

Key developments during the week

- India Dec HSBC manufacturing PMI slips to 50.7 vs 51.3 Nov
- Maldives President says India agreed to mull more petroleum pdt export
- Source says govt paid 3.2 bln rupees as fuel subsidy in Nov
- Source says govt paid 60.2 bln rupees as food subsidy in Nov
- PM says appealed to Maldives President to settle GMR airport issue
- PNGRB sets ONGC Uran-Trombay initial pipeline fee 5.7 rupees/mBtu
- Source says govt paid 33.8 bln rupees as fertiliser subsidy in Nov
- Coal India Dec output 44.5 mln tn vs 45 mln tn aim
- L&T gets 2.84-bln-rupee Cochin Airport terminal construction order
- IL&FS Engg gets 1.12-bln-rupee order for Haryana residential project
- Escorts Dec tractor sales 3,852 units vs 4,006 yr ago
- Kirloskar Brothers arm buys balance 40% in Europe arm
- Manmohan Singh rules out 3rd term as PM; throws weight behind Rahul
- Oil min source says Jul-Sep oil subsidy disbursal to start Jan 7
- RBI Chakrabarty says interest rates to stay up to curb inflation

INDEX	03-Jan-14	27-Dec-13	Change (in %)
NIFTY	6211.15	6313.80	-1.63
SENSEX	20851.33	21193.58	-1.61
NSE 500	4850.65	4914.70	-1.30
NSE MIDCAP	2271.50	2297.45	-1.13
NIFTY JUNIOR	12783.10	12903.05	-0.93
BSE SMALLCAP	6553.00	6516.08	0.57
BSE 200	2497.76	2530.88	-1.31

INDEX	03-Jan-14	27-Dec-13	Change (in %)
BSE CD	5799.82	5829.19	-0.50
BSE OIL AND GAS	8540.22	8775.27	-2.68
BSE PSU	5729.40	5893.91	-2.79
BSE FMCG	6482.67	6549.15	-1.02
BSE CAPITAL GOODS	9807.16	10285.01	-4.65
BSE AUTO	12029.73	12308.04	-2.26
BSE REALTY	1441.84	1454.02	-0.84
BSE BANK	12775.10	13073.59	-2.28
BSE TECH	5118.87	5075.30	0.86
BSE HEALTHCARE	10015.43	9987.85	0.28
BSE IT	9229.68	9144.98	0.93
BSE METALS	9718.47	9917.78	-2.01

INDEX	03-Jan-14	27-Dec-13	Change (in %)
DOW JONES	16469.99	16478.41	-0.05
HANG SENG	22817.28	23243.24	-1.83
NIKKEI	16291.31	16178.94	0.69
FTSE	6730.67	6750.87	-0.30

Domestic events week ahead

- Jan 06:** Services PMI for December, by HSBC
- Jan 06-07:** Power generation for December, by Central Electricity Authority
- Jan 06-07:** Major port traffic in Apr-Dec, by Indian Ports Association
- Jan 06-07:** Reservoir level as on Jan 2, by Central Water Commission
- Jan 06-08:** Foreign tourist arrivals in December, by tourism ministry
- Jan 10:** WMA and forex reserves as on Jan 3, by RBI
- Jan 10:** Index of Industrial Production for November, by CSO.

Source: NW18

Global events week ahead

- Jan 06:** German Service PMI, U.S Ism Non-Mfg. PMI
- Jan 07:** German Retail Sales, German Unemployment Change
- Jan 08:** Europe Retail Sales, Europe Unemployment, U.S Crude oil inventories
- Jan 09:** FOMC Meeting Minutes, U.S Unemployment Claims
- Jan 10:** Europe Final GDP q/q, U.S unemployment rate



Market Range for Week 6110- 6330

Nifty	Values
Support 1	6180
Support 2	6150
Support 3	6110
Resistance 1	6250
Resistance 2	6280
Resistance 3	6330

Resistance – Nifty facing Resistance level @6250 level above this level it may go up to @6280 & @ 6330 level.

Support - Support comes for market @6180 level for Nifty; below this level Nifty next support @6150 and @6110 will be the major support for Market.

