

**Key developments during the week**

- Govt says 11.3 mln users surrendered LPG subsidy under GiveltUp plan
- Govt source says may amend road fund act to develop inland waterways
- Govt mulls panel to screen one-time bank debt settlement
- Call drops due to companies not investing enough in infra, govt tells SC
- Telecom minister says mobile virtual network operations norms to be out soon
- 100% local sourcing may not be must for food processing FDI
- Banks Board says can't allow sector to be risk-averse, scared
- Trade secretary says India must continue maximising potential in services
- Road ministry set to award 25,000 km of road projects in FY17
- Minister says govt released funds to help states deal with drought
- India Mar WPI inflation rate at -0.85% vs -0.91% in Feb
- India Mar trade deficit fell to \$5.07 bln vs \$11.40 bln YoY
- Jaitley says India committed to meeting fiscal consolidation roadmap
- NPPA fixes ceiling price of 70 formulations, retail price of 2 drugs
- OPEC meet fails as Saudi insists on Iran joining output freeze pact
- NASSCOM says India-US to hold talks on visa issue in Geneva in May
- ISMA pegs India Oct 1-Apr 15 sugar output 24.3 mln tn vs 26.5 mln tn

INDEX	22-Apr-16	13-Apr-16	Change (in %)
NIFTY	7899.30	7850.45	0.62
SENSEX	25838.14	25626.75	0.82
NSE 500	6627.95	6575.35	0.80
NSE MIDCAP	3348.10	3303.50	1.35
NIFTY JUNIOR	19417.75	19170.60	1.29
BSE SMALLCAP	11078.84	10943.02	1.24
BSE 200	3341.18	3314.71	0.80

INDEX	22-Apr-16	13-Apr-16	Change (in %)
BSE AUTO	18700.37	18748.94	-0.26
BSE BANK	19035.40	18542.14	2.66
BSE CAPITAL GOODS	13365.01	13230.82	1.01
BSE CD	11936.22	11693.65	2.07
BSE FMCG	7767.15	7820.48	-0.68
BSE HEALTHCARE	15588.81	15494.36	0.61
BSE IT	11345.62	11283.18	0.55
BSE METALS	8020.47	7656.12	4.76
BSE OIL AND GAS	9458.66	9396.82	0.66
BSE PSU	6354.16	6186.82	2.70
BSE REALTY	1307.63	1281.04	2.08
BSE TECK	6102.61	6073.91	0.47

INDEX	22-Apr-16	15-Apr-16	Change (in %)
DOW JONES	18003.75	17897.46	0.59
HANG SENG	21467.04	21316.47	0.71
NIKKEI	17572.49	16848.03	4.30
FTSE	6310.44	6343.75	-0.53

**Domestic events week ahead**

- Apr 25-28:** Crude, refinery output for March, from petroleum ministry
- Apr 29:** Government finances for 2015-16, by CGA
- Apr 29:** CPI for industrial workers for March, by Labour Bureau
- Apr 29:** Core sector growth for March, by commerce and industry ministry

Source: Cogencies

**Global events week ahead**

- Apr 25:** US New Home Sales
- Apr 26:** US Durable Goods Orders, US Core Durable Goods Orders, US Flash Services PMI, US CB Consumer Confidence
- Apr 27:** UK Prelim GDP, US Goods Trade Balance, US Pending Home Sales, US Crude Oil Inventories, US FOMC Statement, US Federal Funds Rate
- Apr 28:** Japan Unemployment Rate, Japan Retail Sales, Japan Industrial Production, Japan Monetary Policy Statement, BOJ Press Conference, US Advance GDP, US Unemployment Claims
- Apr 29:** Europe CPI, Europe Unemployment Rate, US Chicago PMI, US Revised UoM Consumer Sentiment, US Revised UoM Inflation Expectations



