

**Key developments during the week**

- Lok Sabha passes Finance Bill, 2016; Jaitley pins hope on monsoon
- Lok Sabha passes Insolvency and Bankruptcy Code
- FM says India continues to grow 7.6% in FY16 vs 7.2% in FY15 despite global headwinds
- Govt working on launching new PSU ETFs in FY17
- Govt says to send letter rogatory to 8 countries in chopper deal probe
- Govt says no response yet from UK on Vijay Mallya's extradition
- UDAY bonds at premium as long-term players turn to secondary market
- World's first Indian sovereign bond exchange traded fund launched
- Oil minister to approach finance minister seeking halving of crude cess to 10%
- SEBI to issue fresh consent order norms; define 'marketwide impact'
- India Apr Nikkei services PMI fell to 53.7 from 54.3 in Mar
- Govt mulls extending steel minimum import price beyond Aug
- Govt says PSU banks' exposure to top 50 defaulters' 1.22 trln rupees as of Dec 31
- Govt says PSU banks' wilful defaults at 662 bln rupees as of Dec 31
- Steel, rail ministries mull ways to make export of iron ore cheaper
- India Apr Nikkei manufacturing PMI slips to 50.5 from 52.4 in Mar
- India Mar eight core industries' growth at 6.4% vs 5.7% in Feb

INDEX	06-May-16	29-Apr-16	Change (in %)
NIFTY	7733.45	7849.80	-1.48
SENSEX	25228.50	25606.62	-1.48
NSE 500	6504.55	6588.55	-1.27
NSE MIDCAP	3288.70	3318.10	-0.89
NIFTY JUNIOR	19256.35	19323.20	-0.35
BSE SMALLCAP	10899.31	11020.59	-1.10
BSE 200	3278.71	3321.63	-1.29

INDEX	06-May-16	29-Apr-16	Change (in %)
BSE AUTO	18272.53	18469.40	-1.07
BSE BANK	18540.06	19114.83	-3.01
BSE CAPITAL GOODS	13150.72	13202.64	-0.39
BSE CD	11714.58	11787.17	-0.62
BSE FMCG	7619.98	7697.38	-1.01
BSE HEALTHCARE	15363.35	15582.33	-1.41
BSE IT	11042.48	11330.17	-2.54
BSE METALS	7672.21	7958.93	-3.60
BSE OIL AND GAS	9236.69	9356.16	-1.28
BSE PSU	6111.80	6268.16	-2.49
BSE REALTY	1334.11	1356.71	-1.67
BSE TECK	5969.60	6121.75	-2.49

INDEX	06-May-16	29-Apr-16	Change (in %)
DOW JONES	17740.63	17773.64	-0.19
HANG SENG	20109.87	21067.05	-4.54
NIKKEI	16106.72	16666.05	-3.36
FTSE	6125.70	6241.89	-1.86

Domestic events week ahead

- **May 09-11:** Power generation for April, by CEA
- **May 09-12:** FDI inflow for March, by RBI
- **May 09-13:** Automobile sales for April, by SIAM
- **May 12:** Index of Industrial Production for March, by CSO
- **May 12:** CPI Combined inflation for April, by CSO
- **May 12-18:** GSM mobile subscriber data for April, by COAI

Source: Cogencies

Global events week ahead

- **May 09:** Japan Monetary Policy Meeting Minutes, Japan Consumer Confidence
- **May 10:** China CPI, China PPI, UK Goods Trade Balance, US JOLTS Job Openings
- **May 11:** UK Manufacturing Production, US Crude Oil Inventories, US Federal Budget Balance
- **May 12:** Japan Current Account, BOE Monetary Policy, BOE Gov Carney Speaks, US Unemployment Claims,
- **May 13:** Europe GDP, US Core Retail Sales & Retail Sales, US PPI & Core PPI, US Prelim UoM Consumer Sentiment
- **May 14:** China Industrial Production, China Retail Sales



Weekly Sector Outlook and Stock Picks

Auto Sector – To take cues from broader market; SIAM data eyed

Shares of automobile companies are seen taking cues from industry sales numbers for April, to be announced by the Society of Indian Automobile Manufacturers on Monday. Also, stocks of most auto majors would take their cues from the broader market in the latter part of the week with company-specific movement likely, in the absence of sector specific cues. The CNX Auto Index may go down, driven by the negative sentiment following Supreme Court's stance on polluting vehicles, especially diesel run. Maruti Suzuki was the only auto stock to have registered gains and looks positive going forward, given its petrol-heavy portfolio and prediction of a good monsoon in 2016. The company currently gets over 40% of its sales from rural India. In April, Hero MotoCorp reported sales rose more than 15%. The company's stock is also positive in the long run on account of hopes of a good monsoon.

