



Key developments during the week

- Govt seeks bk information from Switzerland on Indian account holders
- Moily says hike in subsidised LPG cylinder cap to cost 38 bln rupees/yr
- Jr finance minister says no plan to cut import duty on gold
- FIPB OKs 9 FDI proposals; GlaxoSmithKline referred to Cabinet panel
- Divest secy says discussed issuing RFP for Hind Zinc, BALCO shr sale
- RBI authorises four cos to set up, operate white label ATMs
- Govt says to introduce 10-rupee plastic notes this yr on trial basis
- Govt tables in Parliament Shah panel 1st report on illegal mining
- Maruti Suzuki COO says co, Suzuki to jointly develop pdts in India
- Jr petroleum minister says ONGC Videsh to bid for Tanzania oil block
- HPCL CMD says could delay Vizag expansion a bit, Barmer unit priority
- IFC raises 7 bln rupees via latest tranche of rupee denominated bond
- SBI to up minimum fee on non-home branch cash deposits by 400% Mar 8
- Strides Arcolab Oct-Dec exceptional gain 32.65 bln rupees
- SC says final hearing in Delhi power regulator vs BSES case from Mar 26
- Tata Motors, Samsung in pact for vehicle infotainment services

INDEX	07-Feb-14	31-Jan-14	Change (in %)
NIFTY	6063.20	6089.50	-0.43
SENSEX	20376.56	20513.85	-0.67
NSE 500	4701.70	4709.15	-0.16
NSE MIDCAP	2143.90	2131.20	0.60
NIFTY JUNIOR	12048.20	11993.05	0.46
BSE SMALLCAP	6328.76	6263.35	1.04
BSE 200	2420.48	2425.46	-0.21

INDEX	07-Feb-14	31-Jan-14	Change (in %)
BSE CD	5592.84	5548.18	0.80
BSE OIL AND GAS	8327.79	8453.06	-1.48
BSE PSU	5613.55	5554.94	1.06
BSE FMCG	6504.76	6517.93	-0.20
BSE CAPITAL GOODS	9402.18	9486.63	-0.89
BSE AUTO	11791.28	11568.87	1.92
BSE REALTY	1205.35	1211.60	-0.52
BSE BANK	11743.38	11712.31	0.27
BSE TECH	5032.25	5167.53	-2.62
BSE HEALTHCARE	10336.85	10109.76	2.25
BSE IT	9169.05	9476.62	-3.25
BSE METALS	9292.87	9151.57	1.54

INDEX	07-Feb-14	31-Jan-14	Change (in %)
DOW JONES	15794.08	15698.85	0.61
HANG SENG	21636.85	22035.42	-1.81
NIKKEI	14462.41	14914.53	-3.03
FTSE	6571.68	6510.44	0.94

Domestic events week ahead

- Feb 10-11:** Power generation for January, by Central Electricity Authority.
- Feb 10-11:** Automobile sales data for January, by SIAM.
- Feb 10-12:** Trade data for January, by commerce and industry ministry.
- Feb 10-12:** FDI equity inflow in November, by RBI.
- Feb 12:** Index of Industrial Production for December, by CSO.
- Feb 12:** CPI for Combined, Rural, and Urban for January, by CSO.
- Feb 14:** WPI inflation for January, by commerce and industry ministry.

Source: NW18

Global events week ahead

- Feb 10:** Japan Consumer Confidence, French Industrial Production m/m, Italian Industrial Production m/m, Europe Sentix Investor Confidence
- Feb 11:** China Trade Balance, US FOMC Member Plosser Speaks, US Fed Chair Yellen Testifies
- Feb 12:** Japan Core Machinery Orders m/m, Europe Industrial Production m/m, UK BOE Gov Carney Speaks, UK BOE Inflation Report, ECB President Draghi Speaks, US Crude Oil Inventories, US Federal Budget Balance
- Feb 13:** German Final CPI m/m, ECB Monthly Bulletin, US Core Retail Sales m/m, US Retail Sales m/m, US Unemployment Claims, US Fed Chair Yellen Testifies, US Business Inventories m/m
- Feb 14:** China CPI y/y, China PPI y/y, French Prelim GDP q/q, German Prelim GDP q/q, French Prelim Non-Farm Payrolls q/q, Italian Prelim GDP q/q, Europe Flash GDP q/q, Europe Trade Balance, US Industrial Production m/m, US Prelim UoM Consumer Sentiment