## Weekly Sector Outlook and Stock Picks

### **Auto Sector – Bias positive; Maruti Suzuki earnings eyed**

Shares of automobile companies are seen extending their gains this week ahead of earnings announcements for the quarter ended March by Maruti Suzuki India Ltd. The CNX Auto Index, which closed flat this week, may test the 8500 point mark, driven by the positive mood created by predictions of an above average monsoon this year. Maruti Suzuki, which will announce its earnings for Jan-Mar on Tuesday, is expected to report a 10% on-year decline in bottomline to 11.5 bln rupees. However, the market has already factored in these numbers, and the company may see swift buying at its counters this week. Tata Motors, the country's largest auto maker by sales is likely to extend gains into the next five trading sessions as well. Truck and bus maker Ashok Leyland may see some further correction, as the stock appears slightly overvalued at present.

### **Bank Sector – May extend gains; ICICI, Axis Bank results eyed**

Bank stocks are likely to extend gains amid stock-specific action, as a host of lenders detail their earnings for Jan-Mar. The Nifty Bank ended this week with 2.6% gains as the sentiment on the sector remained positive following reports that the Reserve Bank of India has trimmed the list of companies that had to be provisioned for in Jan-Mar. The list includes 20 companies, including Jaiprakash Associates and Coastal Energen. With the end of the asset quality review, most participants believe banks have recognised stressed assets. However, the clean-up exercise will continue, in order to meet the central bank's March 2017 deadline. Hopefully, banks have dealt with large problem loans. And, in that case, we may see some upside, especially for public sector banks, as they have the larger problem of NPA (non-performing asset). This week, sector heavyweights ICICI Bank and Axis Bank will announce their earnings for Jan-Mar. Others such as YES Bank, IDFC Bank, Lakshmi Vilas Bank, State Bank of Travancore, State Bank of Mysore, and State Bank of Bikaner and Jaipur will also announce their results. The market will also take cues from the Budget session of Parliament, which will be resuming on Monday, especially in terms of the passage of the bankruptcy Bill.

### **Capital Goods Sector – Seen trading with negative bias this week**

Stocks of major capital goods companies are seen trading with a negative bias this week, in anticipation of Jan-Mar earnings, which are likely to be weak. A major concern for the sector is order inflows, which have been subdued for quite some time, except for Bharat Heavy Electricals Ltd. On Friday, shares of BHEL ended down 1% at 127.55 rupees on the sentiment that order inflows would remain tepid in the next two quarters and that the company is likely to face execution challenges. While most capital goods company is likely to begin announcing their Jan-Mar earnings from the first week of May, ABB India Ltd will do so on Monday. The company is seen reporting a net profit of 829.7 mln rupees for Apr-Mar, up 52.8% on year, while its net sales are seen rising 11.7% on year to 19.95 bln rupees.

### **Cement Sector – ACC, UltraTech, Ambuja Jan-Mar earnings eyed**

Shares of cement manufacturing companies are seen taking cues this week from the Jan-Mar earnings of ACC, Ambuja Cements, and UltraTech Cement, the country's three biggest makers of the building material. While UltraTech Cement will announce its Jan-Mar earnings on Monday, ACC and Ambuja Cements will declare their Jan-Mar earnings on Thursday. Low demand for the building material in the country is seen affecting Cement companies' Jan-Mar earnings. The drought condition in large parts of the country is also seen affecting cement companies' near-term performance. Shares of cement companies will be affected in the near term due to shortage of water in rural areas and a muted demand in urban areas. ACC is seen reporting a 14.4% on-year fall in its Jan-Mar consolidated net profit to 2.02 bln rupees. Ambuja Cements is seen reporting a 17% on-year fall in its Jan-Mar net profit to 2.64 bln rupees. UltraTech Cement's seen Jan-Mar consolidated net profit falling 3.2% on year to 6.36 bln rupees.

