

**Key developments during the week**

- India Jan industrial growth at (-)1.5% vs (-) 1.3% in Dec
- Rajya Sabha approves Real Estate (Regulation and Development) Bill 2015
- India Feb passenger car sales dn 4.2% YoY, CVs up 20% YoY
- Cabinet approves unified oil, gas licence, more pricing freedom to companies
- Govt source says Apr-Jan major subsidy 2.1 trln rupees, down 8.2% YoY
- Jaitley says banks taking all steps to recover dues from Vijay Mallya
- Fitch says rating of "certain" PSU banks under pressure on asset quality
- Cabinet clears free LPG connection to women from poor families
- Cabinet approves changes to law to help transfer of mines not auctioned
- Govt, industry to meet Mar 18 to fine-tune gold monetization scheme
- Finance minister source says RBI wants states to curb borrow for rest of FY16
- RBI revises risk weights assigned to sovereign debt held by NBFCs
- Economy secretary says finance minister to "wait and watch" for RBI action
- Jaitley rolls back proposal to tax withdrawals from EPF
- Jayant Sinha says no plan now to cut excise duty on petrol, diesel
- Mines minister says to auction 42 mineral blocks in phase 2
- India Feb steel imports down 7.3% on year at 0.91 mln tn

INDEX	11-Mar-16	04-Mar-16	Change (in %)
NIFTY	7510.20	7485.33	0.33
SENSEX	24717.99	24646.48	0.29
NSE 500	6258.45	6239.35	0.31
NSE MIDCAP	3009.45	2985.15	0.81
NIFTY JUNIOR	18232.10	18181.20	0.28
BSE SMALLCAP	10277.99	10285.75	-0.08
BSE 200	3160.19	3152.63	0.24

INDEX	11-Mar-16	04-Mar-16	Change (in %)
BSE AUTO	17240.54	16977.42	1.55
BSE BANK	17247.50	17485.69	-1.36
BSE CAPITAL GOODS	12283.58	12301.58	-0.15
BSE CD	11611.87	11659.85	-0.41
BSE FMCG	7504.96	7447.57	0.77
BSE HEALTHCARE	15992.02	15824.07	1.06
BSE IT	10828.87	10979.19	-1.37
BSE METALS	7479.94	7438.53	0.56
BSE OIL AND GAS	8746.37	8665.20	0.94
BSE PSU	5920.64	5979.16	-0.98
BSE REALTY	1179.45	1167.09	1.06
BSE TECK	5831.53	5892.04	-1.03

INDEX	11-Mar-16	04-Mar-16	Change (in %)
DOW JONES	17213.31	17006.77	1.21
HANG SENG	20197.39	20176.70	0.10
NIKKEI	16938.87	17014.78	-0.45
FTSE	6139.79	6199.43	-0.96

Domestic events week ahead

- Mar 14:** CPI Combined inflation for February, by CSO
- Mar 14:** WPI inflation for February, by commerce and industry ministry
- Mar 14-16:** Balance of payments for Oct-Dec, by RBI
- Mar 14-16:** Trade data for February, by commerce and industry ministry
- Mar 14-18:** GSM mobile subscriber data for February, by COAI
- Mar 14-18:** Foreign tourist arrivals in February, by tourism ministry

Source: Cogencies

Global events week ahead

- Mar 14:** Europe Industrial Production
- Mar 15:** Japan Monetary Policy Statement, BOJ Press Conference, Japan Revised Industrial Production, US Retail Sales and Core Retail Sales, US PPI and Core PPI, US Empire State Manufacturing Index
- Mar 16:** US Claimant Count Change, US Unemployment Rate, UK Annual Budget Release, UK Building Permits, UK CPI and Core CPI, US Housing Starts, US Industrial Production, US Crude Oil Inventories, US FOMC Statement
- Mar 17:** Japan Trade Balance, Europe CPI and Core CPI, Europe Trade Balance, UK Monetary Policy, US Philly Fed Manufacturing Index, US Unemployment Claims, US Current Account, US JOLTS Job Openings
- Mar 18:** Japan Monetary Policy Meeting Minutes, US FOMC Member Dudley Speaks, US Prelim UoM Consumer Sentiment, US Prelim UoM Inflation Expectations, US FOMC Member Bullard Speaks



