

**Key developments during the week**

- Govt source says likely to take decision on easing FX loan norms soon
- Finance ministry source says may tweak gold monetisation scheme retrospectively
- ISMA says India Oct 1-Mar 15 sugar output 22.13 mln tn vs 22.16 mln tn
- Market source says RBI allows UDAY bonds in HTM, over and above limits
- Jaitley says banks going all out to recover every penny from Mallya
- Trade minister panel may propose cut in 20% steel safeguard duty till Aug
- Delhi HC notice to govt on plea against minimum steel import price
- Parliament committee on land bill to seek more time to submit report
- Steel companies file anti-dumping case against HR coil imports
- New aviation policy may be delayed due to clearances from finance minister
- SEBI allows FPIs to invest in REITs, infrastructure invest trusts
- Lok Sabha approves Real Estate (Regulation and Development) Bill, 2016
- Morgan Stanley cuts India FY17 GDP growth forecast to 7.7% vs 8.1%
- India Feb trade deficit fell to a 29-month low of \$6.54 bln vs \$7.64 bln MoM and \$6.74 bln YoY
- India Feb CPI combined inflation rate fell to 4-month low of 5.18% vs 5.69% in Jan
- India Feb WPI inflation rate at (-) 0.91% vs (-) 0.90% in Jan
- India Feb GSM user addition up 24.6% to 7.25 mln MoM

INDEX	18-Mar-16	11-Mar-16	Change (in %)
NIFTY	7604.35	7510.20	1.25
SENSEX	24952.74	24717.99	0.95
NSE 500	6322.65	6258.45	1.03
NSE MIDCAP	3044.25	3009.45	1.16
NIFTY JUNIOR	18284.90	18232.10	0.29
BSE SMALLCAP	10308.76	10277.99	0.30
BSE 200	3193.01	3160.19	1.04

INDEX	18-Mar-16	11-Mar-16	Change (in %)
BSE AUTO	17334.49	17240.54	0.54
BSE BANK	17851.58	17247.50	3.50
BSE CAPITAL GOODS	12474.09	12283.58	1.55
BSE CD	11273.15	11611.87	-2.92
BSE FMCG	7582.21	7504.96	1.03
BSE HEALTHCARE	15268.94	15992.02	-4.52
BSE IT	11177.50	10828.87	3.22
BSE METALS	7433.25	7479.94	-0.62
BSE OIL AND GAS	9029.32	8746.37	3.24
BSE PSU	6025.37	5920.64	1.77
BSE REALTY	1180.50	1179.45	0.09
BSE TECK	5991.43	5831.53	2.74

INDEX	18-Mar-16	11-Mar-16	Change (in %)
DOW JONES	17602.30	17213.31	2.26
HANG SENG	20671.63	20197.39	2.35
NIKKEI	16724.81	16938.87	-1.26
FTSE	6189.64	6139.79	0.81

Domestic events week ahead

- Mar 21-25:** Crude, refinery output for February, from petroleum ministry
- Mar 21-31:** Balance of payments for Oct-Dec, by RBI
- Mar 25:** WMA and forex reserves as on Mar 18, by RBI

Source: Cogencies

Global events week ahead

- Mar 21:** Europe Current Account, US Existing Home Sales, US Consumer Confidence
- Mar 22:** Japan Flash Manufacturing PMI, Europe Flash Manufacturing PMI, Europe Flash Services PMI, UK CPI and Core CPI, UK PPI, Europe ZEW Economic Sentiment, US Flash Manufacturing PMI
- Mar 23:** US New Home Sales, US Crude Oil Inventories
- Mar 24:** UK Retail Sales, Europe Targeted LTRO (Long Term Refinancing Option), US Durable Goods Orders, US Core Durable Goods Orders, US Unemployment Claims, US FOMC Member Bullard Speaks, US Flash Services PMI
- Mar 25:** Japan Core CPI, US Final GDP