### **FMCG Sector – Seen trading in range; Dabur earnings eyed**

Shares of fast-moving consumer goods companies are seen trading in a range this week, as there are no potential triggers to provide direction to stocks. Dabur India Ltd will announce its Jan-Mar results on Apr 28 and expect the company's net profit to rise 10.83% on year to 3.15 bln rupees, due to strong sales growth in overseas markets, coupled with robust performance in the domestic oral-care and hair-care segments. The movement in consumer stocks will be seen after Hindustan Unilever Ltd and ITC Ltd announce their earnings. Hindustan Unilever could trade sideways this week with a bullish bias. Colgate Palmolive India Ltd is also seen trading with a positive bias.

**IT Sector – In narrow range this week; HCL Tech result in focus**

Most information technology stocks are seen trading in a narrow range this week, with stock-specific movement expected in some driven by Jan-Mar earnings and guidance for the current financial year. Weak guidance last week by Wipro Ltd and industry leader Tata Consultancy Services Ltd continue to weigh on the sentiments for the sector. This week, all eyes will be on HCL Technologies Ltd which will detail its quarterly earnings on Thursday. The IT major is expected to report 1.7% sequential rise in Jan-Mar consolidated net profit to 19.20 bln rupees. The market is bullish on the company as its acquisition of Geometric Ltd is positive, allowing HCL Technologies access to the Mumbai-based company's business in automotive and aerospace industries. So far, TCS, Wipro and Infosys Ltd among Nifty 50, and Mindtree Ltd and Cyient Ltd among mid-cap IT stocks, have detailed their earnings. Infosys was the better performer among IT stocks as investors remained upbeat on the company's dollar sales growth guidance of 11.8-13.8% in FY17, consistent with 10-12% growth forecast by industry body National Association of Software and Services Companies.

**Oil Sector – RIL, Cairn India in focus; PSUs seen in range**

Shares of Reliance Industries Ltd and Cairn India Ltd will be in focus this week, as the two companies announced their earnings for Jan-Mar. Apart from that, the trend for stocks in the oil sector will largely be dictated by global crude oil prices, news flow, and the broader market. Even as RIL surprised with a better-than-expected bottomline of 73.20 bln rupees on robust refining margins, Cairn India shocked with a consolidated quarterly net loss of as much as 109.48 bln rupees, owing to a 116.74-bln-rupees impairment charge due to the slump in crude oil prices. The earnings of the two companies are likely to rub off on their respective stocks in the immediate term, with the likelihood of a positive impact on RIL and a hit to Cairn India. Shares of the three public sector refiners IOC, BPCL, and HPCL are likely to stay range-bound with a positive bias on expectations of strong earnings for Jan-Mar, backed by inventory gains and robust refining margins. State-owned upstream players such as ONGC and Oil India Ltd are likely to trade in a range with a negative bias, and are likely to track global crude oil prices.

**Pharma Sector – Stock-specific movement likely; earnings eyed**

Stock-specific movement is likely in the pharmaceutical space this week with investors keeping an eye on earnings for the Jan-Mar quarter. Biocon and its listed arm, Syngene International, will release earnings on Tuesday, Alembic Pharmaceuticals on Wednesday, Granules India on Thursday and Ajanta Pharma and Sanofi India on Apr 29. Bengaluru-based Biocon's consolidated net profit is seen down 45.3% on year at 1.10 bln rupees during Jan-Mar. Alembic's Pharma's consolidated net profit is likely to rise 133.1% on year to 1.64 bln rupees. Glenmark Pharmaceuticals, which rose 4% w-o-w, may continue see some consolidation this week. Easing concerns over regulatory issues at Glenmark's Indore plant are likely to provide support to the stock. Sun Pharmaceutical Industries' Jan-Mar earnings to be good due to launch of Gleevec generic in the US, there could be some downside in the near term.

