

Key developments during the week

- Govt source says PMO upset over delay in Coal India, ONGC divestment
- Moody's arm says India Jul-Sep growth may have slowed down QoQ to 5.3%
- PwC says India Jul-Sep private equity invest \$3.01 bln, up 4% on quarter
- Kotak Mahindra Bank board approves merger of ING Vysya Bank with itself
- Tech Mahindra to buy Lightbridge Communications Corp
- Minister Paswan says no discussions yet on any sops for sugar sector
- Coal India divest may be in two tranche of 5% sale each
- India Oct trade deficit at \$13.4 bln vs \$14.2 bln a month ago
- PM says Australia to invest A\$16 bln in Indian coal mines
- Moody's ups India corporate sector outlook to stable from negative
- US Exim Bank to give \$1 bln loans to India renewable energy agency
- Fitch expects India GDP growth to pick-up to 5.6% in FY15, 6.5% in FY16
- OECD sees Indian economy growing 6.6% in FY16, 6.8% in FY17
- Govt sources say may miss FY15 direct tax aim of 7.36 trln rupees
- Coal ministry releases draft rules for coal block auction
- Fitch says low crude oil price to have positive impact on India rating
- Banking secretary says NPAs will come down once economy picks up

INDEX	21-Nov-14	14-Nov-14	Change (in %)
NIFTY	8477.35	8389.90	1.04
SENSEX	28334.63	28046.66	1.03
NSE 500	6847.30	6785.75	0.91
NSE MIDCAP	3362.70	3384.30	-0.64
NIFTY JUNIOR	18509.65	18260.90	1.36
BSE SMALLCAP	11325.84	11217.39	0.97
BSE 200	3472.19	3438.71	0.97

INDEX	21-Nov-14	14-Nov-14	Change (in %)
BSE CD	9657.88	9830.03	-1.75
BSE OIL AND GAS	10874.65	10837.84	0.34
BSE PSU	8242.84	8224.97	0.22
BSE FMCG	7832.83	7752.93	1.03
BSE CAPITAL GOODS	16234.17	15884.90	2.20
BSE AUTO	18925.28	18659.93	1.42
BSE REALTY	1625.20	1669.36	-2.65
BSE BANK	20683.54	20118.77	2.81
BSE TECH	6074.48	6028.62	0.76
BSE HEALTHCARE	14893.70	14840.27	0.36
BSE IT	10922.98	10892.17	0.28
BSE METAL	11127.12	11401.49	-2.41

INDEX	21-Nov-14	14-Nov-14	Change (in %)
DOW JONES	17810.06	17634.74	0.99
HANG SENG	23437.12	24087.38	-2.70
NIKKEI	17357.51	17490.83	-0.76
FTSE	6750.76	6654.37	1.45

Domestic events week ahead

- Nov 26:** Money supply as on Nov 7, by RBI.
- Nov 28:** CPI for industrial workers for October, by Labour Bureau.
- Nov 28:** Core sector growth for October, by commerce and industry ministry.
- Nov 28:** GDP estimate for Jul-Sep, by CSO.
- Nov 28:** Government finances for Apr-Oct, by CGA.
- Nov 28:** WMA and forex reserves as on Nov 21, by RBI.

Source: NW18

Global events week ahead

- Nov 24:** German Ifo Business Climate, US Flash Services PMI
- Nov 25:** Japan Monetary Policy Meeting Minutes, BOJ Gov Kuroda Speaks, German Retail Sales m/m, German Final GDP q/q, Italian Retail Sales m/m, US Prelim GDP q/q, US CB Consumer Confidence
- Nov 26:** UK GDP q/q, US Core Durable Goods Orders m/m, US Durable Goods Orders m/m, US Unemployment Claims, US Personal Spending m/m, US Personal Income, US Chicago PMI, US Revised UoM Consumer Sentiment, US Revised UoM Inflation Expectations, US New Home Sales, US Pending Home Sales m/m, US Crude Oil Inventories
- Nov 27:** German Prelim CPI m/m, Spanish Flash CPI y/y, German Unemployment Change, OPEC Meetings, GfK German Consumer Climate
- Nov 28:** Japan Household Spending y/y, Japan Unemployment Rate, Japan Industrial Production m/m, Japan Retail Sales y/y, Japan Housing Starts y/y, French Consumer Spending m/m, Italian Unemployment Rate, Europe CPI and Core CPI Flash Estimate y/y, Europe Unemployment Rate, Italian Prelim CPI m/m

