

The timing of arrival of monsoon rains on the coast of Kerala and the private survey data providing indications of the strength of factory and services activity for the month of May 2013 will catch investors' attention in the coming week. Markit Economics will unveil HSBC India Manufacturing PMI, which gauges the business activity of India's factories, for May 2013 on Monday, 3 June 2013.

Investors will closely watch the timing of arrival of monsoon rains on the coast of Kerala. The weather office forecast on 15 May 2013 that the monsoon rains may arrive on the southern coast around 3 June 2013.

Investors will watch the figures of Q1 advance tax payment of India Inc which falls due on 15 June 2013. The Q1 advance tax numbers could provide cues on Q1 June 2013 corporate earnings. Advance taxes are collected in four installments 15% by 15 June; 40% by 15 September; 75% by 15 December and 100% by 15 March.

Weekly Technicals of Key Companies –

Company	Closing 31-May-13	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1218.75	1226.25	1244.50	1226.25	1200.50	1182.25
AMBUJACEM	182.35	184.05	190.10	184.05	176.30	170.25
ASIANPAINT	4863.10	4861.03	4951.07	4861.03	4773.07	4683.03
AXISBANK	1430.55	1443.18	1475.37	1443.18	1398.37	1366.18
BAJAJ-AUTO	1820.50	1811.18	1869.32	1811.18	1762.37	1704.23
BANKBARODA	651.65	663.18	683.27	663.18	631.57	611.48
BHARTIARTL	301.95	306.02	315.03	306.02	292.93	283.92
BHEL	200.55	199.27	207.38	199.27	192.43	184.32
BPCL	376.85	379.50	385.80	379.50	370.55	364.25
CAIRN	285.55	285.83	291.67	285.83	279.72	273.88
CIPLA	370.55	382.52	397.03	382.52	356.03	341.52
COALINDIA	324.70	322.25	331.95	322.25	315.00	305.30
DLF	194.70	201.57	210.03	201.57	186.23	177.77
DRREDDY	2092.00	2099.07	2135.43	2099.07	2055.63	2019.27
GAIL	306.05	314.75	326.20	314.75	294.60	283.15
GRASIM	2854.05	2898.37	2953.68	2898.37	2798.73	2743.42
HCLTECH	744.85	745.60	759.05	745.60	731.40	717.95
HDFC	890.15	901.73	919.82	901.73	872.07	853.98
HDFCBANK	700.50	708.50	719.30	708.50	689.70	678.90
HEROMOTOCO	1736.35	1715.12	1816.83	1715.12	1634.63	1532.92
HINDALCO	102.40	104.97	108.93	104.97	98.43	94.47
HINDUNILVR	592.50	591.85	598.50	591.85	585.85	579.20
ICICIBANK	1154.45	1180.28	1212.57	1180.28	1122.17	1089.88
IDFC	144.70	149.05	155.80	149.05	137.95	131.20
INDUSINDBK	517.30	515.38	533.82	515.38	498.87	480.43
INFY	2411.70	2387.70	2458.90	2387.70	2340.50	2269.30
ITC	339.90	341.77	354.03	341.77	327.63	315.37
JINDALSTEL	284.45	293.13	303.52	293.13	274.07	263.68
JPASSOCIAT	65.65	67.67	70.08	67.67	63.23	60.82
KOTAKBANK	782.95	784.90	805.40	784.90	762.45	741.95
LT	1400.75	1425.65	1453.30	1425.65	1373.10	1345.45
LUPIN	737.70	747.40	764.80	747.40	720.30	702.90
M&M	967.55	969.67	1006.73	969.67	930.48	893.42
MARUTI	1605.60	1624.58	1651.02	1624.58	1579.17	1552.73
NMDC	117.60	118.17	120.83	118.17	114.93	112.27
NTPC	154.20	154.05	157.60	154.05	150.65	147.10
ONGC	327.90	328.67	336.83	328.67	319.73	311.57
PNB	760.05	779.62	803.73	779.62	735.93	711.82
POWERGRID	113.30	112.43	115.87	112.43	109.87	106.43
RANBAXY	375.35	385.88	398.47	385.88	362.77	350.18



RELIANCE	806.30	819.03	837.07	819.03	788.27	770.23
RELINFRA	361.35	371.43	383.77	371.43	349.02	336.68
SBIN	2046.75	2090.70	2139.35	2090.70	1998.10	1949.45
SESAGOA	163.90	162.40	168.35	162.40	157.95	152.00
SUNPHARMA	1044.10	1030.28	1098.62	1030.28	975.77	907.43
TATAMOTORS	313.30	305.98	326.82	305.98	292.47	271.63
TATAPOWER	89.40	90.17	91.48	90.17	88.08	86.77
TATASTEEL	291.75	301.88	313.67	301.88	279.97	268.18
TCS	1498.45	1495.32	1530.63	1495.32	1463.13	1427.82
ULTRACEMCO	1878.30	1919.48	1983.82	1919.48	1813.97	1749.63

Source: Iris Softwre

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