Bank Sector – Trade seen positive this week; CPI, earnings eyed

Bank stocks are seen trading with a positive bias this week, amid a deluge of quarterly earnings and economic data. On Thursday, the Central Statistics Office will announce data on Consumer Price Index-based inflation for April. With the Reserve Bank of India having cut the repo rate by 25 basis points on Apr 5, eyes are now on the central bank's this rate cut, keeping in mind its March 2017 target of reducing headline retail inflation to 5%. The CSO will also detail industrial growth numbers for March on Thursday. On the earnings front, this week will see the first set of Jan-Mar numbers from some of the larger public sector lenders, with Bank of Baroda and Central Bank of India slated to announce their numbers on Friday. Asset quality deterioration, as well as the RBI's review of bad loans, may continue to drive bottomlines down. The tone, however, will be set by Kotak Mahindra Bank and Oriental Bank of Commerce on Wednesday. Other banks announcing Jan-Mar results this week include Punjab & Sind Bank, South Indian Bank, Indian Bank, Bank of Maharashtra, UCO Bank, Allahabad Bank, and Vijaya Bank.

Capital Goods Sector – Trade to be stock-specific; results key

Trading in shares of capital goods is likely to be stock-specific this week with tracking of the Jan-Mar earnings of companies in the sector. However, macro economic data industrial production and inflation data to be released during the week may trigger some sector-wide trend. The industrial production data for March will be detailed on Thursday by the Central Statistics Office. The sector's industrial growth was (-) 9.8% in February as compared to 8.3% year ago. Shares of engineering major Siemens Ltd will be in focus on Monday as the company reported its Jan-Mar earnings post market hours today. It reported a 9.6% on year-on-year increase in Jan-Mar net profit to 1.77 bln rupees and an increase of 5.3% on year in net sales to 27.25 bln rupees. Siemens order inflows in Jan-Mar rose 10.5% to 29.39 bln rupees, which bode well not just for the company but also the broader sector. Triveni Turbines, a mid-cap capital goods player, will report its earnings on Tuesday. The company is seen reporting net profit of 349 mln rupees, up 19% year-on-year, and net sales of 2.42 bln rupees, up 26%.

Cement Sector – Seen trading with negative bias on weak demand

Shares of cement manufacturing companies are seen trading with a negative bias this week given the persistently weak demand for the building material in large parts of the country. Around a fourth of the country, particularly north, west and central India, is facing water scarcity and drought, which threatens agricultural output and rural incomes, in turn making prospects of cement demand bleak. Cement companies have also not been able to hike product prices much, adversely affecting their near term prospects of profitability. Large parts of the country have seen cement companies cutting price to push sales and hold on to market share. Some big cement companies' Jan-Mar earnings have also been below market expectations, dampening investor sentiment in stocks in the category.

FMCG Sector – Seen rangebound with negative bias; HUL earnings eyed

Shares of fast-moving consumer goods companies are expected to trade in a range this week, and Hindustan Unilever Ltd's earnings for Jan-Mar will be eyed. The Mumbai-based consumer goods major will announce its Jan-Mar earnings on Monday. While Hindustan Unilever's net profit for Jan-Mar is seen falling 1% on year to 10.1 bln rupees, its net sales are likely to rise 5.6% on year to 79.8 bln rupees on the back of 3-7% volume growth. Asian Paints Ltd will detail its earnings on Wednesday. Its net profit is seen rising 28.3% on year to 4.4 bln rupees, while net sales are expected to rise 10.4% to 38.5 bln rupees. Shares of Marico Ltd and Godrej Consumer Products Ltd are seen trading range-bound.

**IT Sector – Seen mixed; Wipro, Infosys weak, Tech Mahindra positive**

Weak sentiment in the broader market and lower-than-expected guidance are seen weighing on the stocks of information technology companies, which are seen trading in a range with a negative bias this week. US based Cognizant Technology Solutions Corp expects to report 4-6% sequential growth in Apr-Jun sales at \$3.34-3.40 bln. Also, it marginally cut the upper end of its guidance for financial year 2016 to \$14.00 bln from \$14.20 bln earlier. At the lower end, the company expects to report 2016 sales at \$13.65 bln. This translates to approximately 10-13% on-year growth, slightly above NASSCOM's guidance of 10-12%. The sales guidance for Cognizant, seen as a trendsetter for the sector, is seen as a positive and some stocks may rebound towards the end of the week. The Indian currency expected to weaken against the dollar, giving some respite to the sector, a major exporter to the US.

