

Key developments during the week

- Finance ministry source says got SBI Cap draft report on PSU bank stake dilution
- Finance ministry source says may move Cabinet Sep on stake dilution in PSU banks
- Industry minister says FIPB doing background checks of FDI proposals
- India Jul trade deficit at \$12.2 bln vs \$12.5 bln year ago
- India Jul WPI inflation at 5-month low of 5.19% vs 5.43% Jun
- India Jun industrial growth at 3.4% vs 4.7% month ago
- India Jul CPI combined inflation rate at 7.96% vs 7.46% month ago
- Govt source says Apr-Jun CAD seen \$7 bln-\$8 bln, sharply up on quarter
- Fin min source says Apr-Jun gold imports at 173 tn vs 130 tn Jan-Mar
- Moody's pegs India's GDP growth at 5% in 2014, 5.5-6% in 2015
- RBI says India Jun FDI inflows \$3.05 bln vs \$2.35 bln year ago
- Parliament passes securities laws amendment Bill
- SC to next hear RIL plea for naming arbitrator in D6 dispute Sep 2
- SC: Final hearing in PNGRB vs Indraprastha Gas case from Sep 23
- IOC plans to up share of heavy, sour crude to boost GRMs
- Tata Motors' JLR Jul retail sales 34,233 units, up 8% on year
- Rajya Sabha passes National Judicial Appointments Commission Bill
- India Jul GSM user addition 4.85 mln vs 6.48 mln addition in Jun
- WGC cuts India 2014 gold demand forecast to 850-950 tn vs 900-1,000 tn

INDEX	14-Aug-14	08-Aug-14	Change (in %)
NIFTY	7791.70	7568.55	2.95
SENSEX	26103.23	25329.14	3.06
NSE 500	6215.65	6072.65	2.35
NSE MIDCAP	3103.05	3078.90	0.78
NIFTY JUNIOR	16360.40	16037.35	2.01
BSE SMALLCAP	9824.06	9828.30	-0.04
BSE 200	3161.05	3084.34	2.49

INDEX	14-Aug-14	08-Aug-14	Change (in %)
BSE CD	8648.06	8515.80	1.55
BSE OIL AND GAS	10854.86	10521.71	3.17
BSE PSU	7896.44	7804.59	1.18
BSE FMCG	7265.41	7111.74	2.16
BSE CAPITAL GOODS	14333.08	14159.12	1.23
BSE AUTO	16348.06	15544.33	5.17
BSE REALTY	1808.78	1838.98	-1.64
BSE BANK	17251.19	16903.81	2.06
BSE TECH	5495.44	5465.36	0.55
BSE HEALTHCARE	12524.30	12092.41	3.57
BSE IT	9874.73	9730.77	1.48
BSE METAL	12775.56	12496.31	2.23

INDEX	15-Aug-14	08-Aug-14	Change (in %)
DOW JONES	16662.91	16553.93	0.66
HANG SENG	24954.94	24331.41	2.56
NIKKEI	15318.34	14778.37	3.65
FTSE	6689.08	6567.36	1.85

Domestic events week ahead

- Aug 20:** CPI for rural and farm labourers for June, by Labour Bureau.
- Aug 20-26:** Crude, refinery output for July, from petroleum ministry.

Source: NW18

Global events week ahead

- Aug 18:** Europe Trade Balance, German Buba Monthly Report, US NAHB Housing Market Index
- Aug 19:** Europe Current Account, UK CPI y/y, UK Core CPI y/y, UK PPI Input m/m, US Building Permits, US CPI m/m, US Core CPI m/m, US Housing Starts
- Aug 20:** Japan Trade Balance, UK MPC Asset Purchase Facility Votes, UK MPC Official Bank Rate Votes, UK CBI Industrial Order Expectations, US Crude Oil Inventories, US FOMC Meeting Minutes
- Aug 21:** Japan Flash Manufacturing PMI, China HSBC Flash Manufacturing PMI, French Flash Manufacturing & Services PMI, German Flash Manufacturing & Services PMI, Europe Flash Manufacturing & Services PMI, UK Retail Sales m/m, US Unemployment Claims, US Flash Manufacturing PMI, Europe Consumer Confidence, US Existing Home Sales, US Philly Fed Manufacturing Index
- Aug 22:** US Fed Chair Yellen Speaks