Weekly Sector Outlook and Stock Picks

Auto Sector – Bias seen positive this week

Shares of major automobile companies are seen trading with a positive bias this week, backed by the positive sentiment in the overall market. The CNX Auto Index, which closed up 1.7% on week at 7723.55. Passenger car segment market leader Maruti Suzuki India Ltd is likely to see a lot of value buying on an undervalued stock. The company has strong fundamentals, and is seen reporting double digit growth in terms of units sold for 2015-16, despite a high base, primarily on account of strong product portfolio. Its newly-launched Brezza sports utility vehicle has garnered as many as 5,600 bookings within just two days of its launch. Besides, the Swift, Baleno and Alto hatchbacks continue to do brisk business as well. Hero Motocorp Ltd is seen as one of the biggest winners this week. The stock continued to outperform the market, over the past few weeks. Shares of Mahindra and Mahindra are likely to trade in a rangebound manner this week as well, with a bias towards the higher side.

Bank Sector – Seen positive, eyeing broad markets; private banks preferred

Bank stocks are expected to trade with a positive bias, tracking broader markets, with market likely to eye cues from domestic inflation data on Mar 14 and US Federal Reserve meeting due this week. The US Federal Open Market Committee's meeting on Tuesday and Wednesday is being closely watched as it comes close on the heels of the monetary policy easing announced by the European Central Bank on Thursday. Data released post market hours ON Friday showed that India's industrial production contracted for the third straight month in January, primarily due to a sharp fall in the capital goods output. The factory output in January contracted 1.5% on year compared with a contraction of 1.2% a month ago and growth of 2.8% in January last year. Data detailing both the Consumer Price Index-based and Wholesale Price Index-based inflation for February will be released on Mar 14. With most state-owned banks continuing to be besieged by asset quality woes and fallout of investigations of current top officials for loans given to some large corporate entities such as Kingfisher Airlines is dampening the sentiment for public lenders.

Capital Goods Sector – Seen down on weak IIP data; L&T may rise

Shares of most capital goods companies are seen trading with a weak bias this week as the industrial production output detailed after market hours on Friday painted a gloomy picture. According to the data released by central statistics office, India's industrial production contracted for the third straight month in January on account of a sharp decline in capital goods output. The industrial outlook for the sector contracted 20.4% on year in January compared to the growth of 12.4% a year ago. Stocks of capital goods companies are seen opening weak and are expected to move on news of subsequent macro economic data owing to lack of sector specific triggers. On Mar 14, the commerce ministry and CSO will release wholesale price index inflation for February and consumer price index for combined inflation for February, respectively. Larsen and Toubro's exposure to infrastructure, transmission and distribution sector is larger than capital goods; the negative impact of industrial output data on the stock is likely to be limited. Shares of electrical equipment maker Crompton Greaves are expected to continue on the downtrend.

Cement Sector – Seen trading with positive bias

Shares of major cement companies are seen trading with a positive bias in the week ahead. The Union Budget for 2016-17 had laid down some proposals that are positive for the cement sector. In the Budget, the government had significantly increased allocation to agriculture and farmers' welfare, which will boost rural income and cement demand. The total central Plan outlay for the road and infrastructure sectors has also been raised, which is expected to boost demand for cement in the coming months. But the concern over unseasonal heavy rains in the north western and central regions in the coming days, as predicted by the India Meteorological Department, may weigh on the stocks. The rains may hit agrarian income which would eventually lead to lower demand for cement in the hinterland.

FMCG Sector – Unseasonal rain forecast could spook sentiment

The sentiment on shares of fast-moving consumer goods companies is seen weighed by prospects of unseasonal rain in the major agrarian areas of western and central parts of the country. The India Meteorological Department has forecast heavy rains and thunder squall from Mar 11-15 in these areas. This could undermine the sentiment, which is currently seen favoring FMCG stocks, as rural income could take a hit, hitting discretionary spending. For this week, consumer stocks looks positive, but this could change on news of unseasonal rain.

