



Key developments during the week

- India industrial growth rises to 5-month high of 2.5% Mar
- India Apr car sales fall 10.4% on year; CVs up 0.7%
- SC to now hear PNGRB-Indraprastha Gas case Jul 16; seeks govt view
- SC sets aside HC order quashing Odisha govt nod for mine to POSCO
- SC refuses to stay Maharashtra local body tax levy
- SC refuses to lift stay on Vedanta Aluminium payout to Chinese co
- Govt imposes customs duty on iron and steel, aluminium scrap
- Govt exempts steel used in ship-building from excise duty
- IDBI Bank cuts rates on 91-269 day retail deposits by 15-50 bps
- Parsvnath announces 75%-payment-on-possession scheme for properties
- Reliance Communications repays \$500 mln overseas loan
- NALCO raises product prices by 3,500 rupees per tn Thu
- Aban gets \$177 mln contract to deploy rig for 1,115 days in Mexico
- RBI Subbarao says to actively manage liquidity via OMOs, other steps
- Govt source says Coal India divest plan likely to go to Cabinet next wk
- Govt source says Rashtriya Ispat IPO for 10% shr sale likely in Oct

INDEX	11-May-13	03-May-13	Change (in %)
NIFTY	6107.25	5944.00	2.75
SENSEX	20122.32	19575.64	2.79
NSE 500	4779.75	4659.10	2.59
NSE MIDCAP	2147.00	2117.60	1.39
NIFTY JUNIOR	12461.90	12193.40	2.20
BSE SMALLCAP	6186.46	6032.38	2.55
BSE 200	2458.93	2398.64	2.51

INDEX	11-May-13	3-May-13	Change (in %)
BSE CD	7705.61	7421.56	3.83
BSE OIL AND GAS	8847.47	8706.80	1.62
BSE PSU	6893.13	6808.27	1.25
BSE FMCG	6884.57	6577.18	4.67
BSE Capital Goods	9993.35	9964.21	0.29
BSE AUTO	11268.85	10831.43	4.04
BSE REALTY	1918.23	1902.66	0.82
BSE BANK	14616.96	14150.15	3.30
BSE TECH	3656.52	3563.27	2.62
BSE HEALTHCARE	8904.33	8759.44	1.65
BSE IT	6056.79	5881.34	2.98
BSE METALS	8834.86	8786.50	0.55

INDEX	10-May-13	03-May-13	Change (in %)
Dow Jones	15118.49	14973.96	0.97
Hang seng	23321.22	22689.96	2.78
Nikkei	14607.54	13694.04	6.67
FTSE	6624.98	6521.46	1.59

Domestic events week ahead

- May 13** : CPI for Combined, Rural, and Urban for April, by CSO.
- May 13-15**: Trade data for April, by commerce and industry ministry.
- May 14** : WPI inflation for April, by commerce and industry ministry.
- May 14-21**: GSM mobile subscriber's data for April, by COAI.

source: NW18

Global events week ahead

- May 13**: German WPI m/m, Eurogroup Meetings, US Core Retail Sales m/m, US Retail Sales m/m, US Business Inventories m/m
- May 14**: German Final CPI m/m, German ZEW Economic Sentiment, Europe Industrial Production m/m, Europe ZEW Economic Sentiment, ECOFIN Meetings
- May 15**: Japan Consumer Confidence, French Prelim GDP q/q, German Prelim GDP q/q, French CPI m/m, Italian Prelim GDP q/q, Europe Flash GDP q/q, US PPI m/m, US Empire State Manufacturing Index, US TIC Long-Term Purchases, US Industrial Production m/m, US Crude Oil Inventories
- May 16**: Japan Prelim GDP q/q, Japan Revised Industrial Production m/m, French Prelim Non-Farm Payrolls q/q, Italian Trade Balance, Europe CPI y/y, Europe Trade Balance, US FOMC Member Rosengren Speaks, US Building Permits, US Core CPI m/m, US Unemployment Claims, US Housing Starts, US Philly Fed Manufacturing Index, US Natural Gas Storage
- May 17**: Japan Core Machinery Orders m/m, US Prelim UoM Consumer Sentiment, US Prelim UoM Inflation Expectations



