

**Key developments during the week**

- India Mar passenger car sales 175,730 units, down 0.3% YoY
- RBI Rajan says move to 4% inflation will help curb rupee volatility
- Jaitley says some sectors still need to be addressed to reduce banks' NPAs
- Jayant Sinha says want change in pension, insurance investment norms
- Moody's says FDI inflows to mitigate risk of rise in India's CAD
- Source says may limit FDI in food products e-commerce to market place model
- India FY16 power generation 1,107.4 bln kWh vs 1,137.5 bln kWh aim
- India Mar services PMI rose sharply to 54.3 from 51.2 in Feb
- Cabinet allows PSU oil companies to form own policy for crude purchases
- Trade minister seeks extension of SEZ tax benefit for 3 years
- India's import of finished steel 11.21 mln tn in FY16, up 20.2%
- RBI cuts repo rate cut by 25 bps to 6.5%, increase reverse repo rate by 25 bps to 6%; CRR kept unchanged at 4%
- RBI Policy: Retains FY17 growth forecast at 7.6%
- Rajan says monetary policy stance remains accommodative
- Jaitley says interest rates in India need to be more competitive
- Jayant Sinha says rate cut to be "very good" stimulus for economy
- India Mar Nikkei manufacturing PMI at 8-month high of 52.4 vs 51.1 in Feb

INDEX	08-Apr-16	01-Apr-16	Change (in %)
NIFTY	7555.20	7713.05	-2.05
SENSEX	24673.84	25269.64	-2.36
NSE 500	6346.65	6445.50	-1.53
NSE MIDCAP	3169.75	3224.80	-1.71
NIFTY JUNIOR	18656.35	18761.30	-0.56
BSE SMALLCAP	10664.46	10639.84	0.23
BSE 200	3199.13	3254.43	-1.70

INDEX	08-Apr-16	01-Apr-16	Change (in %)
BSE AUTO	17463.09	17883.68	-2.35
BSE BANK	17695.16	18444.95	-4.07
BSE CAPITAL GOODS	12794.55	13020.80	-1.74
BSE CD	11348.49	11560.59	-1.83
BSE FMCG	7603.15	7770.02	-2.15
BSE HEALTHCARE	15217.65	15110.48	0.71
BSE IT	11064.06	11272.94	-1.85
BSE METALS	7467.36	7489.03	-0.29
BSE OIL AND GAS	9099.69	9047.79	0.57
BSE PSU	6028.80	6100.65	-1.18
BSE REALTY	1243.16	1264.84	-1.71
BSE TECK	5923.27	6029.56	-1.76

INDEX	08-Apr-16	01-Apr-16	Change (in %)
DOW JONES	17576.96	17792.75	-1.21
HANG SENG	20364.02	20498.92	-0.66
NIKKEI	15821.52	16164.16	-2.12
FTSE	6204.41	6146.05	0.95

**Domestic events week ahead**

- Apr 11-12:** FDI inflow for February, by RBI
- Apr 11-12:** Freight traffic of major ports in Apr-Mar, by IPA
- Apr 12:** Index of Industrial Production for February, by CSO
- Apr 12:** CPI Combined inflation for March, by CSO
- Apr 14-18:** Trade data for March, by commerce and industry ministry
- Apr 14-21:** GSM mobile subscriber data for March, by COAI
- Apr 14-21:** Foreign tourist arrivals in March, by tourism ministry

Source: Cogencies

**Global events week ahead**

- Apr 11:** China CPI, China PPI
- Apr 12:** UK CPI, UK PPI, US Federal Budget Balance
- Apr 13:** BOE Credit Conditions Survey, Europe Industrial Production, US Core Retail Sales and Retail Sales, US PPI and Core PPI, US Crude Oil Inventories,
- Apr 14:** China Trade Balance, Europe Final CPI and Core CPI, BoE Monetary Policy, US CPI and Core CPI, US Unemployment Claims,
- Apr 15:** China GDP, China Industrial Production, China Retail Sales, Japan Industrial Production, Europe Trade Balance, US Industrial Production, US Prelim UoM Consumer Sentiment



## Weekly Sector Outlook and Stock Picks

### **Auto Sector – To take cues from broader market; bias positive**

Shares of automobile companies are expected to take cues from the broader market, and will show a positive bias. The Auto Index, which closed down nearly 3% from a week ago, will see some rebound this week, which will see just three trading sessions. Markets will remain closed on Thursday and Friday on account of Ambedkar Jayanti and Ram Navami, respectively. The positivity from the larger automobile market is unlikely to extend to Maruti Suzuki India Ltd. The company is seen struggling to establish some control over the fast growing sports utility vehicle market despite the launch of two SUVs in succession. Ashok Leyland, which has had a decent run in the past couple of weeks, is likely to see another week of strong trade. Mahindra and Mahindra is likely to trade in a narrow range.