**IT Sector – Seen in narrow range on visa worries; Fed meet eyed**

Shares of information technology companies are expected to trade in a narrow range this week as renewed concerns over visa are likely to hit investor sentiments. The UK government has increased visa fees for tourist, students and workers, effective Mar 18. Additionally, US Republican presidential frontrunner Donald Trump has said H-1B work visa issued to immigrant employees should be ended. Information technology companies, which have most of their operations in US and UK, are major users of work visas. Investors will focus on the US Federal Reserve's monetary policy outcome at its two-day meeting starting Wednesday. Though US Federal Reserve is expected to maintain rates, investors and market participants will await favorable comments regarding rate hikes in the monetary policy to be detailed in June. This is likely to lead to optimism in the US markets and in turn improve investors' risk appetite. During the week, promoter S. Gopalakrishnan of Infosys reduced his stake in the company to 0.94% from 1.16%. Promoters Shruti Shibulal and S.D. Shibulal also sold 1 mln shares each, reducing their stake to 0.59% and 0.38%, respectively. This had a negative impact on the stock. The stocks are likely to rally to an all-time high in the following two weeks if the US Fed's decisions this week come positive for the sector.

Oil Sector – Upstream companies positive on new policies, oil price

Stocks of upstream oil companies, particularly those of ONGC are likely to stay positive this week on the back of favorable decisions by the government on the policy front as well as the uptick in oil prices in recent weeks. The Cabinet Committee on Economic Affairs cleared a number of proposals pertaining to the hydrocarbons sector. Of these, the new Hydrocarbons Exploration and Licensing Policy regime as well as the long-awaited decision on pricing of gas from difficult blocks are driving investor interest in upstream stocks. Apart from these decisions, there are no major triggers for oil and gas companies and the trend this week will primarily be dictated by news flow, broader market sentiment and global crude oil prices. Crude prices have shown some recovery over the past three weeks, thereby helping exploration and production companies. The Indian basket of crude oil rose to \$37.01 per barrel, climbing steadily from \$34.13 per barrel on week. If oil prices continue to improve, companies like ONGC, Oil India and Cairn India are set to gain. Even as an uptick in crude oil prices is seen as putting pressure on margins of oil refining companies, this time around they too are likely to benefit from the increase. Shares of state-owned retailers IOC, BPCL and HPCL may react positively on expectations of inventory gains due to the recent crude price recovery. Fluctuations in the dollar-rupee exchange rates are also likely to affect downstream as well as upstream stocks. If the dollar strengthens against the rupee, it would hit refining companies, while benefiting the upstream players. A weaker dollar, on the other hand, will help downstream companies, as India primarily relies on imported crude oil to meet its requirement.

Pharma sector – Seen rangebound with positive bias; Lupin to gain

Shares of pharmaceutical companies are seen trading rangebound this week after the recent bout of upward movement. The bias for pharma sector remains positive, and Dr Reddy's Laboratories and Lupin are the top picks among largecaps. Increasing market share for Glumetza generic in the US is seen supporting Lupin. In Glumetza generic, Lupin had 56.6% market share in the week ended Feb 19, up from 45.4% in the previous week. Lupin launched generic of Glumetza in the US on Feb 1, and has a 180-day marketing exclusivity for the drug. Completion of Gavis Pharmaceuticals' acquisition and improved pace of product approvals in the US are also positives for Lupin. The outlook for Sun Pharmaceutical Industries remains positive; the stock is likely to remain rangebound in the near-term. According to data on the US FDA's website, Sun Pharma has voluntarily recalled 381,120 cartons of alendronate sodium tablets of 70 mg strength in the US, after higher-than-accepted levels of impurities were found in the tablets.

Telecom Sector – Seen down on CAG report, call drop case

Comptroller and Auditor General of India's report along with the ongoing proceedings in the call drop case in the Supreme Court are seen impacting the shares of Bharti Airtel, Idea Cellular, and Reliance Communications this week. A CAG report said the government lost 125 bln rupees between 2006-07 and 2009-10 on account of six telecom services providers Bharti Airtel, Idea Cellular, Reliance Communications, Vodafone India, Aircel and Tata Teleservices under reporting their gross revenues. The six companies' under-reported 460 bln rupees in their gross revenues during the four years, a CAG report tabled in Parliament said. On other hand, the Supreme Court is hearing petitions filed by telecom companies, challenging Delhi High Court order that upheld TRAI's notification of compensating customers for up to three call drops a day. TRAI had notified the call drop compensation rule on Oct 16 last year. The apex court has asked telecom companies to file affidavit by Mar 15 that they have never been fined by the government for call drops.