Weekly Sector Outlook and Stock Picks

Auto sector – To take cues from products showcase, Oct-Dec numbers

Stocks of major automobile manufacturers are likely to take cues from the unveiling of new products at the 12th Auto Expo and from the earnings for Oct-Dec slated to be out this week. Tata Motors Ltd and Mahindra & Mahindra Ltd will declare their Oct-Dec earnings on 10 Feb and 14 Feb, respectively. The much-awaited Auto Expo, that started 4 Feb, saw many companies unveiling and launching products, on the first two days. Company's product launches on the occasion have sent a positive sentiment across the market, which is likely to continue this week. The biggest event yet at the 12th Auto Expo, Maruti Suzuki India Ltd launched its much-awaited Celerio hatchback with a starting tag of 390,000 rupees, ex-showroom Delhi. The hatchback has its top variant, with a manual transmission, priced at 496,000 rupees. Similarly, Hero MotoCorp Ltd's counter is seen trading with a positive bias on product launches and future plans. The company unveiled three scooters, two of which are scheduled to be launched in the next financial year. Tata Motors Ltd unveiled its Falcon series of vehicles a hatchback Bolt and a compact sedan Zest during the Auto Expo with plans to launch the models in the second half of 2014. At the Auto Expo, its UK-based subsidiary, the Jaguar Land Rover showcased the concept Jaguar CX-17 all-aluminium sport utility vehicle, which is likely to be commercially launched in 2015.

Bank Sector – Rangebound with negative bias, SBI results eyed

Banking stocks are seen rangebound with a negative bias this week as many investors would await State Bank of India's Oct-Dec earnings before deciding on their positions in banks' stocks. The country's largest state-owned bank, SBI, will detail its earnings for Oct-Dec on 14 Feb. Apart from SBI, private lenders Dhanlaxmi Bank and Lakshmi Vilas Bank will also detail their results for Oct-Dec this week. Bank stocks would also depend on key economic data that would be detailed this week as it would provide clarity on the Reserve Bank of India's monetary policy stance that impacts banks' performances. The Central Statistics Office will detail India's index for industrial production for December and Consumer Price Index-based inflation for January on 12 Feb while the commerce ministry will detail Wholesale Price Index-based inflation for January on 14 Feb.

Capital Goods Sector – Seen tracking wider market; L&T seen up

Following a mixed Oct-Dec earnings season, shares of capital goods companies are seen taking cues from the wider market in the absence of sector-specific triggers. L&T continues to be the best play in India infrastructure space, given its strong business model, diverse skill sets, strong execution capabilities and relatively healthy/large balance sheet. State-owned capital goods company Bharat Heavy Electricals seen negative, as the company continued to disappoint investors, posting a net profit of 6.95 bln rupees, down 41.2% on year. Muted outlook on order inflow in the near term and rising slow-moving projects in the order book remain an overhang.

Cement Sector – Seen trading down; India Cements earnings eyed

Shares of major cement companies to trade weak this week. Shares of India Cements Ltd and Ramco Cements will be in focus as they are scheduled to detail their Oct-Dec earnings on 10 Feb and 12 Feb, respectively. India Cements is expected to report a loss of 42 mln rupees for Oct-Dec against a profit of 261 mln rupees a year ago. Ramco Cements' Oct-Dec net profit is seen at 324 mln rupees, 61% lower on year. Cement prices continued to remain under pressure. Freight and fuel costs have increased, though marginally, during the quarter. Though seasonal uptick is expected in Jan-Mar, there is limited visibility of a recovery on a sustainable basis.

FMCG Sector – Seen rangebound as focus shifts to other stocks

Shares of fast moving consumer goods companies will remain rangebound in the week ahead as focus shifts to other heavyweight companies that are scheduled to detail their Oct-Dec earnings. People are going to focus on companies like Tata Steel and Hindalco that are declaring results this week. FMCG stocks are unlikely to see any fresh buying. Stocks of most FMCG companies have been trading in a range.