Market Range for Week 7600- 7980

Nifty	Values
Support 1	7720
Support 2	7680
Support 3	7620
Resistance 1	7850
Resistance 2	7950
Resistance 3	7980

Resistance – Nifty facing Resistance level @7850 level above this level it may go up to @7950 & @ 7980 level.

Support - Support comes for market @7720 level for Nifty; below this level Nifty next support @7680 and @7620 will be the major support for market.

Technical – Last week Nifty opened at 7619 & it made a high of 7796. Last week we have seen buying from lower levels. Nifty made a low of 7598 & closed at 7791. Last week Nifty gain 198 points from its low & on weekly basis it closed at 223 points higher. Sensex made a weekly high of 26135 & a low of 25437 almost it gain 698 points in the week from its low. So overall last week we have seen some buying.

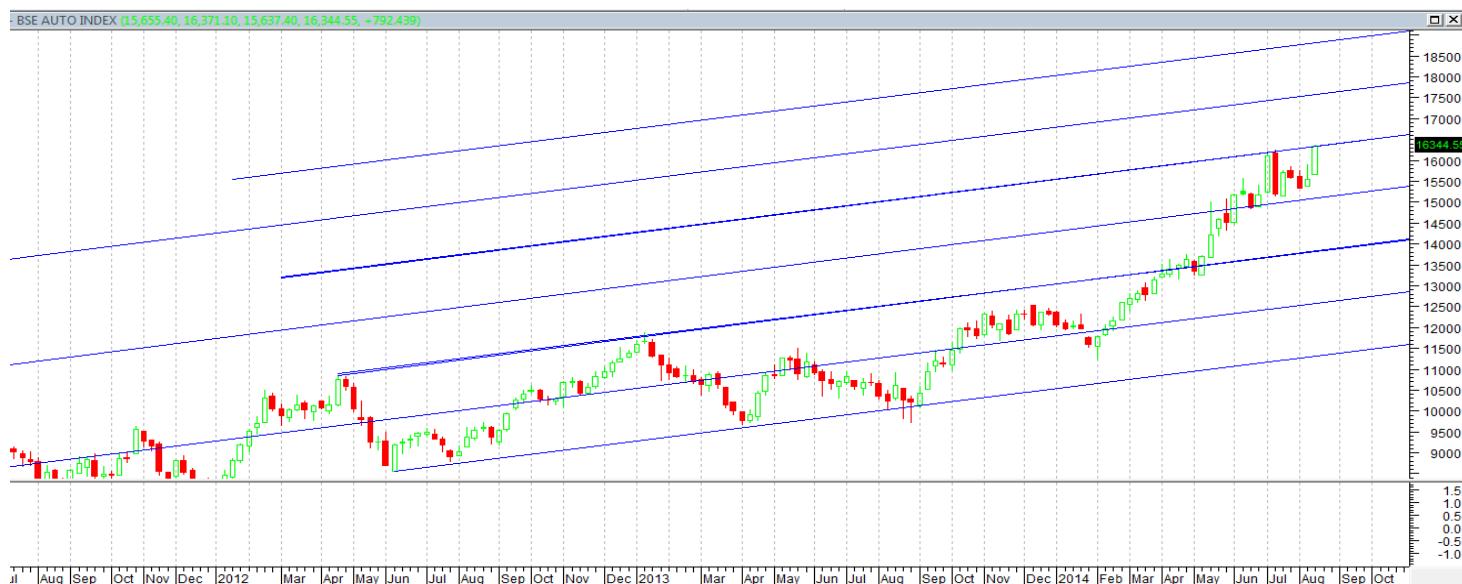
For the coming week the market range we expect 7600-7980