Market range for the week 7320-7750

Nifty	Values
Support 1	7480
Support 2	7420
Support 3	7350
Resistance 1	7550
Resistance 2	7620
Resistance 3	7680

Resistance – Nifty may face resistance at 7550 level above this level it may go up to 7620-7680 level.

Support - Nifty has support at 7480 level below this next support at 7420-7350 levels.

Technical – During the week, CNX Nifty opened at 7486.40 and touched the highest level of 7547.10 and lowest level of 7424.30. The CNX Nifty ended at 7510.20; gain 24.85 points or 0.33%. The S&P BSE Sensex opened at 24655.19 and touched the highest level of 24820.76 and lowest level of 24451.60. The S&P BSE Sensex closed at 24717.99; gain 71.51 points or 0.29%.

For the coming week, we expect the market range of 7320-7750

Weekly Chart View –

We had mentioned in last week’s report that on the daily chart Nifty was above 50DMA and we witness positive candle on weekly chart, because of that we had mentioned 7520-7550 will be major resistance only above that we can see stocks specific move but Nifty fail to cross 7550 level. Now on daily chart we can see consolidation zone and on weekly chart can see “Doji” candle. So overall from here at higher level uncertainty will remain and 7580-7620 will be major resistance only above that we can see some stocks specific move and from here 7420-7380 will be good level for buying.