Technical – Last week Nifty opened at 6336 & it made a high of 6358. Last week we have seen some selling from higher level. Nifty made a low of 6171 & closed at 6211. Last week Nifty drags 187 points from its high & on weekly basis it closed at 102 points lower. Sensex made a weekly high of 21331 & a low of 20731 almost it drags 600 points in the week from its high. So overall last week we have seen some pressure in the market.

For the coming week the market range we expect 6110-6330

Weekly Chart View –

Last week we had expected market range (6210-6480) market made a high of 6358 & low of 6171, so overall it hold our upper side range, but by few points it broke lower side range.

In last week report we had mentioned on daily chart we had witness narrow range body formation on continues level. On weekly chart it was below bearish candle, because of all that we had mentioned 6330-6350 will be major resistance & all we have seen selling from that level. Now on daily chart Nifty below short term moving avg (5&20DMA). On weekly chart can see bearish candle, but just near to support level (6180). So overall from here 6280-6330 will remain major resistance & below 6180 can see more pressure in the market.

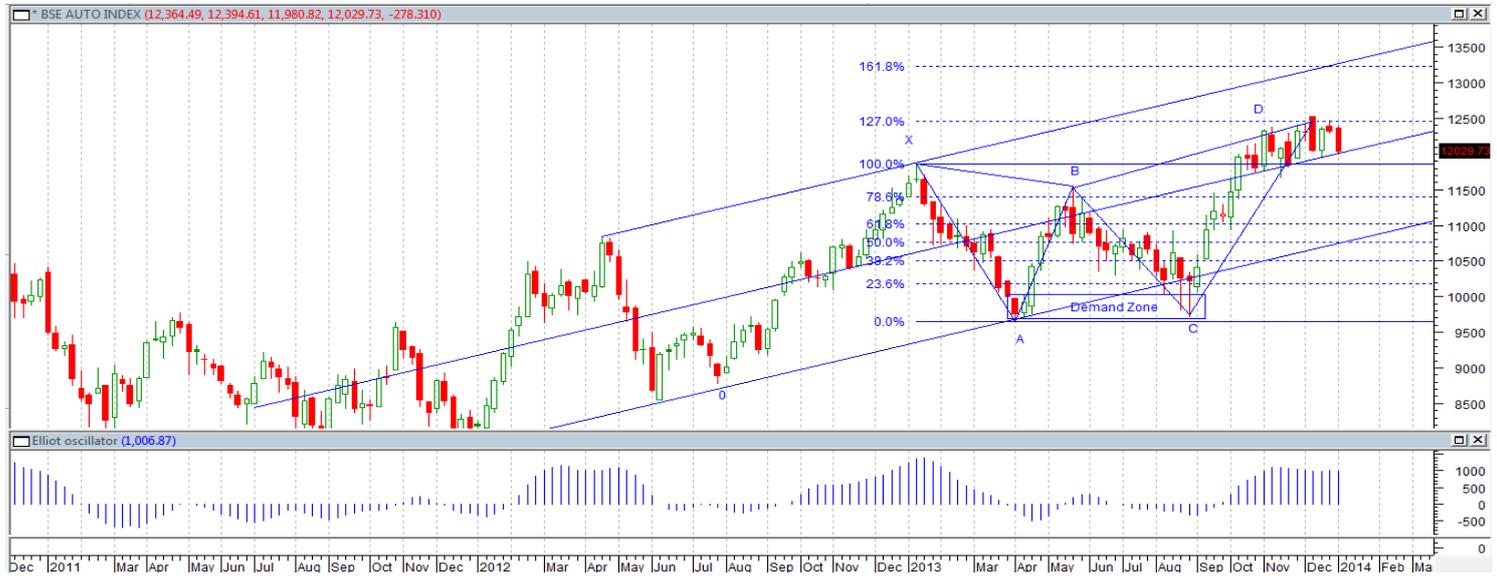
Weekly Chart





Weekly Sectoral Technical Outlook

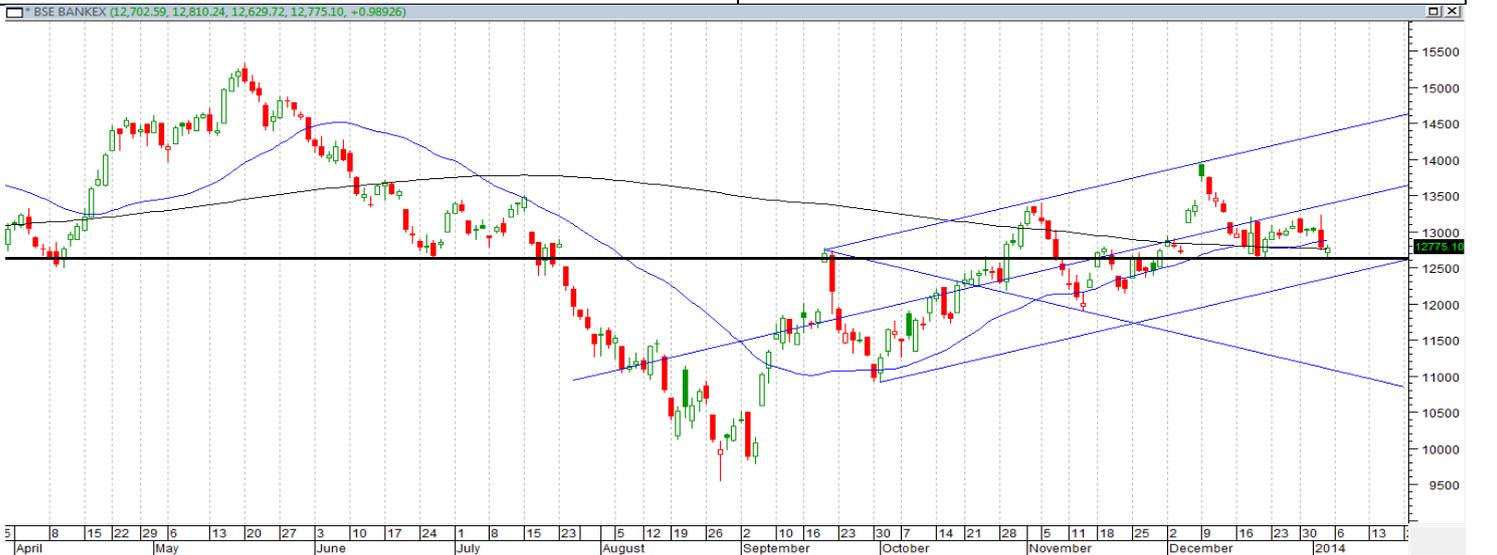
BSE Auto Index	CMP: 12029
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BSE Auto

We maintain our previous stance that on the weekly chart prices witnessed correction after formation of a bearish butterfly. However, the current price action has tested the median line and has closed above it. One should be cautious in this sector or maintain a stop loss of 11900 for their long positions.

BSE Bankex	CMP: 12775
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BSE Bankex

The current price action is at crucial support level. Any close below 12629 would indicate weakness. In such scenario the fall could be sharp and this sector can test 12500 – 12250 levels. However if this sector starts trading above 12820 level then a bounce up to 13000 – 13300 cannot be ruled out. Hence one long on this sector should maintain a stop loss of 12600.



BSE Metal Index

CMP: 9718



BSE Metal Index

After a vertical rally we are now witnessing a bearish engulfing pattern on the weekly chart. This suggests weakness going forward. The said pattern will get activated once this sector trades and close below 9718 level. In such scenario it can test 9500 – 9300 levels. At present one should book profit and exit this sector.

BSE IT

CMP: 9229



BSE IT

We maintain our previous stance that the current price action has tested the upper trendline of the second channel. Hence, 70% profit booking should be done at current level and for rest 30% one should trail the stop loss to 8988 level.



