

Key developments during the week

- Trade secy says CAD has been contained by curbs on gold imports
- Source says Apr-Feb net small savings mop-up jumps to 117 bln rupees
- PSU officers' body moves SC against Hind Zinc divest
- Fitch says India PSU bks may need 3.8 trln rupees new equity by 2019
- S&P says may upgrade India rtg outlook if govt tackles econ issue
- SC upholds Delhi HC order allowing CAG audit of telecom cos
- Piramal Enterprises says no rebranding of Shriram Group post tie-up
- Shriram Group says funds from Piramal Ent for insurance ops overseas
- Bajaj Auto MD says will ensure continuity of production at Chakan
- HUL seeks to sell 6 flats in Navi Mumbai; could raise 60 mln rupees
- L&T director says had "dialogue" with GAIL on LNG ships tender issue
- Geometric enters multi-year engg services pact with Aerolia
- Pipavav Defence says co in fray, will bid for GAIL's LNG ship tender
- Tata Steel shareholders to mull merger of 2 arms with co May 16
- HC puts stay on govt's 3-bln-rupee demand from Mumbai airport
- PSU oil cos' Apr 16-30 revenue loss decline to 3.37 bln rupees/day
- Infosys to offer Finacle to Boston-based Eastern Bank
- Tata Comm expands global data services through strategic tie-ups

INDEX	17-Apr-14	11-Apr-14	Change (in %)
NIFTY	6779.40	6776.30	0.05
SENSEX	22628.84	22628.96	0.00
NSE 500	5310.75	5317.70	-0.13
NSE MIDCAP	2570.70	2583.20	-0.48
NIFTY JUNIOR	13657.90	13816.05	-1.14
BSE SMALLCAP	7524.01	7523.18	0.01
BSE 200	2718.94	2722.04	-0.11

INDEX	17-Apr-14	11-Apr-14	Change (in %)
BSE CD	6617.02	6726.22	-1.62
BSE OIL AND GAS	9713.70	9647.77	0.68
BSE PSU	6469.69	6508.10	-0.59
BSE FMCG	7009.34	6858.52	2.20
BSE CAPITAL GOODS	12074.50	12205.35	-1.07
BSE AUTO	13494.62	13409.68	0.63
BSE REALTY	1492.84	1557.26	-4.14
BSE BANK	14625.65	14689.89	-0.44
BSE TECH	4950.65	4928.75	0.44
BSE HEALTHCARE	10504.49	10532.09	-0.26
BSE IT	8907.19	8835.09	0.82
BSE METAL	10266.72	10352.33	-0.83

INDEX	17-Apr-14	11-Apr-14	Change (in %)
DOW JONES	16408.54	16026.75	2.38
HANG SENG	22760.24	23003.64	-1.06
NIKKEI	14516.27	13960.05	3.98
FTSE	6625.25	6561.70	0.97

Domestic events week ahead

- Apr 21-25:** Crude, refinery output for March, from petroleum ministry.
- Apr 21-28:** GSM mobile subscribers data for March, by COAI.

Source: NW18

Global events week ahead

- Apr 21:** Japan Trade Balance, Spanish HPI q/q, G7 Meetings
- Apr 22:** US HPI m/m, Europe Consumer Confidence, US Existing Home Sales
- Apr 23:** China HSBC Flash Manufacturing PMI, French Flash Manufacturing PMI, French Flash Services PMI, German Flash Manufacturing PMI, German Flash Services PMI, Europe Flash Manufacturing PMI, Europe Flash Services PMI, UK MPC Asset Purchase Facility Votes, UK MPC Official Bank Rate Votes, UK Public Sector Net Borrowing, US Flash Manufacturing PMI, US New Home Sales, US Crude Oil Inventories
- Apr 24:** German Ifo Business Climate, US Core Durable Goods Orders m/m, US Unemployment Claims, US Durable Goods Orders m/m
- Apr 25:** UK Retail Sales m/m, US Flash Services PMI, US Revised UoM Consumer Sentiment, US Revised UoM Inflation Expectations