Weekly Sector Outlook and Stock Picks

Auto sector – Seen continuing to rise this week

Shares of leading automakers are seen rising further this week on the back of good vehicle sales momentum seen over the past few months. Automobile shares are expected to continue rallying in anticipation of a rate cut by the Reserve Bank of India. Key segments of the domestic automobile industry such as passenger cars, medium and heavy commercial vehicles and two wheelers have seen a rise in demand, particularly since the start of the ongoing financial year. Hero MotoCorp's shares are seen gaining from current levels in the near term as the company is increasing scooter manufacturing capacity and is setting up manufacturing units both in India and abroad. Bajaj Auto is likely to trade positive this week. The company plans to launch one model each in its Platina and discover motorcycle brands by March, which should help the company's market share.

Bank Sector – To continue positive momentum this week

Bank stocks are expected to continue to rise this week. However, investors will be cautious ahead of Reserve Bank of India's bi-monthly policy review on Dec 2. The uptrend is expected to continue this week as sentiments are positive. But it won't be advisable to build fresh long positions at this point as the November contract will expire this week keeping the futures volatile. Friday, the Bank Nifty breached the 18000-point mark for the first time and touched a life-time high of 18139.95 before settling at 18056.30. The impact of Kotak Mahindra Bank's acquisition of ING Vysya, State Bank of India stock split, and regulatory permission for foreign institutional investors to invest in YES Bank lifted Bank Nifty.

Capital Goods Sector – Seen tracking broad market; Siemens eyed

Shares of most capital goods companies are seen tracking the broad market this week in the absence of any sector-specific triggers. Investors will eye the Jul-Sep earnings of Siemens Ltd, the Indian arm of German engineering major Siemens. The earnings will be detailed on Nov 25. The stock is seen trending down as there is limited upside and most of the benefits of improved order inflow have already been discounted in the current price. Another stock favoured by investors is Larsen & Toubro. The company's diversified profile and strong balance sheet is likely to make it the biggest beneficiary of any positive turnaround in the domestic market.

Cement Sector – To remain rangebound this week

Stocks of cement companies are likely to be rangebound this week as demand is still to recover from the low hit during the festival season and as prices of the commodity have decreased, especially in the south due to cyclone Hudhud. Construction activity is generally low during the festival season because of non-availability of labour. Cement prices have decreased by Rs 10-15 per bag during Oct-Nov in the north, in the west prices were down by Rs 10-12 per bag and in the eastern region the prices were largely flat. ACC will remain rangebound and Ambuja Cements seen positive this week.

FMCG Sector – Seen rangebound, market to focus on rate-sensitives

Stocks of fast moving consumer goods companies are likely to be rangebound in the week ahead as the focus will be on metal companies and other interest-rate sensitive counters. There has been a rate cut by China post market hours Friday, and there is the RBI policy announcement on Dec 2. The focus will clearly be on metal, capital goods and other interest rate sensitive sectors. FMCG stocks will be range bound. We are also concerned that despite an early festival season and two state elections, most FMCG companies failed to post strong volume growth numbers in the Jul-Sep earnings season. It will take at least four to six months for revival of demand in the sector.

IT Sector – To be rangebound, taking cues from broader market

Shares of information technology companies are expected to trade within a range this week taking cues from the broader markets in the absence of any specific triggers. Rupee-dollar movement will continue to be the key in the near term. For IT services companies, a depreciating rupee is beneficial as the major chunk of their clients, mostly based in the US, get billed in dollars. Weakening of the rupee could lead to a positive bias in IT stocks. Tech Mahindra shares will remain in focus after it announced acquisition of US-based independent network services company Lightbridge Communications Corp for \$240 mln including debt of \$85 mln. This will bring the spotlight back on inorganic expansion in the Indian IT space. Several Indian IT majors announced order wins in recent weeks. IT major Infosys said it has won a deal from the Catholic Education Commission of Victoria. However, action on deal wins would be stock-specific.