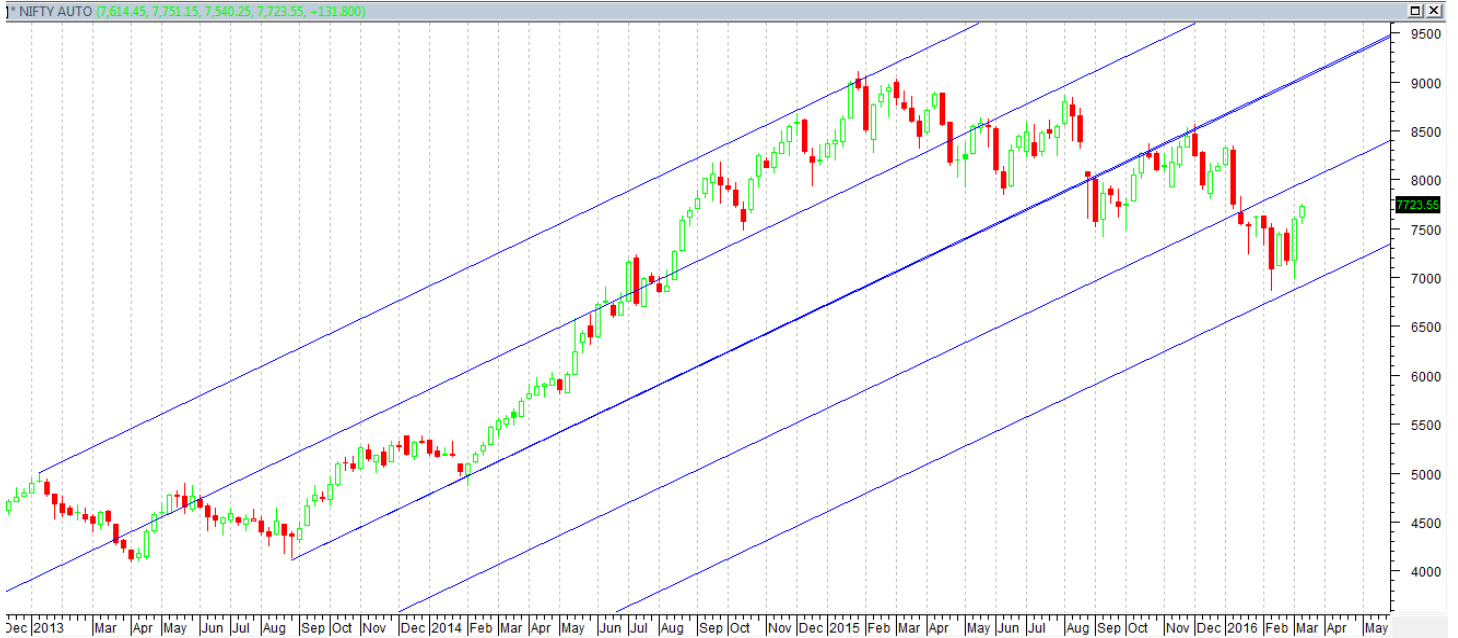
Weekly Chart





Weekly Sectoral Technical Outlook

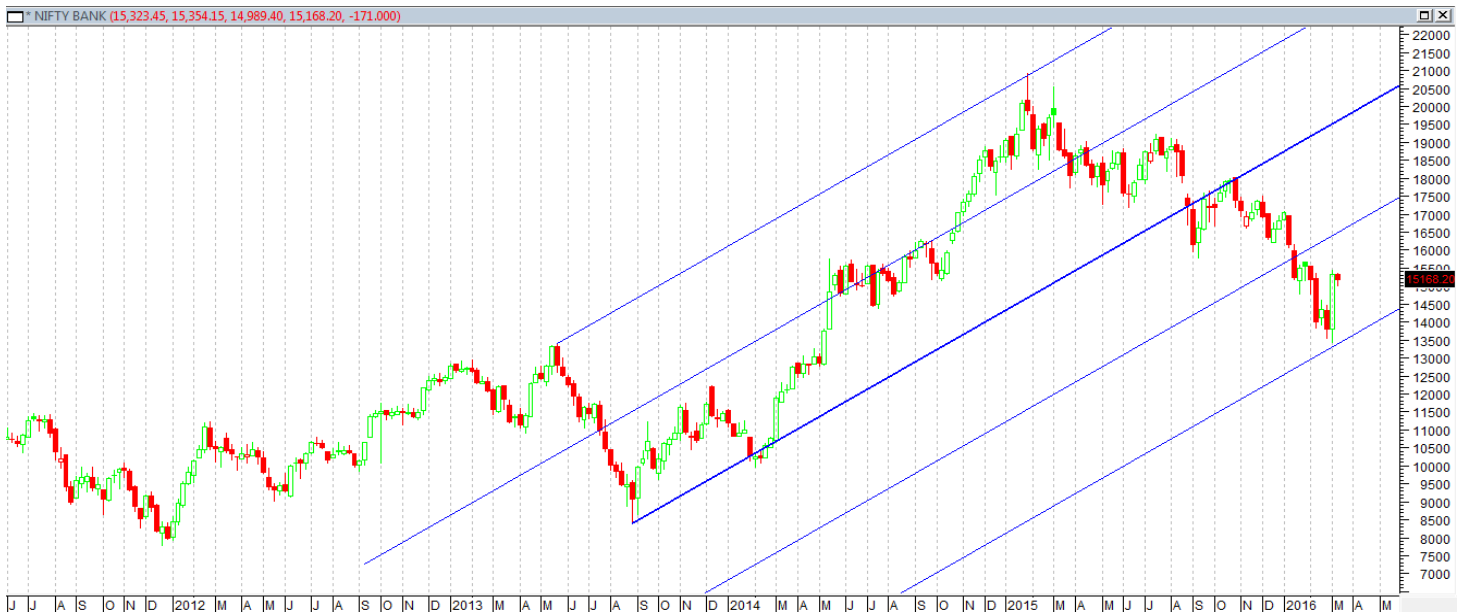
NSE Auto Index	CMP: 7723
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NSE Auto

At present we are observing a narrow range body formation which suggests indecisiveness prevailing at current level. We maintain our 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.

NSE Bankex	CMP: 15168
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NSE Bankex

The current price action suggests indecisiveness prevailing at current level. However, there is no clear pattern that suggests going long. Hence, one should avoid this sector at present.



NSE Metal Index

CMP: 1856



NSE Metal Index

We still maintain our bearish stance on the sector. At present, we are observing that prices have given a downward sloping trendline breakout. This suggests that momentum on the upside could continue. Aggressive traders can initiate long positions with a stop loss of 1700 for a target of 1950 -2200 levels.