Weekly Sector Outlook and Stock Picks

Auto sector – To trade with positive bias; Maruti results eyed

Stocks of major automobile manufacturers are seen trading largely with a positive bias on the back of rally in the broader indices. India's largest carmaker Maruti Suzuki India Ltd is scheduled to detail its Jan-Mar earnings on Apr 25. Maruti Suzuki will trade with a positive bias because the earnings are expected to be better on quarter. Maruti Suzuki had launched its Celerio hatchback during the Jan-Mar quarter. The vehicle has received a warm response in the market, and is seen as one of the reasons for a rise in sales. Profits are expected to be higher, due to lower discounts being offered in comparison with Oct-Dec. The earnings are also seen taking a positive push from the depreciation of Yen. Maruti Suzuki imports some components from its parent company Suzuki of Japan, and also pays it royalty on vehicles. Apart from Maruti Suzuki, counters of Tata Motors Ltd and Bajaj Auto Ltd are seen higher volume during the coming week. Tata Motors is likely to see some downward movement this week due to its subsidiary Jaguar Land Rover recalling vehicles in China. The strike at Bajaj Auto's Chakan plant due to a stand-off between the company management and the workers' union is likely to result in the counter trading with a negative bias in the coming week. Commercial vehicle stocks are likely to trade with a sideways to negative bias following reports suggesting possible defaults in auto loans going ahead.

Bank Sector – Stock-specific movement this week as earnings eyed

Bank stocks are likely to see stock-specific activity this week, as some lenders will detail their Jan-Mar earnings. Shares of banks will also take cues from the broad market and trade is expected to be volatile on account of expiry of the April futures and options contract on Wednesday. The April F&O contract expires a day earlier this time around as stock exchanges will be closed next Thursday due to polling in Mumbai. This week, HDFC Bank Ltd, ICICI Bank, Axis Bank, State Bank of Bikaner and Jaipur, South Indian Bank, YES Bank, State Bank of Mysore, and State Bank of Travancore Ltd would be in focus, as these banks would declare their Jan-Mar earnings. Market participants prefer large-cap public sector private and public sector banks like ICICI Bank, Axis Bank, and Punjab National Bank.

Capital Goods Sector – Seen down; Siemens Jan-Mar results eyed

Shares of most capital goods companies are seen trading range-bound with a negative bias, taking cues from the wider market. Investors will be eyeing the Jan-Mar results of the Indian arm of German engineering major Siemens. The company is seen posting Jan-Mar net profit of 806 mln rupees up, 169% on year, and net sales of 28.38 bln rupees, down 2% on year. The company will detail its Jan-Mar earnings of Apr 25. Overall, the shares of companies in this sector are seen erasing gains on account of profit booking. Avantha Group-owned Crompton Greaves, which has surged around 27.5% in the last 30 days, is likely to see some profit booking. Taking advantage of the current decline in share of sector bellwether Larsen & Toubro, some long-term investor may enter the stock. Investors are also seen preferring product companies such as Blue Star, Cummins and Voltas as seasonal demand pick-up is likely to translate into healthy earnings in Jan-Mar and Apr-Jun quarters.

Cement Sector – ACC, Ambuja, UltraTech earnings to set tone

Earnings announcements by the country's three major cement makers ACC, Ambuja Cements, and UltraTech Cement will set the tone for movement of cement stocks this week. Estimates look weak for all the three cement companies with profits seen falling in the range of 30-40% on a year-on-year basis, but on the positive side, sequentially, profits are seen higher, even though marginally. UltraTech will detail its Jan-Mar earnings on Apr 23, while ACC and Ambuja are scheduled to detail their earnings the next day. Ambuja Cements Ltd's is seen posting net profit 30% lower on year at 3.52 bln rupees and net sales at 26.27 bln rupees, up 3% on year. ACC is seen posting a 35% year-on-year fall in net profit at 28.27 bln rupees in Jan-Mar. The cementmaker's revenue is expected to rise 6% on year to 30.88 bln rupees. UltraTech's net profit is pegged at 6.01 bln rupees, down 17% on year and revenue is seen at 53.89 bln rupees, up 7% on year.

FMCG Sector – Bias seen down this week on monsoon concerns

Stocks of fast moving consumer goods companies to trade with a downward bias in the week ahead as predictions of a below-average monsoon dampen the prospects of robust sales growth. Earlier this week, private forecaster Skymet said India was likely to have a below-normal monsoon this year. A below average monsoon could mean bad news for FMCG players as it could result in higher raw material costs and subdued rural demand. Sales of Dabur and Hindustan Unilever could see some pressure if the monsoons are below normal.