Oil Sector – PSU refiners seen rangebound this week

Shares of state-owned oil marketing companies Indian Oil Corp Ltd, Bharat Petroleum Corp Ltd, and Hindustan Petroleum Corp Ltd are seen rangebound with a positive bias this week amid lack of near-term triggers. The rupee-dollar movement will be key for the sector after the sudden and sharp depreciation of the rupee on Thursday. The rupee is likely to remain weak and may trade in the 61.70-62.20 per dollar band in the near term. Crude oil prices are likely to trend lower, which could compensate for any weakness in the rupee. However, after two continuous weeks of slide, there could be some value buying this week ahead of expiry of November derivatives contract on Thursday. That may only provide a cushion on the downside but not much upside. While the outlook for IOC, BPCL and HPCL has improved with the deregulation of diesel and petrol prices and imminent implementation of direct benefit transfer of cooking gas subsidy, most of these moves have been priced in. Concerns have emerged on the companies' margins as the global environment is seen weak in the near term and as inventory losses have ruined their Jul-Sep earnings.

Pharma sector – Upward jump seen with profit booking ending

Shares of frontline pharmaceutical companies are seen jumping upwards this week after the negative rally in the sector in last few weeks. The broader markets are also seen sideways-to-positive till Nifty breaks an important resistance. Shares of Divi's Laboratories Ltd, which failed to pick momentum when compared with its peers, are likely to underperform this week in the space, and may also be the first ones to see a sharp fall in case there is weakness in the sector. Dr Reddy's Laboratories Ltd will continue their good upward momentum this week. Lupin may trade in a very narrow range this week, due to reduced momentum. Cipla is likely to trade positive this week.

Metal Sector – Seen down tracking fall in steel prices

Shares of most metal companies are expected to weaken in the coming sessions as a fall in steel prices due to low demand, higher steel exports from China, and a volatile outlook for pricing of base metals has dampened sentiment. However, China's central bank saying that it will infuse liquidity when needed may support metal stocks. China is the world's largest consumer as well as producer of metals, and an improvement in China's economy would bode well for both ferrous and non-ferrous metal companies. Steel exports from China rose 42% year-on-year to 73.9 mln tn in Jan-Oct, reducing the pricing power of Indian companies. Also, India's steel imports from China have reportedly risen. In addition, a fall in global iron ore prices is expected to force NMDC to take another price cut.

Telecom Sector – To follow stock-specific triggers this week

Shares of major telecom companies are seen rangebound this week taking cues from stock-specific development in the absence of any broader sector-specific trigger. Telecom stocks are going to exhibit mixed trends this week, with stocks of Idea Cellular expected to continue its positive run, while those of Reliance Communications and Bharti Airtel may remain as underperformers. Reliance Communications was trading with a negative bias last week as well. Tata Communications scrip is expected to trade positive. The government's decision to hold another round of auction by May 2015 for 3G spectrum may also have a bearing on the movement of telecom scrips in the week ahead. Telecom Regulatory Authority of India had recommended that the auction should be conducted only when there are enough spectrums. The telecom operators, backed by TRAI, had argued that the auction should not be held till the government is able to find enough spectrums. Though the government had made it clear that spectrum for 2G band would be auctioned only in February, the decision to put additional blocks of spectrum under the hammer in May is likely to cheer private telecom operators who are facing spectrum crunch.

Market Range for Week 8280- 8600

Nifty	Values
Support 1	8380
Support 2	8350
Support 3	8280
Resistance 1	8520
Resistance 2	8580
Resistance 3	8600

Resistance – Nifty facing Resistance level @8520 level above this level it may go up to @8580 & @ 8600 level.

Support - Support comes for market @8380 level for Nifty; below this level Nifty next support @8350 and @8280 will be the major support for market.