Weekly Chart View –

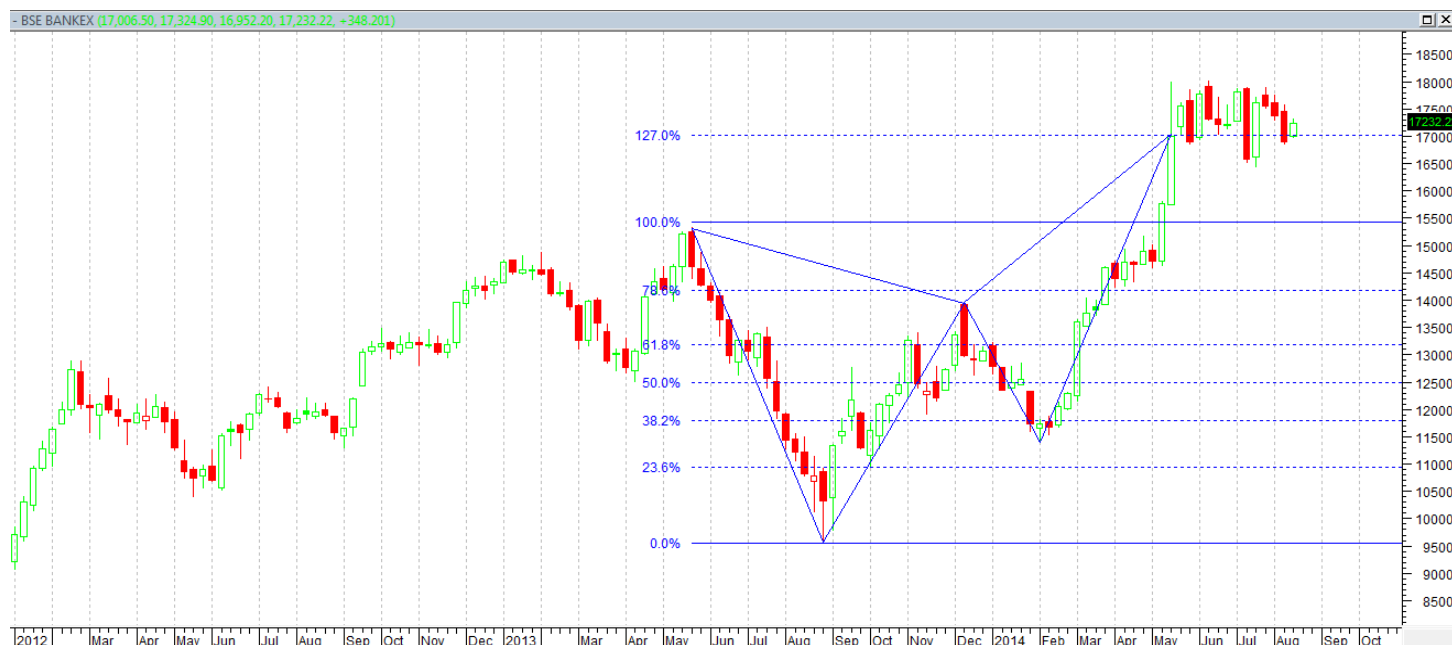
Last week we had expected market range (7400-7750) market made a high of 7796 & low of 7598, so overall it holds our both side range, just by few points it broke our upper side range.

In last week report we had mentioned on daily chart Nifty below 20&50(SMA) & on weekly chart it was below channel, because of that we had mentioned 7520-7500 will be good support & all we have seen buying from that level. Now on daily chart Nifty above triangle & on weekly chart we can see bullish candle but near to resistance level. So overall from here 7810-7840 will be major resistance any close above that we can see continues upside in the market & 7600-7550 will be major support.