Weekly Sector Outlook and Stock Picks

Auto Sector – Auto Index may rise; Maruti Suzuki weak

Shares of major automobile companies are seen trading with a positive bias this week. The CNX Auto Index, closed 0.6% higher on week at 7767.10 points, is likely to trade positive this week. Markets will remain closed on Thursday and Friday due to Holi and Good Friday. The positive movement in auto stocks is due to an overall positive sentiment in the market and the absence of sector-specific cues. Passenger car segment market leader Maruti Suzuki India Ltd is still overvalued despite rising from the lows of 3,200 rupees in the past couple of weeks. The stock continues to witness a short-term weakness and is likely to see some slide this week as well. Despite the short-term weakness, the company's fundamentals remain strong. It is seen reporting a double-digit growth in terms of units sold for 2015-16 despite a high base, primarily on account of strong product portfolio. The company had recently launched its sub-4 metre compact sports utility vehicle Brezza. This car, along with the traditionally strong Swift and Alto hatchbacks and the newly launched Baleno, continues to do brisk business for the country's largest carmaker.

Bank Sector – To trade with upward bias on RBI rate cut hopes

Banks stocks are likely to maintain their upward move in the truncated this week as the underlying sentiment remains positive over a possible repo rate cut by the Reserve Bank of India. Indian financial markets are closed on Thursday for Holi and on Mar 25 for Good Friday. The central bank is scheduled to detail its monetary policy statement on Apr 5. The government has committed to the fiscal consolidation roadmap, CPI inflation was better-than-expected and Fed interest rate is not anytime soon. All these conditions support the case for a rate cut. The government's decision to cut interest on small saving schemes is also seen supporting bank stocks as lenders have been asking for such reduction to ensure depositors are not migrating from fixed deposit schemes. Further news flow pertaining to the commentary from investigating authorities on loan defaults involving a large corporate as well bank officials will also provide clues on specific banks. Specific commentaries from banks pertaining to loan rates post migration to marginal cost-linked loan pricing from Apr 1 will be also be watched for its impact on net interest margin.

Capital Goods Sector – Seen in range; L&T shares may gain

Shares of capital goods companies are seen trading in a range with a slight positive bias, as a short week ahead may keep action in the stock markets under check. Shares of Larsen & Toubro, BHEL and Thermax are seen accumulating gains this week. Crompton Greaves demerged the consumer electrical division and the shares now reflect only the power business of the company, which has resulted in a sharp drop in the share price. Shares of cooling products providers such as Blue Star and Voltas are also likely to rise in the short to medium term.

Cement Sector – Seen rangebound with positive bias this week

Shares of cement makers are expected to trade in a range this week but with a positive bias as most companies, particularly the big ones ACC, Ambuja Cements and UltraTech Cement are expected to trade positively. The current value of major cement companies are low and serve as attractive entry point for investors. Cement demand across the country continues to remain weak. This month, cement prices rose across regions.

FMCG Sector – Seen weak as unseasonal rain to hit farm income

Shares of fast-moving consumer goods companies are expected to be subdued this week, which will see trading only on the first three days, as unseasonal rains in northern and western parts of the country are seen damaging rabi crop, thereby hitting farm income. Markets will remain closed on Thursday and Friday due to Holi and Good Friday, respectively. The country received 11.5 mm rain during the week ended Wednesday, which is around 75% more than the weighted average of 6.6 mm, according to data released by India Meteorological Department. Rains and thundershowers are likely at many places in the northeastern states and at isolated places in the south Indian peninsula on Wednesday and Thursday, IMD said. Shares of Marico will be in focus as the Maharashtra state government has increased value added tax on up to 500 ml coconut hair oil pack to 12.5%.

IT Sector – Seen in range with positive bias this week

Shares of information technology companies are likely to move in a narrow range with positive bias this week. Markets will be closed on Thursday and Friday for Holi and Good Friday, respectively. Even though few headwinds prevail for the



sector, stock-specific performance is expected to improve sentiments of the market participants. With few days left for Jan-Mar quarter to end, investors and market participants will look for communication from the companies with regard to their earnings performance in the quarter. The rupee, which closed at 66.50 against the dollar, is likely to appreciate against dollar on prevailing positive risk sentiment following dovish stance by US Fed. The US Federal Reserve left rates unchanged and forecasted just two rate hikes of 25 basis points each in 2016. Rupee appreciation, though expected to be momentary, is seen partially impacting investor sentiment on the IT sector negatively. Also, visa concerns have resurfaced for the sector. The UK government has increased visa fees for tourist, students and workers. And with US Republican presidential frontrunner Donald Trump rallying against H-1B work visa issued to immigrant employees, things seem to be bleak for the sector which is one of the largest users of the work visa.