Technical – Last week Nifty opened at 8378 & it made a high of 8489. Last week we have seen stocks specific action in the market. Nifty made a low of 8349 & closed at 8477. Last week Nifty gains 140 points from its low & on weekly basis it closed at 88 points higher. Sensex made a weekly high of 28360 & a low of 27915 almost it gain 445 points in the week from its low. So overall last week we have seen well up move.

For the coming week the market range we expect 8280-8600

Weekly Chart View –

Last week we had expected market range (8200-8600) market made a high of 8477 & low of 8349, so overall it holds our both side range.

In last week report we had mentioned on daily chart we had witness “Narrow range body formation” & on weekly chart it was near to upper line channel, because of that we had mentioned above 8390-8410 can see up move & all we have seen same above that. Now on daily chart we can see breakout of consolidation. On weekly chart can see close above upper line channel. So overall from here we can see some more upside & above 8500 can see move up to 8650-8700 & from here around 8320-8280 will be buying opportunity.

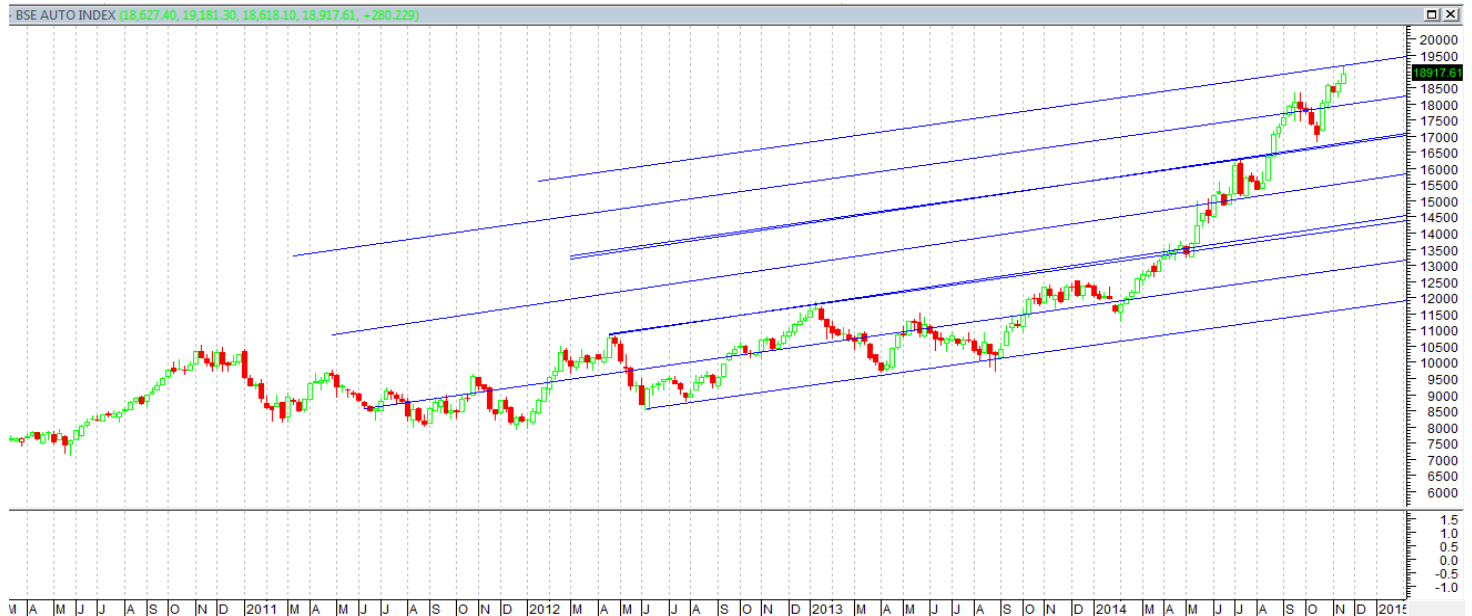
Weekly Chart



Weekly Sectoral Technical Outlook