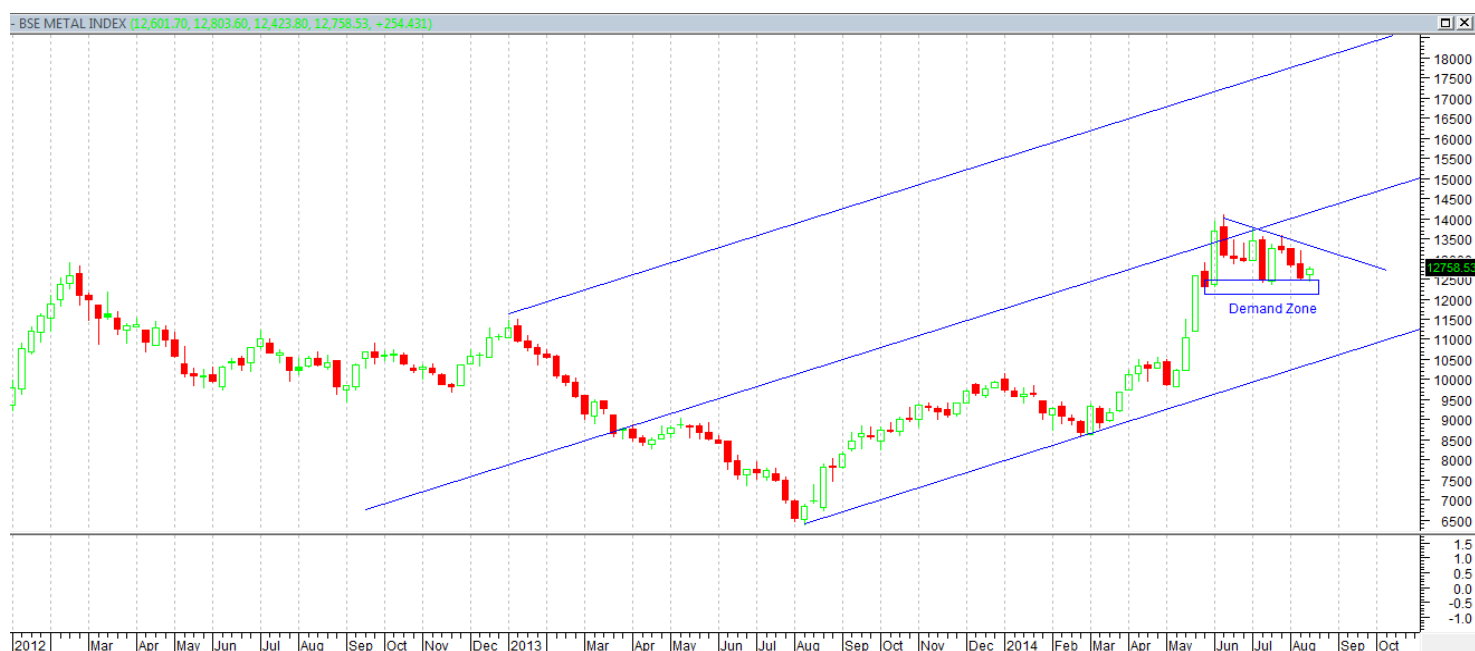
Weekly Chart

**Weekly Sectoral Technical Outlook****BSE Auto Index****CMP: 16348****BSE Auto**

At present, we are observing a strong bull candle which suggests upside momentum. Those gone long at lower level can trial their stop loss to 15630. On the upside it can test 16700 – 17000 levels.

BSE Bankex**CMP: 17251****BSE Bankex**

At present we are observing a narrow range body formation which suggests indecisiveness prevailing at current level. Further the sideways move on the weekly chart gives no clear direction of trend. Hence, one should wait for clear pattern to emerge to go long on this sector.

**BSE Metal Index****CMP: 12775****BSE Metal Index**

We reiterate our view that this sector is testing the demand zone of 12401 – 12142. Hence, we could witness a bounce in this sector. If this sector trades above 12805 then one can enter long with a stop loss of 12140. On the upside it can test 13000 – 13200 - 13500 levels.

BSE IT**CMP: 9874****BSE IT**

We reiterate our view that those holding longs can trial the stop loss to 9400 level. On the upside, if this sector trades above 9870 level then this sector is likely to test 10200 – 10500 levels.