Oil Sector – PSU oil companies seen positive on crude price recovery

Stocks of public sector oil companies are likely to trade in a range with a positive bias this week, following an uptick in global crude oil prices. That apart, no major trigger for oil sector stocks is seen in the immediate term. Other factors are likely to lend direction to the movement of these stocks news flow and the broader market sentiment. Markets will be shut on Thursday and Friday, on the occasion of Holi and Good Friday, respectively. Crude oil prices have staged a recovery helping exploration and production companies. Recently, the International Energy Agency had said there are signs that oil prices may have finally bottomed out and are now stabilising. They may even begin to rise again, it had added. Such forecasts are likely to further strengthen prices. Crude oil futures on the Multi Commodity Exchange of India and the New York Mercantile Exchange rose to the highest levels this year on hopes of a freeze in output by major producers, which could bring stability to the oil markets. The Indian crude oil basket at \$38.05, up from \$37.01 w-o-w. If oil prices continue to improve, companies such as ONGC, Oil India and Cairn India are set to gain.

Pharma Sector – Govt drug ban case hearing outcome in focus

Outcome of the Delhi High Court hearing on the recent government order banning 344 fixed dose combination drugs on Monday will set the trend for shares of pharmaceutical companies this week. In an unprecedented move, the Drug Controller General of India, under the Ministry of Health and Family Welfare, on Mar 12, banned sale and distribution of 344 fixed dose combination drugs with immediate effect, citing safety concerns and availability of safer alternatives. Household names such as Corex and Phensedyl cough syrups, Vicks Action 500, Crocin Cold and Flu, D-cold Total, and Panderm Plus are under the ambit of the government ban. A number of pharma companies moved the Delhi High Court against the government's ban and were able to get an interim stay on the order. The next hearing in this case is today, which will be crucial for the sector. The ban order rattled pharma stocks with Pfizer, which sells Corex cough syrup, falling 16% this week. The Nifty Pharma Index was down 5% on week. Market research firm AIOCD-AWACS said in a report that Abbott Healthcare, Pfizer, Ipca Laboratories, and Wockhardt will be impacted the most by the ban order.

Metal Sector – Seen up on likely extension of safeguard duty

Shares of major metals and mining companies are seen trading up this week due to the likely extension of safeguard duty on steel products till 2018, as well as improved sentiment after the imposition of minimum import price by the government on 173 steel products. The Director General of Safeguards has recommended extension of safeguard duty on certain steel products till Mar 31, 2018, to protect the domestic steel industry from cheap imports. The steel industry has already seen some recovery after the imposition of minimum import price by the government. The safeguard duty will act as a major boost to the steel industry, as prices are already improving and this measure ensures some support for domestic manufacturers. Since January, domestic steel prices have risen by around 3,000 rupees, while international prices have risen around 15%, Tata Steel Managing Director T.V. Narendran had said at a recent media interaction. He added the worst phase for the industry is behind it.

Telecom Sector – Seen positive this week but bearish on long term

Telecom stocks are likely to trade with a positive bias this week, with news flow on spectrum and call drop case seen as crucial cues for the sector. For the long term, though, the outlook on the sector remains bearish. Bharti Airtel's spectrum deal will continue to push the stock higher, as investors remain optimistic about the company's performance in the future, despite a rise in debt levels. Idea Cellular has a debt of around 300 bln rupees, and Reliance Communications has a debt of around 300-340 bln rupees, current debt levels do not bode well for the sector. Also, in the long run, Bharti Airtel's acquisition of Videocon Telecommunications' spectrum in six circles for 44.28 bln rupees will act as a negative for the stock.