Weekly Sector Outlook and Stock Picks

Auto sector – Diesel price hike negative for major auto cos

Shares of major automobile manufacturing companies are expected to exhibit stock-specific action this week with those of companies such as Mahindra & Mahindra Ltd and Tata Motors Ltd set to react negatively to the 90 paise hike in diesel prices. Oil marketing companies hiked prices of diesel by 90 paise, a move that would see counters of companies with a diesel portfolio acting negatively. The cut in price of petrol is expected to continue to bring make customers and auto companies happy, with Hero MotoCorp Ltd and Maruti Suzuki India Ltd seen benefiting most from it. From the quarterly results point of view, Ashok Leyland posted worse-than-expected earnings for Jan-Mar, with a 42% year-on-year fall in net profit. The results made sure the company's shares fell, something which is expected to continue in the coming week also. Eicher Motors is scheduled to detail its Jan-Mar earnings on May 13, and Bajaj Auto Ltd on May 16.

Bank Sector – In range with positive bias; Jan-Mar result eyed

Bank stocks are seen trading in a narrow range with a positive bias in this week, with the market eyeing the asset quality performance of banks that report their Jan-Mar earnings. Fitch Ratings expects Indian banks' restructured loans to keep rising faster than non-performing loans. Non-performing loan accretion is likely to slow thanks to the central bank's cumulative monetary easing in 2012-13 (Apr-Mar). The rating agency estimates gross non-performing loans to approach 4.2% for financial year 2012-13 and 4.4% in financial year 2013-14. Bank of Baroda, Bank of India, United Bank of India, Karnataka Bank, Jammu & Kashmir Bank and Dhanlaxmi Bank are the major banks that will declare Jan-Mar and 2012-13 (Apr-Mar) earnings this week. So far, the private banks have shown strong profit performance and stable asset quality while the trend for state-owned banks has remained mixed.

Capital Goods sector – Seen down on weak Jan-Mar results

Shares of most capital goods and engineering shares, except Larsen & Toubro, are seen trading with a negative bias this week on account of weak Jan-Mar earnings. Shares of sector bellwether Larsen & Toubro could see marginal gains, as investors remain positive on the company meeting its order inflow guidance for 2012-13 (Apr-Mar). On the other hand, investors have a negative view on generator sets and engine maker Cummins India. The company posted 30.4% rise in Jan-Mar net profit at 1.88 bln rupees. However, the growth was largely aided by 241.5% jump in other income to 823.7 mln rupees. The company's adjusted net profit for Jan-Mar fell 11.66% on year to 1.06 bln rupees and its margin shrunk to 16.79% from 18.71% on year. Electrical equipment maker Crompton Greaves is likely to trade with a negative bias in the near term, as the company has not seen significant improvement in its order book.

Cement Sector – Seen trading with a negative bias this week

Shares of cement companies are seen trading with a negative bias this week as Jan-Mar earnings of most major cement manufacturers have been disappointing. A weak demand outlook will also weigh on the sentiment in the coming sessions. Barring ACC Ltd, results of big players like Ultratech Cement and Ambuja Cement have been disappointing. Prism Cement which detailed earnings on May 9 posted a net profit of 142 mln rupees for Jan-Mar, almost half of that in the corresponding period last year. We expect sentiment is also weak as cement demand is still looking sluggish because of low infrastructure activity. The companies are also facing pricing pressure. However, if the market keeps up with the upbeat momentum, cement stocks may see some upside. Investors will now eye Jan-Mar earnings of India Cements on May 20.

FMCG Sector – ITC results eyed, trend bullish this week

Stocks of fast-moving consumer goods companies are expected to perform well in the week ahead after most of the companies reported robust Jan-Mar earnings led by demand growth and margin improvement. Fundamental analysts are bullish on FMCG companies, as they have been able to report a strong growth in profits despite a slowdown in the economy. Despite a slowdown in the economy, most FMCG companies have done well, with the expectation of a good monsoon and cooling inflation, customers will upgrade to new and better products, this augurs well for FMCG players. Investors are awaiting ITC, India's largest tobacco company, to detail its Jan-Mar results on May 17.

**IT Sector – Rangebound this week on lack of specific triggers**

Shares of major information technology companies are seen rangebound this week amid lack of sector-specific triggers. Companies and investors will keep a close 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. The key clauses in this bill hit the very foundation of the Indian IT industry, put it at a competitive disadvantage versus MNC (multi-national companies) players (IBM and Accenture) and make it more expensive for Indian IT to run operations, which could hurt longer-term sector valuations in an irreparable manner. US revenue contribution, local proportion of the US staff and company H-1B salary levels would determine the impact across companies, the higher impact is likely at CTSI (Cognizant Technology Solutions) on 80% of revenue from the US and TCS (Tata Consultancy Services) on lowest local proportions.