### **Bank Sector – Subdued tracking broad markets in truncated week**

Banking stocks are expected to trade with a subdued bias in line with the broad equity market this week, with stock movements likely only tracking bank-specific triggers. Stock markets will remain closed on Thursday for Ambedkar Jayanti and Apr 15 for Ram Navami. With key economic indicators such as Index of Industrial Production for February and combined consumer price index-linked inflation for March being released on Tuesday, they are not expected to have any major impact in the curtailed trading week. State-owned banks are likely to eye cues from the Bank Board Bureau's first meeting that was held in Mumbai. Minister of State for Finance Jayant Sinha had mentioned that consolidation in the state-owned bank space was one of the agendas of the meeting. While no views from the Bureau have emerged so far, their views and guidance will be closely watched by banks and investors for cues on the future of the public sector bank space. While there are no banks earnings due this week, with the Reserve Bank of India's Asset Quality Review impact in mind and expect state-owned banks' results to show a negative trend in Jan-Mar while private lenders are likely to show a muted but positive trajectory.

### **Capital Goods Sector – Seen rangebound with weak bias this week**

Shares of capital goods companies are seen trading in range with a weak bias this week, as investors are likely to remain cautious ahead of what is largely expected to be another weak earnings' quarter for the sector. In the near-term, capital goods companies are seen weakening and investors may choose to wait before taking new positions. Sector major Larsen and Toubro is expected to miss its order inflow guidance. The company has announced orders worth 163.4 bln rupees. To meet the order inflow guidance, it needs to get orders worth 650 bln rupees. However, shares of state-owned BHEL, which had been moving along a weak trajectory in recent weeks, found some relief during this week after the company reported a provisional net profit of 3.96 bln rupees for Jan-Mar, following two consecutive quarters of losses. Till large-scale order inflows from public sector companies and government does not pick up, suggest investors to limit capital goods play to product companies.

### **Cement Sector – Seen trading with negative bias on weak demand**

Shares of cement manufacturers are seen trading with a negative bias this week, primarily because of persistent weak demand for the building material in large parts of the country. Through the past month, cement makers have increased prices in northern and western India, even as demand remains weak. Drought-like conditions in large parts of the country are seen further hitting demand in rural regions. For demand to pick up, the industry has pinned its hopes on the roads sector. Among large cement companies, shares of UltraTech Cement are seen gaining the most, given the company's wide reach across the country and its large manufacturing capacity, with which it would be best, placed to meet any sudden surge in demand. Among mid-cap cement companies, shares of JK Lakshmi Cement are seen faring better than those of its peers, as the company has more idle capacity and stronger hold, particularly in north India.

### **FMCG Sector – Seen trading in range; Jan-Mar earnings eyed**

Shares of fast moving consumer goods manufacturers are seen trading in a tight range with a negative bias this week, and the market will wait for companies' Jan-Mar earnings to take cues. Companies such as Hindustan Unilever are expected to trade with a negative bias, given the drought-like conditions in large parts of the country that is expected to hurt rural demand. There is rising competition from home-grown FMCG Company Patanjali, too, which offers more bang for the buck, and has generated consumer traction, particularly in north India. FMCG companies have had a good run over the past year, as they have benefited from low input costs, which have aided margin expansion. Raw material costs are also likely to firm up in the near future, especially for agricultural inputs.

**IT Sector – Seen in range; Infosys Jan-Mar earnings to set trend**

Shares of information technology companies are expected to trade in a range this week as market participants may avoid taking any major bets on the sector ahead of earnings. The Indian currency, which closed at 66.47 rupees, is expected to strengthen further against the US dollar in the upcoming weeks. This is seen marginally affecting the sentiment for the information technology sector, a majority of whose business is accounted for in the US. This week, the focus will be on Infosys Ltd as it would kickstart the earnings for the IT sector. Market participants will wait for Infosys' revenue growth guidance for 2016-17 which is expected to set the trend for the sector. The Bengaluru-based company will detail its Jan-Mar earnings on Friday and is likely to report a 2% sequential rise in consolidated net profit to 35.5 bln rupees and a 4% sequential rise in net sales to 165.8 bln rupees. Shares of HCL Technologies, which gained in the past week on Geometric stake buy deal, are seen maintaining the positive momentum in upcoming weeks.

**Oil Sector – PSU refiners seen robust this week; oil prices eyed**

Shares of the three state-owned refiners IOC, BPCL and HPCL are likely to continue with a strong showing in the immediate term on hopes of robust Jan-Mar earnings, and expectations of inventory gains and robust refining margins. There are not any major triggers this week and the trend will be dictated by news flow, broader market, and of course, global crude oil prices. Prices of crude oil have inched up over the past month or so but have been range-bound. They have largely stayed between \$35 and \$40 per barrel. Even as an uptick in prices of crude oil is considered a negative for margins of oil-refining companies, in the current environment, these entities too have benefited from the slight improvement. Shares of the three state-owned fuel retailers have reacted positively on expectations of inventory gains due to the recent recovery in crude prices. Though prices of crude oil are largely seen stabilizing after some upward movement in the near-to-medium term, it is not clear if the current uptick in prices will continue in the week.

