

# *ShroffConnect* Weekly Report

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# Current scenario & news

## World markets

- China lifted bank reserve requirements by 50 basis points, signalling that containing inflation and soaking up excess cash remained its top priority even after signs the economy was slowing down
- Gasoline and food prices hoisted U.S. inflation to a 2-1/2-year high in April
- EU finance ministers will discuss on Greece's debt crisis but will not decide on new emergency aid until a mission to strike-hit Athens that began on Wednesday gives its verdict on progress on reforms

## Indian markets

- India's industrial output growth @7.3% in March beat forecasts on the back of a revival in capital goods production, allaying fears of a slowdown in the economy that will allow RBI to continue with rate hikes to control stubbornly high inflation
- Foreign direct investments (FDI) last fiscal fell 28% to a four-year low, raising concerns over stability of capital flows
- Food inflation fell to an 18-month low of 7.7 per cent during the week ended April 30 on the back of declining prices of pulses and vegetables

# Macro scenario

## World markets

- Strengthening recovery
- Inflation
- Political unrest in Middle East
- Effects of Japanese earthquake

## Indian markets

- High inflation
- Increasing interest rate
- GDP growth at 7-8%

## WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 14th May 2011	% Change
STOCKS	Australia	ASX	4787.34	(0.60)
	Brazil	Bovespa	63235.30	(1.83)
	China	Shanghai	2871.87	0.27
	France	CAC	4018.85	(0.97)
	Germany	DAX	7403.31	(1.19)
	Hong Kong	Hang Seng	23276.27	0.51
	India	Sensex	18531.28	0.07
	Japan	Nikkei	9648.77	(2.13)
	UK	FTSE	5925.87	(0.85)
	USA	DJIA	12595.75	(0.34)
COMMODITIES	Copper	\$/Pound	4.00	0.76
	Crude	\$/Barrel	99.34	1.31
	Gold	\$/Troy Ounce	1494.20	(0.07)
	Natural Gas	\$/MMBtu	4.26	(0.23)
	Silver	\$/Troy Ounce	35.34	(0.81)
	Aluminium	\$/Tonne	2568.00	(1.54)
	Lead	\$/Tonne	2291.00	0.49
	Nickel	\$/Tonne	24400.00	(0.83)
CURRENCIES	Zinc	\$/Tonne	2154.00	0.65
	GBP/USD		1.6198	(1.04)
	EUR/USD		1.4110	(1.47)
	AUD/USD		1.0574	(1.28)
	JPY/USD		80.80	0.22
	INR/USD		44.86	0.31
	HKD/USD		7.7724	0.02
BONDS	BRL/USD		1.6365	1.30
	2 Year	US Treasury	109.74	0.05
	10 Year		122.50	0.18
	30 Year		124.44	0.10

## INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 14th May 2011	% Change
STOCKS	Nifty	Large Cap	5544.75	(0.12)
	Sensex	Large Cap	18531.28	0.07
	BSE Midcap	Mid Cap	6902.58	0.57
	BSE Smallcap	Small Cap	8368.22	0.31
Some Major Shares	ACC	Rs/share	997.35	0.77
	Bharti Airtel		367.75	4.79
	HDFC Ltd		644.70	(3.02)
	Infosys		2878.35	(0.51)
	L&T		1528.50	(1.14)
	Reliance Inds		948.00	(0.74)
	Tata Motors		1211.05	0.93
	Tata Steel		594.00	(0.08)
COMMODITIES	Aluminium	INR/Kg	116.15	(0.47)
	Copper	INR/Kg	401.60	0.43
	Crude	INR/Barrel	4467.00	1.15
	Gold	INR/10gms	21961.00	0.37
	Lead	INR/Kg	103.90	(0.81)
	Natural Gas	INR/1mmBtu	191.40	(0.62)
	Nickel	INR/Kg	1108.00	(0.26)
	Silver	INR/Kg	53716.00	(2.19)
	Zinc	INR/Kg	97.80	1.03
CURRENCIES	INR/EUR		63.31	(1.17)
	INR/GBP		72.61	(0.77)
	INR/100 JPY		55.52	0.13
	INR/USD		44.86	0.31

## WORLD MARKETS - TECHNICAL SNAPSHOT

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

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

## INDIAN MARKETS - TECHNICAL SNAPSHOT



### INDICES

Mid Cap  
Nifty  
Sensex  
Small Cap

### SECTORS

Auto ↑  
Cons Durable  
FMCG

Bankex  
Healthcare  
IT  
Metal  
Oil & Gas  
Teck

Cap Goods ↓  
Power ↓  
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 down from last week

## MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES	Bharti Airtel ↑ ITC Nestle India ↑	IOB M R P L ↑ Petronet LNG Tata Chemicals ↑	ACC Adani Ent Ambuja Cem ↓ Andhra Bank B P C L Bajaj Auto Bank of Baroda BEL Cairn Canara Bank ↑ GAIL Grasim Ind H P C L HDFC HDFC Bank Hero Honda Hind Unilever ICICI Bank ↓ Idea Cellular Infosys Tech Jindal Saw Jindal Steel JP Associates M&M Maruti Suzuki MRF O N G C Power Grid ↓ PNB	Allahabad Bank ↓ Axis Bank Bank Of India Bhel Cipla ↓ Hind Zinc ↓ Hindalco ↓ JSW Steel NTPC Ranbaxy ↑ SAIL UCO Bank ↓ Union Bank ↓ <div style="background-color: yellow; text-align: center; padding: 5px;">Neutral</div> Reliance Ind Sesa Goa Siemens SBIN Sterlite Ind Suzlon Syndicate Bank Tata Motors Tata Power Tata Steel TCS Ultratech Wipro	Ashok Leyland LT PFC Punj Loyd ↓ RCOM Reliance Infra United Spirits

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



## MAJOR MEDIUM & SMALL CAP COMPANIES - TECHNICAL SNAPSHOT

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

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

# Our opinion

- Money Flow: Out of stocks and bullion, into treasuries. The USD has recovered a bit against major currencies.
  - Opinion on Money Flow: The money seems to be flowing into treasuries, and out of stocks and commodities. The flow into stocks of developed economies and bullion seems to have halted for the time.
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- Indian stocks: The market corrected from its higher levels.
  - Sectors: Generally FMCG shares are outperforming.
  - Positives: Selectively good corporate results.
  - Negatives: High and increasing interest rates, high inflation.
  - Opinion: The market is lacklustre and not in a trend. Macro factors remain negative. There is a fear of slowdown due to increasing interest rates and inflation. Long term investors may book profits on a rally.

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