

# *ShroffConnect* Weekly Report

26<sup>th</sup> March, 2011

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# Current scenario & news

## World markets

- The U.S. became the first nation to block produce from ally Japan's radiation zone near the tsunami-smashed nuclear plant areas because of contamination fears
- Sales of previously owned U.S. homes plunged in February and prices hit their lowest level in nearly nine years, indicating a housing market recovery was still a long way off
- Loose monetary policies in developed economies will place more upward pressure on global commodity prices and weigh on the dollar this year, says the Chinese central bank

## Indian markets

- Credit offtake from public and private sector banks in the country grew by over 23% for the one-year period ended March 11, indicating an upswing in the industrial activity, says the RBI
- India's local oil product sales rose an annual 3.5% in February to 11.66 million tones and Crude oil imports fell 2% in February from a year earlier to 10.45 million tones
- Adv. tax paid by corporates increased by over 22% to Rs 1.97 lakh crore in the current fiscal compared to the year-ago period
- The central government is estimated to borrow a gross 4.17 trillion rupees (\$92.9 billion) in the next fiscal year starting in April

# Macro scenario

## World markets

- Low interest rates
- Strengthening recovery
- Inflation in Europe
- Political unrest in Middle East
- Effects of Japanese earthquake

## Indian markets

- High deficit
- High inflation
- Increasing interest rate
- GDP growth at 8-9%

## WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 26th Mar 2011	% Change
STOCKS	Australia	ASX	4840.31	2.64
	Brazil	Bovespa	67765.94	1.32
	China	Shanghai	2978.29	2.46
	France	CAC	3972.38	4.26
	Germany	DAX	6946.36	4.23
	Hong Kong	Hang Seng	23158.67	3.85
	India	Sensex	18815.64	5.24
	Japan	Nikkei	9536.13	3.58
	UK	FTSE	5900.76	3.19
	USA	DJIA	12220.59	3.05
COMMODITIES	Copper	\$/Pound	4.42	1.84
	Crude	\$/Barrel	105.52	3.84
	Gold	\$/Troy Ounce	1429.90	0.75
	Natural Gas	\$/MMBtu	4.43	6.49
	Silver	\$/Troy Ounce	37.34	5.87
	Aluminium	\$/Tonne	2641.00	3.15
	Lead	\$/Tonne	2670.00	(0.26)
	Nickel	\$/Tonne	27050.00	1.12
	Zinc	\$/Tonne	2377.00	2.24
CURRENCIES	GBP/USD		1.6041	(1.18)
	EUR/USD		1.4085	(0.68)
	AUD/USD		1.0259	3.03
	JPY/USD		81.34	0.93
	INR/USD		44.60	(0.93)
	HKD/USD		7.7949	(0.06)
	BRL/USD		1.6625	(0.24)
BONDS	2 Year	US Treasury	109.41	(0.26)
	10 Year		119.19	(2.26)
	30 Year		120.25	(2.51)

## INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 26th Mar 2011	% Change
STOCKS	Nifty	Large Cap	5654.25	5.22
	Sensex	Large Cap	18815.65	5.24
	BSE Midcap	Mid Cap	6721.56	3.25
	BSE Smallcap	Small Cap	8001.63	2.61
Some Major Shares	ACC	Rs/share	1037.80	1.64
	Bharti Airtel		339.70	6.61
	HDFC Ltd		663.70	7.00
	Infosys		3163.05	7.55
	L&T		1598.40	5.42
	Reliance Inds		1026.60	3.38
	Tata Motors		1183.85	5.94
	Tata Steel		615.45	3.06
COMMODITIES	Aluminium	INR/Kg	117.20	2.05
	Copper	INR/Kg	439.10	0.86
	Crude	INR/Barrel	4742.00	3.90
	Gold	INR/10gms	20829.00	(0.09)
	Lead	INR/Kg	121.25	(0.41)
	Natural Gas	INR/1mmBtu	197.40	5.17
	Nickel	INR/Kg	1216.70	0.55
	Silver	INR/Kg	55478.00	4.46
	Zinc	INR/Kg	106.20	1.14
CURRENCIES	INR/EUR		62.84	(1.63)
	INR/GBP		71.56	(1.95)
	INR/100 JPY		54.84	(1.84)
	INR/USD		44.60	(0.93)

