

**Key developments during the week**

- Govt cuts FY17 National Small Savings Fund loan rate to 8.8% vs 9.5%
- Farm secretary says hope to cover 50% farmers under crop insurance in 2 years
- Bullion traders end strike as govt promises to ease excise duty norm
- Tax dept seeks replies from 50 named in Panama papers leak
- IMD sees 2016 monsoon at 106% of long period average
- IMD says drought-hit areas seen getting good rains this year
- India Mar CPI Combined inflation rate 4.83% vs 5.26% in Feb
- India Feb industrial output growth at 2.0% vs (-) 1.5% in Jan
- RBI urges apex court not to reveal names of big loan defaulters
- Govt re-looking clean environment cess hike as steel, mines min protest
- Finance Minister, RBI reviewing heavy borrows by state governments
- GFMS says India gold import at 30-month low of 14.4 tn in Mar
- India pharma market sales up 6.4% on year at 79.17 bln rupees Mar
- LIC board gives in-principle nod for 300-500 bln rupees road investment
- India Mar GSM user addition 5.22 mln vs 7.25 mln in Feb
- Jaitley asks states to stick to fiscal discipline, make focused spend
- Indian companies may invest \$20 bln in Iran's oil, fertiliser sectors
- Farm minister says govt to continue regulating seed prices

INDEX	13-Apr-16	08-Apr-16	Change (in %)
NIFTY	7850.45	7555.20	3.91
SENSEX	25626.75	24673.84	3.86
NSE 500	6575.35	6346.65	3.60
NSE MIDCAP	3303.50	3169.75	4.22
NIFTY JUNIOR	19170.60	18656.35	2.76
BSE SMALLCAP	10943.02	10664.46	2.61
BSE 200	3314.71	3199.13	3.61

INDEX	13-Apr-16	08-Apr-16	Change (in %)
BSE AUTO	18748.94	17463.09	7.36
BSE BANK	18542.14	17695.16	4.79
BSE CAPITAL GOODS	13230.82	12794.55	3.41
BSE CD	11693.65	11348.49	3.04
BSE FMCG	7820.48	7603.15	2.86
BSE HEALTHCARE	15494.36	15217.65	1.82
BSE IT	11283.18	11064.06	1.98
BSE METALS	7656.12	7467.36	2.53
BSE OIL AND GAS	9396.82	9099.69	3.27
BSE PSU	6186.82	6028.80	2.62
BSE REALTY	1281.04	1243.16	3.05
BSE TECK	6073.91	5923.27	2.54

INDEX	15-Apr-16	08-Apr-16	Change (in %)
DOW JONES	17897.46	17576.96	1.82
HANG SENG	21316.47	20364.02	4.68
NIKKEI	16848.03	15821.52	6.49
FTSE	6343.75	6204.41	2.25

Domestic events week ahead

- **Apr 18:** WPI inflation for March, by commerce and industry ministry
- **Apr 18:** Trade data for March, by commerce and industry ministry
- **Apr 18-21:** Foreign tourist arrivals in March, by tourism ministry
- **Apr 19:** CPI for rural and farm labourers for March, by Labour Bureau
- **Apr 21-28:** Crude, refinery output for March, from petroleum ministry

Source: Cogencies

Global events week ahead

- **Apr 18:** US FOMC Member Dudley Speaks, US NAHB Housing Market Index
- **Apr 19:** Europe Current Account, Europe ZEW Economic Sentiment, US Building Permits, US Housing Starts, US Treasury Currency Report
- **Apr 20:** Japan Trade Balance, UK Claimant Count Change, UK Unemployment Rate, US Existing Home Sales, US Crude Oil Inventories
- **Apr 21:** UK Retail Sales, ECB Press Conference, Europe Monetary Policy, US Philly Fed Manufacturing Index, US Unemployment Claims, Europe Consumer Confidence
- **Apr 22:** Japan Flash Manufacturing PMI, Europe Flash Manufacturing PMI, Europe Flash Services PMI, US Flash Manufacturing PMI



