

# *ShroffConnect* Weekly Report

30<sup>th</sup> April, 2011

**Shroff Securities Pvt. Ltd.**

Portfolio Investment Management Services

**Email - [shroffsec@gmail.com](mailto:shroffsec@gmail.com)**

**Phone - 033 32933592 / 32933658**

**(for private circulation only)**

# Current scenario & news

## World markets

- China's yuan strengthened beyond 6.5 per dollar for the first time since 1993, on speculation that the central bank will allow appreciation to tame inflation
- Japan's bonds rose, pushing 10-year yields to a one-month low, as report shows industrial production fell by a record, demonstrating the effect of last month's deadly earthquake and tsunami on the nation's economy
- U.S. consumer spending rose as households stretched to cover the higher cost for food and gasoline as inflation posted its biggest year-on-year rise in 10 months
- Germany's retail sales decline as faster inflation erodes purchasing power

## Indian markets

- Food price index rose 8.76 % and the fuel price index climbed 13.53 %
- IMF says Monetary tightening to pull down India's GDP to 8.2%
- The govt. will notify the new rules for corporate mergers and acquisitions, following which it will be mandatory for companies to seek the Competition Commission's approval for high voltage deals
- In a bid to boost investment in the infrastructure sector, the RBI hiked the limit on FII investment in listed non-convertible debentures and bonds issued by core segment companies by USD 20 billion
- India's fx reserves rose to \$309.705 billion as of April 22

# 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 30th Apr 2011	% Change
STOCKS	Australia	ASX	4899.05	(1.94)
	Brazil	Bovespa	66132.86	(1.38)
	China	Shanghai	2912.14	(3.28)
	France	CAC	4106.92	2.11
	Germany	DAX	7514.46	3.00
	Hong Kong	Hang Seng	23720.81	(1.73)
	India	Sensex	19135.96	(2.38)
	Japan	Nikkei	9849.74	1.73
	UK	FTSE	6069.90	0.86
	USA	DJIA	12810.54	2.44
COMMODITIES	Copper	\$/Pound	4.19	(4.34)
	Crude	\$/Barrel	113.73	1.23
	Gold	\$/Troy Ounce	1565.80	4.05
	Natural Gas	\$/MMBtu	4.68	5.88
	Silver	\$/Troy Ounce	47.99	2.98
	Aluminium	\$/Tonne	2767.65	0.83
	Lead	\$/Tonne	2491.00	(4.23)
	Nickel	\$/Tonne	26851.00	(0.18)
CURRENCIES	Zinc	\$/Tonne	2247.15	(4.78)
	GBP/USD		1.6708	1.25
	EUR/USD		1.4809	1.72
	AUD/USD		1.0970	2.16
	JPY/USD		81.21	(0.76)
	INR/USD		44.22	0.09
	HKD/USD		7.7656	(0.07)
BONDS	BRL/USD		1.5745	0.64
	2 Year	US Treasury	109.56	0.17
	10 Year		121.14	0.97
	30 Year		122.38	1.12

## INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 30th Apr 2011	% Change
STOCKS	Nifty	Large Cap	5749.50	(2.30)
	Sensex	Large Cap	19135.96	(2.38)
	BSE Midcap	Mid Cap	7094.26	(1.95)
	BSE Smallcap	Small Cap	8715.31	(1.84)
Some Major Shares	ACC	Rs/share	1112.80	0.03
	Bharti Airtel		380.05	1.01
	HDFC Ltd		706.80	(3.47)
	Infosys		2906.25	(0.13)
	L&T		1595.55	(6.54)
	Reliance Inds		983.75	(5.46)
	Tata Motors		1236.85	(0.55)
	Tata Steel		616.50	(2.15)
COMMODITIES	Aluminium	INR/Kg	122.55	0.37
	Copper	INR/Kg	415.90	(3.94)
	Crude	INR/Barrel	5047.00	0.58
	Gold	INR/10gms	22820.00	3.16
	Lead	INR/Kg	112.80	(3.67)
	Natural Gas	INR/1mmBtu	208.24	5.65
	Nickel	INR/Kg	1202.40	(0.29)
	Silver	INR/Kg	70507.00	(0.39)
	Zinc	INR/Kg	101.20	(3.57)
CURRENCIES	INR/EUR		65.52	1.83
	INR/GBP		73.89	1.36
	INR/100 JPY		54.46	0.96
	INR/USD		44.22	0.09

## WORLD MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
STOCKS	USA		France ↑ Germany Hong Kong ↑ UK	Australia ↓ Brazil China ↓ India Japan ↑		
COMMODITIES	Aluminium Crude Oil Gold Silver			Copper Lead ↓ 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

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

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

# Our opinion

- Money Flow: Into bullion and stocks of developed economies. There is a beginning of flow into US treasuries.
  - Opinion on Money Flow: It seems that money is flowing into US assets on the back of strengthening recovery and a weak US Dollar. The flow into bullion seems to be continuing due to weaknesses in Eurozone and Middle East uncertainties.
- 
- Indian stocks: The market seems range bound.
  - Sectors: No particular sector seems to be outperforming.
  - Positives: Selectively good corporate results.
  - Negatives: High and increasing interest rates, high inflation.
  - Opinion: The market is range bound at higher levels. Macro factors remain negative. There is a fear of slowdown unless the country witnesses a great monsoon. But it is at a support level and a rally seems to be on the cards. Short term investors may buy on dips. Long term investors may book some profits on the rally.

# 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.