**IT Sector – Mid-cap results eyed, Wipro likely to trade up**

Shares of frontline information technology companies are likely to trade with an upward bias in line with the broader market, while the direction of mid-cap IT company stock would depend on results due this week. Post market hours Friday, Wipro reported a q-o-q increase of 2.5% in IT services revenue during Jan-Mar to \$1.72 bln and a 150-basis-point increase in operating margin. The 50 bps improvement was due to currency movements and another 50 bps because of higher employee utilisation, the company said. In addition, the company gave bullish commentary on the demand scenario in the global market. However, Wipro's flattish outlook for Apr-Jun was a disappointment, though the management said too much should not be read into the outlook. Among mid-cap IT companies reporting their earnings this week are Zensar Technologies on Apr 22, Mastek and Thinksoft on Apr 23. Persistent Systems will report its earnings on Apr 26. The overall market outlook is bullish, which is likely to keep sentiment around IT stocks buoyant as well.

Pharma sector – Likely to trade in a narrow range this week

Shares of major pharmaceutical companies may move in a narrow range this week, with possibility of some stock-specific movement. Some profit booking is seen in shares of Sun Pharma and Ranbaxy after their upward run following announcement of Sun Pharma acquiring the other company. Shares of GlaxoSmithKline Pharmaceuticals Ltd to continue negative run this week. GSK Pharma announced its Jan-Mar financial results, posting a net profit of 965.40 mln rupees, down 43% on-year, below the Street's expectation of 1.38 bln rupees. The company's total income also fell 4.2% year-on-year, on account of impact of the new drug pricing policy.

Metal Sector – Seen trading subdued with positive bias

Shares of metal companies are seen trading subdued this week with a positive bias after witnessing a bout of profit booking. On Apr 16, the UK High Court refused a request by London Metal Exchange to appeal against the recent judgement that stopped the bourse from implementing its planned reforms in LME warehousing practice. On Mar 27, the court had ruled out proposed changes in LME warehousing practices following a complaint made by Russia-based United Co Rusal, the largest aluminium company in the world. Under the new policy, LME had said if there was a queue for over 50 calendar days, the affected warehouse would be expected to push out additional metal, based on a formula. The policy was slated to come into effect from Apr 1. There were concerns that if such a rule were to come into effect it would push prices of aluminium down, a commodity which is still reeling from touching its four-year lows in terms of pricing recently. Further, the aluminium prices will pick up only after a year as a result of a lag effect of demand improving this year and shutdown of capacities globally. Hindalco Industries will be the biggest gainer in the aluminium space once the sector picks up, since margins in the company's aluminium segment are much higher than that of its copper business, while the impact of the pick-up in the sector will be minimal on Sesa Sterlite since most of the company's profits come from its zinc and oil and gas verticals rather than its aluminium business.

Oil Sector – RIL may open up this week, but seen in range later

Reliance Industries Ltd is seen opening slightly positive this week on the back of better-than-expected refining margins and its retail ops returning net profit in 2013-14 (Apr-Mar). However, it is unlikely to sustain at higher levels and on a weekly basis the stock is seen in a range. The company reported net profit of 56.31 bln rupees, up 1% year-on-year. However gross refining for the quarter at \$9.3 a barrel was slightly higher than the expected range. Also, the company sounded optimistic on the outlook for refining segment, it's largest. Its shale gas business has also emerged a significant contributor to earnings and will be a key long-term resource. Meanwhile, shares of the oil marketing companies will continue to trade in a range, mostly taking cues from the rupee-dollar movements and changes in crude oil prices. The finances of Indian Oil Corp Ltd, Bharat Petroleum Corp Ltd and Hindustan Oil Corp Ltd have been improving in recent times because of frequent payment of subsidies by the government and a sharp reduction in revenue loss on diesel.

Telecom Sector – Rangebound this week; March GSM numbers eyed

Movement in telecom stocks is expected to be rangebound this week, with major scrips expected to trade with caution ahead of the announcement of their Jan-Mar results. Investors will eye the global system for mobile communications subscriber numbers for March, expected to be released by industry body Cellular Operators Association of India this week. Telecom companies are likely to report healthy revenue growth on the back of uptick in minutes of usage, increase in average revenue per minute as well as growing data users. Amongst the top three operators, we expect Idea Cellular to lead in terms of revenue growth, followed by Bharti Airtel and Reliance Communications.