Steel Sector – Down on weak demand-supply fundamentals

Shares of major steel companies are seen slightly down this week, as the sector's fundamentals continue to remain weak. Most companies also have refrained from raising steel product prices for May due to the slowdown in demand. Shares of metal companies had risen early last week but gave up all gains eventually on profit booking. In the coming week, there is no positive trigger that can really lift prices of major steel shares. The government imposed basic customs duty of 2.5% on iron, and aluminium, steel and stainless steel scrap on May 8 to safeguard interests of domestic metal producers. However, industry officials fear that such a move could raise prices of finished goods in turn hurting the already beleaguered sector. Scrap is a key input in any metal manufacturing, which is not available in large quantities locally, thus imports are imperative. An increase in import duty would result in eventual increase in finished goods price, thus increasing inflation and this would dampen the spirit of the (metal) sector that is already quite low.

Pharma sector – In a range this week; Dr Reddy's results key

Shares of major pharmaceutical companies are mostly seen in a range this week, with stock-specific movement likely in companies detailing Jan-Mar earnings. Dr Reddy's Laboratories, Elder Pharmaceuticals, and Orchid Chemicals and Pharmaceuticals will detail their earnings this week. Dr Reddy's is now consistently outperforming industry, as key segments, including CVS, anti-infectives and pain management, outpaced market in March. We expect another strong quarter for Indian Pharma, driven by strong revenue growth, better mix (higher US revenues) and favourable currency.

Telecom Sector – MTNL to see gains capped; Bharti seen bearish

After witnessing a rally of 18.8% last week, state-owned Mahanagar Telephone Nigam Ltd is expected to see a sober trade this week with gains seen limited. The sentiment over the stock has been upbeat, as the group of ministers, headed by Finance Minister P. Chidambaram, is soon expected to take up the proposal of the Department of Telecommunications for financial overhaul of MTNL. For Oct-Dec, the company had reported a net loss of 11.82 bn rupees. Bharti Airtel, post its Jan-Mar results, is expected to trade with a bearish bias with continued uncertainty over issues such as the 3G intra-circle roaming pacts weighing on the stock.

Market Range for Week 5970- 6330

Nifty	Values	
Support 1	6050	Resistance – Nifty facing Resistance level @6120 level above this level it may go up to @6180 & @ 6260 level. Support - Support comes for market @6050 level for Nifty; below this level Nifty next support @6020 and @5970 will be the major support for Market.
Support 2	6020	
Support 3	5970	
Resistance 1	6120	
Resistance 2	6180	
Resistance 3	6260	

Technical – Last week Nifty opened at 5944 & it made a high of 6114. Last week we have seen upside movement. Nifty made a low of 5928 & closed at 6107. Last week Nifty gain 170 points from its low & on weekly basis it closed at 163 point's higher. Sensex made a weekly high of 20146 & a low of 19554 almost it gain 592 points in the week from its low. So overall last week was good for bulls.

For the coming week the market range we expect 5970-6330



Weekly Chart View –

Last week we had expected market range (5800-6060) market made a high of 6114 & low of 5928 so it hold our lower side range ,but closed above upper side range.

In last week report we had mentioned, on the daily chart market was above 50, 100 DMA & above upward slopping line, but oscillator was in overbought position.On weekly chart market was near upper line resistance & near triple top, because of all that we had mentioned if we get support level can use as a buying opportunity & all we had seen bounce from support level.Now on daily chart market still not so far from short term moving avg(5SMA),but RSI at 70.On weekly chart we are seeing continue rally from last 4-week, but it broke Jan-2013 high in intraday & still making bullish candle & RSI not in overbought.So overall market still in buy on support level mood & can see some more movement in the market.

On Friday’s Dow rose 0.2% to end at at new record high.The S&P500 also hit a new record high, adding 0.4%.The Nasdaq gained 0.8%.The advance capped a third week of gains for the indexes.The Dow & S&P both held firmly above key psychological levels(15,000 & 1,600 respectively).

Weekly Chart



Market Commentary –

Investors will closely track investment activity of foreign institutional investors (FIIs) after strong buying by foreign funds pushed key benchmark indices to multi month high recently.