**Pharma Sector – Seen rangebound; earnings to provide fresh cues**

Shares of pharmaceutical companies may trade in a narrow range this week as investors await fresh cues from Jan-Mar and 2015-16 earnings that will be released by companies over the next one-and-a-half month. The bias remains weak due to ongoing regulatory issues in a number of pharma companies. However, analysts expect Jan-Mar earnings to be better than the previous quarters for most companies, which is a positive. Shares of Lupin and Aurobindo Pharma are likely to gain more, while Sun Pharmaceutical Industries' shares are seen trading in a range. Shares of Ipca Laboratories that fell to a 52-week low on account of aggravating regulatory woes are expected to be under pressure. The Global Fund, which sources Ipca Lab's anti-malaria drugs for African markets, has decided not buy the company's products due to pending regulatory issues at its manufacturing units. Lupin seen positive on news of launched its generic version of Purdue Pharma's Intermezzo sublingual tablets in the US. Aurobindo Pharma rose nearly 4% on week and is expected to move upward. The stock is getting a boost from increasing product approvals in the US market.

**Metal Sector – Bias positive; Tata Steel to remain in focus**

Shares of major metal companies are seen trading with a positive bias this week on improved outlook for the sector, while Tata Steel is expected to remain in focus as it will begin a formal sale process for its loss-making UK business. Increase in global iron ore prices is expected to benefit domestic steel producers with integrated plants, as they will have an edge over competitors having to purchase raw material from other companies. The overall sentiment towards the sector has improved in the last one month, and steel prices have improved since the imposition of minimum import price on cheap imports from China, South Korea and Japan, among others. Tata Steel Chairman Cyrus Mistry said the company will look at selling its UK assets in parts, if it can't find a buyer for the whole business. Although the sale of UK operations is seen as a positive for the company as it is a loss-making business, a probe by UK government's Serious Fraud Office concerning false certification, detailing Tata Steel's products might dent the company's prospects.

**Telecom Sector – Bharti Airtel, Idea, RComm seen up this week**

Shares of Bharti Airtel and Idea Cellular are seen trading higher this week, expect these companies to generate higher data revenues in Jan-Mar. Shares of Reliance Communications are likely to gain due to Cabinet decision, to liberalise telecom spectrum. Bharti Airtel signed a deal with Aircel to buy the latter's high-speed data services spectrum for eight circles for 35 bln rupees. Reliance Communications that hit a one-month low of 48.65 rupees after Moody's Investors Service cut its outlook on the company to 'negative' from 'stable', citing delays in the sale of its non-core assets. Delays in the sale of the company's non-core assets underpin its deleveraging strategy and have strained the company's financial and credit profile in the near term.



**Market range for the week 7380-7720**

Nifty	Values
Support 1	7520
Support 2	7450
Support 3	7380
Resistance 1	7620
Resistance 2	7680
Resistance 3	7720

**Resistance** – Nifty may face resistance at 7620 level above this level it may go up to 7680-7720 level.

**Support** - Nifty has support at 7520 level below this next support at 7450-7380 levels.

**Technical** – During the week, CNX Nifty opened at 7733.15 and touched the highest level of 7764.45 and lowest level of 7526.70. The CNX Nifty ended at 7555.20; drag 157.85 points or -2.05%. The S&P BSE Sensex opened at 25301.70 and touched the highest level of 25372.44 and lowest level of 24608.5. The S&P BSE Sensex closed at 24673.84; drag 595.8 points or -2.36%.

**For the coming week, we expect the market range of 7380-7720**

**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 witnessed “Doji” candle, because of that we had mentioned only above 7850-7880 we can see upside move till that consolidation can continue and all we have seen consolidation. Now on daily chart Nifty below 100DMA and on the weekly chart Nifty not able to cross upper trendline and can see 50 & 100WMA crossover. So overall from here remain 7750-7780 will be key resistance only above that we can see upside move and below 7520-7480 can see some pressure, so use some caution approach at higher levels.

**Weekly Chart**





### Weekly Sectoral Technical Outlook

<b>NSE Auto Index</b>	<b>CMP: 7821</b>
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#### NSE Auto

At present, prices have faced resistance at the median line of the second channel. This suggests weakness. We maintain our earlier stance that there is no clear pattern that suggests long in this sector. Hence one should stay at the side line and wait for positive pattern to emerge on the chart.

<b>NSE Bankex</b>	<b>CMP: 15568</b>
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#### NSE Bankex

At present we are observing a bear candle which suggests weakness. Hence, one should avoid this sector at present.