BSE Auto Index

CMP: 18925

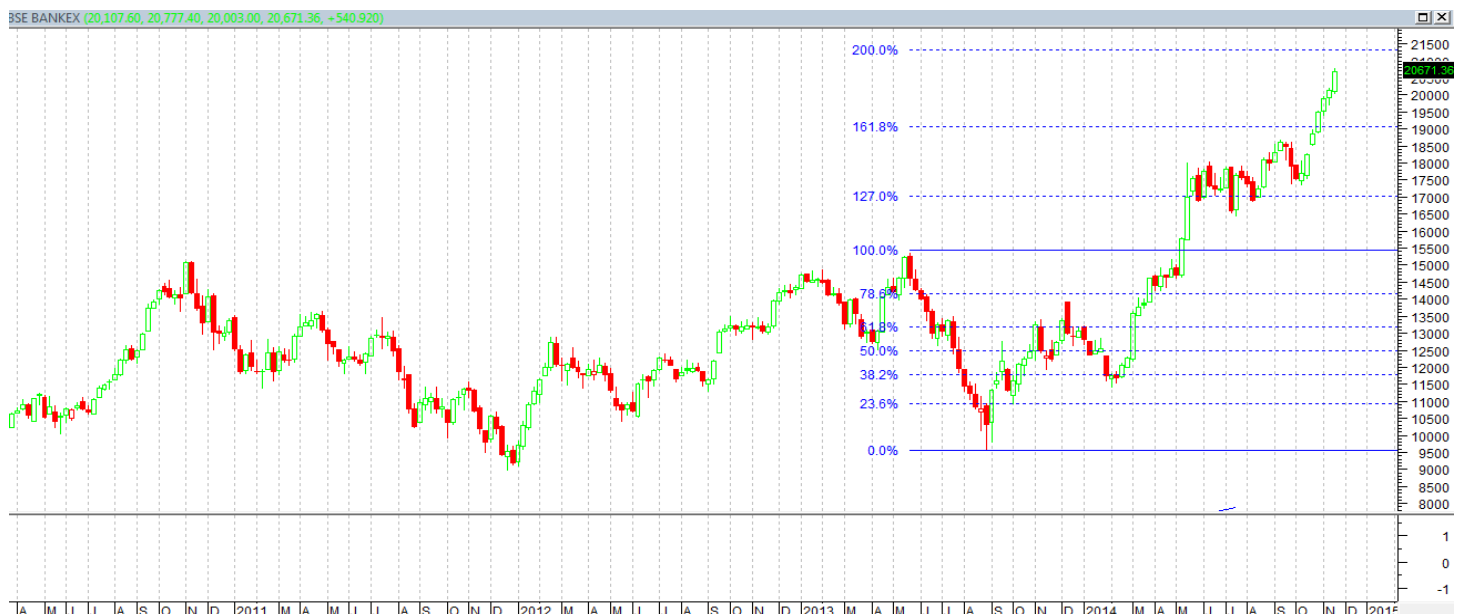


BSE Auto

We reiterate our earlier view that this sector is witnessing positive momentum on the upside. Hence, those who have gone long in this sector can trial their stop loss to 18618. On the upside it can test 19200 - 19800 levels.

BSE Bankex

CMP: 20683



BSE Bankex

At present we are seeing that prices are trading well above the 161.85 Fib level. We reiterate our view that prices may test 200% Fib levels in couple of weeks. Those long in this sector should now trial their stop loss to 20003 level. On the upside it can test 20800 - 21700 levels.

**BSE Metal Index****CMP: 11127****BSE Metal Index**

The current price action suggests that one should avoid the sector at present. However the low of the morning star which is at 10645 holds crucial support for this sector going forward. As long as 10645 hold there is a possibility of strong reversal. Hence wait for strong bull candle to form to go long in this sector.

BSE IT**CMP: 10922****BSE IT**

At present a doji candle reflects that the on-going up move is losing breath. Those long in this sector should maintain the stop loss of 10500. On the upside, it can test 11300 - 11800 levels.