IT Sector – NASSCOM numbers to determine sentiment this week

The overall direction of information technology stocks, which saw profit booking this week, is likely to be set by projections by the industry body on Tuesday about India's IT exports in financial year 2014-15. Going by the bullish commentary from companies such as Tata Consultancy Services, Wipro, and Infosys, expectations are that National



Association of Software and Services Companies will set a growth target of 14-16% for 2014-15. Companies such as Infosys, TCS and HCL Technologies, which account for more than half of India's IT exports, are on track to end the current financial year with growth of 12-17%, largely above NASSCOM's target of 12-14% for the year. As a result, a bullish estimate of 14-16% growth for exports for next year would imply growth rates of 14-18% for top tier IT companies, and could lead to a positive rerating of their stocks. The determination showed by the US Federal Reserve to push ahead with its \$10-bln-per-month cut in its stimulus program is also expected to weigh on frontline IT stocks, which typically have high foreign investor holding. Top Indian IT stocks have risen by 50-85% in the last seven months, boosted by rising profitability owing to rupee depreciation, strengthening of the US market, and an overall shift in investor interest away from domestic-market focussed companies.

Oil Sector – Seen in range, to track PSU cos' Oct-Dec results

Movement of shares of state-owned oil marketing companies as well as upstream companies will depend on their Oct-Dec earnings to be announced this week, but will broadly be rangebound. While all three refiners are likely to report losses for the quarter ended December as the government has so far not announced any compensation for the revenue loss incurred on subsidised sale of fuels, the realizations of upstream companies would remain under pressure because of the subsidy burden. The oil ministry has sought 237.87 bln rupees as subsidy to part-finance the revenue losses faced by Indian Oil Corp, Bharat Petroleum Corp, and Hindustan Petroleum Corp in Oct-Dec. The crude price trend has been soft with the Indian basket hitting a low of \$103.6 a barrel. The rupee too has recovered against the US dollar and closed at 62.28, 40 paise higher from a week ago. Both these factors will provide crucial support to the shares of oil companies.

Pharma sector – In narrow range this week; earnings eyed

Frontline pharmaceutical stocks are likely to move in a narrow range with some stock-specific movement based on Oct-Dec earnings of the companies this week. The only outperformers in the rangebound pharmaceutical space could be Cadila Healthcare and Divi's Laboratories. Dr Reddy's Laboratories Ltd and Cipla Ltd will report their earnings for the quarter ending December on 11 Feb and 12 Feb, respectively. Hyderabad-based Dr Reddy's Laboratories is estimated to post a 51% on-year rise in its net profit to 5.48 bln rupees during Oct-Dec. Cipla, is seen posting an Oct-Dec net profit of 3.86 bln rupees, up 11% on-year. Aurobindo Pharma Ltd reported a 355% on-year rise in its Oct-Dec net profit and its stocks hit lifetime high. Other pharmaceutical companies to post their Oct-Dec earnings this week include Orchid Chemicals, Natco Pharma, Panacea Biotec, Elder Pharmaceuticals, Dishman Pharmaceuticals and Bafna Pharmaceuticals.

Metal Sector – No triggers this week, Oct-Dec results eyed

Stocks of metal companies are seen reacting to stock-specific action this week, with Oct-Dec earnings of Nifty majors Tata Steel and Hindalco Industries scheduled to be announced. Tata Steel will report its earnings on 11 Feb while Hindalco Industries will detail its results on 13 Feb. Tata Steel Ltd is seen reporting a consolidated net profit of 7.83 bln rupees for Oct-Dec against a loss of 7.63 bln rupees a year ago on steadily improving profit margin. The company's profit margin is seen at around 10.77%, a 387 basis points increase from a year ago. On a sequential basis, Tata Steel's net profit is seen down 15%, and net sales down 2%. Hindalco Industries is seen reporting a 26% on-year drop in net profit to 3.2 bln rupees. Net sales of the company are also seen down 1% on year at 67.34 bln rupees. On a quarter-on-quarter basis, net profit is down 10% while net sales are seen rising 8%.