Weekly Technicals of Key Companies –

Company	Closing 3-Jan-14	Buy/Sell Trigger	Resistnace 1	Resistance 2	Support 1	Support 2
ACC	1088.95	1098.03	1114.92	1140.88	1072.07	1055.18
AMBUJACEM	177.8	180	183.25	188.7	174.55	171.3
ASIANPAINT	489.5	491.53	503.07	516.63	477.97	466.43
AXISBANK	1260.9	1277.17	1308.73	1356.57	1229.33	1197.77
BAJAJ-AUTO	1895.55	1902.58	1935.17	1974.78	1862.97	1830.38
BANKBARODA	649.85	656.02	675.43	701.02	630.43	611.02
BHARTIARTL	329.35	330.8	337.55	345.75	322.6	315.85
BHEL	165.45	170.18	176.47	187.48	159.17	152.88
BPCL	329.3	337.33	346.67	364.03	319.97	310.63
CAIRN	319.65	321.35	324.05	328.45	316.95	314.25
CIPLA	391.75	395.13	404.27	416.78	382.62	373.48
COALINDIA	277.6	282.87	289.73	301.87	270.73	263.87
DLF	168.9	168.97	174.58	180.27	163.28	157.67
DRREDDY	2495.7	2510.23	2535.47	2575.23	2470.47	2445.23
GAIL	337.4	339.88	346.27	355.13	331.02	324.63
GRASIM	2630.7	2660.18	2718.07	2805.43	2572.82	2514.93
HCLTECH	1259.75	1254.62	1275.13	1290.52	1239.23	1218.72
HDFC	791	793.5	807	823	777.5	764
HDFCBANK	663.1	663.37	676.73	690.37	649.73	636.37
HEROMOTOCO	2101.05	2091.28	2128.77	2156.48	2063.57	2026.08
HINDALCO	118.75	120.5	123.9	129.05	115.35	111.95
HINDUNILVR	565	566.65	575.25	585.5	556.4	547.8
ICICIBANK	1066.8	1078.9	1112.8	1158.8	1032.9	999
IDFC	105.45	106.75	110.1	114.75	102.1	98.75
INDUSINDBK	413.9	417.8	429	444.1	402.7	391.5
INFY	3565.15	3531.47	3608.68	3652.22	3487.93	3410.72
ITC	314.75	316.7	323.05	331.35	308.4	302.05
JINDALSTEL	255.65	259.37	265.53	275.42	249.48	243.32
JPASSOCIAT	52.4	53.57	55.28	58.17	50.68	48.97
KOTAKBANK	712.55	716.75	736.9	761.25	692.4	672.25
LT	1012.05	1034.03	1060.02	1107.98	986.07	960.08
LUPIN	932.9	923.25	950.4	967.9	905.75	878.6
M&M	900.25	923.45	949.4	998.55	874.3	848.35
MARUTI	1798.6	1788.55	1824.85	1851.1	1762.3	1726
NMDC	138.5	140.18	143.52	148.53	135.17	131.83
NTPC	131.75	134.02	136.53	141.32	129.23	126.72
ONGC	275.8	281.4	287.7	299.6	269.5	263.2
PNB	618.25	624.38	648.42	678.58	594.22	570.18
POWERGRID	100.7	100.68	102.77	104.83	98.62	96.53
RANBAXY	478.65	469.7	490.4	502.15	457.95	437.25
RELIANCE	864.25	872.5	890	915.75	846.75	829.25
SBIN	1719.65	1745.55	1780.1	1840.55	1685.1	1650.55
SSLT	199.15	201.35	206.6	214.05	193.9	188.65
SUNPHARMA	579.7	576.77	587.93	596.17	568.53	557.37
TATAMOTORS	362.7	367.17	374.33	385.97	355.53	348.37
TATAPOWER	84.05	85.88	90.17	96.28	79.77	75.48
TATASTEEL	412.5	419	429	445.5	402.5	392.5
TCS	2222.2	2199.33	2251.97	2281.73	2169.57	2116.93
ULTRACEMCO	1727.2	1740.1	1775.1	1823	1692.2	1657.2
WIPRO	556.6	555.58	565.02	573.43	547.17	537.73

