

## Key developments during the week

- Jayant Sinha says no silver bullet to deal with banks' NPAs
- Govt extends date for views on corporate tax sops phaseout roadmap
- Banking secretary says mull committee under junior finance minister on banks NPAs
- IEA says India needs \$140 bln per year investment in energy sector till 2040
- Govt announces fresh indirect tax benefits for ship-building companies
- DGH says plan to auction marginal oil, gas fields in Jan-Mar
- Power minister says govt may invite bids for 4 UMPPs in 3 months
- Fitch says weak core capitalisation to pose challenge for India PSU banks
- Govt source says decision on lowering small savings rate in 2-3 weeks
- Govt approves 31.2-bln-rupees urban infra development plan
- Govt issues norms on 3rd party sampling of coal at loading-end
- PM Modi hopeful GST will be rolled out in 2016
- Trade minister official says FY16 exports likely to be sharply below aim

INDEX	27-Nov-15	20-Nov-15	Change (in %)
NIFTY	7942.70	7856.55	1.10
SENSEX	26128.20	25868.49	1.00
NSE 500	6686.90	6615.65	1.08
NSE MIDCAP	3386.70	3312.20	2.25
NIFTY JUNIOR	19681.95	19534.75	0.75
BSE SMALLCAP	11545.84	11367.71	1.57
BSE 200	3364.91	3331.07	1.02

INDEX	27-Nov-15	20-Nov-15	Change (in %)
BSE AUTO	18879.72	18675.54	1.09
BSE BANK	19857.73	19470.58	1.99
BSE CAPITAL GOODS	14535.17	14512.53	0.16
BSE CD	12338.02	12297.56	0.33
BSE FMCG	7962.08	7988.62	-0.33
BSE HEALTHCARE	16366.18	16449.65	-0.51
BSE IT	10834.23	10802.01	0.30
BSE METALS	7143.43	7112.31	0.44
BSE OIL AND GAS	9324.61	9158.80	1.81
BSE PSU	6876.90	6765.95	1.64
BSE REALTY	1331.00	1275.22	4.37
BSE TECK	5908.65	5862.74	0.78

INDEX	27-Nov-15	20-Nov-15	Change (in %)
DOW JONES	17798.49	17823.81	-0.14
HANG SENG	22068.32	22754.72	-3.02
NIKKEI	19883.94	19879.81	0.02
FTSE	6375.15	6334.63	0.64

## Domestic events week ahead

- **Nov 30:** GDP estimate for Jul-Sep, by CSO
- **Nov 30:** Government finances for Apr-Oct, by CGA
- **Nov 30:** CPI for industrial workers for October, by Labour Bureau
- **Nov 30:** Core sector growth for October, by commerce and industry ministry
- **Dec 01:** Automobile Sales Data, by Automakers
- **Dec 01:** RBI to detail fifth bi-monthly monetary policy for FY16
- **Dec 01:** Nikkei Manufacturing PMI for November, by Markit Economics
- **Dec 02-07:** Power generation for November, by Central Electricity Authority
- **Dec 03:** Nikkei services and Composite PMI for November, by Markit Economics
- **Dec 03-08:** Major port traffic in Apr-Nov, by Indian Ports Association
- **Dec 04-10:** Foreign tourist arrivals in November, by tourism ministry

Source: Cogencies

## Global events week ahead

- **Nov 30:** Japan Retail Sales, Japan IIP, Japan Housing Starts, German CPI, US Chicago PMI, US Pending Home Sales
- **Dec 01:** China Manufacturing PMI, Japan Final Manufacturing PMI, China Caixin Manufacturing and Services PMI, UK Bank Stress Test Results, Europe Final Manufacturing PMI, BOE Gov Carney Speaks, UK Manufacturing PMI, Europe Unemployment Rate, US Final Manufacturing PMI, US ISM Manufacturing PMI
- **Dec 02:** German Retail Sales, UK Construction PMI, Europe CPI & PPI, US FOMC Member Lockhart Speaks, US ADP Non-Farm Employment, US Fed Chair Yellen Speaks, US Crude Oil Inventories
- **Dec 03:** Europe Final Services PMI, UK Services PMI, Europe Retail Sales, Europe Minimum Bid Rate, ECB Press Conference, US Unemployment Claims, US Final Services PMI, US Fed Chair Yellen Testifies, US ISM Non-Manufacturing PMI, US Factory Orders, US FOMC Member Fischer Speaks
- **Dec 04:** Japan Consumer Confidence, German Factory Orders, Europe Retail PMI, OPEC Meetings, US Non-Farm Employment, US Trade Balance, US Unemployment Rate