Market range for the week 7420-7880

Nifty	Values
Support 1	7550
Support 2	7480
Support 3	7420
Resistance 1	7650
Resistance 2	7750
Resistance 3	7820

Resistance – Nifty may face resistance at 7650 level above this level it may go up to 7750-7820 level.

Support - Nifty has support at 7550 level below this next support at 7480-7420 levels.

Technical – During the week, CNX Nifty opened at 7542.60 and touched the highest level of 7613.60 and lowest level of 7405.15. The CNX Nifty ended at 7604.35; gain 94.15 points or 1.25%. The S&P BSE Sensex opened at 24801.70 and touched the highest level of 24986.90 and lowest level of 24354.55. The S&P BSE Sensex closed at 24952.74; gain 501.14 points or 0.95%.

For the coming week, we expect the market range of 7420-7880

Weekly Chart View –

We had mentioned in last week’s report that on the daily chart we witness consolidation and on weekly chart “Doji” candle, because of that we had mentioned 7580-7620 will be major resistance only above that we can see upside move and all we have seen Nifty fail to cross that level with that we had mentioned 7420-7380 will be good support for buy and Nifty registered low of 7405.15. Now on daily chart we can see Nifty near 100DMA but has given upper trendline breakout and on weekly chart still can see narrow range body formation. So overall we can see stocks specific move and above 7650-7660 we can see move up to 7750-7780 and downside 7520-7480 will be good support for buy.