Weekly Technicals of Key Companies –

Company	Closing 21-Nov-14	Buy/Sell Trigger	Resistnace 1	Resistance 2	Support 1	Support 2
ACC	1464.95	1471.63	1505.12	1545.28	1431.47	1397.98
AMBUJACEM	225.95	224.78	231.92	237.88	218.82	211.68
ASIANPAINT	692.15	690.25	705.50	718.85	676.90	661.65
AXISBANK	476.95	474.12	485.33	493.72	465.73	454.52
BAJAJ-AUTO	2673.45	2665.52	2695.93	2718.42	2643.03	2612.62
BANKBARODA	1038.65	1036.87	1070.18	1101.72	1005.33	972.02
BHARTIARTL	401.55	398.18	411.17	420.78	388.57	375.58
BHEL	252.25	249.82	259.13	266.02	242.93	233.62
BPCL	724.45	726.12	739.13	753.82	711.43	698.42
CAIRN	270.55	267.53	276.42	282.28	261.67	252.78
CIPLA	627.05	621.68	650.37	673.68	598.37	569.68
COALINDIA	346.90	349.88	356.22	365.53	340.57	334.23
DLF	140.40	140.23	144.37	148.33	136.27	132.13
DRREDDY	3530.80	3507.80	3592.60	3654.40	3446.00	3361.20
GAIL	475.75	482.28	495.42	515.08	462.62	449.48
GRASIM	3542.60	3563.27	3616.33	3690.07	3489.53	3436.47
HCLTECH	1642.65	1632.22	1666.43	1690.22	1608.43	1574.22
HDFC	1134.40	1124.63	1149.17	1163.93	1109.87	1085.33
HDFCBANK	932.85	926.18	944.37	955.88	914.67	896.48
HEROMOTOCO	3028.35	3009.05	3068.05	3107.75	2969.35	2910.35
HINDALCO	160.30	158.45	162.85	165.40	155.90	151.50
HINDUNILVR	753.00	756.60	763.20	773.40	746.40	739.80
ICICIBANK	1730.70	1710.50	1759.00	1787.30	1682.20	1633.70
IDFC	157.35	158.07	162.23	167.12	153.18	149.02
INDUSINDBK	714.30	716.05	732.00	749.70	698.35	682.40
INFY	4146.15	4160.08	4218.57	4290.98	4087.67	4029.18
ITC	376.15	372.67	380.73	385.32	368.08	360.02
JINDALSTEL	142.95	148.25	154.95	166.95	136.25	129.55
KOTAKBANK	1199.15	1168.12	1295.73	1392.32	1071.53	943.92
LT	1666.30	1646.40	1694.80	1723.30	1617.90	1569.50
LUPIN	1463.25	1457.25	1485.50	1507.75	1435.00	1406.75
M&M	1246.70	1247.05	1271.10	1295.50	1222.65	1198.60
MARUTI	3355.05	3351.87	3398.18	3441.32	3308.73	3262.42
MCDOWELL-N	2705.90	2729.32	2770.58	2835.27	2664.63	2623.37
NMDC	146.10	148.37	152.73	159.37	141.73	137.37
NTPC	142.65	144.22	147.03	151.42	139.83	137.02
ONGC	383.30	388.07	394.33	405.37	377.03	370.77
PNB	977.30	968.77	1004.53	1031.77	941.53	905.77
POWERGRID	146.55	146.75	149.80	153.05	143.50	140.45
RELIANCE	997.70	988.23	1010.47	1023.23	975.47	953.23
SBIN	305.50	1191.92	2092.58	3879.67	-595.17	-1495.83
SSLT	237.60	240.48	248.47	259.33	229.62	221.63
SUNPHARMA	841.00	858.97	878.93	916.87	821.03	801.07
TATAMOTORS	531.00	533.90	547.80	564.60	517.10	503.20
TATAPOWER	88.10	88.63	90.12	92.13	86.62	85.13
TATASTEEL	462.90	471.92	483.73	504.57	451.08	439.27
TCS	2622.15	2606.53	2655.62	2689.08	2573.07	2523.98
TECHM	2676.35	2660.88	2749.47	2822.58	2587.77	2499.18
ULTRACEMCO	2490.70	2528.43	2598.87	2707.03	2420.27	2349.83
WIPRO	572.10	569.25	579.50	586.90	561.85	551.60