## Weekly Sector Outlook and Stock Picks

### **Auto sector – Seen taking cues from sales numbers, RBI policy**

Shares of major automobile companies are expected take their cues from the monthly sales numbers to be announced on Dec 1, and the Reserve Bank of India's monetary policy statement on the same day. Bank of America Merrill Lynch, however, said in a report that the RBI is expected to maintain its "accommodative" stance as consumer price inflation is seen remaining under its January 2016 target of 6%. The consumer price index-based inflation was at 5% in October. The sales numbers will also be key trigger as most companies are expected to turn out a good performance on the back of the festive season buying. Overall, the automobile industry has witnessed strong sales growth as companies stocked up their dealerships for the festival season. The CNX Auto Index are seen trading with a positive bias in the next few weeks. In Apr-Oct, passenger car sales in the country rose over 11.5% on year to 1.17 mln units, and total passenger vehicle sales were up 8.5% at 1.6 mln unit, as per data released by Society of Indian Automobile Manufacturers. Total two-wheeler sales were also up 1.7% on year in Apr-Oct, led by a 14% rise in scooter volumes, as per the data.

### **Bank Sector – RBI policy to set tone this week; bias positive**

This week, bank stocks will take cues from the outcome of the Reserve Bank of India's fifth monetary policy statement scheduled on Dec 1. Market Participants expect trade in banking stocks to be cautious with a positive bias until Dec 1, on hopes of dovish commentary by RBI Governor Raghuram Rajan. Apart from the interest rate decision, market will keenly look for comments on NPAs (non-performing assets) and transmission, the private sector banks are well placed as compared to their public sector peers in terms of asset quality. India's Jul-Sep gross domestic product data, which will be released post market hours on Nov 30, will also be a key trigger. The ongoing winter session of the Parliament will be avidly tracked, with investors hoping for progress on legislation of key economic bills such as the goods and services tax, and real estate. On the global front, market participants will take cues from US Federal Reserve Chair Yellen as she speaks before the Economic Club of Washington on Wednesday and appears before the US Joint Committee of Congress to discuss the US economic outlook.

### **Capital Goods Sector – Seen rangebound; Siemens looks falling**

Shares of capital goods manufacturing companies are seen trading this week in a narrow range with a negative bias, Siemens shares are expected to fall, given the company's weak Jul-Sep earnings. Siemens reported a 50% on year fall in its Jul-Sep net profit to 2.19 bln rupees, despite a one-time gain of 707.10 mln rupees. The company's net sales for the reporting quarter were up nearly 4% on year to 32.31 bln rupees. The company's earnings are also seen affecting other shares in the sector. There is no sector-specific positive development and the outlook for the domestic market remains bleak. Also, the Reserve Bank of India will review its monetary policy on Dec 1 will be keenly watched.

### **Cement Sector – Positive this week as north India demand seen up**

Shares of major cement manufacturing companies are seen trading in the positive zone this week on expectation of a pick-up in construction activity over in the next few weeks. Shares of most cement companies traded up on the hope that a price hike in Andhra Pradesh and Telangana would lead to a similar rise in other regions as well. Cement companies have been able to maintain prices of the building material at higher levels despite subdued demand in the southern markets and some price cuts in North India. Demand for cement is generally seen picking up in Dec-Jun after going through a period of subdued demand in Jul-Nov due to the slowdown of construction activity with the onset of monsoon. Stocks of cement companies taking cues from the broader market post the Reserve Bank of India's policy review on Dec 1.

### **FMCG Sector – Seen rangebound to positive as GST may be passed**

Shares of fast-moving consumer goods companies are expected to trade in a range with a positive bias this week on hopes that the goods and services tax bill will be passed in the winter session of Parliament. The passing of the GST bill in the winter session and the implementation of the seventh pay commission have already been factored in FMCG stocks to a certain extent. In the second half of the current financial year, FMCG companies would continue to benefit from lower commodity prices on a year-on-year basis. With the implementation of the seventh pay commission from January, purchasing power of 4.7 mln central government staffers and 5.2 mln pensioners, including defence personnel, thus increasing sales of FMCG companies.