Oil Sector – PSU refiners seen in range; crude price in focus

Shares of public sector oil refining companies IOC, BPCL, and HPCL are seen trading in a range this week in the absence of any major sector-specific triggers. Stocks of oil companies are likely to be in tune with the broader market and would be tracking global crude oil prices and news developments pertaining to the sector. Refining companies currently have strong fundamentals and positivity around them on expectations of favourable Jan-Mar earnings, backed by inventory gains and robust refining margins. Some market participants believe that any weakness in the immediate term in downstream stocks should be considered a buying opportunity. As far as upstream players like ONGC, Oil India, and Cairn India are concerned, these stocks are likely to trade in a narrow range, and their movement will be decided by global prices of crude oil. However, fundamentals for upstream companies continue to be weak as oil prices continue to be subdued. Rising output from the Organization of the Petroleum Exporting Countries and the likelihood of increased production in the US may weigh on prices. Even as oil prices gained mostly because of a fall in US oil output, rising inventories and speculation that shale oil producers might ramp-up output if prices rise above \$45 per bbl may pull down prices. Apart from that, focus of domestic equity markets will now be on corporate earnings for Jan-Mar, which is likely to shape sentiment in the broad market. Fluctuations in the dollar-rupee exchange rates are also likely to affect the stocks of downstream and upstream oil companies.

Pharma Sector – Seen mixed this week; earnings to be in focus

Pharmaceutical stocks are seen mixed this week, with Jan-Mar earnings of Cadila Healthcare, Dr Reddy's Laboratories and Glenmark Pharmaceuticals key triggers for their scrips. Cadila Healthcare is seen reporting a consolidated net profit of 3.79 bln rupees, up 8.3% on year. Dr Reddy's Laboratories is expected to report a 6.6% growth in its Jan-Mar consolidated net profit to 5.5 bln rupees. Wockhardt is likely to be in focus on Monday, after reporting 26% rise in its Jan-Mar consolidated net profit to 429 mln rupees. Pfizer may extend gains after reporting a 57% surge in its Jan-Mar net profit to 669.7 mln rupees on account of lower tax outgo and rise in other income. Friday, the stock ended up 2%. Market participants remain upbeat on Cipla and Aurobindo Pharma as the companies are seen reporting strong earnings.

Metal Sector – May rise this week; Tata Steel remains in focus

Shares of major metal and mining companies are seen trading slightly up this week following reports that the government is looking at creating a fund under India's first sovereign wealth fund to cater to the capital requirements of domestic steel companies. In December, the government created the 400-bln-rupees National Investment and Infrastructure Fund as an investment vehicle to fund Greenfield, brownfield and stalled projects that are commercially viable. Traders would continue to eye shares of Tata Steel this week as the UK government has said that it will help Tata Steel shortlist serious buyers for their UK operations. Till now, Sanjeev Gupta-led Liberty House and management buyout vehicle Excalibur Steel have submitted their letter of intent to purchase the company's UK assets. In positive news for the sector, National Aluminium Co was allotted coal blocks Utkal-D and Utkal-E in Odisha by the government and will have all the rights, titles, and interest in and over the land of both mines.

Telecom Sector – Bharti Airtel, RComm seen up this week

Shares of telecom service providers are seen trading higher this week as investors may react positively to their recent announcements. Bharti Airtel's arm Bharti Airtel International (Netherlands) BV signed an agreement with Helios Towers Africa to sell its 950 towers in the Democratic Republic of Congo. The deal will help the company cut debt and capital expenditure. Reliance Communications Ltd kick-started a price war by offering 10 GB of 4G data bundled with 150 voice minutes for 93 rupees per month.



Market range for the week 7550-7980

Nifty	Values
Support 1	7680
Support 2	7650
Support 3	7550
Resistance 1	7780
Resistance 2	7850
Resistance 3	7920

Resistance – Nifty may face resistance at 7780 level above this level it may go up to 7850-7920 level.

Support - Nifty has support at 7680 level below this next support at 7650-7550 levels.

Technical – During the week, CNX Nifty opened at 7822.70 and touched the highest level of 7890.25 and lowest level of 7678.35. The CNX Nifty ended at 7733.45; drag 119.35 points or 1.48%. The S&P BSE Sensex opened at 25565.44 and touched the highest level of 25705.96 and lowest level of 25057.90. The S&P BSE Sensex closed at 25228.50; drag 378.12 points or 1.48%.

For the coming week, we expect the market range of 7550-7980

Weekly Chart View –

We had mentioned in last week’s report that on the daily chart Nifty was near to 200DMA and on weekly chart we witnessed “Narrow range” body formation, because of that we had mentioned 7950-7980 will be major resistance only above that we can see some upsid and all we have seen Nifty fail to cross above mentioned levels. Now on daily chart we can see series of “Narrow range” body formation and on weekly chart below 100WMA. So overall from here now 7680-7650 will be major support below that we can see some more pressure and from here upper side 7780-7820 will be major resistance above that we can see some upside. Some stocks specific action can see, if Nifty hold 7680-7650 levels.