Source: Iris Software



Arihant Fundamental Desk: Stocks under our radar

Company and Sector	Current Price	Target Price	Research Call	EPS (Rs/share)			P/E (x)			ROE %		
				FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14	FY15E	FY16E
Automobile												
M&M	1247	1319	Hold	63.7	69.5	81.7	19.6	17.9	15.3	24.0	21.7	21.6
Maruti Suzuki	3349	3040	Reduce	92.1	117.8	168.9	36.4	28.4	19.8	13.3	14.8	18.1
Tata Motors	530	576	Hold	53.6	56.0	64.0	9.9	9.5	8.3	35.3	32.1	23.2
TVS Motors	233	184	Reduce	5.4	7.4	11.5	43.1	31.4	20.2	19.6	22.6	31.2
Bajaj Auto	2675	2248	Reduce	112.1	105.1	142.8	23.9	25.5	18.7	37.0	29.6	34.8
Hero MotoCorp	3029	2970	Neutral	105.6	139.3	165.0	28.7	21.7	18.4	39.8	45.2	44.2
Banking												
BOB	1039	1031	Neutral	106.4	137.3	187.5	9.8	7.6	5.5	13.4	15.3	18.1
Federal Bank	148	161	Hold	9.8	10.5	11.6	15.0	14.0	12.7	12.6	12.3	12.4
Yes Bank	703	667	Reduce	36.5	45.9	43.7	19.3	15.3	16.1	23.7	23.2	22.2
Indusind Bank	714	685	Neutral	26.9	34.2	45.3	26.6	20.9	15.8	17.6	19.1	21.2
Bank of Mah	44	37	Reduce	4.6	5.7	7.0	9.6	7.8	6.3	7.4	9.7	11.1
DCB	105	116	Hold	6.0	6.3	6.7	17.6	16.7	15.7	14.1	12.8	12.0
Andhra Bank	84	95	Accumulate	7.6	8.6	15.3	11.1	9.8	5.5	5.0	5.5	10.1
HDFC Bank	1134	985	Reduce	35.3	43.3	57.6	32.1	26.2	19.7	21.0	22.0	24.0
Cement												
Ultratech Cement	2489	2872	Accumulate	80.0	114.0	155.0	31.1	21.8	18.5	13.0	16.0	18.0
ACC	1467	1585	Hold	58.3	65.5	83.5	25.2	22.4	17.6	14.4	15.3	18.3
Ambuja Cement	226	257	Accumulate	8.4	9.2	13.7	26.9	24.6	16.5	13.6	13.9	18.4
JK Cement	641	694	Hold	13.9	21.8	35.0	46.1	29.4	19.8	5.5	8.2	12.0
IT												
Infosys	4146	4146	Neutral	186.4	203.8	224.1	22.2	20.3	18.5	26.1	24.5	23.9
TCS	2616	2428	Reduce	97.6	113.0	127.8	26.8	23.2	20.5	39.6	35.8	34.2
Wipro	573	706	Buy	30.5	36.9	41.5	18.8	15.5	13.8	21.2	24.3	25.1
Metal												
SAIL	84	88	Neutral	6.3	8.1	10.5	13.3	10.4	8.0	6.1	7.4	8.9
Tata Steel	463	586	Buy	37.0	54.0	72.0	12.5	8.6	6.4	8.9	11.1	13.1
JSW Steel	1189	1426	Accumulate	65.9	134.0	165.9	18.0	8.9	7.2	8.1	13.9	15.3
Hindustan Zinc	164	186	Accumulate	16.3	19.0	19.8	10.0	8.6	8.3	18.5	18.4	16.7
Coal India	347	355	Neutral	23.9	28.0	32.1	14.5	12.4	10.8	35.6	35.5	34.9
Hindalco	160	166	Neutral	10.5	11.9	12.9	15.3	13.5	12.4	5.4	5.8	6.0

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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