Weekly Sector Outlook and Stock Picks

Auto Sector – Cheer over monsoon forecast to continue

Shares of automobile companies are seen trading with a positive bias this week following forecast of above normal monsoon by the country's meteorological department. The India Meteorological Department said the southwest monsoon rains this year would be 106% of the long period average or 6% above normal. Most auto companies, including India's largest passenger car maker Maruti Suzuki India Ltd, get close to half their sales from the rural economy, and it is because of this that most automakers struggled when rural India grappled with two consecutive years of drought. Most two-wheeler makers will also see bullish buying trends on expectation of an improvement in the rural economy. Bajaj Auto and Hero Motocorp are likely to see swift buying at their counters. The bullish run likely to continue in Mahindra & Mahindra at least in the short term, even as the company launches newer tractor models.

Bank Sector – May extend gains this week; Jan-Mar results eyed

Bank stocks are seen extending gains this week, with the Nifty Bank having ended the current truncated week over 4.5% higher. The index ended at 16278.55 points as hope of another repo rate cut from the Reserve Bank of India built up after softer-than-expected headline retail inflation for March. Consumer Price Index-based inflation in March fell to 4.83% from 5.26% in February. The RBI, which uses CPI inflation as the nominal policy anchor, is aiming to cut inflation to 5% by March 2017. Having cut the repo rate by 125 basis points in 2015, the central bank again cut the policy rate by 25 bps on Apr 5 to 6.50%. Also seen aiding banking shares and rate cut hopes are forecasts of above-normal monsoon by the India Meteorological Department, which came as a major relief for the economy after two years of sub-par rains. Earnings for Jan-Mar will also be eyed this week. Private lender DCB Bank will kick off results for the last quarter of 2015-16 on Friday, with IndusInd Bank and HDFC Bank following on Apr 21 and Apr 22, respectively.

Capital Goods Sector – Seen weak; Jan-Mar results to weigh

Shares of most capital goods companies are seen trading with a negative bias this week, ahead of what is being viewed as another quarter of weak earnings. In the near term, shares of product companies such as Voltas, Blue Star, and Cummins are seen outperforming its peers in the project business. Not only are project companies such as Larsen & Toubro, Bharat Heavy Electricals, and Thermax likely to experience execution challenges and report a decline in the topline, order inflows are expected to remain tepid in two further quarters.

Cement Sector – Seen positive on better-than-average rain forecast

Shares of cement manufacturers are seen trading with a positive bias this week, primarily because of forecast of above normal monsoon rains this year, which is expected to improve rural incomes and consequently spur spending on home construction. Housing is the single biggest demand segment for cement in the country. The India Meteorological Department forecasted the southwest monsoon rains this year at 106% of the long period average or 6% above normal. Among large cement companies, UltraTech Cement likely to gain in the near term, given its better distribution reach and brand pull across the country. Apart from this, cement companies' Jan-Mar earnings are also expected to guide investors. Ambuja Cements is expected to declare its Jan-Mar earnings on Apr 28.

FMCG Sector – Seen positive on forecast of good monsoon

Shares of fast-moving consumer goods companies are seen trading positive, as India Meteorological Department has said this year; the southwest monsoon would be 106% of the long-period average, which augurs well for consumer companies. This week consumer goods stocks will see a ripple effect of the IMD's forecast. Bajaj Corp Ltd announced its Jan-Mar earnings, reporting a 0.7% fall in net profit at 540.23 mln rupees. Its net sales fell 3.2% to 2.3 bln rupees, while volumes were down 4.3%. For further cues, the market will wait for other consumer companies to announce their Jan-Mar earnings. Hindustan Unilever Ltd will continue to see upside movement while ITC Ltd is also expected to see positive movement. Colgate Palmolive India Ltd is expected to trade with a positive bias.

IT Sector – Infosys, TCS, Wipro results to dictate trend

Shares of information technology companies are seen trading in a range this week, the following steady Jan-Mar performance reported by Infosys. Infosys shares may open weak as its Jan-Mar earnings, did not have any surprises. All eyes will now be on Tata Consultancy Services and Wipro, which will detail their quarterly earnings on Monday and



Wednesday, respectively. Infosys reported 3.8% sequential rise in Jan-Mar consolidated net profit at 35.97 bln rupees, and 4.1% rise in consolidated net sales at 165.5 bln rupees, in line with expectations. The company guided for dollar sales growth of 11.8-13.8% in 2016-17 (Apr-Mar), in line with market expectations of above 10-12% growth forecast by industry body NASSCOM. After Infosys' steady performance for the March quarter, that of TCS and Wipro is expected to set the trend for the sector. Among mid-cap companies, Mindtree, Cyient and Persistent Systems will detail their Jan-Mar earnings this week.