Market Range for Week 6620- 6880

Nifty	Values
Support 1	6750
Support 2	6680
Support 3	6650
Resistance 1	6810
Resistance 2	6850
Resistance 3	6880

Resistance – Nifty facing Resistance level @6810 level above this level it may go up to @6850 & @ 6880 level.

Support - Support comes for market @6750 level for Nifty; below this level Nifty next support @6680 and @6650 will be the major support for Market.

Technical – Last week Nifty opened at 6792 & it made a high of 6813. Last week we have seen some consolidation. Nifty made a low of 6665 & closed at 6779. Last week Nifty drags 148 points from its high & on weekly basis it closed at 3 point higher. Sensex made a weekly high of 22737 & a low of 22247 almost it drags 490 points in the week from its high. So overall last week we have seen consolidation.

For the coming week the market range we expect 6620-6880

Weekly Chart View –

Last week we had expected market range (6650-6880) market made a high of 6813 & low of 6665, so overall it holds our both side range.

In last week report we had mentioned on daily chart we had witness “Doji Candle” & on weekly chart oscillator was in overbought position, because of all that we had mentioned we can see consolidation & 6805-6810 will be major resistance & all we have seen same. Now on Daily chart market taking support at lower trendline & short term moving avg (20DMA). On weekly chart we can see “Doji Candle”. So overall still market need to close above 6810-6820 for further up move if we get close above that then we can see move up to 6880-6920 & from here remain 6650-6620-6580 will be good support. Apart from that we have F&O expiry so we can see some volatility.

Weekly Chart





Weekly Sectoral Technical Outlook

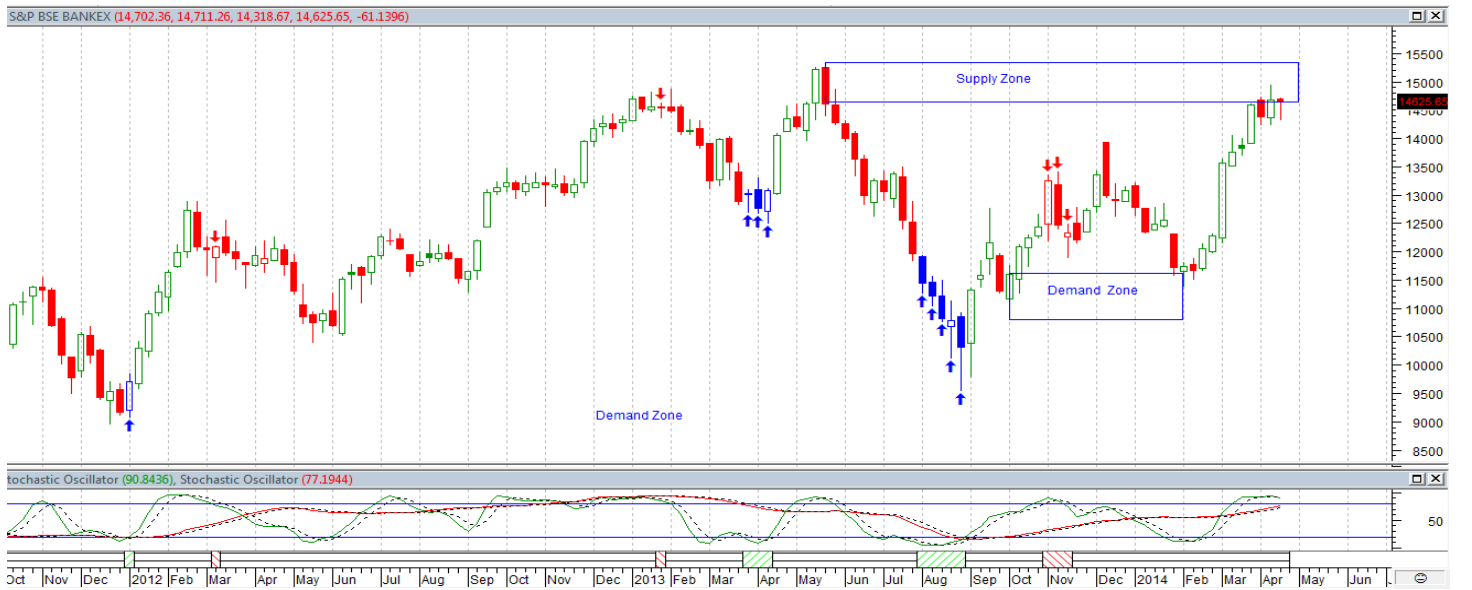
BSE Auto Index	CMP: 13494
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BSE Auto

The current price action resembles a bearish Hanging Man. The said pattern will get activated below 13145 levels. In such scenario the sector may test 13000 - 12850 levels. On the upside 13517 – 13635 may act resistance for the week. Hence one should be cautious at current level in this sector and those long in this sector should maintain a stop loss of 13140 levels.