**Metal Sector – Seen up this week on govt's trade protection steps**

Shares of major metal and mining companies are seen extending gains this week due to improved sentiment led by a slew of protectionist steps taken by the government for the sector. The Directorate General of Anti-Dumping & Allied Duties initiated an investigation into possible dumping of cold-rolled steel products by countries, including Japan, South Korea, Ukraine, and China. In addition, the Directorate General of Safeguards recommended imposition of a provisional safeguard duty of 5% on imported unwrought aluminium for 200 days with immediate effect. In its latest report on metals, Credit Suisse has assigned an 'outperform' rating on shares of Tata Steel Ltd, JSW Steel Ltd, and Jindal Steel and Power Ltd, as it believes global inventory cycles have bottomed out, a weak dollar has stabilized curves, and demand from China has given much needed stimulus to the steel sector. Market participants would continue to eye shares of Tata Steel this week as the UK government said it is ready to buy up to 25% stake in Tata Steel Ltd's UK business and is also likely to offer hundreds of pound of debt relief to the acquirer.

**Telecom Sector – Bharti Airtel, Idea seen up ahead of earnings**

Stocks of Bharti Airtel Ltd and Idea Cellular Ltd are seen trading up this week as expect positive Jan-Mar earnings for both the telecom service providers. Scrip of Reliance Communications Ltd is also likely to trade in the green on the news of company's spectrum sharing pact with Reliance Jio Infocomm Ltd. Department of Telecommunications has approved Reliance Communications' request to share 800 MHz spectrum across nine circles with Reliance Jio Infocomm and its wholly-owned subsidiary Reliance Telecom Ltd. The spectrum sharing would also enable faster launch of the fourth generation services by Reliance Jio in the nine circles.



### Market range for the week 7750-8080

Nifty	Values
Support 1	7850
Support 2	7780
Support 3	7750
Resistance 1	7950
Resistance 2	8020
Resistance 3	8050

**Resistance** – Nifty may face resistance at 7950 level above this level it may go up to 8020-8050 level.

**Support** - Nifty has support at 7850 level below this next support at 7780-7750 levels.

**Technical** – During the week, CNX Nifty opened at 7908.15 and touched the highest level of 7978.45 and lowest level of 7842.75. The CNX Nifty ended at 7899.30; gain 48.85 points or 0.62%. The S&P BSE Sensex opened at 25833.16 and touched the highest level of 26080.07 and lowest level of 25634.12. The S&P BSE Sensex closed at 25838.14; gain 211.39 points or 0.82%.

**For the coming week, we expect the market range of 7750-8080**

#### Weekly Chart View –

We had mentioned in last week’s report that on the daily chart Nifty was near to 200DMA and on weekly chart we witness “Bullish candle”, because of that we had mentioned we can see stocks specific move and all we have seen same. Now on daily chart we can see series of “Narrow range” body formation and on weekly chart we can see “Doji” candle at higher levels. So overall from here remain 7950-7980 will be major resistance only above that we can see some upside and from here 7780-7750 will be good support. So till now we can see stocks specific move.