Oil Sector – PSU refiners seen positive; oil prices in focus

Shares of the three public sector refiners IOC, BPCL, and HPCL are likely to continue trading with a positive bias on expectations of strong Jan-Mar earnings, backed by inventory gains and robust refining margins. There are no major sector-specific triggers in the immediate term and trend will be dictated by global prices of crude oil, broad market sentiment, and news flow. As far as upstream players like ONGC, Oil India, and Cairn India are concerned, the stocks are likely to trade in a narrow range with a negative bias, and their fate will be decided by global prices of crude oil. Markets will be closely watching meeting between the Organization of the Petroleum Exporting Countries and other leading producers, and whether it results in them freezing production at January-levels. However, there is concern over whether such a deal is possible, given that a few major producers are indicating that they would consider freezing output only if other producers agree to the same. 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. Fluctuation in the dollar-rupee exchange rates is also likely to affect stocks of downstream and upstream oil companies.

Pharma Sector – Seen mixed; may underperform broad market

Pharmaceutical stocks are seen underperforming the broader market this week on account of regulatory concerns and as investors focus on infrastructure sector and those dependent on rural demand. The bias for the broad market remains positive after benchmark indices ended at their highest levels since Jan 1. The Nifty 50 and the S&P BSE Sensex ended up nearly 2% each at 7850.45 points and 25626.75 respectively on hope of a good monsoon and benign inflation. Investors would also be aligning their portfolio to expectations of earnings for the quarter ended March, which will be released by companies over the next one-and-a-half month. Investors will eye Delhi High Court's hearing on the government's ban on 344 fixed dose combination of drugs on Monday. Stocks affected by the ban Pfizer, Abbott India, Glenmark Pharmaceuticals, Procter & Gamble and Hygiene Care would be in focus. Traders remain cautious on the stocks on account of the uncertainty due to the hearing and would be hoping for clarity on the matter.

Metal Sector – Seen trading with positive bias this week

Shares of major metal and mining companies are expected to trade with a positive bias this week, taking cues from the broader market. The Nifty 50 ended at 7850.45 points, up 1.8%, boosted by India Meteorological Department's forecast of an above-normal southwest monsoon this year, strong industrial growth in February, and a benign Consumer Price Index-based inflation print for March. The overall sentiment on the sector has improved in the last two months after the government imposed various protectionist measures minimum import price, safeguard duty, quality control order, and initiation of anti-dumping probe for the steel sector. Apart from an uptick in global steel prices, imposition of a minimum import price has given enough room to domestic manufacturers to raise product prices. The benefit of the price rise will reflect on companies' earnings during Apr-Jun. Hyderabad-based mining major NMDC Ltd will be able to raise prices of iron ore, aided by a surge in the commodity's prices in international markets. Tata Steel will continue to remain in focus, as the company is looking to sell its operations at Port Talbot in the UK.

Telecom Sector – Bharti Airtel, Idea Cellular seen up tailing broad market

Stocks of the top three telecom companies Bharti Airtel, Reliance Communications, and Idea Cellular are expected to trade in the green this week on positive cues from the broader market. Investor sentiment remains positive, owing to the forecast of a good southwest monsoon this year. In March, India added as many as 5.22 mln subscribers to the global system for mobile communication technology, 28% lower than in February. GSM user addition by Bharti Airtel was at 2.54 mln users, compared with 2.90 mln users in February. The Aditya Birla Group-owned Idea Cellular Ltd added 446,551 GSM users in March, against 1.46 mln a month ago. Meanwhile, technology solutions and consulting firm IBM has signed an agreement with Reliance Communications to offer cloud-based services to the company's customers. The services include analytics, mobile, networking, storage, internet of Things, and cognitive computing. IBM will also provide services to support e-commerce operations.



