

Key developments during the week

- RBI cuts repo rate cut by 25 bps to 7.25% with immediate effect
- RBI Policy leaves CRR unchanged at 4%
- RBI sees FY14 GDP growth at 5.7%, lower than most estimates
- Chidambaram says India growth to gather momentum going forward
- Housing secy says govt may bring realty regulator bill next session
- ADB official says India to grow 6% in FY14, 6.5% in FY15
- Bharti to issue 199.87 mln shr to Qatar Foundation for \$1.26 bln
- M&M arm Ssangyong's Apr total sales 12,607 units, up 26% on year
- Food minister expects Lok Sabha passes food security bill Mon
- India Apr HSBC manufacturing PMI 51.0, lowest since Nov 2011
- ECB cuts marginal lending facility rate by 50 bps to 1.00%
- PSUs cut non-subsidised domestic LPG price by avg 55 rupees/cylinder
- Alstom India to provide boiler parts, svc to BHEL for Gadawara unit
- Venus Remedies licences antibiotic Elores for sale in South Korea
- Satyam Comp launches services platform for e-commerce, banking
- Godrej Prop in pact to develop United Oxygen's Bengaluru land

INDEX	03-May-13	26-Apr-13	Change (in %)
NIFTY	5944.00	5871.45	1.24
SENSEX	19575.64	19286.72	1.50
NSE 500	4659.10	4591.65	1.47
NSE MIDCAP	2117.60	2060.65	2.76
NIFTY JUNIOR	12193.40	11802.50	3.31
BSE SMALLCAP	6032.38	6023.86	0.14
BSE 200	2398.64	2360.54	1.61

INDEX	03-May-13	26-Apr-13	Change (in %)
BSE CD	7421.56	7288.34	1.83
BSE OIL AND GAS	8706.80	8691.77	0.17
BSE PSU	6808.27	6837.60	-0.43
BSE FMCG	6577.18	6116.45	7.53
BSE Capital Goods	9964.21	9756.89	2.12
BSE AUTO	10831.43	10848.28	-0.16
BSE REALTY	1902.66	1892.92	0.51
BSE BANK	14150.15	14343.35	-1.35
BSE TECH	3563.27	3413.32	4.39
BSE HEALTHCARE	8759.44	8624.83	1.56
BSE IT	5881.34	5614.92	4.74
BSE METALS	8786.50	8636.85	1.73

INDEX	03-May-13	26-Apr-13	Change (in %)
Dow Jones	14973.96	14712.50	1.78
Hang seng	22689.96	22547.70	0.63
Nikkei	13694.04	13884.10	-1.37
FTSE	6521.46	6426.42	1.48

Domestic events week ahead

- **May 06:** Services PMI and composite PMI for April, by HSBC.
- **May 06-08:** Major port traffic in April, by Indian Ports Association.
- **May 06-08:** Foreign tourist arrivals in April, by tourism ministry.
- **May 06-10:** Automobile sales data for April, by SIAM.
- **May 09-13:** Rail freight traffic for April to be detailed by rail ministry.
- **May 10:** WMA and forex reserves as on May 3, by RBI.
- **May 10:** Index of Industrial Production for March, by CSO.
- **May 10-15:** Trade data for April, by commerce and industry ministry.

source: NW18

Global events week ahead

- **May 06:** Spanish Unemployment Change, Spanish Services PMI, Italian Services PMI, Europe Retail Sales m/m, ECB President Draghi Speaks
- **May 07:** French Industrial Production m/m, French Gov Budget Balance, French Trade Balance, German Factory Orders m/m
- **May 08:** German Industrial Production m/m, US FOMC Member Stein Speaks, US Crude Oil Inventories
- **May 09:** ECB Monthly Bulletin, Spanish 10-y Bond Auction, US Unemployment Claims, US Natural Gas Storage
- **May 10:** Japan Current Account, Japan Bank Lending y/y, Japan Economy Watchers Sentiment, German Trade Balance, German WPI m/m, Italian Industrial Production m/m, G7 Meetings, FOMC Member Evans Speaks, US Fed Chairman Bernanke Speaks, US FOMC Member George Speaks, US Federal Budget Balance



Weekly Sector Outlook and Stock Picks

Auto sector – In range with positive bias; profit booking seen

Shares of major automakers look positive and mostly range-bound this week. Maruti Suzuki is seen moving in a narrow range, and looks positive this week, but sideways for a few weeks to follow. Mahindra & Mahindra touched a life-time high and to predict the exact movement in the stock would be tough however, the stock trading with a positive bias during the first couple of days of the week ahead. Hero MotoCorp to witness profit booking at higher levels during this week. Lack of any trigger, and a muted year in terms of sales in the first month of the ongoing financial year (Apr-Mar) would result in a largely range-bound action next few weeks. Among major automobile manufacturers, Ashok Leyland Ltd is scheduled to detail its earnings on May 10.