BSE Bankex	CMP: 14625
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BSE Bankex

We maintain our stance that prices have entered the supply zone and there is no sign of reversal. Hence, those long in this sector should maintain strict stop loss at 14300 levels. On downside, if this sector trades below 14300 level then it may test 14050 – 13800 levels. On the upside, 14600 – 15000 may act as resistance for the week.



BSE Metal Index

CMP: 10266

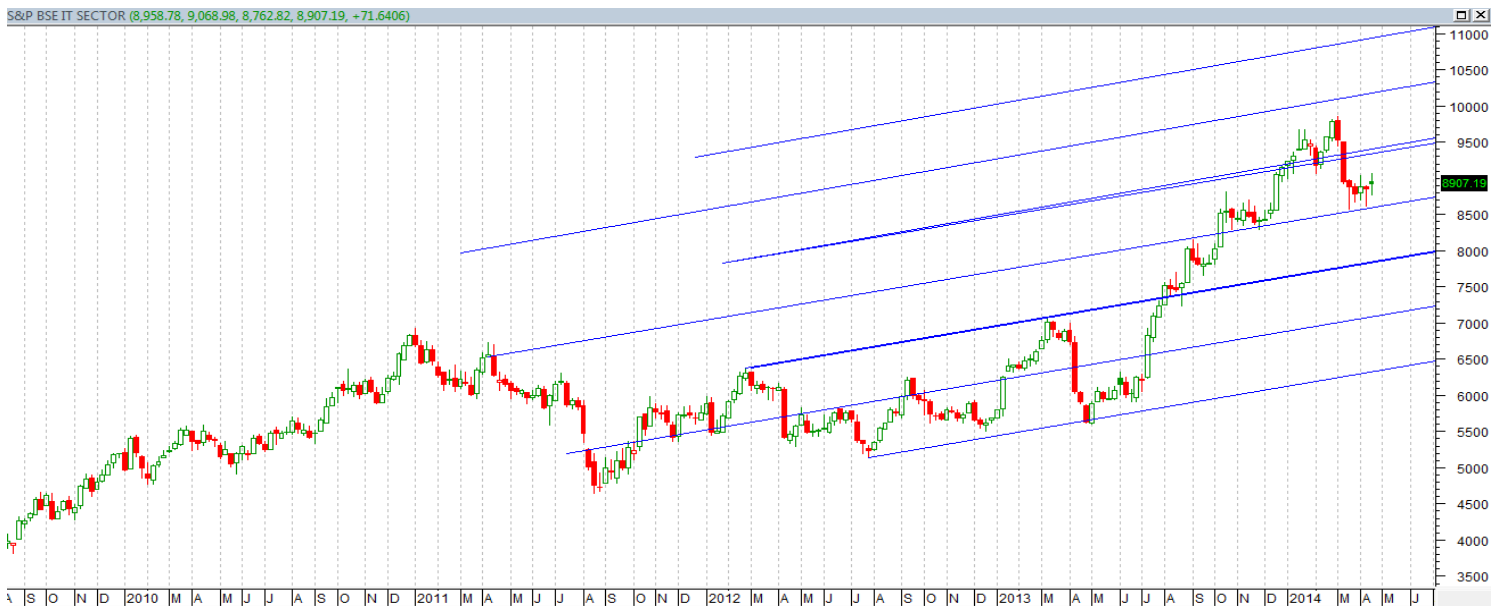


BSE Metal Index

We reiterate our stance that the current price action has given a breakout from the downward sloping channel. However, some pullback to the downward sloping trendline cannot ruled out. Those long in this sector can trial the stop loss to 9900 level. On the upside it can test 10550-10900 levels.

BSE IT

CMP: 8907



BSE IT

At present we are observing a basing pattern formation. We maintain our stance that prices have traded above the high of the Hammer i.e. 8986 one can enter long in this sector with a stop loss of 8600. On the upside it has potential to bounce up to 9100 – 9359 levels.