**IT Sector – Weakening rupee may bring some respite to sector**

Weakening of the rupee against the dollar is likely to bring some positive sentiment in the information technology sector, which has been subdued in the past few weeks. The rupee touched a two-year-low as importers purchased the dollar heavily. The rupee closed at 66.76 per dollar. After a poor guidance from top IT companies recently, market participants have not been keen on the sector. Even as deal pipelines of major companies are seen strong, performance is likely to be affected due to seasonal headwinds.

**Oil Sector – PSUs to track market, oil price; refiners positive**

Shares of the state-owned oil marketing companies may track the broad market trend this week due to lack of sector-specific triggers apart from the likely revision in petrol and diesel prices due to be announced on Monday. While crude oil prices have stabilised near the \$40-a-barrel mark, the rupee's slide is putting pressure on the prices and there is likely to be slight increase in the prices of both the fuels. An upward revision may provide a slight positive edge to the shares of IOC, BPCL and HPCL on Tuesday. The Reserve Bank of India is slated to detail its fifth bi-monthly monetary policy statement for 2015-16 (Apr-Mar) on Dec 1. The policy is likely to be on expected lines with no change in key rates. However, the policy doesn't have a direct impact on the oil companies and the movement will largely depend on the trend in the broad market. Shares of ONGC and Oil India will closely track oil prices and rupee-dollar movement. With crude oil prices remaining low, the rupee depreciation over the last few days has brought some respite for these companies due to improvement in realisation in rupee terms. The rupee came close to the 67-for-a-dollar mark and has weakened by almost 1% since last Friday.

**Pharma sector – Large caps under stress; regulatory woes weigh**

Shares of pharmaceutical companies may witness mixed trend this week, with large caps seen under pressure due to regulatory issues and weaker sales in the US, the major market. Mid cap stocks in the pharma space are expected to perform relatively well. A weakening rupee against the dollar is also seen positive for the sector. The rupee touched a two-year low and closed at 66.76 per dollar. Troubles for Dr Reddy's Laboratories continue as the US Food and Drug Administration has questioned existence of an "uncontrolled Custom QC laboratory" in its Srikakulam plant in Andhra Pradesh and warned the company that the non-compliance may lead to import ban. The US FDA has granted Dr Reddy's an extension until Dec 7 to submit its response to the regulator's warning letter. On Nov 5, the US drug regulator had issued a warning letter to Dr Reddy's three of its units due to violation of good manufacturing practices. The broader market trend will depend on the outcome of the Reserve Bank of India's monetary policy meeting, India's economic data, ongoing Winter Session of the Parliament, and US Federal Reserve Chair Janet Yellen's remarks.

**Metal Sector – Subdued this week on strong dollar, weak prices**

Shares of major metals and mining companies are likely to be subdued this week as commodity prices continue to remain weak and a rise in dollar index can lead to further fall in metal stocks. The stocks might face the impact of fall in China's Shanghai Composite index. The Shanghai Composite index fell by 5.5% on Friday, its biggest fall since August as they were under investigation by the securities regulator. The dollar has been strengthening in the recent weeks. The rupee lost 1% on week against the dollar and came close to the 67-for-a-dollar mark. While a weaker rupee is good for Indian metal companies as prices of most metals are marked in dollars, a stronger dollar may have a negative impact on global prices of the commodities. The Chinese economic data is also expected to be weak, which can further impact Indian metal stocks. Also, there are several triggers for the broad market this week Reserve Bank of India's monetary policy meeting, India's economic data, ongoing Winter Session of the Parliament, and US Federal Reserve Chair Janet Yellen's remarks at the Economic Club of Washington.

**Telecom Sector – Stock specific movement seen this week**

Even as shares of major telecom stocks are seen trading on specific triggers, those of India's third largest mobile company Idea Cellular Ltd is seen down this week due to the negative impact of the spectrum deal with Videocon Telecom on the company's books. Idea Cellular has agreed to purchase 5 MHz contiguous spectrum in the 1,800 MHz band from Videocon in Uttar Pradesh (West) and Gujarat circles for 33.10 bln rupees, which is a 2.3 times premium to the price at which Videocon won the airwaves. The 33.10-bln-rupees price, which Idea has decided to pay for the spectrum, is in view of several analysts is too high. The market could also take positions on shares of India's largest mobile operator Bharti Airtel Ltd after the company's press conference on Nov 30, where it is expected to make a key strategic announcement.