Telecom Sector – To trade in range; RComm seen down this week

Telecom stocks are seen trading in a range, with all eyes on the ongoing spectrum auction, awaiting cues. At the end of Day 4, the government had got provisional bids worth over 510 bln rupees for all the spectrum put on the block. An industry said even if the auction continues in the coming days, the overall bids for the entire spectrum are not expected to see any significant rise from the current level, as the bidding intensity seen in the first three days has peaked out. If the auction concludes this week, investors will see whether incumbent operator Bharti Airtel has been able to retain its spectrum holding in the 900 Mhz band or not. For Delhi and Kolkata circles in the 900 Mhz band, the company will have to vacate its spectrum when the licences for the two expires in November. If they want to retain the spectrum in the two circles, they will have to acquire it back in the auction being conducted currently. Eight telecom companies Bharti Airtel, Reliance Jio Infocomm, Idea Cellular, Vodafone India, RComm, Telenor's Telewings Communications Services, Aircel and Tata Teleservices are participating in the auction. RComm may start the coming week on a bearish note, as the company's Oct-Dec result announced was below street estimates. The company's consolidated net profit for the reporting quarter was 1.08 bln rupees, as against estimate of nearly 2.50 bln rupees.



Market Range for Week 5950- 6220

Nifty	Values
Support 1	6050
Support 2	6010
Support 3	5950
Resistance 1	6110
Resistance 2	6180
Resistance 3	6220

Resistance – Nifty facing Resistance level @6110 level above this level it may go up to @6180 & @ 6220 level.

Support - Support comes for market @6050 level for Nifty; below this level Nifty next support @6010 and @5950 will be the major support for Market.

Technical – Last week Nifty opened at 6057 & it made a high of 6079. Last week we have seen rangebound market. Nifty made a low of 5933 & closed at 6063. Last week Nifty gain 146 points from its low & on weekly basis it closed at 26 points lower. Sensex made a weekly high of 20480 & a low of 19963 almost it gain 517 points in the week from its low. So overall last week we have seen some rangebound market with stocks specific action.

For the coming week the market range we expect 5950-6220

Weekly Chart View –

Last week we had expected market range (5950-6220) market made a high of 6079 & low of 5933, so overall it holds our both side range.

In last week report we had mentioned on daily chart we witness bearish candle, but near 200DMA. On weekly chart we witness bearish candle, because of all that we had mentioned 6050-6020 will be major support & below that can see some pressure & all we have seen same. Now on daily chart market continues taking support at 200DMA (5970-5980) but below 100DMA. On weekly chart Nifty taking support at 50WMA & can see “Doji Candle”. So overall from here 5970-5940 will remain major support below that can see more pressure upper side 6150-6180 will remain major resistance for market.