Market range for the week 7680-8080

Nifty	Values
Support 1	7750
Support 2	7720
Support 3	7680
Resistance 1	7880
Resistance 2	7690
Resistance 3	8020

Resistance – Nifty may face resistance at 7880 level above this level it may go up to 7960-8020 level.

Support - Nifty has support at 7750 level below this next support at 7720-7680 levels.

Technical – During the week, CNX Nifty opened at 7577.80 and touched the highest level of 7864.80 and lowest level of 7516.85. The CNX Nifty ended at 7850.45; gain 295.25 points or 3.91%. The S&P BSE Sensex opened at 24789.40 and touched the highest level of 25671.50 and lowest level of 24523.20. The S&P BSE Sensex closed at 25626.75; gain 952.91 points or 3.86%.

For the coming week, we expect the market range of 7680-8080

Weekly Chart View –

We had mentioned in last week’s report that on the daily chart Nifty was below 100DMA and on weekly chart we witness 50&100WMA crossover, because of that we had mentioned 7750-7780 will be major resistance only above that we can see upside move and all we have seen same. Now on daily chart Nifty near to 200DMA and on weekly chart can see “Bullish candle” but near to upper trendline. So overall from here remain 7880-7920 will be key resistance above that we can see continue upside and from here 7720-7650 will be good level for buy, overall we can see stocks specific action continue in the market.