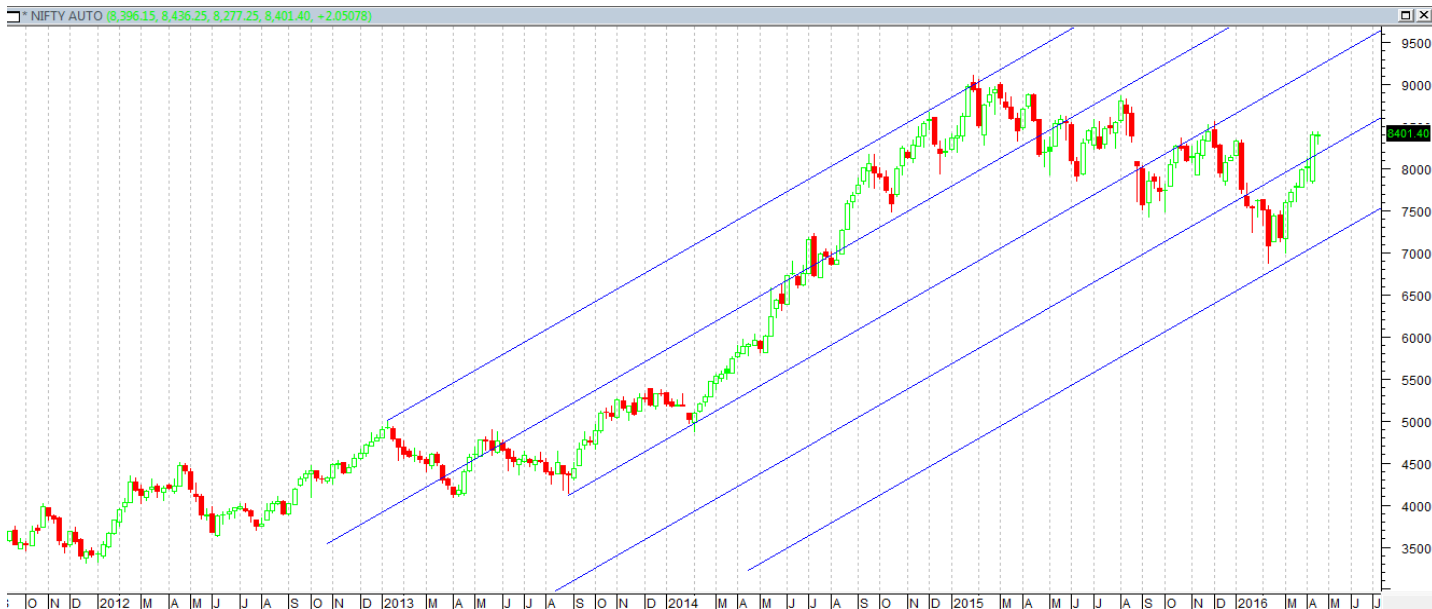
#### Weekly Chart





### Weekly Sectoral Technical Outlook

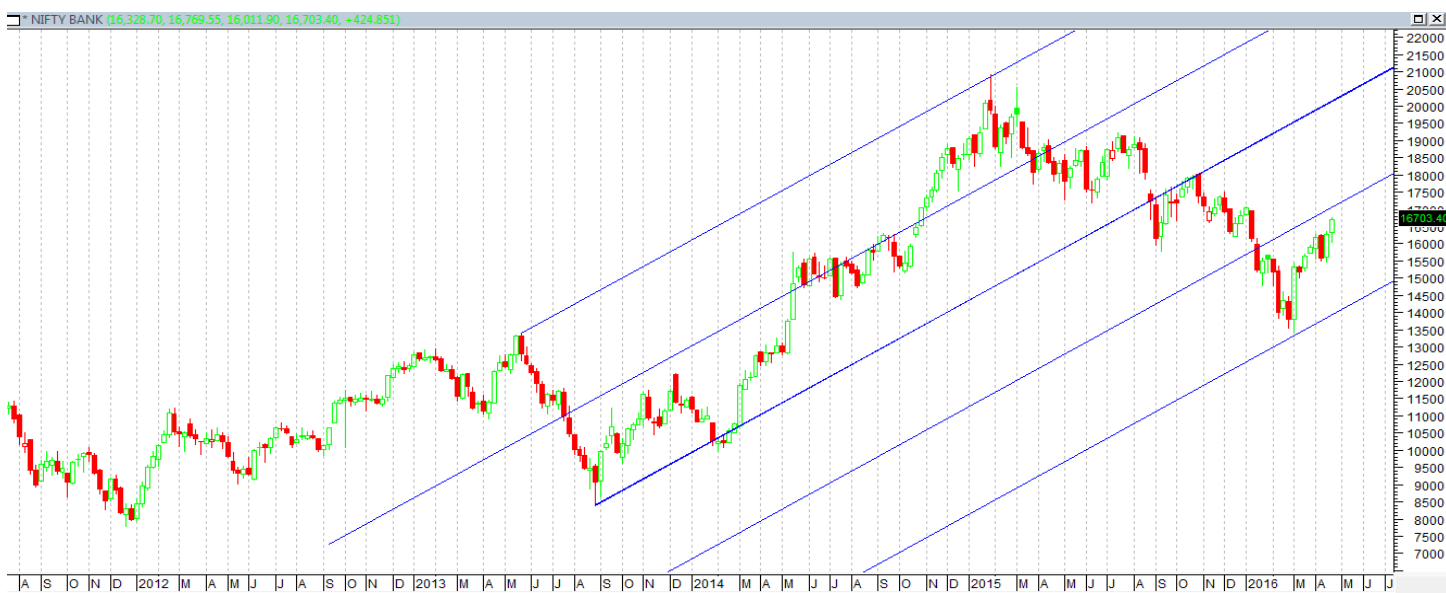
<b>NSE Auto Index</b>	<b>CMP: 8401</b>
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**NSE Auto**