**NSE Metal Index**

**CMP: 1905**



**NSE Metal Index**

We still maintain our bearish stance on the sector. However, there is no clear pattern to go long in this sector. Hence, one should be avoiding this sector.

**NSE IT**

**CMP: 11061**



**NSE IT**

We still maintain our stance that this sector is in a bear grip. At present, there is no clear positive pattern emerging which suggests long in this sector. Hence, one should avoid this sector at present.



## Weekly Technicals of Key Companies –

Company	Closing 08-Apr-16	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1441.85	1425.90	1464.80	1487.75	1402.95	1364.05
ADANIPORTS	219.25	227.80	240.90	262.55	206.15	193.05
AMBUJACEM	225.75	228.57	234.08	242.42	220.23	214.72
ASIANPAINT	851.55	863.22	876.83	902.12	837.93	824.32
AUROPHARMA	758.05	752.85	774.65	791.25	736.25	714.45
AXISBANK	421.60	431.07	442.08	462.57	410.58	399.57
BAJAJ-AUTO	2389.45	2405.88	2461.27	2533.08	2334.07	2278.68
BANKBARODA	143.10	146.28	150.97	158.83	138.42	133.73
BHARTIARTL	334.60	337.03	348.47	362.33	323.17	311.73
BHEL	122.80	119.50	126.65	130.50	115.65	108.50
BOSCHLTD	18993.35	19385.20	19920.40	20847.45	18458.15	17922.95
BPCL	899.65	896.03	913.52	927.38	882.17	864.68
CIPLA	504.45	506.82	516.63	528.82	494.63	484.82
COALINDIA	279.60	280.85	287.70	295.80	272.75	265.90
DRREDDY	3039.15	3032.90	3095.70	3152.25	2976.35	2913.55
EICHERMOT	19181.20	19129.23	19622.96	20064.73	18687.46	18193.73
GAIL	347.35	344.75	354.60	361.85	337.50	327.65
GRASIM	3982.55	3932.50	4042.05	4101.55	3873.00	3763.45
HCLTECH	833.10	832.33	849.67	866.23	815.77	798.43
HDFC	1079.55	1089.77	1114.03	1148.52	1055.28	1031.02
HDFCBANK	1059.35	1061.10	1075.15	1090.95	1045.30	1031.25
HEROMOTOCO	2915.70	2936.80	2991.90	3068.10	2860.60	2805.50
HINDALCO	87.70	87.57	90.78	93.87	84.48	81.27
HINDUNILVR	850.40	859.68	873.57	896.73	836.52	822.63
ICICIBANK	221.25	227.15	235.15	249.05	213.25	205.25
IDEA	109.05	110.20	113.15	117.25	106.10	103.15
INDUSINDBK	937.00	947.33	959.67	982.33	924.67	912.33
INFRADEL	369.55	374.62	382.83	396.12	361.33	353.12
INFY	1165.75	1191.93	1221.82	1277.88	1135.87	1105.98
ITC	321.20	324.40	329.80	338.40	315.80	310.40
KOTAKBANK	665.35	670.05	684.60	703.85	650.80	636.25
LT	1192.25	1206.68	1235.57	1278.88	1163.37	1134.48
LUPIN	1540.10	1509.97	1584.93	1629.77	1465.13	1390.17
M&M	1232.25	1222.78	1258.87	1285.48	1196.17	1160.08
MARUTI	3430.65	3533.55	3648.60	3866.55	3315.60	3200.55
NTPC	131.55	129.70	134.35	137.15	126.90	122.25
ONGC	206.15	206.55	209.10	212.05	203.60	201.05
POWERGRID	140.90	140.17	142.03	143.17	139.03	137.17
RELIANCE	1036.35	1037.63	1053.17	1069.98	1020.82	1005.28
SBIN	183.10	186.92	193.63	204.17	176.38	169.67
SUNPHARMA	811.75	810.90	823.75	835.75	798.90	786.05
TATAMOTORS	371.45	377.15	385.30	399.15	363.30	355.15
TATAMTRDVR	277.00	278.50	287.95	298.90	267.55	258.10
TATAPOWER	65.80	65.48	70.42	75.03	60.87	55.93
TATASTEEL	322.10	321.05	333.80	345.50	309.35	296.60
TCS	2432.05	2449.35	2471.70	2511.35	2409.70	2387.35
TECHM	455.85	457.58	472.27	488.68	441.17	426.48
ULTRACEMCO	3158.85	3160.35	3228.20	3297.55	3091.00	3023.15
WIPRO	549.55	555.72	564.93	580.32	540.33	531.12
YESBANK	849.40	848.60	870.70	892.00	827.30	805.20
ZEEL	389.10	389.28	396.07	403.03	382.32	375.53

Source: Iris Software

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