Weekly Technicals of Key Companies –

Company	Closing 18-Aug-14	Buy/Sell Trigger	Resistance 1	Resistance 2	Support 1	Support 2
ACC	1480.85	1468.38	1498.47	1516.08	1450.77	1420.68
AMBUJACEM	210.9	209.13	214.57	218.23	205.47	200.03
ASIANPAINT	617.8	617.28	628.52	639.23	606.57	595.33
AXISBANK	377.8	377.32	383.63	389.47	371.48	365.17
BAJAJ-AUTO	2135	2133.73	2166.27	2197.53	2102.47	2069.93
BANKBARODA	878.25	886.23	911.32	944.38	853.17	828.08
BHARTIARTL	365.2	369.47	375.73	386.27	358.93	352.67
BHEL	212.95	214.15	223.8	234.65	203.3	193.65
BPCL	613.35	600.13	628.72	644.08	584.77	556.18
CAIRN	318.6	315.55	322.55	326.5	311.6	304.6
CIPLA	448.6	444.53	456.32	464.03	436.82	425.03
COALINDIA	356.45	357.3	367.5	378.55	346.25	336.05
DLF	196.2	196.53	202.57	208.93	190.17	184.13
DRREDDY	2755.75	2750.62	2790.13	2824.52	2716.23	2676.72
GAIL	425.7	413.6	440	454.3	399.3	372.9
GRASIM	3326.5	3310.5	3371	3415.5	3266	3205.5
HCLTECH	1538	1539.07	1575.93	1613.87	1501.13	1464.27
HDFC	1124.3	1101.95	1173.75	1223.2	1052.5	980.7
HDFCBANK	826.7	816.58	841.77	856.83	801.52	776.33
HEROMOTOCO	2510.55	2538.85	2589.7	2668.85	2459.7	2408.85
HINDALCO	178.6	180.75	185.75	192.9	173.6	168.6
HINDUNILVR	714.55	711	729.5	744.45	696.05	677.55
ICICIBANK	1479.65	1467.78	1501.47	1523.28	1445.97	1412.28
IDFC	145.4	145.35	149.2	153	141.55	137.7
INDUSINDBK	548.25	544.75	553.7	559.15	539.3	530.35
INFY	3612.55	3583.42	3656.83	3701.12	3539.13	3465.72
ITC	356.85	354.07	364.63	372.42	346.28	335.72
JINDALSTEL	285.2	280.85	292.15	299.1	273.9	262.6
KOTAKBANK	953.35	952.13	971.22	989.08	934.27	915.18
LT	1484.1	1472.93	1504.17	1524.23	1452.87	1421.63
LUPIN	1183.4	1175.75	1199.45	1215.5	1159.7	1136
M&M	1321.85	1298.02	1358.83	1395.82	1261.03	1200.22
MARUTI	2666.55	2664.87	2694.68	2722.82	2636.73	2606.92
MCDOWELL-N	2362.3	2338.8	2397.5	2432.7	2303.6	2244.9
NMDC	174.45	174.65	178.9	183.35	170.2	165.95
NTPC	142.05	139.85	144.65	147.25	137.25	132.45
ONGC	410.1	405.27	418.23	426.37	397.13	384.17
PNB	910.35	906.85	927.5	944.65	889.7	869.05
POWERGRID	133.2	132.48	134.97	136.73	130.72	128.23
RELIANCE	1002.95	994.77	1013.18	1023.42	984.53	966.12
SBIN	2362.5	2384.18	2418.27	2474.03	2328.42	2294.33
SSLT	289.5	283.82	297.43	305.37	275.88	262.27
SUNPHARMA	814.85	796.67	834.78	854.72	776.73	738.62
TATAMOTORS	484.6	469.15	501.3	518	452.45	420.3
TATAPOWER	90.6	90.48	93.62	96.63	87.47	84.33
TATASTEEL	541.7	537.93	550.77	559.83	528.87	516.03
TCS	2499.75	2490.65	2541.1	2582.45	2449.3	2398.85
TECHM	2150.7	2165.9	2190.8	2230.9	2125.8	2100.9
ULTRACEMCO	2632.55	2584.18	2688.37	2744.18	2528.37	2424.18
WIPRO	545.95	546.08	551.97	557.98	540.07	534.18