Weekly Chart





Weekly Technicals of Key Companies –

Company	Closing 06-May-16	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1425.45	1417.07	1454.83	1484.22	1387.68	1349.92
ADANIPORTS	194.55	209.18	227.82	261.08	175.92	157.28
AMBUJACEM	219.95	219.55	226.35	232.75	213.15	206.35
ASIANPAINT	889.05	879.90	899.15	909.25	869.80	850.55
AUOPHARMA	799.80	793.63	826.07	852.33	767.37	734.93
AXISBANK	461.45	466.30	474.15	486.85	453.60	445.75
BAJAJ-AUTO	2435.20	2463.43	2496.77	2558.33	2401.87	2368.53
BANKBARODA	150.60	152.27	157.73	164.87	145.13	139.67
BHARTIARTL	359.10	360.42	369.18	379.27	350.33	341.57
BHEL	126.75	125.17	131.28	135.82	120.63	114.52
BOSCHLTD	19127.95	19331.97	19699.93	20271.92	18759.98	18392.02
BPCL	939.20	951.37	975.03	1010.87	915.53	891.87
CIPLA	537.35	536.97	547.38	557.42	526.93	516.52
COALINDIA	281.90	281.18	289.97	298.03	273.12	264.33
DRREDDY	2866.30	2935.73	3011.52	3156.73	2790.52	2714.73
EICHERMOT	20215.90	19926.50	20638.40	21060.90	19504.00	18792.10
GAIL	383.85	375.77	394.98	406.12	364.63	345.42
GRASIM	4112.05	4113.65	4177.30	4242.55	4048.40	3984.75
HCLTECH	722.60	733.30	745.60	768.60	710.30	698.00
HDFC	1167.80	1140.85	1203.15	1238.50	1105.50	1043.20
HDFCBANK	1119.65	1122.60	1132.05	1144.45	1110.20	1100.75
HEROMOTOCO	2890.30	2890.23	2960.12	3029.93	2820.42	2750.53
HINDALCO	91.90	93.82	98.73	105.57	86.98	82.07
HINDUNILVR	853.40	855.47	866.93	880.47	841.93	830.47
ICICIBANK	218.60	220.77	228.33	238.07	211.03	203.47
IDEA	114.20	115.68	119.77	125.33	110.12	106.03
INDUSINDBK	1042.20	1041.57	1057.88	1073.57	1025.88	1009.57
INFRADEL	370.05	375.07	382.78	395.52	362.33	354.62
INFY	1181.50	1188.12	1205.58	1229.67	1164.03	1146.57
ITC	317.70	315.90	325.80	333.90	307.80	297.90
KOTAKBANK	702.95	707.93	719.77	736.58	691.12	679.28
LT	1260.45	1259.87	1283.73	1307.02	1236.58	1212.72
LUPIN	1586.85	1592.95	1625.90	1664.95	1553.90	1520.95
M&M	1330.80	1329.70	1353.40	1376.00	1307.10	1283.40
MARUTI	3818.95	3816.52	3881.43	3943.92	3754.03	3689.12
NTPC	140.00	138.77	142.73	145.47	136.03	132.07
ONGC	208.45	212.15	217.20	225.95	203.40	198.35
POWERGRID	142.45	143.25	146.00	149.55	139.70	136.95
RELIANCE	968.95	976.97	986.93	1004.92	958.98	949.02
SBIN	184.35	184.07	189.63	194.92	178.78	173.22
SUNPHARMA	804.40	804.13	828.27	852.13	780.27	756.13
TATAMOTORS	398.70	400.27	420.43	442.17	378.53	358.37
TATAMTRDVR	286.80	292.38	306.32	325.83	272.87	258.93
TATAPOWER	72.20	71.73	73.97	75.73	69.97	67.73
TATASTEEL	329.30	336.37	348.58	367.87	317.08	304.87
TCS	2473.40	2478.13	2525.27	2577.13	2426.27	2379.13
TECHM	473.05	472.58	485.47	497.88	460.17	447.28
ULTRACEMCO	3099.90	3135.75	3209.45	3319.00	3026.20	2952.50
WIPRO	533.10	539.22	546.83	560.57	525.48	517.87
YESBANK	910.20	924.48	943.32	976.43	891.37	872.53
ZEEL	403.10	407.43	418.57	434.03	391.97	380.83

Source: Iris Software

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