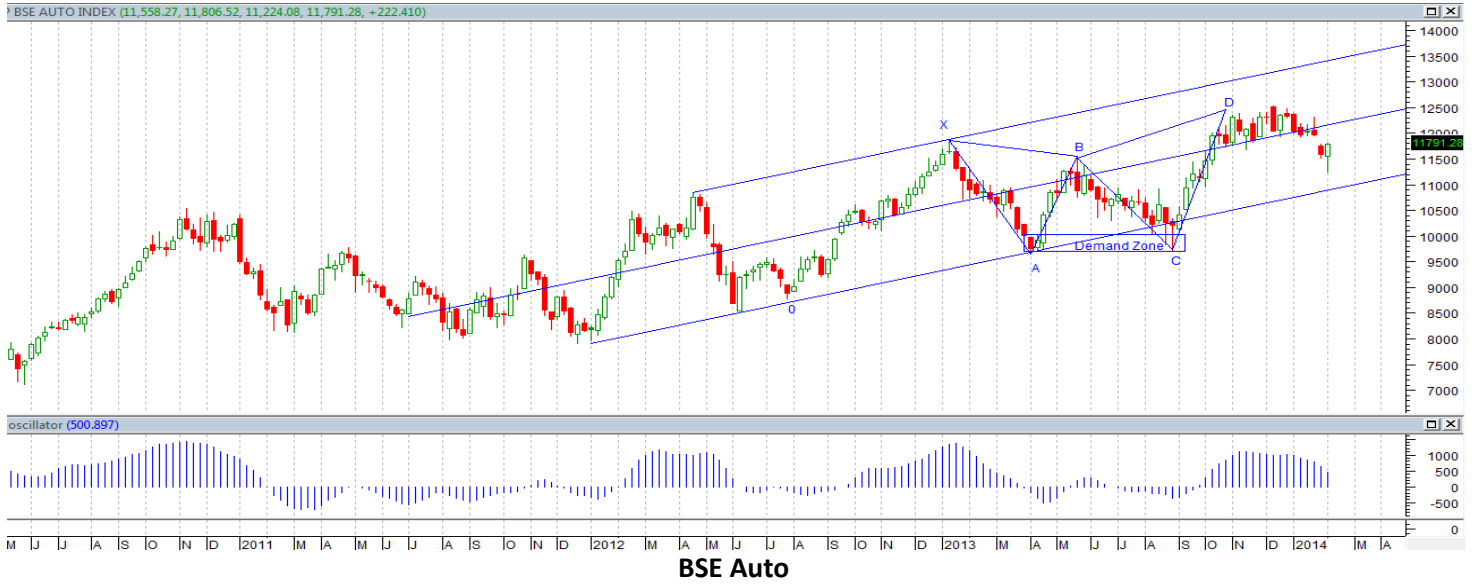
Weekly Chart





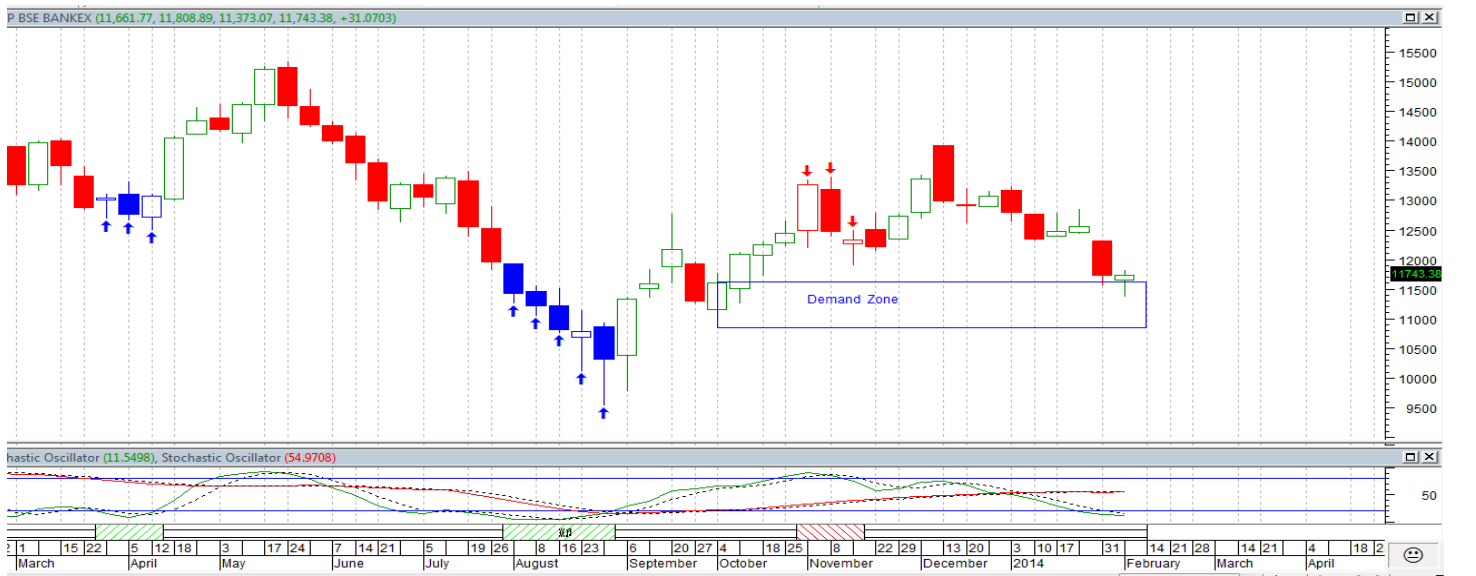
Weekly Sectoral Technical Outlook

BSE Auto Index	CMP: 11791
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At present we are observing a Hammer candlestick pattern on the weekly chart. The said pattern would get activated if this sector trades and close above 11806 level. However the downward gap area in the range of 11934 to 11785 is a major resistance going forward. Since the daily are in a lower top lower bottom formation, rallies near resistance level are likely to attract selling pressure. Hence one should be cautious in this sector.

