

ShroffConnect Weekly Report

12th March, 2011

Shroff Securities Pvt. Ltd.

Portfolio Investment Management Services

Email - shroffsec@gmail.com

Phone - 033 32933592 / 32933658

(for private circulation only)

Current scenario & news

World markets

- The U.S. trade deficit widened much more than expected in January as higher oil prices and surging imports of capital goods and cars overpowered record exports in a signal of strengthening domestic demand
- Chinese inflation topped expectations in February at 4.9% and looks set to climb further in coming months, adding to pressure for another dose of monetary tightening
- U.K. manufacturing production jumped in January by the most in 10 months, a sign the economy is resuming growth after a winter freeze dented the recovery

Indian markets

- Industrial growth slowed to 3.7% in January, 2011, compared to 16.8 % expansion in the year-ago period, dragged down by the poor performance of the manufacturing sector
- Food inflation at 9.52% y-o-y on February 26
- India's exports jumped 50% in February, helping the country cross the \$200-billion target for the fiscal year with a month to spare
- The net direct tax collections grew an annual 20.75 percent to 3.36 trillion rupees (\$74.7 billion) in the period between April 2010 and February 2011

Macro scenario

World markets

- Low interest rate
- High deficits
- Continued easy monetary policy by USA, extension of tax cuts
- Budgetary cuts by Euro zone nations and UK

Indian markets

- Partial rollback of stimulus
- Increasing interest rate
- High deficit, high inflation
- GDP growth at 8–9%

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 12th Mar 2011	% Change
STOCKS	Australia	ASX	4734.75	(4.51)
	Brazil	Bovespa	66684.60	(1.95)
	China	Shanghai	2935.61	(0.22)
	France	CAC	3928.68	(2.28)
	Germany	DAX	6981.49	(2.75)
	Hong Kong	Hang Seng	23249.78	(0.68)
	India	Sensex	18174.09	(1.69)
	Japan	Nikkei	10254.43	(4.11)
	UK	FTSE	5828.67	(2.72)
	USA	DJIA	12044.40	(1.03)
COMMODITIES	Copper	\$/Pound	4.23	(5.79)
	Crude	\$/Barrel	100.59	(4.12)
	Gold	\$/Troy Ounce	1421.80	(0.79)
	Natural Gas	\$/MMBtu	3.90	2.63
	Silver	\$/Troy Ounce	35.89	0.73
	Aluminium	\$/Tonne	2545.25	(2.11)
	Lead	\$/Tonne	2427.00	(7.72)
	Nickel	\$/Tonne	25950.00	(9.90)
	Zinc	\$/Tonne	2275.00	(7.56)
CURRENCIES	USD/GBP		1.6076	(1.16)
	USD/EUR		1.3901	(0.59)
	USD/AUD		1.0138	0.10
	JPY/USD		81.84	(0.53)
	INR/USD		45.06	0.20
	HKD/USD		7.7876	(0.02)
	BRL/USD		1.6655	1.07
BONDS	2 Year	US Treasury	109.62	0.10
	10 Year		121.00	0.83
	30 Year		121.88	0.89

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 12th Mar 2011	% Change
STOCKS	Nifty	Large Cap	5445.45	(1.68)
	Sensex	Large Cap	18174.09	(1.69)
	BSE Midcap	Mid Cap	6529.28	(0.95)
	BSE Smallcap	Small Cap	7899.81	(1.24)
Some Major Shares	ACC	Rs/share	992.50	0.53
	Bharti Airtel		322.55	(1.35)
	HDFC Ltd		660.40	(3.10)
	Infosys		3053.90	(0.27)
	L&T		1541.60	(4.30)
	Reliance Inds		992.05	1.00
	Tata Motors		1162.60	(1.12)
	Tata Steel		581.30	(5.97)
COMMODITIES	Aluminium	INR/Kg	114.30	(1.80)
	Copper	INR/Kg	423.60	(5.60)
	Crude	INR/Barrel	4548.00	(3.87)
	Gold	INR/10gms	20974.00	(0.59)
	Lead	INR/Kg	111.40	(6.23)
	Natural Gas	INR/1mmBtu	176.20	2.74
	Nickel	INR/Kg	1181.70	(9.25)
	Silver	INR/Kg	54053.00	6.53
	Zinc	INR/Kg	103.00	(7.71)
CURRENCIES	INR/EUR		62.66	(0.44)
	INR/GBP		72.34	(1.11)
	INR/100 JPY		55.04	0.75
	INR/USD		45.06	0.20

WORLD MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
STOCKS	USA		China Germany ↓ Japan ↓	Australia ↓ France ↓ Hong Kong UK ↓	Brazil ↓ India	
COMMODITIES	Aluminium Crude Oil Nickel Silver		Copper ↓ Gold	Lead ↓ Natural Gas Zinc ↓	↑ = moved up from last week ↓ = moved dn from last week	
CURRENCIES (against USD)			AUD EUR GBP	BRL ↓ INR JPY	HKD	
BONDS (US Treasury)				2 Year ↑ 10 Year ↑	30 Year	