### Market range for the week 7780- 8120

Nifty	Values
Support 1	7880
Support 2	7850
Support 3	7780
Resistance 1	7980
Resistance 2	8050
Resistance 3	8090

**Resistance** – Nifty may face resistance at 7980 level above this level it may go up to 8050-8090 level.

**Support** - Nifty has support at 7880 level below this next support at 7850-7780 levels.

**Technical** – During the week, CNX Nifty opened at 7869.50 and touched the highest level of 7959.30 and lowest level of 7812.65. The CNX Nifty ended at 7942.70; gain 86.15 points or 1.10%. The S&P BSE Sensex opened at 25945.14 and touched the highest level of 26184.60 and lowest level of 25703.86. The S&P BSE Sensex closed at 26128.20; gain 259.71 points or 1.00%.

**For the coming week, we expect the market range of 7780-8120.**

#### Weekly Chart View –

We had mentioned in last week’s report that on the daily chart we witness support at lower trendline and on weekly chart near to 100WMA, because of that we had mentioned we can see consolidation and all we have seen same. Now on daily chart we can see positive crossover in momentum oscillator and near to 50DMA. On weekly chart we can see close above 100WMA. So overall from here above 7960-7980 we can see some more upside with stocks specific move and 7820-7780 will be good support for buy at lower level.

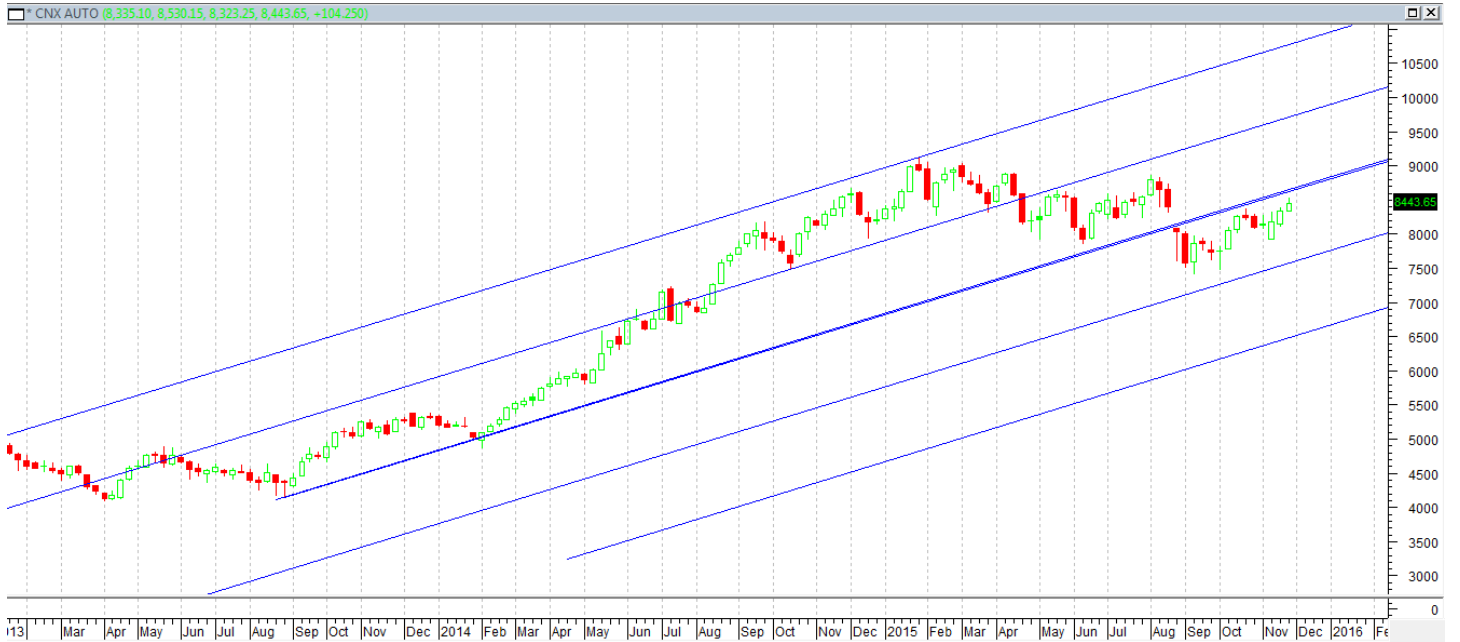
#### Weekly Chart





### Weekly Sectoral Technical Outlook

<b>NSE Auto Index</b>	<b>CMP: 8443</b>
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**NSE Auto**

The current price action has closed above 8369 level and confirmed higher top higher bottom formation. Aggressive traders can initiate long in this sector with a stop loss of 8275 for a target of 8600 – 8750 levels.