We reiterate our view that 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.

<b>NSE Bankex</b>	<b>CMP: 16703</b>
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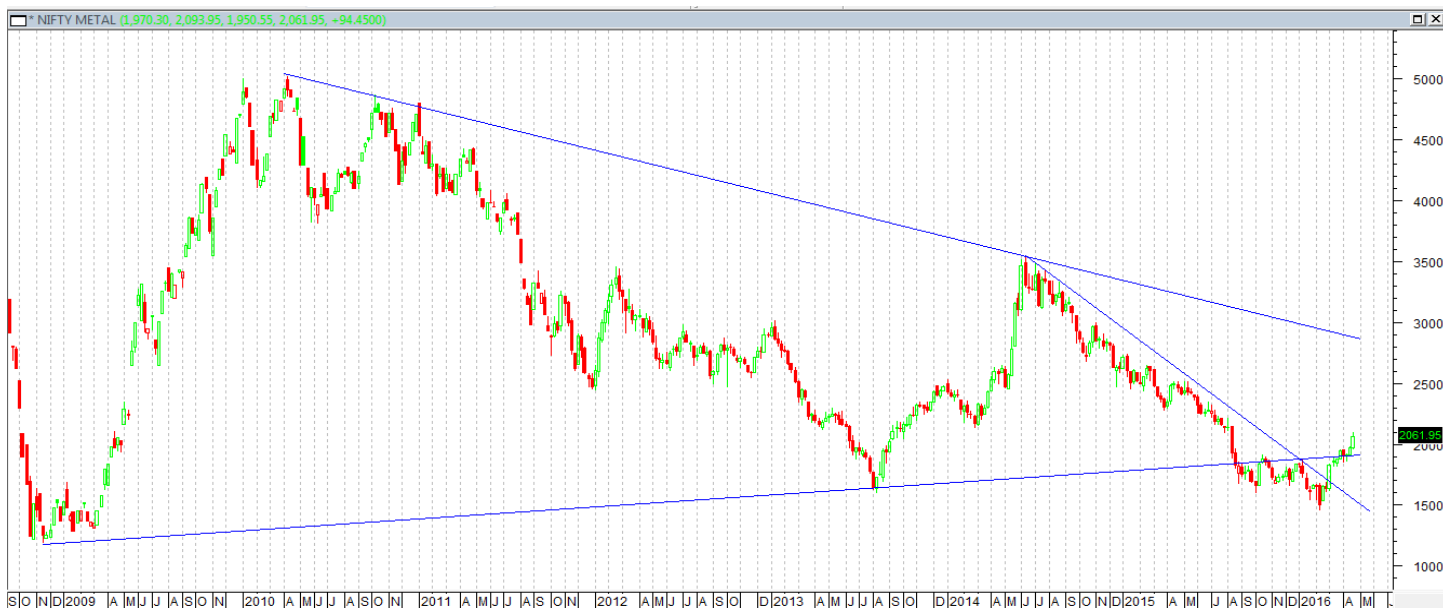
**NSE Bankex**

We reiterate our view that there is no clear positive pattern that suggests long in this sector. Hence, one should avoid this sector at present.