**WORLD MARKETS - TECHNICAL SNAPSHOT**



**STOCKS**

USA ↑

China

Australia  
Brazil  
France  
Germany  
Hong Kong ↑  
India ↑  
Japan  
UK

**COMMODITIES**

Aluminium  
Crude Oil  
Gold ↑  
Silver

Copper  
Lead  
Nickel

Natural Gas  
Zinc

↑ = moved up from last week  
↓ = moved dn from last week

**CURRENCIES  
(against USD)**

EUR ↑

AUD ↑

BRL  
GBP ↓  
INR  
JPY ↓

HKD ↑

**BONDS  
(US Treasury)**

2 Year

10 Year ↓  
30 Year ↓

## INDIAN MARKETS - TECHNICAL SNAPSHOT



### INDICES

Nifty ↑  
Sensex ↑

Mid Cap ↑

Small Cap

### SECTORS

Bankex

Auto ↑

Power

Cons Durable ↑

Cap Goods ↑

Realty

FMCG ↑

Healthcare

IT ↑

Metal ↑

Oil & Gas

Teck ↑

### COMMODITIES

Aluminium

Copper ↑

Natural Gas ↑

Crude Oil

Lead ↓

Nickel ↓

Gold

Zinc

Silver

↑ = 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	Siemens	Grasim Ind Hind Zinc ↑	ACC Adani Ent Allahabad Bank ↑ Ambuja Cem Axis Bank Bajaj Auto BOB Bank Of India BEL Bharti Airtel ↑ Cairn Canara Bank HDFC HDFC Bank ICICI Bank IOB Infosys Tech ↑ ITC Jindal Steel Nestle India Petronet LNG Power Grid PNB ↑ Reliance Ind Sterlite Ind ↑ Synd Bank Tata Chem ↑ Tata Motors Tata Power ↑ Tata Steel TCS Ultratech Wipro	Andhra Bank Ashok Leyland ↑ B P C L ↑ GAIL H P C L ↑ Hind Unilever Hindalco Idea Cellular Jindal Saw ↓ LT ↑ M&M MRF O N G C ↑ SAIL ↑ SBIN Suzlon UCO Bank ↑ Union Bank	Bhel Cipla Hero Honda JP Associates JSW Steel M R P L Maruti Suzuki NTPC PFC Punj Loyd Ranbaxy ↓ RCOM Reliance Infra Sesa Goa 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	Asian Paints	DLF
				Apollo Tyres	Biocon ↑	GMR Infra
				Bharat Forge ↑	Crompton Gr	HCC
				Chambal Fert ↑	Cummins	Indian Hotel
				Colgate-Palm	Exide Inds	Mphasis
				Dabur	Glenmark Ph	Sterlite Tech
				Divi's Lab ↑	GSPL	United Phosp
				Dr Reddy's Lab ↑	HDIL ↑	Voltas
				Federal Bank	I D F C	
				Havells India	IDBI Bank ↑	
				HCL Tech	IFCI	
				Kotak Bank	IGL	
				LIC Housing	Jain Irrigation	
				Patni Comp	Lupin	
				Piramal Health	Mundraport	
				Shriram Trans	OFSS	
				SRF	RECL ↑	
				Sun Pharma	Reliance Cap	
				Tech Mahindra	Shr Renuka	
				Titan Ind	Sun Tv	
				Yes Bank ↑	Tata Global	

↑ = moved up from last week

↓ = moved dn from last week

# Our opinion

- Money flow: Into bullion.
  - Opinion on money flow: There seems to be a move towards "safe" investments like bullion probably due to uncertainties in the Middle East.
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- Indian stocks: The market is in a long term correction.
  - Current trend in sectors: No sector is bullish as of now, though Private Banks, Cement, IT and Housing Finance are outperforming.
  - Positives: Higher advance tax payments by corporates.
  - Negatives: High inflation, interest rates.
  - Opinion: The market is in a correction mode, but has rallied smartly. Macro factors remain weak. Fresh investments may be made if the trend is confirmed. That would signal the end of the correction.

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