BSE Bankex	CMP: 11743
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BSE Bankex

At present this sector has taken support at the demand level. Hence a bounce could be expected in this sector. On the upside it can test 12000 – 12200 level. Hence one can trade this sector with cautiously positive approach, for upside target of 12000 to 12200.



BSE Metal Index

CMP: 9292

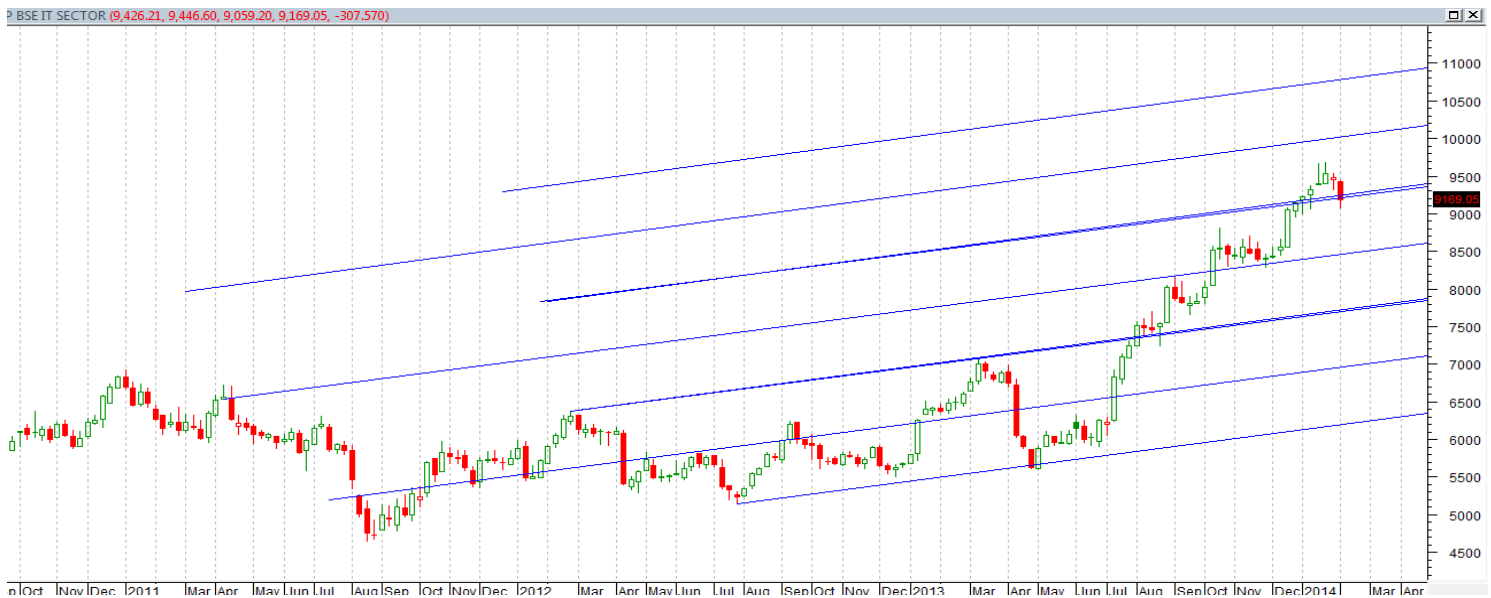


BSE Metal Index

We reiterate our previous view that the prices after facing resistance at the upper trendline of downward sloping channel is witnessing a corrective down move. However there is no clear pattern on the chart which suggests going long in this sector. Hence, one should be cautious at current level.

BSE IT

CMP: 9169



BSE IT

At present we are witnessing a corrective move of a steep rally. Hence one should avoid this sector at current level and wait for a proper reversal pattern.