The government will unveil data on the consumer price index of rural and urban India for April 2013 on Monday, 13 May 2013. The combined consumer price inflation for rural and urban India stood at 10.39% in March 2013, lower than 10.91% in February 2013. The government will unveil data on the wholesale price index (WPI) for April 2013 on Tuesday, 14 May 2013. WPI eased to the lowest level in 40 months at 5.96% in March 2013, and sharply lower than 6.84% in February 2013.

Weekly Technicals of Key Companies –

Company	Closing 10-May-13	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1240.00	1229.23	1258.27	1276.53	1210.97	1181.93
AMBUJACEM	189.15	186.92	192.53	195.92	183.53	177.92
ASIANPAINT	4734.90	4757.97	4925.93	5116.97	4566.93	4398.97
AXISBANK	1473.00	1477.35	1509.70	1546.40	1440.65	1408.30
BAJAJ-AUTO	1862.00	1845.98	1885.97	1909.93	1822.02	1782.03
BANKBARODA	704.15	700.83	720.27	736.38	684.72	665.28
BHARTIARTL	325.60	325.50	332.90	340.20	318.20	310.80
BHEL	196.30	195.13	199.72	203.13	191.72	187.13
BPCL	418.00	413.85	429.05	440.10	402.80	387.60
CAIRN	304.35	304.92	308.43	312.52	300.83	297.32
CIPLA	402.50	402.88	411.62	420.73	393.77	385.03
COALINDIA	303.95	307.18	316.77	329.58	294.37	284.78
DLF	237.05	236.55	244.00	250.95	229.60	222.15
DRREDDY	2103.65	2060.68	2151.37	2199.08	2012.97	1922.28
GAIL	341.30	341.90	347.75	354.20	335.45	329.60
GRASIM	3034.05	2996.35	3087.70	3141.35	2942.70	2851.35
HCLTECH	774.15	767.05	790.70	807.25	750.50	726.85
HDFC	877.00	873.05	904.80	932.60	845.25	813.50
HDFCBANK	704.60	693.18	716.42	728.23	681.37	658.13
HEROMOTOCO	1712.10	1681.75	1754.85	1797.60	1639.00	1565.90
HINDALCO	106.50	104.02	109.28	112.07	101.23	95.97
HINDUNILVR	586.50	582.00	592.90	599.30	575.60	564.70
ICICIBANK	1171.60	1152.22	1195.18	1218.77	1128.63	1085.67
IDFC	153.90	153.13	158.17	162.43	148.87	143.83
INDUSINDBK	508.50	491.55	526.45	544.40	473.60	438.70
INFY	2359.00	2353.00	2391.00	2423.00	2321.00	2283.00
ITC	354.30	344.88	364.37	374.43	334.82	315.33
JINDALSTEL	310.30	319.45	329.45	348.60	300.30	290.30
JPASSOCIAT	76.25	75.77	78.38	80.52	73.63	71.02
KOTAKBANK	736.00	725.88	746.87	757.73	715.02	694.03
LT	1563.00	1562.67	1585.33	1607.67	1540.33	1517.67
LUPIN	769.00	745.50	795.80	822.60	718.70	668.40
M&M	967.60	961.18	984.02	1000.43	944.77	921.93
MARUTI	1738.00	1711.28	1766.67	1795.33	1682.62	1627.23
NMDC	127.85	127.72	131.73	135.62	123.83	119.82
NTPC	154.10	156.13	158.97	163.83	151.27	148.43
ONGC	329.00	325.43	333.27	337.53	321.17	313.33
PNB	775.00	765.07	803.68	832.37	736.38	697.77
POWERGRID	112.30	112.63	114.87	117.43	110.07	107.83



RANBAXY	451.00	450.00	466.35	481.70	434.65	418.30
RELIANCE	813.80	817.30	832.40	851.00	798.70	783.60
RELINFRA	407.50	403.17	417.23	426.97	393.43	379.37
SBIN	2314.00	2274.60	2366.20	2418.40	2222.40	2130.80
SESAGOA	164.60	163.83	166.97	169.33	161.47	158.33
SUNPHARMA	957.15	961.38	994.62	1032.08	923.92	890.68
TATAMOTORS	307.90	300.25	317.65	327.40	290.50	273.10
TATAPOWER	94.20	94.07	95.18	96.17	93.08	91.97
TATASTEEL	318.10	319.30	325.60	333.10	311.80	305.50
TCS	1486.70	1472.53	1525.07	1563.43	1434.17	1381.63
ULTRACEMCO	1979.00	1961.13	2041.02	2103.03	1899.12	1819.23

Source: Iris Softwre

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