Bank Sector – Range-bound with a weak bias; earnings eyed

Bank stocks are likely to remain range-bound with a negative bias this week on likely selling pressure following the Reserve Bank of India's hawkish guidance at its annual policy statement. Most banks have indicated they will not be able to cut loan or deposit rates despite the policy easing by the Reserve Bank of India as deposit rates are high due to weak deposit growth. Market is not expecting any positive cues from Jan-Mar earnings of banks, especially state-owned banks that will be released in the coming week. Most of the state-owned banks have shown weak asset quality and lower profitability in the quarter ended Mar 31. South Indian Bank, State Bank of Bikaner and Jaipur, UCO Bank, Allahabad Bank, Corporation Bank, Punjab National Bank, Union Bank of India, Central Bank of India, United Bank of India are the banks that will announce Jan-Mar earnings in the coming week.

Capital Goods sector – Range-bound this week; L&T slightly up

Shares of most capital goods and engineering companies are seen range-bound this week due to absence of any major triggers. Shares of sector bellwether Larsen & Toubro could see marginal gains, as investors remain confident of the company meeting its order inflow guidance for 2012-13 (Apr-Mar). Compared with others in the sector, L&T has good order visibility at present. The company is getting international orders, and those mitigate the impact of the sluggish domestic order inflow. Transmission and distribution equipment maker KEC International, which will detail its Jan-March earnings on 8 May, is likely to take a hit in terms of operating margin. The share of orders from new business areas such as cables, telecom and water treatment is rising, and this is affecting the RPG group company's overall margin. Shares of diesel-powered generator maker Cummins India are unlikely to see any major gains, as investors expect its Jan-Mar earnings to be mellowed. Cummins India will announce Jan-Mar earnings on May 10.

Cement Sector – Seen rangebound with negative bias this week

Shares of major cement companies are seen rangebound with a negative bias this week, reacting to the poor earnings posted by sector major Ambuja Cement. But the downside is likely to be limited as earnings of ACC offered some positive signals for the sector. Despite a strong favourable low-base effect, Ambuja Cement, the country's third largest cement maker by capacity, missed estimates on revenue. The company's net sales fell 3.3% to 25.45 bln rupees in Jan-Mar, as against expectations of a 2% rise to 26.86 bln rupees. The company posted a 56.3% year-on-year rise in net profit for Jan-Mar at 4.88 bln rupees, which was higher than Street expectations of 3.97 bln rupees. But ACC marginally beat estimates by posting a net profit of 4.38 bln rupees and net sales of 29.11 bln rupees for Jan-Mar. as against expectations of a net profit at 3.18 bln rupees and net sales at 30.58 bln rupees. The Street is likely to keep an eye on earnings of mid-sized cement companies over the next few weeks, to take stock-specific views. Prism Cement is scheduled to detail its Jan-Mar earnings on May 9, while JK Cement will share its earnings on May 11. India Cements will detail its Jan-Mar earnings on May 20.

FMCG Sector – Seen flat after rising on Unilever open offer

Stocks of major fast moving consumer goods companies are likely to be muted in the week ahead after outperforming this week. FMCG stocks gained significantly this week on the back of Unilever Plc's open offer to increase its stake in Hindustan Unilever Ltd. We believe the recent run-up in prices is a good opportunity for investors to book profits. On Apr 30, Hindustan Unilever's Anglo-Dutch parent, Unilever Plc, announced a \$5.4-bln open offer to increase its stake in the Indian subsidiary to 75% from 52.45%. Positive results also aided sentiment. The BSE FMCG index ended 7.5% higher for the week against a 1.5% rise in the BSE's 30-stock Sensex.