NSE IT

CMP: 10835



NSE IT

We reiterate our view 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 11-Mar-16	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1226.75	1233.23	1248.47	1270.18	1211.52	1196.28
ADANI PORTS	231.20	228.45	235.60	240.00	224.05	216.90
AMBUJACEM	200.70	201.90	204.15	207.60	198.45	196.20
ASIANPAINT	898.35	886.70	915.35	932.35	869.70	841.05
AXISBANK	412.80	414.45	421.40	430.00	405.85	398.90
BAJAJ-AUTO	2325.90	2322.67	2350.23	2374.57	2298.33	2270.77
BANKBARODA	140.70	141.88	146.27	151.83	136.32	131.93
BHARTIARTL	337.25	334.27	341.78	346.32	329.73	322.22
BHEL	103.70	105.87	108.98	114.27	100.58	97.47
BOSCHLTD	18016.30	17797.90	18460.40	18904.50	17353.80	16691.30
BPCL	803.65	808.93	829.57	855.48	783.02	762.38
CAIRN	146.95	142.10	153.40	159.85	135.65	124.35
CIPLA	534.60	535.22	549.08	563.57	520.73	506.87
COALINDIA	318.90	322.87	329.03	339.17	312.73	306.57
DRREDDY	3210.85	3213.62	3267.23	3323.62	3157.23	3103.62
GAIL	339.45	344.13	351.72	363.98	331.87	324.28
GRASIM	3582.45	3582.77	3664.48	3746.52	3500.73	3419.02
HCLTECH	823.05	818.78	836.22	849.38	805.62	788.18
HDFC	1160.50	1144.50	1183.00	1205.50	1122.00	1083.50
HDFCBANK	1028.70	1022.08	1037.42	1046.13	1013.37	998.03
HEROMOTOCO	2813.35	2817.80	2845.55	2877.75	2785.60	2757.85
HINDALCO	83.50	82.70	86.35	89.20	79.85	76.20
HINDUNILVR	851.60	844.52	865.03	878.47	831.08	810.57
ICICIBANK	213.85	214.62	219.18	224.52	209.28	204.72
IDEA	102.20	103.58	105.87	109.53	99.92	97.63
INDUSINDBK	926.70	922.72	941.43	956.17	907.98	889.27
INFY	1143.00	1157.23	1176.27	1209.53	1123.97	1104.93
ITC	321.30	319.33	325.97	330.63	314.67	308.03
KOTAKBANK	642.65	651.05	661.60	680.55	632.10	621.55
LT	1185.65	1192.82	1214.33	1243.02	1164.13	1142.62
LUPIN	1856.15	1826.55	1892.60	1929.05	1790.10	1724.05
M&M	1220.50	1226.37	1241.53	1262.57	1205.33	1190.17
MARUTI	3641.20	3590.77	3740.43	3839.67	3491.53	3341.87
NTPC	126.40	126.55	128.60	130.80	124.35	122.30
ONGC	205.10	205.02	209.03	212.97	201.08	197.07
PNB	81.85	81.77	83.98	86.12	79.63	77.42
POWERGRID	138.20	138.40	140.70	143.20	135.90	133.60
RELIANCE	1014.50	1022.63	1037.77	1061.03	999.37	984.23
SBIN	180.10	181.53	185.52	190.93	176.12	172.13
SUNPHARMA	868.20	858.70	880.50	892.80	846.40	824.60
TATAMOTORS	354.25	348.72	361.43	368.62	341.53	328.82
TATAPOWER	59.00	58.73	60.07	61.13	57.67	56.33
TATASTEEL	294.05	292.20	303.10	312.15	283.15	272.25
TCS	2365.25	2350.42	2405.68	2446.12	2309.98	2254.72
TECHM	458.05	457.78	473.47	488.88	442.37	426.68
ULTRACEMCO	2994.45	2974.58	3039.87	3085.28	2929.17	2863.88
VEDL	87.35	88.10	91.85	96.35	83.60	79.85
WIPRO	539.00	538.40	544.10	549.20	533.30	527.60
YESBANK	800.60	785.57	819.83	839.07	766.33	732.07
ZEEL	398.60	394.80	405.60	412.60	387.80	377.00

Source: Iris Software

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