Source: Iris Software



Arihant Fundamental Desk: Stocks under our radar

Company and Sector	Current	Target	Research	EPS (Rs/share)			P/E (x)			ROE %			Dividend Yield %		
	Price	Price	Call	FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E	FY13	FY14E	FY15E
Automobile															
M&M	900	1010	Accumulate	54.6	57.1	63.5	16.5	15.8	14.2	25.0	22.1	21.1	1.4	1.7	1.9
Maruti Suzuki	1799	1869	Neutral	79.2	105.6	128.9	22.7	17.0	14.0	13.3	17.3	18.3	0.4	0.5	0.5
Tata Motors	363	416	Accumulate	31.0	45.0	57.2	11.7	8.1	6.3	27.5	31.2	32.1	0.6	0.9	1.2
TVS Motors	79	69	Reduce	4.4	4.4	4.9	18.2	17.9	16.1	9.6	18.9	17.9	1.5	1.5	1.6
Bajaj Auto	1899	2212	Accumulate	105.2	119.1	138.3	18.1	15.9	13.7	43.7	39.3	37.6	2.4	2.6	3.2
Hero MotoCorp	2097	2068	Reduce	106.1	109.3	137.8	19.8	19.2	15.2	45.6	41.2	45.8	2.9	3.3	3.8
Ashok Leyland	19	13	Reduce	0.7	0.1	1.1	27.0	270.0	17.8	4.3	0.4	6.2	4.5	0.0	3.0
Escorts	125	96	Reduce	12.4	14.9	18.3	10.1	8.4	6.8	8.9	9.9	11.3	2.4	2.8	3.2
Bharat Forge	320	270	Reduce	10.6	13.5	18.0	30.1	23.7	17.8	11.2	13.3	16.0	1.3	1.5	1.7
Banking & NBFC															
BOB	650	714	Hold	108.8	113.6	135.5	6.0	5.7	4.8	15.7	13.8	14.2	3.1	3.1	3.1
SBI	1716	2087	Buy	206.2	212.0	267.0	8.3	8.1	6.4	16.1	16.3	16.6	2.7	2.7	2.7
Axis Bank	1261	1391	Hold	110.7	136.7	164.1	11.4	9.2	7.7	18.5	17.9	18.4	2.2	2.2	2.2
ICICI Bank	1067	1224	Accumulate	72.2	81.1	94.2	14.8	13.2	11.3	13.1	12.5	13.1	2.5	2.5	2.5
Federal Bank	84	82	Reduce	9.5	12.0	12.4	8.8	7.0	6.8	14.8	16.3	16.4	1.2	1.2	1.2
Yes Bank	371	409	Hold	36.5	50.1	52.3	10.2	7.4	7.1	24.8	27.0	20.2	1.1	1.1	1.1
Indusind Bank	414	464	Accumulate	20.3	27.5	33.4	20.4	15.1	12.4	20.3	17.1	18.2	0.7	0.8	0.8
Bank of Mah	36	42	Accumulate	11.5	15.0	18.2	3.1	2.4	2.0	14.6	19.4	21.4	5.0	5.0	5.0
DCB	57	57	Reduce	3.8	6.0	6.8	15.1	9.6	8.4	10.8	12.2	12.6	-	-	-
Andhra Bank	64	71	Accumulate	23.0	14.8	20.3	2.8	4.3	3.1	17.1	14.0	13.3	7.9	7.9	7.9
HDFC Bank	663	712	Hold	28.5	35.6	44.8	23.3	18.6	14.8	20.8	21.0	21.8	0.8	0.8	0.8
IDBI Bank	66	60	Reduce	14.7	14.8	18.2	4.5	4.5	3.6	8.8	8.5	9.3	0.7	0.7	0.7
M&M Fin	318	228	Reduce	15.4	20.3	20.3	20.7	15.7	15.7	24.4	20.8	21.4	1.2	1.2	1.2
Cement															
Ultratech Cement	1729	2055	Accumulate	98.9	85.0	119.0	17.5	20.3	14.5	17.8	14.0	16.0	0.5	0.5	0.5
ACC	1087	1115	Neutral	59.3	74.1	83.7	18.3	14.7	13.0	14.3	16.3	16.7	1.7	1.7	1.7
Ambuja Cement	178	160	Reduce	8.4	7.1	9.1	21.1	25.0	19.5	14.9	11.8	13.9	2.0	2.0	2.0