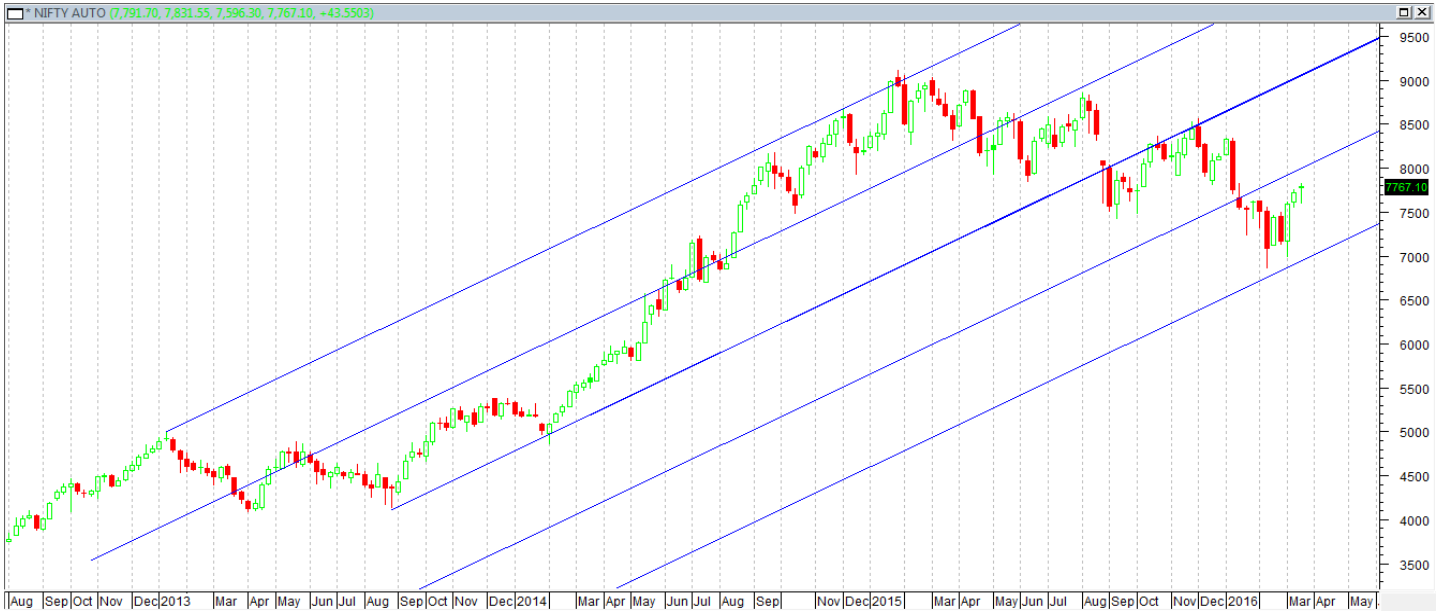
Weekly Chart





Weekly Sectoral Technical Outlook

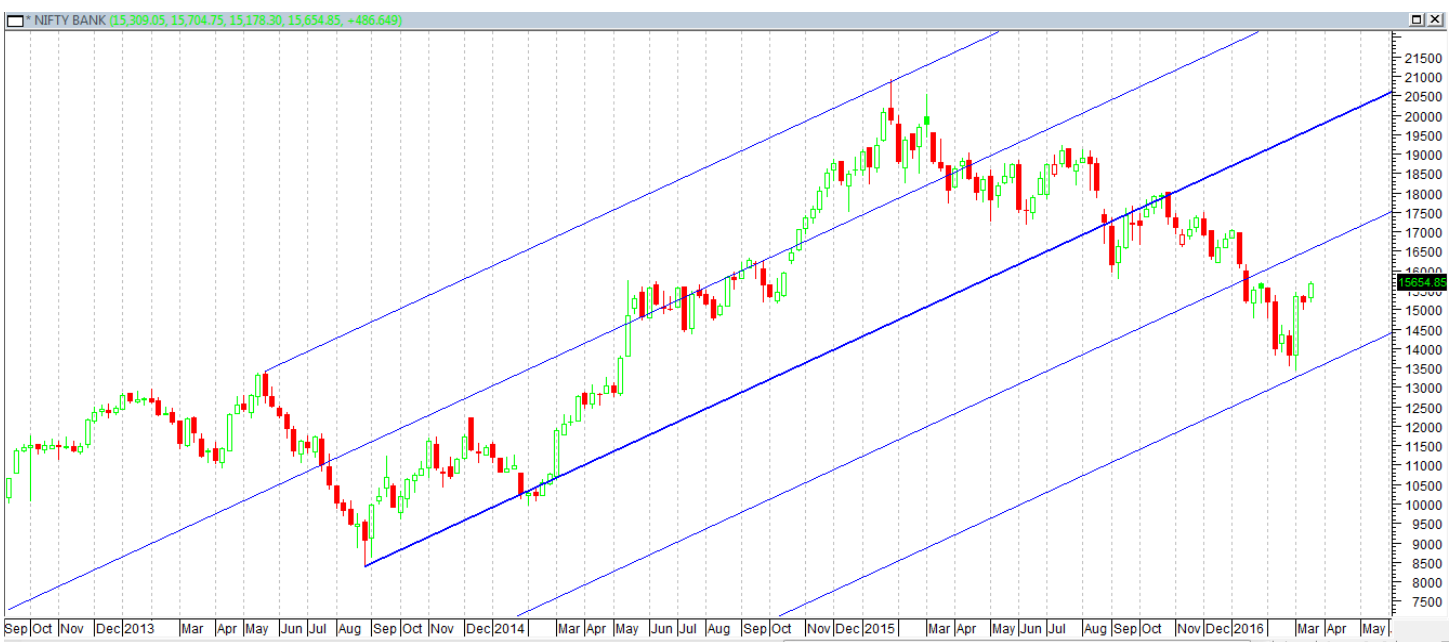
NSE Auto Index	CMP: 7767
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NSE Auto

At present we are observing a Doji candle stick pattern which suggests that the up move is losing breath. We still 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: 15654
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NSE Bankex

The current price is at the supply zone of 15682 to 15534. Hence cautious approach toward this sector should be adopted. Further, there is no clear pattern that suggests going long. Hence, one should avoid this sector at present.



NSE Metal Index

CMP: 1877



NSE Metal Index

We 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 gone long in this sector can trial their stop loss to 1750 for a target of 1950 -2200 levels.