<b>NSE Bankex</b>	<b>CMP: 17370</b>
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**NSE Bankex**

The current price action suggests that upside momentum is likely to continue. One can initiate long in this sector with a stop loss 16900. On the upside it can test 17500 – 18000 levels.



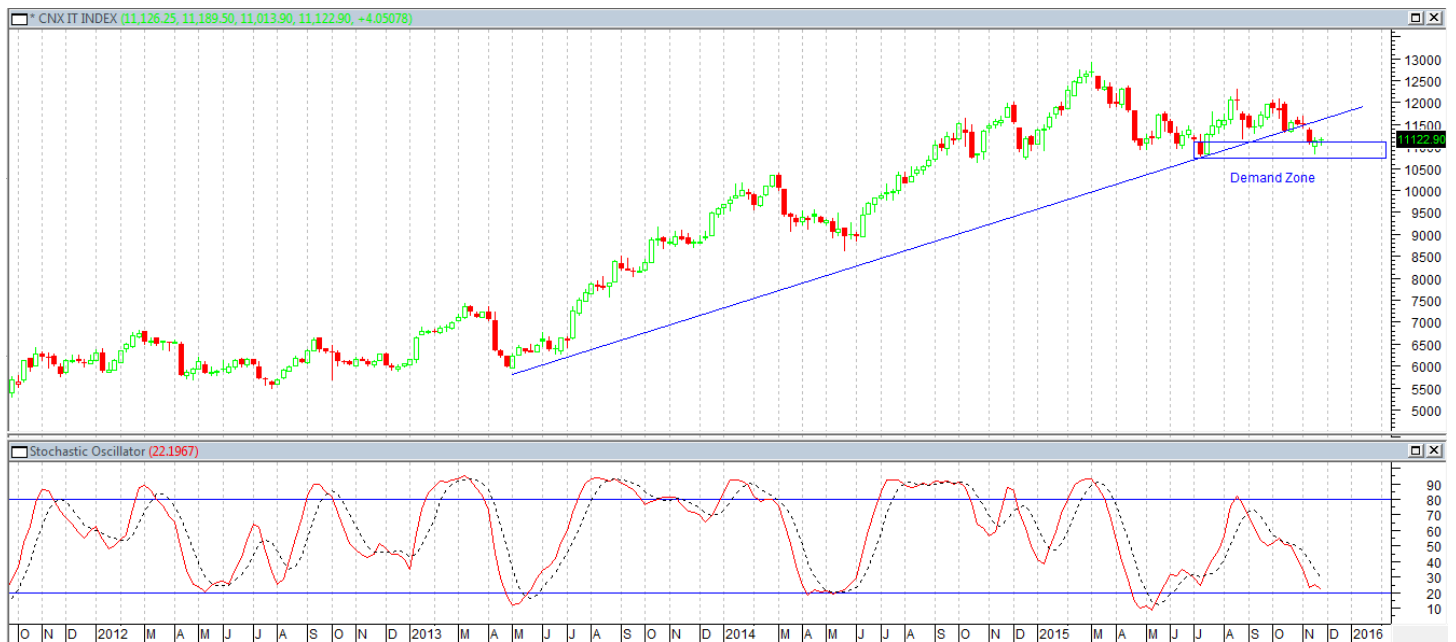
<b>NSE Metal Index</b>	<b>CMP: 1736</b>
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**NSE Metal Index**

We maintain our bearish stance on the sector. It is in a strong downtrend and rallies are likely to attract selling pressure. Hence, one should avoid this sector at present.

<b>NSE IT</b>	<b>CMP: 11122</b>
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**NSE IT**

At present this sector is holding on to the demand zone (shown above in the graph). Aggressive traders can go long in this sector with a stop loss of 10795. On the upside it can test 11400 – 11600 levels.