JK Lakshmi Cement	83	76	Reduce	15.9	7.2	8.7	5.3	11.6	9.6	14.8	6.4	7.3	6.0	6.0	6.0
JK Cement	197	269	Buy	33.4	19.7	40.2	5.9	10.0	4.9	13.9	7.7	14.0	3.3	3.3	3.3
Grasim Ind	2640	3316	Buy	294.9	258.0	291.0	9.0	10.2	9.1	13.9	11.0	11.0	0.9	0.9	0.9
FMCG															
HUL	565	580	Neutral	17.7	16.2	18.1	31.9	34.9	31.2	117.3	108.4	99.8	3.0	1.8	2.1
ITC	315	339	Hold	9.7	11.0	13.0	32.5	28.6	24.2	35.7	35.0	36.0	1.6	1.7	2.0
DABUR	167	172	Neutral	4.4	5.2	6.2	38.2	32.1	27.2	39.7	37.7	35.4	0.9	1.0	1.1
IT															
Infosys	3565	3508	Reduce	164.7	172.9	194.9	21.6	20.6	18.3	35.2	33.7	33.7	2.1	2.4	2.6
TCS	2222	2203	Reduce	71.1	91.7	110.2	31.3	24.2	20.2	37.2	38.4	36.5	1.1	1.4	1.6
Wipro	557	526	Reduce	27.1	29.4	32.9	20.6	19.0	16.9	20.2	21.0	20.5	2.1	2.3	2.5
HCL Tech	1261	1022	Reduce	55.6	62.7	70.5	22.7	20.1	17.9	32.8	28.8	25.9	0.7	0.8	0.8
KPIT Tech	177	160	Reduce	11.5	15.3	18.8	15.4	11.6	9.4	25.3	26.7	25.3	0.5	0.5	0.5
Infotech Enterprises	341	242	Reduce	20.9	22.5	26.9	16.3	15.2	12.7	18.8	17.8	18.6	2.9	3.1	3.7
Mphasis	427	423	Reduce	37.1	39.9	42.3	11.5	10.7	10.1	16.4	15.5	14.5	1.3	1.3	1.4
Persistent Systems	976	960	Reduce	46.9	56.9	66.1	20.8	17.1	14.8	20.5	21.2	20.9	0.9	1.1	1.3
Metal															
SAIL	71	60	Reduce	5.3	7.2	4.2	13.5	9.8	16.8	5.3	6.9	3.9	2.8	2.8	2.8
Tata Steel	413	429	Neutral	3.4	42.3	46.3	121.4	9.8	8.9	1.0	9.7	10.1	2.3	2.3	2.3
JSW Steel	994	788	Reduce	43.2	84.0	86.0	23.0	11.8	11.6	5.6	12.0	12.0	1.0	1.0	1.0
Hindustan Zinc	132	144	Hold	16.3	16.0	16.0	8.1	8.2	8.2	21.4	19.6	19.6	2.4	2.4	2.4
Hindalco	119	109	Reduce	15.8	10.9	13.4	7.5	10.9	8.8	8.7	5.6	6.5	1.1	1.1	1.1
NMDC	138	149	Hold	16.0	14.5	15.5	8.7	9.5	8.9	25.6	24.1	24.1	5.1	5.1	5.1
Monnet Ispat	140	97	Reduce	38.9	40.6	36.4	3.6	3.4	3.8	9.1	8.7	7.3	2.1	2.1	2.1
GPIIL	85	81	Reduce	46.9	12.8	27.7	1.8	6.6	3.1	18.8	4.7	9.6	3.0	3.0	3.0
Adhunik Metaliks	32	19	Reduce	6.4	-1.6	3.8	5.1	NA	8.5	6.0	NA	4.4	0.0	0.0	0.0
IMFA	205	249	Buy	24.4	21.5	24.6	8.4	9.5	8.3	7.7	6.5	7.0	2.4	2.4	2.4
Oil and Gas															
ONGC	276	362	Buy	28.3	31.2	36.5	9.7	8.8	7.6	19.6	23.3	23.5	3.6	3.6	3.6
GAIL	340	400	Accumulate	31.7	29.2	28.3	10.7	11.6	12.0	16.5	13.8	12.3	2.6	2.6	2.6
IGL	268	318	Accumulate	25.3	25.5	30.1	10.6	10.5	8.9	23.6	21.0	19.6	1.9	1.9	1.9



Rating scale	
BUY	>20%
ACCUMULATE	12-20%
HOLD	5-12%
NEUTRAL	0-5%
REDUCE	< 0%

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