NSE IT

CMP: 11159



NSE IT

We re-iterate 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 18-Mar-16	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1337.20	1301.85	1375.65	1414.10	1263.40	1189.60
ADANIPORTS	241.95	235.97	249.18	256.42	228.73	215.52
AMBUJACEM	222.05	215.70	229.50	236.95	208.25	194.45
ASIANPAINT	875.35	880.60	901.25	927.15	854.70	834.05
AXISBANK	436.10	428.23	445.47	454.83	418.87	401.63
BAJAJ-AUTO	2303.35	2283.12	2353.23	2403.12	2233.23	2163.12
BANKBARODA	144.10	143.73	147.07	150.03	140.77	137.43
BHARTIARTL	344.30	342.60	353.40	362.50	333.50	322.70
BHEL	113.40	110.08	117.52	121.63	105.97	98.53
BOSCHLTD	18774.10	18458.03	19166.07	19558.03	18066.07	17358.03
BPCL	856.90	841.10	885.20	913.50	812.80	768.70
CAIRN	154.90	152.40	158.80	162.70	148.50	142.10
CIPLA	528.25	529.40	542.60	556.95	515.05	501.85
COALINDIA	297.75	296.25	300.50	303.25	293.50	289.25
DRREDDY	3171.30	3161.52	3256.78	3342.27	3076.03	2980.77
GAIL	364.35	354.47	376.68	389.02	342.13	319.92
GRASIM	3656.95	3633.95	3728.00	3799.05	3562.90	3468.85
HCLTECH	824.15	820.68	833.87	843.58	810.97	797.78
HDFC	1129.30	1133.27	1171.03	1212.77	1091.53	1053.77
HDFCBANK	1028.40	1026.18	1041.22	1054.03	1013.37	998.33
HEROMOTOCO	2831.00	2810.83	2859.17	2887.33	2782.67	2734.33
HINDALCO	85.20	83.52	87.68	90.17	81.03	76.87
HINDUNILVR	848.35	846.45	861.90	875.45	832.90	817.45
ICICIBANK	230.20	228.33	238.12	246.03	220.42	210.63
IDEA	102.05	101.20	104.35	106.65	98.90	95.75
INDUSINDBK	929.00	921.70	942.05	955.10	908.65	888.30
INFY	1193.40	1173.78	1218.62	1243.83	1148.57	1103.73
ITC	324.75	322.18	329.37	333.98	317.57	310.38
KOTAKBANK	658.80	650.60	669.15	679.50	640.25	621.70
LT	1199.30	1190.28	1215.67	1232.03	1173.92	1148.53
LUPIN	1554.40	1654.67	1774.33	1994.27	1434.73	1315.07
M&M	1222.55	1214.17	1244.33	1266.12	1192.38	1162.22
MARUTI	3621.40	3642.82	3728.58	3835.77	3535.63	3449.87
NTPC	127.45	127.23	128.47	129.48	126.22	124.98
ONGC	214.60	211.50	218.10	221.60	208.00	201.40
PNB	84.30	83.42	85.88	87.47	81.83	79.37
POWERGRID	136.85	137.87	139.23	141.62	135.48	134.12
RELIANCE	1027.20	1023.18	1040.92	1054.63	1009.47	991.73
SBIN	191.25	187.98	195.27	199.28	183.97	176.68
SUNPHARMA	816.00	830.32	862.23	908.47	784.08	752.17
TATAMOTORS	366.05	363.35	373.40	380.75	356.00	345.95
TATAPOWER	58.50	58.72	59.43	60.37	57.78	57.07
TATASTEEL	302.20	300.65	307.20	312.20	295.65	289.10
TCS	2425.85	2387.58	2468.27	2510.68	2345.17	2264.48
TECHM	492.45	481.65	506.80	521.15	467.30	442.15
ULTRACEMCO	3110.65	3061.12	3167.23	3223.82	3004.53	2898.42
VEDL	92.30	90.10	95.45	98.60	86.95	81.60
WIPRO	551.25	544.48	560.57	569.88	535.17	519.08
YESBANK	814.25	808.68	824.37	834.48	798.57	782.88
ZEEL	390.65	392.88	405.47	420.28	378.07	365.48

Source: Iris Software

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