Weekly Technicals of Key Companies –

Company	Closing 07-Feb-14	Buy/Sell Trigger	Resistnace 1	Resistance 2	Support 1	Support 2
ACC	1046.45	1030.02	1071.43	1096.42	1005.03	963.62
AMBUJACEM	162.85	159.58	167.12	171.38	155.32	147.78
ASIANPAINT	490.50	481.95	499.85	509.20	472.60	454.70
AXISBANK	1125.45	1120.00	1141.45	1157.45	1104.00	1082.55
BAJAJ-AUTO	1935.35	1889.45	1985.70	2036.05	1839.10	1742.85
BANKBARODA	557.90	546.37	572.28	586.67	531.98	506.07
BHARTIARTL	315.55	311.48	323.52	331.48	303.52	291.48
BHEL	155.75	160.85	168.70	181.65	147.90	140.05
BPCL	352.15	354.68	363.47	374.78	343.37	334.58
CAIRN	334.05	328.70	340.35	346.65	322.40	310.75
CIPLA	417.05	415.18	421.87	426.68	410.37	403.68
COALINDIA	269.60	260.97	278.93	288.27	251.63	233.67
DLF	137.95	136.03	141.82	145.68	132.17	126.38
DRREDDY	2631.90	2628.50	2677.00	2722.10	2583.40	2534.90
GAIL	356.20	357.95	368.15	380.10	346.00	335.80
GRASIM	2550.55	2521.83	2592.67	2634.78	2479.72	2408.88
HCLTECH	1400.05	1411.73	1459.47	1518.88	1352.32	1304.58
HDFC	783.45	788.15	803.95	824.45	767.65	751.85
HDFCBANK	647.75	639.68	662.57	677.38	624.87	601.98
HEROMOTOCO	2005.50	1985.33	2031.47	2057.43	1959.37	1913.23
HINDALCO	106.40	105.20	110.60	114.80	101.00	95.60
HINDUNILVR	577.65	576.30	591.00	604.35	562.95	548.25
ICICIBANK	960.45	962.02	980.43	1000.42	942.03	923.62
IDFC	96.15	93.78	99.52	102.88	90.42	84.68
INDUSINDBK	388.65	386.37	400.53	412.42	374.48	360.32
INFY	3566.55	3599.85	3658.70	3750.85	3507.70	3448.85
ITC	323.45	322.12	328.33	333.22	317.23	311.02
JINDALSTEL	244.10	244.22	250.23	256.37	238.08	232.07
JPASSOCIAT	40.25	39.18	41.87	43.48	37.57	34.88
KOTAKBANK	658.85	659.52	675.43	692.02	642.93	627.02
LT	984.15	979.65	994.20	1004.25	969.60	955.05
LUPIN	919.30	911.15	940.30	961.30	890.15	861.00
M&M	895.55	881.72	916.83	938.12	860.43	825.32
MARUTI	1664.95	1641.78	1693.57	1722.18	1613.17	1561.38
NMDC	144.90	141.97	148.33	151.77	138.53	132.17
NTPC	135.95	132.38	139.67	143.38	128.67	121.38
ONGC	269.30	269.58	275.02	280.73	263.87	258.43
PNB	555.70	553.37	571.73	587.77	537.33	518.97
POWERGRID	97.50	96.68	98.67	99.83	95.52	93.53
RANBAXY	340.70	331.85	356.20	371.70	316.35	292.00
RELIANCE	814.45	817.05	827.20	839.95	804.30	794.15
SBIN	1527.60	1510.77	1554.73	1581.87	1483.63	1439.67
SSLT	189.90	187.05	193.85	197.80	183.10	176.30
SUNPHARMA	601.65	595.65	609.80	617.95	587.50	573.35
TATAMOTORS	360.20	351.77	371.43	382.67	340.53	320.87
TATAPOWER	74.90	74.35	77.30	79.70	71.95	69.00
TATASTEEL	384.45	369.17	402.28	420.12	351.33	318.22
TCS	2144.40	2166.90	2221.75	2299.10	2089.55	2034.70
ULTRACEMCO	1729.05	1706.12	1761.93	1794.82	1673.23	1617.42
WIPRO	561.65	559.88	575.77	589.88	545.77	529.88

Source: Iris Software



Note: Bank's Book values are as per Bloomberg estimates

Rating scale	
BUY	>20%
ACCUMULATE	12-20%
HOLD	5-12%
NEUTRAL	0-5%
REDUCE	< 0%

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