## Weekly Technicals of Key Companies –

Company	Closing 27-Nov-15	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1353.20	1348.95	1369.65	1386.10	1332.50	1311.80
ADANI PORTS	268.25	271.40	275.75	283.25	263.90	259.55
AMBUJACEM	202.60	202.43	205.22	207.83	199.82	197.03
ASIANPAINT	859.10	853.35	871.70	884.30	840.75	822.40
AXISBANK	471.00	468.37	478.03	485.07	461.33	451.67
BAJAJ-AUTO	2447.85	2465.92	2526.83	2605.82	2386.93	2326.02
BANKBARODA	179.60	175.68	184.17	188.73	171.12	162.63
BHARTIARTL	342.20	341.18	347.22	352.23	336.17	330.13
BHEL	176.00	175.93	179.07	182.13	172.87	169.73
BOSCHLTD	18863.10	18725.28	19337.82	19812.53	18250.57	17638.03
BPCL	901.35	904.60	918.65	935.95	887.30	873.25
CAIRN	136.70	137.92	140.13	143.57	134.48	132.27
CIPLA	643.65	641.58	650.07	656.48	635.17	626.68
COALINDIA	336.50	336.23	341.82	347.13	330.92	325.33
DRREDDY	3099.30	3190.05	3333.05	3566.80	2956.30	2813.30
GAIL	368.35	361.05	378.10	387.85	351.30	334.25
GRASIM	3734.60	3710.70	3773.90	3813.20	3671.40	3608.20
HCLTECH	872.55	868.05	879.50	886.45	861.10	849.65
HDFC	1230.60	1218.95	1253.80	1277.00	1195.75	1160.90
HDFCBANK	1079.40	1070.90	1090.70	1102.00	1059.60	1039.80
HEROMOTOCO	2704.45	2663.62	2755.23	2806.02	2612.83	2521.22
HINDALCO	77.65	76.65	80.10	82.55	74.20	70.75
HINDUNILVR	816.20	808.23	829.47	842.73	794.97	773.73
ICICIBANK	270.05	266.12	274.93	279.82	261.23	252.42
IDEA	144.00	142.78	150.97	157.93	135.82	127.63
INDUSINDBK	923.35	921.30	932.00	940.65	912.65	901.95
INFY	1066.35	1057.78	1078.57	1090.78	1045.57	1024.78
ITC	344.35	340.55	348.80	353.25	336.10	327.85
KOTAKBANK	698.75	692.33	709.37	719.98	681.72	664.68
LT	1365.00	1359.68	1389.22	1413.43	1335.47	1305.93
LUPIN	1812.70	1828.67	1852.03	1891.37	1789.33	1765.97
M&M	1351.20	1343.47	1379.73	1408.27	1314.93	1278.67
MARUTI	4580.05	4642.15	4727.90	4875.75	4494.30	4408.55
NTPC	132.70	132.70	134.70	136.70	130.70	128.70
ONGC	235.40	234.63	239.52	243.63	230.52	225.63
PNB	144.30	142.50	147.70	151.10	139.10	133.90
POWERGRID	133.50	132.82	135.13	136.77	131.18	128.87
RELIANCE	979.05	972.58	998.97	1018.88	952.67	926.28
SBIN	249.70	246.92	253.28	256.87	243.33	236.97
SUNPHARMA	739.85	728.73	753.47	767.08	715.12	690.38
TATAMOTORS	417.65	415.35	434.20	450.75	398.80	379.95
TATAPOWER	66.25	66.50	67.10	67.95	65.65	65.05
TATASTEEL	231.25	229.58	236.67	242.08	224.17	217.08
TCS	2353.35	2366.42	2400.33	2447.32	2319.43	2285.52
TECHM	534.30	535.37	543.68	553.07	525.98	517.67
ULTRACEMCO	2830.95	2806.08	2871.87	2912.78	2765.17	2699.38
VEDL	91.90	91.72	93.93	95.97	89.68	87.47
WIPRO	569.95	568.78	578.57	587.18	560.17	550.38
YESBANK	762.70	754.83	777.57	792.43	739.97	717.23
ZEEL	412.40	407.68	419.22	426.03	400.87	389.33

Source: Iris Software

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