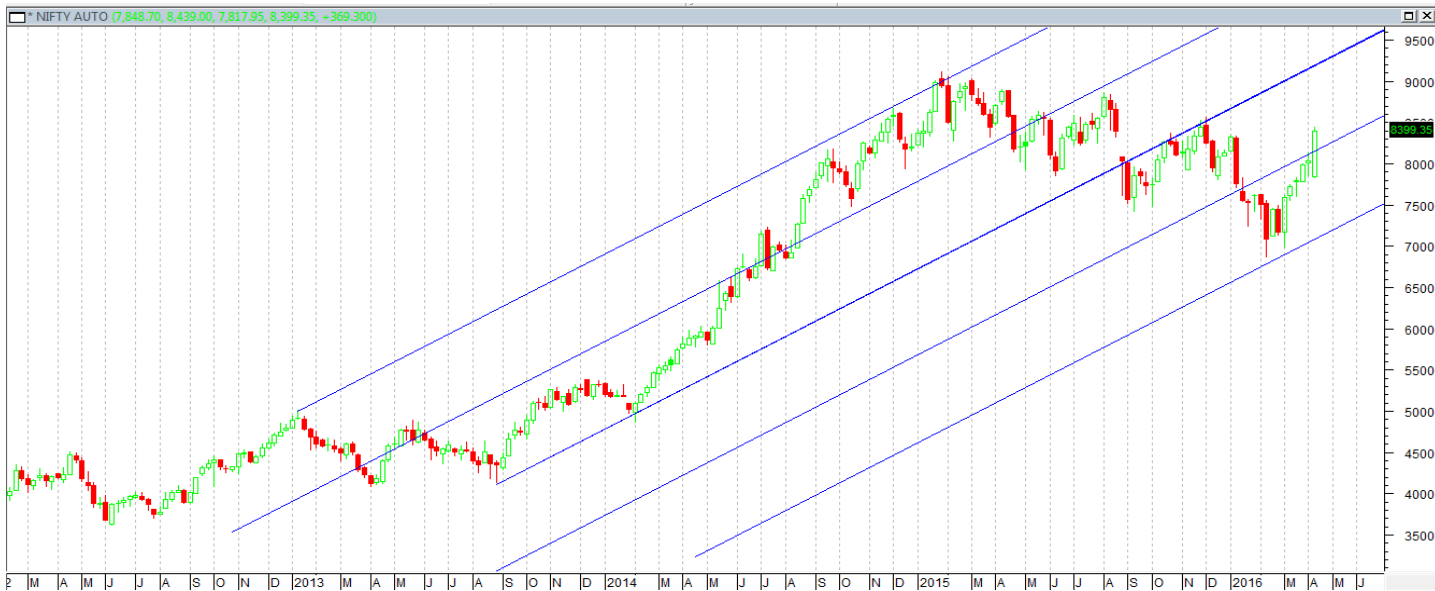
Weekly Chart





Weekly Sectoral Technical Outlook

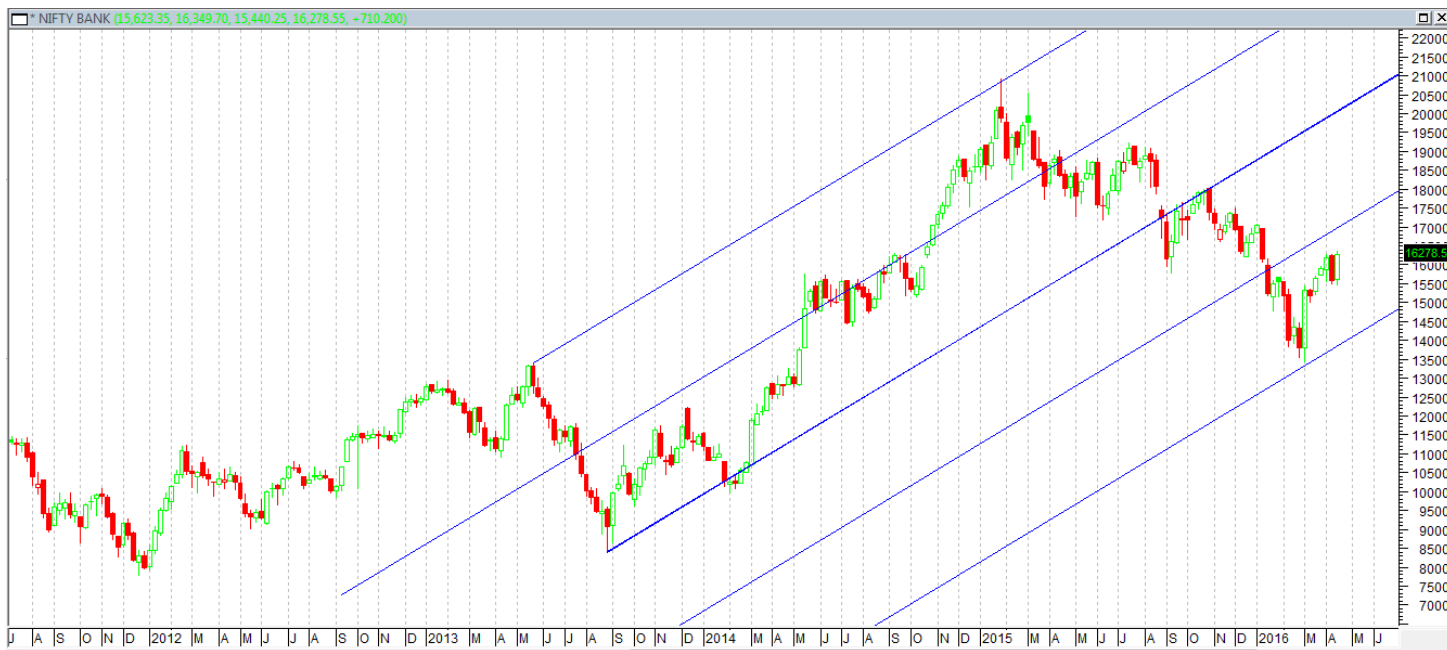
NSE Auto Index	CMP: 8399
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NSE Auto

At present, prices have closed above the median line of the lower channel. This suggests upside momentum. Hence, one should initiate long above 8440 with a stop loss of 8000. On the upside it can test 8800 – 9250 levels.

NSE Bankex	CMP: 16278
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NSE Bankex

At present after a bear candle we are observing a bull candle. This gives no clear direction of the trend. Hence, one should avoid this sector at present.



NSE Metal Index

CMP: 1967



NSE Metal Index

We still maintain our bearish stance on the sector. At present, prices have closed above lower trendline of the triangle. Hence, aggressive traders can go long, with a stop loss of 1840. On the upside it can test 2050 – 2200 levels.