**NSE Metal Index**

**CMP: 2061**

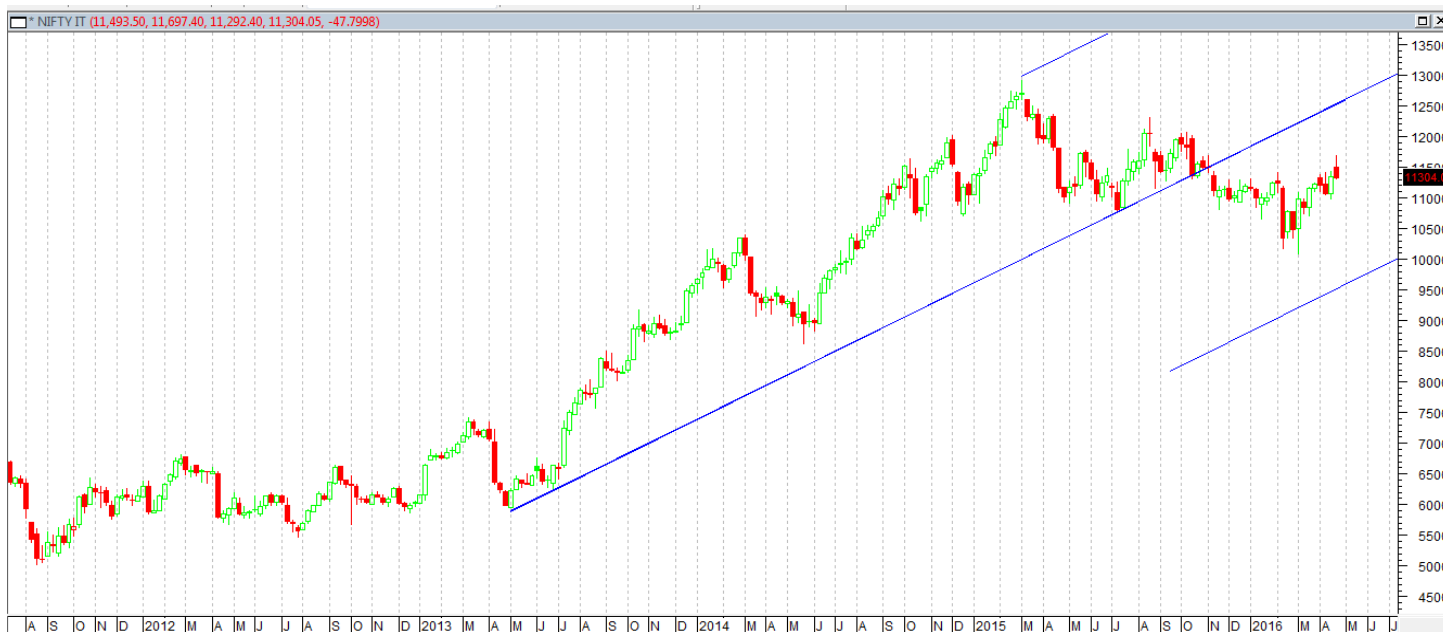


**NSE Metal Index**

We maintain our bearish stance on the sector. At present, prices have closed above lower trendline of the triangle. Hence, aggressive traders gone long can trial there stop loss to 1900. On the upside it can test 2150 – 2300 levels.