Weekly Technicals of Key Companies –

Company	Closing 17-Apr-14	Buy/Sell Trigger	Resistnace 1	Resistance 2	Support 1	Support 2
ACC	1358.35	1357.82	1397.53	1436.72	1318.63	1278.92
AMBUJACEM	216.65	213.93	221.47	226.28	209.12	201.58
ASIANPAINT	543.75	540.37	549.88	556.02	534.23	524.72
AXISBANK	1464.65	1462.33	1497.67	1530.68	1429.32	1393.98
BAJAJ-AUTO	2016.05	1998.72	2043.03	2070.02	1971.73	1927.42
BANKBARODA	771.30	767.60	787.65	804.00	751.25	731.20
BHARTIARTL	325.55	325.52	330.43	335.32	320.63	315.72
BHEL	181.25	179.90	187.10	192.95	174.05	166.85
BPCL	449.80	444.85	456.95	464.10	437.70	425.60
CAIRN	368.85	364.25	377.20	385.55	355.90	342.95
CIPLA	400.70	399.45	405.30	409.90	394.85	389.00
COALINDIA	290.90	290.50	295.90	300.90	285.50	280.10
DLF	159.65	164.40	172.95	186.25	151.10	142.55
DRREDDY	2552.20	2561.08	2599.62	2647.03	2513.67	2475.13
GAIL	373.85	371.15	377.30	380.75	367.70	361.55
GRASIM	2763.05	2772.30	2809.80	2856.55	2725.55	2688.05
HCLTECH	1424.75	1425.15	1452.40	1480.05	1397.50	1370.25
HDFC	879.80	887.82	910.63	941.47	856.98	834.17
HDFCBANK	718.70	721.60	735.90	753.10	704.40	690.10
HEROMOTOCO	2218.85	2196.13	2269.22	2319.58	2145.77	2072.68
HINDALCO	141.45	138.38	145.17	148.88	134.67	127.88
HINDUNILVR	609.45	607.60	621.05	632.65	596.00	582.55
ICICIBANK	1262.85	1249.57	1286.53	1310.22	1225.88	1188.92
IDFC	118.35	119.47	122.88	127.42	114.93	111.52
INDUSINDBK	498.95	494.15	508.90	518.85	484.20	469.45
INFY	3192.05	3242.52	3337.53	3483.02	3097.03	3002.02
ITC	353.25	347.90	359.10	364.95	342.05	330.85
JINDALSTEL	280.30	276.83	288.32	296.33	268.82	257.33
KOTAKBANK	800.80	793.10	812.70	824.60	781.20	761.60
LT	1268.95	1274.18	1306.37	1343.78	1236.77	1204.58
LUPIN	955.65	952.72	966.73	977.82	941.63	927.62
M&M	996.95	989.23	1013.42	1029.88	972.77	948.58
MARUTI	1951.35	1940.05	1976.10	2000.85	1915.30	1879.25
MCDOWELL-N	2853.40	2869.05	2925.15	2996.90	2797.30	2741.20
NMDC	148.95	149.72	151.43	153.92	147.23	145.52
NTPC	122.95	123.20	125.65	128.35	120.50	118.05
ONGC	322.35	319.78	326.02	329.68	316.12	309.88
PNB	779.60	772.82	790.13	800.67	762.28	744.97
POWERGRID	107.20	107.03	108.37	109.53	105.87	104.53
RELIANCE	959.10	952.50	968.40	977.70	943.20	927.30
SBIN	2017.30	1995.65	2043.65	2070.00	1969.30	1921.30
SSLT	192.70	192.70	198.95	205.20	186.45	180.20
SUNPHARMA	625.05	623.68	635.27	645.48	613.47	601.88
TATAMOTORS	429.10	422.92	436.78	444.47	415.23	401.37
TATAPOWER	83.95	84.00	86.95	89.95	81.00	78.05
TATASTEEL	418.90	416.05	427.35	435.80	407.60	396.30
TCS	2222.90	2209.87	2277.03	2331.17	2155.73	2088.57
TECHM	1771.80	1761.92	1790.63	1809.47	1743.08	1714.37
ULTRACEMCO	2217.60	2220.02	2257.58	2297.57	2180.03	2142.47
WIPRO	585.85	581.87	598.68	611.52	569.03	552.22

Source: Iris Software

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