**Oil Sector – PSU refiners, upstream cos seen broadly positive**

Shares of state-owned oil marketing companies Indian Oil Corp Ltd, Bharat Petroleum Corp Ltd and Hindustan Petroleum Corp Ltd are seen range-bound this week, but the bias will be positive as crude prices continue to soften amid slight strengthening of the rupee. The three companies' daily revenue loss on sale of subsidised fuels is estimated to fall to 2.56 bln rupees during May 1-15, compared with a loss of 3.48 bln rupees in the previous fortnight. Their revenue loss on diesel has shrunk to 3.80 rupees per ltr now from 6.42 rupees a fortnight ago. Further easing of crude prices and strengthening of the rupee could help in wiping out the loss on sale of diesel which accounts for over 60% of the revenue loss of these companies on subsidised fuels. The focus will be on upstream oil and gas companies this week ahead of the meeting of an Empowered Group of Ministers on gas pricing. The meeting is expected to be held on May 11 and may decide on a new formula for pricing of gas produced domestically. A decision on this is most likely to be positive for upstream companies like Reliance Industries Ltd, Oil and Natural Gas Corp Ltd and Oil India Ltd.

Steel Sector – Up on expectations of rise in local demand

Shares of major steel companies are seen extending gains this week on expectations that the 25-basis-points repo rate cut by the Reserve Bank of India will spur investments. In the week ended Friday, shares of steel companies rose 1-2% on hopes of steel demand picking up in the domestic market. The repo rate cut is likely to encourage investment in capital intensive sectors like infrastructure, where demand for steel products is strong. There are no major earnings of steel companies this week and so there may not be much of stock-specific movement. The upside in shares of steel companies will be broad. Domestic steel companies are also likely to hike product prices for the month of May on expectations of a rise in demand for the alloy. This may push up share prices of major steel companies in coming sessions. In the domestic market, steel long products find wide applications in the infrastructure sector, while flat products are used in the auto sector. Though the demand outlook is positive for steel from the infrastructure sector, muted demand for the alloy from automobile companies is expected to limit the upside in share prices of steel companies.

Pharma sector – To track broad market this week; Jan-Mar result key

Shares of major pharmaceutical stocks are likely to track the broad market this week with stock-specific actions seen for companies detailing their Jan-Mar earnings during the next five sessions. GlaxoSmithKline Pharma, Glenmark Pharmaceuticals, and Ranbaxy Laboratories would report their earnings this week.

Telecom Sector – RComm seen up ahead of Jan-Mar earnings

The Bull Run in the Reliance Communications Ltd's shares, which have nearly doubled since last month, is likely to continue this week. The shares of Reliance Communications Ltd spiked after a 12-bln-rupee optic fibre network deal with Reliance Industries Ltd was signed on Apr 2. The rally in the stock has also been aided by reports that Reliance Communications is likely to sell stake in its subsidiary Reliance Globalcom. Investors will keep a close watch on the Jan-Mar earnings of the company to be announced on May 10.

Market Range for Week 5800- 6060

Nifty	Values	
Support 1	5880	Resistance – Nifty facing Resistance level @5960 level above this level it may go up to @6010 & @ 6050 level.
Support 2	5850	
Support 3	5820	
Resistance 1	5960	Support - Support comes for market @5880 level for Nifty; below this level Nifty next support @5850 and @5820 will be the major support for Market.
Resistance 2	6010	
Resistance 3	6050	

Technical – Last week Nifty opened at 5877 & it made a high of 6019. Last week we have seen some upside movement. Nifty made a low of 5867 & closed at 5944. Last week Nifty gain 152 points from its low & on weekly basis it closed at 73 point's higher. Sensex made a weekly high of 19792 & a low of 19284 almost it gain 508 points in the week from its low. So overall last week was good for bulls.



For the coming week the market range we expect 5800-6060

Weekly Chart View –

On the daily chart market above 50 & 100 DMA & still above upward slopping line, but oscillator showing overbought position. On weekly chart market near upper line resistance & near triple top. So overall market near to very important resistance 6050-6100 & down side 5880-5850 will be support, because of continue well up move we can see some consolidation near resistance level & if we get support level can use a buying opportunity.

On Friday's Dow rose 0.2%, the S&P500 added 0.4% & the Nasdaq gained 0.6%.

Weekly Chart



Market Commentary –

The next batch of Q4 March 2013 results and macroeconomic data will dictate trend on the bourses in the near term.

On the macro front, the Central Statistics Office (CSO) will issue data on industrial production for March 2013 on Friday, 10 May 2013. Industrial production rose 0.6% in February 2013.

