

ShroffConnect Weekly Report

7th May, 2011

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Current scenario & news

World markets

- Consumer confidence in US dropped to the lowest level as rising fuel costs squeezed American household budgets
- Japan's power supply disruptions after the Fukushima nuclear crisis and possible government assistance for the plant operator are big sources of uncertainty for the nation's fiscal health
- China's census results show the world's second-biggest economy is nearing a demographic watershed that will auger wage rises, higher inflation and relatively lower growth
- The U.S. Federal Reserve's balance sheet expanded to a record size in the latest week, as the central bank bought more bonds in an effort to support the economy

Indian markets

- RBI hikes the repo rate, reverse repo rate by 50 bps, savings bank deposit rates to 4%
- Credit offtake from banks grew by over 22 per cent for the one year period ended April 22, 2011, to over Rs 40 lakh crore, indicating an upswing in the industrial activity
- RBI has capped interest rates charged by micro finance institutions from small borrowers at 26%, but opened for MFIs the bank credit line which was curtailed following the crisis faced by the sector in October, 2010
- Foreign direct investment in India declined for the 3rd consecutive month in March, dipping by 11 % y-o-y to \$1.07 billion in the backdrop of financial turmoil in Europe

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 7th May 2011	% Change
STOCKS	Australia	ASX	4816.15	(1.69)
	Brazil	Bovespa	64417.34	(2.59)
	China	Shanghai	2864.15	(1.65)
	France	CAC	4058.01	(1.19)
	Germany	DAX	7492.25	(0.30)
	Hong Kong	Hang Seng	23159.14	(2.37)
	India	Sensex	18518.81	(3.23)
	Japan	Nikkei	9859.20	0.10
	UK	FTSE	5976.77	(1.53)
	USA	DJIA	12638.74	(1.34)
COMMODITIES	Copper	\$/Pound	3.97	(5.25)
	Crude	\$/Barrel	98.06	(13.78)
	Gold	\$/Troy Ounce	1495.20	(4.51)
	Natural Gas	\$/MMBtu	4.27	(8.76)
	Silver	\$/Troy Ounce	35.63	(25.76)
	Aluminium	\$/Tonne	2608.15	(5.76)
	Lead	\$/Tonne	2279.85	(8.48)
	Nickel	\$/Tonne	24604.00	(8.37)
CURRENCIES	Zinc	\$/Tonne	2140.15	(4.76)
	GBP/USD		1.6368	(2.03)
	EUR/USD		1.4321	(3.30)
	AUD/USD		1.0711	(2.36)
	JPY/USD		80.62	(0.73)
	INR/USD		44.72	1.13
	HKD/USD		7.7706	0.06
BONDS	BRL/USD		1.6155	2.60
	2 Year	US Treasury	109.69	0.12
	10 Year		122.28	0.94
	30 Year		124.31	1.58

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 7th May 2011	% Change
STOCKS	Nifty	Large Cap	5551.45	(3.44)
	Sensex	Large Cap	18518.81	(3.23)
	BSE Midcap	Mid Cap	6863.78	(3.25)
	BSE Smallcap	Small Cap	8342.58	(4.28)
Some Major Shares	ACC	Rs/share	989.70	(11.06)
	Bharti Airtel		350.95	(7.66)
	HDFC Ltd		664.80	(5.94)
	Infosys		2893.00	(0.46)
	L&T		1546.10	(3.10)
	Reliance Inds		955.05	(2.92)
	Tata Motors		1199.95	(2.98)
	Tata Steel		594.50	(3.57)
COMMODITIES	Aluminium	INR/Kg	116.70	(4.77)
	Copper	INR/Kg	399.90	(3.85)
	Crude	INR/Barrel	4416.00	(12.50)
	Gold	INR/10gms	21880.00	(4.12)
	Lead	INR/Kg	104.75	(7.14)
	Natural Gas	INR/1mmBtu	192.60	(7.51)
	Nickel	INR/Kg	1110.90	(7.61)
	Silver	INR/Kg	54919.00	(22.11)
	Zinc	INR/Kg	96.80	(4.35)
CURRENCIES	INR/EUR		64.06	(2.23)
	INR/GBP		73.17	(0.97)
	INR/100 JPY		55.45	1.82
	INR/USD		44.72	1.13

WORLD MARKETS - TECHNICAL SNAPSHOT

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

Cons Durable ↑
FMCG ↑

Auto
Bankex
Cap Goods
Healthcare
IT
Metal
Oil & Gas
Power
Teck

Realty ↓

COMMODITIES

Gold

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

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

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Our opinion

- Money Flow: Into stocks of developed economies and treasuries, and out of bullion.
 - 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 outflow from bullion seems to be on the back of excessive speculation in these markets.
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- Indian stocks: The market corrected from its higher levels.
 - 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 not confirming an uptrend. Macro factors remain negative. There is a fear of slowdown due to increasing interest rates. Long term investors may book some profits on the rally.

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