

ShroffConnect Weekly Report

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Current scenario & news

World markets

- The World Bank's Food Price updated report said ongoing unrest in the Middle East and North Africa had driven the price of oil 21% higher in the first three months of the year
- Japan's nuclear crisis sent corporate confidence plunging to a record low in April
- Gold price jumped to another record high on Friday after the dollar fell to its lowest since late 2009 against a basket of major currencies, taking silver price to a 31-yr high
- Treasuries gained, pushing 2 & 10 yr yields down the most in 11 months, as U.S. inflation cooled, speculation rose that Europe's debt crisis is worsening
- China's foreign exchange regulator cut its short-term foreign debt quotas for 2011 to limit the scope for investors to bet on yuan appreciation

Indian markets

- India's headline inflation accelerated in March clouding the overall growth outlook for the economy and piling pressure on the Reserve Bank of India to tighten its monetary policy more aggressively
- The wholesale price index (WPI) rose an annual 8.98 percent in March on higher fuel and manufactured product prices
- India's industrial output in February rose a slower-than-expected 3.6% from a year earlier
- The petroleum ministry has demanded a portion of the 1,81,000 crore collected as taxes from the oil sector to compensate state-run oil retailers which incur losses by selling fuels at government rates
- NBFC licences put on hold till review of finance company guidelines

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 16th Apr 2011	% Change
STOCKS	Australia	ASX	4939.25	(1.93)
	Brazil	Bovespa	66684.20	(2.96)
	China	Shanghai	3050.53	0.67
	France	CAC	3974.48	(2.15)
	Germany	DAX	7178.29	(0.54)
	Hong Kong	Hang Seng	24008.10	(1.59)
	India	Sensex	19386.82	(0.33)
	Japan	Nikkei	9591.52	(1.81)
	UK	FTSE	5996.01	(0.99)
	USA	DJIA	12341.80	(0.31)
COMMODITIES	Copper	\$/Pound	4.25	(5.76)
	Crude	\$/Barrel	109.39	(3.24)
	Gold	\$/Troy Ounce	1487.10	0.72
	Natural Gas	\$/MMBtu	4.21	4.47
	Silver	\$/Troy Ounce	43.05	5.18
	Aluminium	\$/Tonne	2694.00	(0.66)
	Lead	\$/Tonne	2651.00	(6.99)
	Nickel	\$/Tonne	26155.00	(5.23)
CURRENCIES	Zinc	\$/Tonne	2398.00	(5.37)
	GBP/USD		1.6317	(0.38)
	EUR/USD		1.4429	(0.35)
	AUD/USD		1.0567	0.04
	JPY/USD		83.12	(1.93)
	INR/USD		44.25	0.41
	HKD/USD		7.7747	0.05
BONDS	BRL/USD		1.5755	0.45
	2 Year	US Treasury	109.29	0.26
	10 Year		119.81	1.21
	30 Year		120.81	1.92

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 16th Apr 2011	% Change
STOCKS	Nifty	Large Cap	5824.55	(0.30)
	Sensex	Large Cap	19386.82	(0.33)
	BSE Midcap	Mid Cap	7209.17	0.50
	BSE Smallcap	Small Cap	8808.16	0.41
Some Major Shares	ACC	Rs/share	1113.40	(0.66)
	Bharti Airtel		372.40	2.90
	HDFC Ltd		706.70	(0.56)
	Infosys		2989.50	(7.37)
	L&T		1727.65	2.93
	Reliance Inds		1020.95	(0.29)
	Tata Motors		1235.85	(1.39)
	Tata Steel		630.60	0.12
COMMODITIES	Aluminium	INR/Kg	118.15	(1.54)
	Copper	INR/Kg	417.00	(5.90)
	Crude	INR/Barrel	4852.00	(3.54)
	Gold	INR/10gms	21571.00	0.74
	Lead	INR/Kg	119.50	(9.37)
	Natural Gas	INR/1mmBtu	187.50	5.40
	Nickel	INR/Kg	1164.90	(5.56)
	Silver	INR/Kg	62390.00	3.15
	Zinc	INR/Kg	105.90	(6.61)
CURRENCIES	INR/EUR		63.89	0.03
	INR/GBP		72.25	0.08
	INR/100 JPY		53.23	2.42
	INR/USD		44.25	0.41

WORLD MARKETS - TECHNICAL SNAPSHOT

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

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

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Mid Cap
Nifty
Sensex
Small Cap

SECTORS

Auto
Bankex
Cap Goods
Cons Durable
FMCG
Healthcare
IT ↓
Metal
Oil & Gas
Power
Realty
Teck

COMMODITIES

Aluminium
Crude Oil
Gold
Silver

Lead ↓

Copper ↓
Natural Gas
Nickel
Zinc

CURRENCIES (against INR)

EUR

GBP
JPY ↑

USD

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

MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

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

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

Our opinion

- Money flow: The flow of money is towards bullion and stocks, though the flow towards stocks is not pronounced.
 - Opinion on money flow: The probable reason for the continued flow on money towards bullion is due to their perceived investment value, though we feel that this is more due to the absence of any creditable alternative.
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- Indian stocks: The market is holding onto its higher levels inspite of low volumes.
 - Sectors: No sector is doing exceedingly well, though there are selective shares which are outperforming like ITC, TCS, Siemens, Hind Zinc and Grasim.
 - Positives: FII inflows.
 - Negatives: High crude prices, high interest rates and high inflation.
 - Opinion: That the markets are holding onto their higher levels indicates buying interest. Individual stocks are doing better on anticipates good Q4 results. Sector performance should be visible as the results are announced. Investors may invest in growth stocks with less debt on dips.

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