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Nifty

Mid Cap

Sensex

Small Cap

SECTORS

Bankex ↑

Auto ↑

Cap Goods

IT

Cons Durable

Power

FMCG

Realty

Healthcare ↑

Metal

Oil & Gas

Teck ↓

COMMODITIES

Crude Oil

Aluminium ↓

Lead ↓

Natural Gas ↓

Nickel

Copper ↓

Zinc ↓

Silver

Gold

↑ = moved up from last week

↓ = moved dn from last week

CURRENCIES

(against INR)

EUR ↓

GBP ↓

JPY

USD

MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES		Hind Zinc ↑ Nestle India ↑ Siemens	ACC ↑ Adani Ent Axis Bank ↑ Bajaj Auto ↑ BOB Bank Of India ↑ BEL Cairn Canara Bank Grasim Ind HDFC HDFC Bank Hindalco ICICI Bank ↑ IOB ITC ↑ Jindal Saw Petronet LNG Power Grid Reliance Ind ↑ Tata Motors Tata Steel TCS ↓ Ultratech Wipro ↑	Allahabad Bank Ambuja Cem ↑ Andhra Bank Bharti Airtel GAIL ↑ Hind Unilever Idea Cellular Infosys Tech ↓ Jindal Steel ↓ M&M Maruti Suzuki PNB Ranbaxy SBIN Sterlite Ind Suzlon Syndicate Bank Tata Chem Tata Power ↑ Union Bank	Ashok Leyland B P C L Bhel Cipla H P C L Hero Honda JP Associates JSW Steel LT M R P L MRF NTPC O N G C PFC Punj Loyd RCOM Reliance Infra SAIL Sesa Goa ↓ UCO Bank United Spirits ↓

↑ = moved up from last week

↓ = moved dn from last week

MAJOR MEDIUM & SMALL CAP COMPANIES - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES			Aditya Bir Nuv Apollo Tyres ↑ Dr Reddy ↑ Federal Bank ↑ Havells India ↑ HCL Tech Kotak Bank ↑ LIC Housing ↑ Patni Comp ↑ Piramal Health ↑ Shriram Trans Tech Mahindra Titan Ind	Asian Paints Bharat Forge Chambal Fert Colgate-Palm Crompton Gr ↑ Cummins India Dabur ↓ Divi's Lab ↑ Exide Inds Glenmark Ph GSPL IFCI IGL ↑ Jain Irrigation Lupin ↑ Mundraport OFSS ↓ Shr Renuka SRF Sun Pharma ↓ Sun Tv Tata Global ↑ Yes Bank	Biocon DLF GMR Infra HDIL HCC I D F C IDBI Bank Indian Hotel Mphasis ↓ RECL Reliance Cap Sterlite Tech United Phosp Voltas

↑ = moved up from last week

↓ = moved dn from last week

Our opinion

- Money flow: Into US treasuries and bullion.
 - Opinion on money flow: There seems to be a move towards defensive investments and out of stocks, probably due to Middle East uncertainty & European inflation and pending interest rate increase.
-
- Indian stocks: The market is in a long term correction.
 - Current trend in sectors: No sector is bullish as of now, though Private Banks, Housing Finance and IT are outperforming.
 - Positives: None.
 - Negatives: High inflation, high deficits and uncertain political conditions.
 - Opinion: The market is in a correction mode. Long term investors may hold onto their investments. That a new uptrend has begun is not certain. Thus, fresh investments are best avoided till there is certainty.

Disclaimer

- The report is for private circulation only. The information contained herein does not constitute a recommendation, advice, an offer or solicitation for the purchase or sale of any financial instruments/ investment products. All information, statements, opinions, statistics contained in the report are provided "as is" for informational purposes only, not intended for trading purposes or advice. The information provided is based on historical data. The past is not necessarily a guide to the future values and prices. The information provided in this report thus provides non-binding information, for which Shroff Securities Private Limited ("Company"), its directors, officers or employees disclaim liability. Trading in financial instruments and trade practices in the stock markets carries a great deal of risk. Recipient of this report should take independent professional advice before doing any transaction(s). The Company, its directors, officers or employees shall not be liable for any informational errors, incompleteness, or delays, or for any actions taken in reliance on information contained herein. Recipient of this report expressly understands and agrees that it is their sole responsibility to authenticate, verify and evaluate or take professional advice on the accuracy and completeness of all information, statements, opinions and other materials contained or expressed in this report. This report is not meant for any person located in or resident in jurisdictions which restrict the distribution of such material. The Recipient of this report is required to observe any relevant restrictions.
- No guarantee, representation or warranty whatsoever is made by the Company , its directors, officers or employees regarding the timeliness, quality, completeness, accuracy, adequacy, fullness, functionality or reliability of the information, statements, opinions, products, services and materials contained in this report or of the results obtained from the use of such information, statements, opinions and materials and no warranties whether express or implied, responsibility or liability, contingent or otherwise of any kind and nature whatsoever regarding the accuracy, quality, performance, merchantability and/or fitness for a particular purpose of the information, statements, opinions and materials contained, in his report or of the results obtained from the use of such information, statements, opinions and materials the security suitability for the investor, accounting and tax consequences of investing in securities or the future value developments of the stocks.
- The Company, its directors, officers or employees expressly disclaim liability and shall not be held responsible for any profit or loss which may arise out of any transaction(s) based on information, material or opinions appearing in this report. The Company or its group entities, their directors, owners, partners, officers, employees or clients may / may not have personal positions in the mentioned financial instruments.