NSE IT

CMP: 11351



NSE IT

We 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 13-Apr-16	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1469.95	1456.82	1488.13	1506.32	1438.63	1407.32
ADANIPORTS	233.55	230.08	241.42	249.28	222.22	210.88
AMBUJACEM	231.10	228.37	235.23	239.37	224.23	217.37
ASIANPAINT	874.35	864.37	885.98	897.62	852.73	831.12
AUROPHARMA	785.10	777.45	803.65	822.20	758.90	732.70
AXISBANK	440.50	434.43	451.37	462.23	423.57	406.63
BAJAJ-AUTO	2582.50	2523.33	2673.67	2764.83	2432.17	2281.83
BANKBARODA	152.45	149.82	156.53	160.62	145.73	139.02
BHARTIARTL	351.25	352.25	363.50	375.75	340.00	328.75
BHEL	133.65	130.70	138.40	143.15	125.95	118.25
BOSCHLTD	20029.05	19757.47	20521.58	21014.12	19264.93	18500.82
BPCL	925.65	919.52	945.93	966.22	899.23	872.82
CIPLA	511.90	507.98	518.92	525.93	500.97	490.03
COALINDIA	277.45	277.23	282.82	288.18	271.87	266.28
DRREDDY	3099.50	3072.40	3149.80	3200.10	3022.10	2944.70
EICHERMOT	19896.30	19621.43	20242.87	20589.43	19274.87	18653.43
GAIL	369.55	361.88	380.22	390.88	351.22	332.88
GRASIM	4073.55	4035.72	4157.03	4240.52	3952.23	3830.92
HCLTECH	837.55	836.15	847.90	858.25	825.80	814.05
HDFC	1114.95	1097.52	1134.88	1154.82	1077.58	1040.22
HDFCBANK	1081.75	1069.85	1096.85	1111.95	1054.75	1027.75
HEROMOTOCO	3148.05	3076.15	3243.90	3339.75	2980.30	2812.55
HINDALCO	96.30	93.95	100.05	103.80	90.20	84.10
HINDUNILVR	897.70	880.80	916.50	935.30	862.00	826.30
ICICIBANK	240.65	234.65	250.20	259.75	225.10	209.55
IDEA	114.65	113.40	118.05	121.45	110.00	105.35
INDUSINDBK	986.40	972.45	1008.40	1030.40	950.45	914.50
INFRADEL	385.70	384.57	401.13	416.57	369.13	352.57
INFY	1172.70	1172.92	1194.73	1216.77	1150.88	1129.07
ITC	331.25	326.98	336.97	342.68	321.27	311.28
KOTAKBANK	692.35	684.20	708.10	723.85	668.45	644.55
LT	1234.90	1224.50	1263.40	1291.90	1196.00	1157.10
LUPIN	1548.90	1539.53	1578.07	1607.23	1510.37	1471.83
M&M	1332.45	1297.42	1384.78	1437.12	1245.08	1157.72
MARUTI	3731.60	3633.32	3843.63	3955.67	3521.28	3310.97
NTPC	137.15	135.42	139.58	142.02	132.98	128.82
ONGC	213.35	211.32	217.43	221.52	207.23	201.12
POWERGRID	145.00	143.63	146.72	148.43	141.92	138.83
RELIANCE	1066.05	1056.32	1079.63	1093.22	1042.73	1019.42
SBIN	191.90	189.23	196.47	201.03	184.67	177.43
SUNPHARMA	833.05	826.05	842.90	852.75	816.20	799.35
TATAMOTORS	408.75	398.13	422.37	435.98	384.52	360.28
TATAMTRDVR	299.95	292.12	308.53	317.12	283.53	267.12
TATAPOWER	70.00	68.58	71.67	73.33	66.92	63.83
TATASTEEL	332.85	329.02	340.03	347.22	321.83	310.82
TCS	2526.20	2494.73	2576.47	2626.73	2444.47	2362.73
TECHM	471.40	465.03	479.07	486.73	457.37	443.33
ULTRACEMCO	3273.70	3242.87	3345.73	3417.77	3170.83	3067.97
WIPRO	584.90	573.00	603.80	622.70	554.10	523.30
YESBANK	870.15	864.33	880.82	891.48	853.67	837.18
ZEEL	401.90	399.83	412.07	422.23	389.67	377.43

Source: Iris Software

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