Source: Iris Software



Arihant Fundamental Desk: Stocks under our radar

Company and Sector	Current	EPS (Rs/share)			P/E (x)			ROE %			Dividend Yield %		
	Price	FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14	FY15E	FY16E
Automobile													
M&M	1321	63.7	69.5	81.7	20.8	19.0	16.2	24.0	21.7	21.6	1.2	1.3	1.5
Maruti Suzuki	2668	92.1	114.0	141.5	29.0	23.4	18.9	14.1	15.3	16.5	0.3	0.3	0.4
Tata Motors	485	53.6	56.0	62.0	9.0	8.7	7.8	35.3	32.1	23.2	0.6	0.8	1.0
TVS Motors	178	5.4	6.4	9.0	33.0	27.8	19.8	20.3	17.9	22.7	0.7	0.7	0.8
Bajaj Auto	2135	112.1	132.9	147.1	19.0	16.1	14.5	33.8	37.6	31.4	2.3	2.8	3.0
Hero MotoCorp	2511	105.6	123.6	142.0	23.8	20.3	17.7	40.7	42.3	34.0	2.8	3.2	3.4
Ashok Leyland	35	-0.6	1.1	1.7	-56.0	32.7	20.4	0.4	6.2	11.1	0.0	0.0	0.0
Escorts	110	11.3	14.9	19.9	9.7	7.4	5.5	9.9	11.3	10.8	3.2	3.6	4.5
Bharat Forge	767	21.4	20.2	26.7	35.8	38.0	28.7	15.3	19.5	19.1	0.6	0.9	1.0
Banking & NBFC													
BOB	879	107.4	137.2	187.4	8.2	6.4	4.7	13.0	12.2	15.1	2.4	2.8	3.4
SBI	2362	156.8	238.9	242.4	15.1	9.9	9.7	16.3	16.6	13.4	1.9	2.1	2.3
Axis Bank	378	26.5	29.0	35.8	14.2	13.0	10.6	18.2	18.4	17.6	5.3	5.8	6.6
ICICI Bank	1478	85.0	94.0	113.7	17.4	15.7	13.0	13.7	13.1	15.2	1.6	1.7	1.9
Federal Bank	114	9.8	10.6	13.5	11.7	10.8	8.5	12.8	13.1	14.1	1.7	1.9	1.9
Yes Bank	540	44.9	51.0	61.9	12.0	10.6	8.7	24.3	20.2	22.4	1.5	1.9	2.0
Indusind Bank	547	26.9	32.4	41.5	20.4	16.9	13.2	17.5	18.2	19.2	0.6	0.6	0.6
Bank of Mah	42	4.6	6.5	6.8	9.2	6.5	6.2	6.7	10.7	8.3	2.4	4.8	4.8
DCB	80	6.1	7.3	8.3	13.2	10.9	9.6	14.0	12.6	13.7	0.0	0.0	0.0
Andhra Bank	73	7.7	9.9	18.0	9.5	7.4	4.1	5.1	6.7	10.7	1.5	2.1	2.1
HDFC Bank	826	35.5	45.1	54.2	23.3	18.3	15.2	19.5	21.6	22.8	0.8	1.0	1.0
IDBI Bank	79	8.0	11.0	12.2	9.9	7.2	6.5	5.6	4.3	7.1	1.3	3.8	3.8
M&M Fin	258	15.8	20.3	23.3	16.4	12.7	11.0	18.6	21.4	20.5	1.5	1.6	1.6
Cement													
Ultratech Cement	2635	80.0	104.0	131.0	32.9	25.3	20.1	13.0	15.0	16.0	0.3	0.3	0.3
ACC	1481	58.3	63.1	69.8	25.4	23.5	21.2	14.0	14.2	14.6	1.3	1.3	1.3