**NSE IT**

**CMP: 11304**



**NSE IT**

We still 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 22-Apr-16	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1414.15	1435.80	1460.85	1507.55	1389.10	1364.05
ADANIPORTS	230.10	231.38	235.47	240.83	226.02	221.93
AMBUJACEM	220.90	224.02	231.53	242.17	213.38	205.87
ASIANPAINT	871.55	878.65	887.90	904.25	862.30	853.05
AUROPHARMA	779.20	777.30	796.40	813.60	760.10	741.00
AXISBANK	475.85	463.92	490.43	505.02	449.33	422.82
BAJAJ-AUTO	2522.15	2537.02	2595.03	2667.92	2464.13	2406.12
BANKBARODA	161.95	157.45	168.40	174.85	151.00	140.05
BHARTIARTL	353.10	355.73	361.72	370.33	347.12	341.13
BHEL	127.55	129.62	132.93	138.32	124.23	120.92
BOSCHLTD	19788.00	19902.32	20184.68	20581.37	19505.63	19223.27
BPCL	965.90	958.62	992.23	1018.57	932.28	898.67
CIPLA	531.35	525.00	542.90	554.45	513.45	495.55
COALINDIA	287.80	283.58	292.97	298.13	278.42	269.03
DRREDDY	3141.95	3107.95	3194.00	3246.05	3055.90	2969.85
EICHERMOT	20169.95	20262.33	20607.42	21044.88	19824.87	19479.78
GAIL	366.70	366.23	374.87	383.03	358.07	349.43
GRASIM	4013.00	4039.88	4112.12	4211.23	3940.77	3868.53
HCLTECH	845.15	847.72	859.93	874.72	832.93	820.72
HDFC	1131.90	1128.00	1162.55	1193.20	1097.35	1062.80
HDFCBANK	1092.15	1089.63	1107.67	1123.18	1074.12	1056.08
HEROMOTOCO	2997.05	3036.28	3120.57	3244.08	2912.77	2828.48
HINDALCO	101.10	99.95	105.40	109.70	95.65	90.20
HINDUNILVR	884.20	891.37	899.73	915.27	875.83	867.47
ICICIBANK	252.00	247.97	261.83	271.67	238.13	224.27
IDEA	117.65	118.22	121.43	125.22	114.43	111.22
INDUSINDBK	981.50	979.93	995.37	1009.23	966.07	950.63
INFRADEL	371.70	383.77	397.93	424.17	357.53	343.37
INFY	1211.25	1228.72	1250.43	1289.62	1189.53	1167.82
ITC	325.80	329.53	334.62	343.43	320.72	315.63
KOTAKBANK	676.10	675.27	692.83	709.57	658.53	640.97
LT	1265.10	1249.72	1290.38	1315.67	1224.43	1183.77
LUPIN	1558.00	1565.67	1591.03	1624.07	1532.63	1507.27
M&M	1326.00	1327.62	1353.08	1380.17	1300.53	1275.07
MARUTI	3816.05	3766.68	3882.37	3948.68	3700.37	3584.68
NTPC	143.65	141.22	146.43	149.22	138.43	133.22
ONGC	216.10	213.18	220.27	224.43	209.02	201.93
POWERGRID	146.05	146.23	149.72	153.38	142.57	139.08
RELIANCE	1038.95	1045.82	1062.33	1085.72	1022.43	1005.92
SBIN	200.15	195.25	206.40	212.65	189.00	177.85
SUNPHARMA	820.20	826.50	834.85	849.50	811.85	803.50
TATAMOTORS	417.00	412.72	424.78	432.57	404.93	392.87
TATAMTRDVR	303.55	302.65	308.60	313.65	297.60	291.65
TATAPOWER	69.95	70.05	71.40	72.85	68.60	67.25
TATASTEEL	353.65	348.45	369.25	384.85	332.85	312.05
TCS	2417.05	2458.25	2512.30	2607.55	2363.00	2308.95
TECHM	479.90	480.22	488.18	496.47	471.93	463.97
ULTRACEMCO	3271.10	3309.60	3416.40	3561.70	3164.30	3057.50
WIPRO	557.95	573.35	591.60	625.25	539.70	521.45
YESBANK	875.75	878.37	895.63	915.52	858.48	841.22
ZEEL	401.10	402.80	410.05	419.00	393.85	386.60

Source: Iris Software

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