The Budget session of the Parliament ends on Friday, 10 May 2013. With the parliament facing a deadlock every day over various issues, the fate of the key legislative business hangs in balance. The government introduced an amended food security bill in Lok Sabha on 2 May 2013. The Finance Bill 2013 has been passed in both the Lok Sabha and Rajya Sabha.



Weekly Technicals of Key Companies –

Company	Closing 03-May-13	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1227.30	1235.77	1266.53	1305.77	1196.53	1165.77
AMBUJACEM	188.80	188.77	195.03	201.27	182.53	176.27
ASIANPAINT	4695.25	4697.77	4764.48	4833.72	4628.53	4561.82
AXISBANK	1474.80	1487.18	1516.37	1557.93	1445.62	1416.43
BAJAJ-AUTO	1807.50	1847.17	1894.33	1981.17	1760.33	1713.17
BANKBARODA	699.45	696.65	717.80	736.15	678.30	657.15
BHARTIARTL	317.70	317.43	331.77	345.83	303.37	289.03
BHEL	191.65	191.18	194.77	197.88	188.07	184.48
BPCL	403.30	407.80	417.50	431.70	393.60	383.90
CAIRN	303.20	305.57	310.93	318.67	297.83	292.47
CIPLA	400.65	404.52	409.98	419.32	395.18	389.72
COALINDIA	318.75	317.82	323.63	328.52	312.93	307.12
DLF	231.50	235.58	241.12	250.73	225.97	220.43
DRREDDY	2001.45	2006.70	2033.40	2065.35	1974.75	1948.05
GAIL	335.15	341.55	349.10	363.05	327.60	320.05
GRASIM	2945.10	2951.12	2982.23	3019.37	2913.98	2882.87
HCLTECH	750.45	726.70	780.45	810.45	696.70	642.95
HDFC	854.90	857.68	871.72	888.53	840.87	826.83
HDFCBANK	680.95	684.87	692.93	704.92	672.88	664.82
HEROMOTOCO	1611.40	1627.47	1667.78	1724.17	1571.08	1530.77
HINDALCO	98.05	97.50	100.20	102.35	95.35	92.65
HINDUNILVR	572.40	542.33	627.07	681.73	487.67	402.93
ICICIBANK	1129.95	1146.28	1170.67	1211.38	1105.57	1081.18
IDFC	151.30	153.60	156.70	162.10	148.20	145.10
INDUSINDBK	468.05	466.98	485.27	502.48	449.77	431.48
INFY	2307.95	2272.65	2359.30	2410.65	2221.30	2134.65
ITC	330.70	327.65	338.65	346.60	319.70	308.70
JINDALSTEL	318.45	311.48	327.97	337.48	301.97	285.48
JPASSOCIAT	75.15	75.88	78.37	81.58	72.67	70.18
KOTAKBANK	723.25	715.93	735.12	746.98	704.07	684.88
LT	1570.40	1545.15	1609.25	1648.10	1506.30	1442.20
LUPIN	705.60	700.30	718.25	730.90	687.65	669.70
M&M	961.00	938.57	996.13	1031.27	903.43	845.87
MARUTI	1665.40	1672.37	1702.73	1740.07	1635.03	1604.67
NMDC	126.50	125.95	129.30	132.10	123.15	119.80
NTPC	159.30	159.07	163.13	166.97	155.23	151.17
ONGC	323.75	324.22	332.13	340.52	315.83	307.92
PNB	743.90	758.30	775.60	807.30	726.60	709.30
POWERGRID	112.00	112.33	115.17	118.33	109.17	106.33



RANBAXY	449.80	451.30	461.45	473.10	439.65	429.50
RELIANCE	800.50	797.85	818.55	836.60	779.80	759.10
RELINFRA	390.95	386.77	408.48	426.02	369.23	347.52
SBIN	2213.80	2248.88	2291.77	2369.73	2170.92	2128.03
SESAGOA	160.90	158.13	166.27	171.63	152.77	144.63
SUNPHARMA	984.70	969.97	1004.13	1023.57	950.53	916.37
TATAMOTORS	285.60	290.38	296.22	306.83	279.77	273.93
TATAPOWER	93.70	94.43	95.37	97.03	92.77	91.83
TATASTEEL	311.20	307.77	317.83	324.47	301.13	291.07
TCS	1418.50	1410.25	1455.50	1492.50	1373.25	1328.00
ULTRACEMCO	1886.30	1893.77	1922.53	1958.77	1857.53	1828.77

Source: Iris Softwre

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