Ambuja Cement	211	8.4	10.2	13.6	25.1	20.7	15.5	13.6	15.3	18.0	1.7	1.8	2.0
JK Lakshmi Cement	269	7.2	8.7	19.7	37.4	30.9	13.7	6.4	7.3	14.6	0.0	0.7	1.1
JK Cement	484	8.2	17.1	33.0	59.1	28.3	14.7	3.4	6.8	11.1	1.4	1.4	1.4
Grasim Ind	3329	226.0	243.0	312.7	14.7	13.7	10.6	10.0	10.0	11.0	0.7	0.7	0.7
FMCG													
HUL	714	18.2	19.5	20.3	39.1	36.6	35.2	118.0	115.0	101.4	1.8	2.1	2.4
ITC	357	11.2	13.0	15.0	31.8	27.4	23.9	35.0	36.0	37.0	1.7	2.0	2.3
Dabur	218	5.3	6.2	7.3	41.5	35.4	29.8	35.3	35.4	34.3	0.8	0.9	1.1
IT													
Infosys	3604	186.4	203.8	224.1	19.3	17.7	16.1	25.6	24.5	23.9	1.2	1.4	1.5
TCS	2497	97.6	113.0	127.8	25.6	22.1	19.5	38.4	36.5	33.3	1.3	1.4	1.7
Wipro	546	31.7	36.9	41.5	17.2	14.8	13.1	24.3	16.4	17.5	2.3	2.5	3.3
HCL Tech	1540	88.6	99.2	111.4	17.4	15.5	13.8	59.0	61.7	28.5	0.6	0.6	0.6
KPIT Tech	152	13.2	17.8	18.2	11.5	8.6	8.4	25.0	24.2	20.4	0.6	0.7	0.7
CYIENT	394	22.5	26.9	35.5	17.5	14.7	11.1	17.8	18.6	20.0	1.1	1.3	1.5
Mphasis	424	35.5	38.8	41.6	11.9	10.9	10.2	15.5	14.5	15.4	4.0	4.0	4.0
Persistent Systems	1220	62.3	76.2	92.6	19.6	16.0	13.2	21.2	23.3	23.4	0.9	1.0	1.3
Metal													
SAIL	85	6.4	5.0	12.4	13.3	16.9	6.8	6.9	4.7	10.6	2.4	2.4	2.4
Tata Steel	541	35.2	43.5	53.7	15.4	12.4	10.1	8.4	9.2	10.4	1.5	1.8	2.2
JSW Steel	1275	17.4	96.0	100.0	73.5	13.3	12.7	3.1	10.0	9.0	0.8	0.9	0.9
Hindustan Zinc	161	16.3	16.0	16.6	9.9	10.1	9.7	20.7	20.3	20.7	2.2	2.5	2.8
Hindalco	179	10.9	6.8	16.1	16.4	26.3	11.1	4.5	3.5	7.6	0.7	0.7	0.8
NMDC	175	16.1	16.3	16.4	10.9	10.7	10.6	20.0	19.1	19.1	4.0	4.0	0.0
GPIL	169	17.7	34.0	49.6	9.6	5.0	3.4	6.5	11.9	14.9	0.6	1.5	1.8
IMFA	387	13.4	33.3	37.3	28.8	11.6	10.4	6.5	7.0	9.5	0.8	1.3	1.3
Oil and Gas													
ONGC	410	31.0	37.8	39.4	13.2	10.8	--	23.3	26.5	18.8	2.4	2.4	2.7
GAIL	426	37.7	33.5	38.2	11.3	12.7	--	16.2	13.9	14.8	2.0	2.1	2.2
IGL	354	25.7	30.1	29.6	13.8	11.8	--	21.0	19.6	18.6	1.4	1.4	1.4



Note: Bank's Book values are as per Bloomberg estimates

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

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RCH-WMR-00