

ShroffConnect Weekly Report

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Current scenario & news

World markets

- U.S. private-sector payroll growth slowed sharply in May, coming in far below expectations and falling to the lowest level in eight months
- Factory growth eased in Europe and Asia in May, feeding concerns that the world's main economic engines are cooling fast as richer countries curtail orders
- Chinese factories expanded in May at their lowest pace in at least nine months, reinforcing evidence that the economy is slowing under the weight of government credit curbs and power shortages
- Treasury two-year notes increase for eighth week on U.S. hiring slowdown

Indian markets

- India's services sector expanded at its slowest pace in 20 months in May as soaring prices and interest rate hikes gnawed at new business growth and reduced the level of optimism
- India's infrastructure sector output grew 5.2 percent in April from a year earlier, slower than an annual growth of 7.4 percent in March
- India could surpass Japan as the leading buyer of Indonesian coal this year, taking as much as 60 million tonnes to help meet burgeoning power demand in Asia's third-biggest economy

Macro scenario

World markets

- Slowing recovery
- Inflation
- Political unrest in Middle East

Indian markets

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

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 4th June 2011	% Change
STOCKS	Australia	ASX	4666.59	(1.97)
	Brazil	Bovespa	64340.50	0.07
	China	Shanghai	2728.23	0.69
	France	CAC	3890.68	(1.53)
	Germany	DAX	7109.03	(0.76)
	Hong Kong	Hang Seng	22949.56	(0.73)
	India	Sensex	18376.48	0.60
	Japan	Nikkei	9492.21	(0.31)
	UK	FTSE	5855.01	(1.41)
	USA	DJIA	12151.26	(2.33)
COMMODITIES	Copper	\$/Pound	4.13	(1.20)
	Crude	\$/Barrel	100.57	(0.18)
	Gold	\$/Troy Ounce	1543.60	0.46
	Natural Gas	\$/MMBtu	4.69	3.76
	Silver	\$/Troy Ounce	36.28	(4.58)
	Aluminium	\$/Tonne	2637.00	0.46
	Lead	\$/Tonne	2433.00	(2.87)
	Nickel	\$/Tonne	22800.00	(1.26)
	Zinc	\$/Tonne	2258.00	(0.70)
CURRENCIES	GBP/USD		1.6426	(0.48)
	EUR/USD		1.4636	2.28
	AUD/USD		1.0715	0.06
	JPY/USD		80.26	(0.66)
	INR/USD		44.82	(0.73)
	HKD/USD		7.7780	(0.03)
	BRL/USD		1.5765	(1.13)
BONDS	2 Year	US Treasury	110.01	0.09
	10 Year		124.73	0.70
	30 Year		126.56	0.54

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 4th June 2011	% Change
STOCKS	Nifty	Large Cap	5516.75	0.74
	Sensex	Large Cap	18376.48	0.60
	BSE Midcap	Mid Cap	6896.14	2.46
	BSE Smallcap	Small Cap	8238.69	1.59
Some Major Shares	ACC	Rs/share	1028.65	2.84
	Bharti Airtel		378.45	1.49
	HDFC Ltd		660.05	0.57
	Infosys		2816.20	1.03
	L&T		1712.75	4.54
	Reliance Inds		934.60	(1.15)
	Tata Motors		1023.80	(5.97)
	Tata Steel		573.25	(2.04)
COMMODITIES	Aluminium	INR/Kg	117.70	(1.09)
	Copper	INR/Kg	408.70	(2.15)
	Crude	INR/Barrel	4504.00	(1.10)
	Gold	INR/10gms	22399.00	(0.54)
	Lead	INR/Kg	110.25	(3.37)
	Natural Gas	INR/1mmBtu	210.80	2.68
	Nickel	INR/Kg	1026.90	(1.76)
	Silver	INR/Kg	54403.00	(5.39)
	Zinc	INR/Kg	101.35	(0.64)
CURRENCIES	INR/EUR		65.61	1.56
	INR/GBP		73.59	(1.06)
	INR/100 JPY		55.82	(0.07)
	INR/USD		44.82	(0.73)

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS

Australia
China
France
Germany
Hong Kong
India
UK
USA ↓

COMMODITIES

Gold

Aluminium
Crude Oil
Natural Gas
Nickel ↑
Silver

Copper
Lead ↓
Zinc

CURRENCIES
(against USD)

AUD
EUR
JPY

BRL
GBP ↓
HKD
INR

BONDS
(US Treasury)

2 Year ↑
10 Year ↑
30 Year

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

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Nifty
Sensex

Mid Cap
Small Cap

SECTORS

FMCG ↑

Cons Durable ↑

Auto
Bankex ↑
Cap Goods ↑
Healthcare
Metal
Oil & Gas ↑

IT
Teck

Power ↓
Realty

COMMODITIES

Gold

Aluminium
Crude Oil
Natural Gas
Silver ↓
Zinc ↑

Copper ↓
Lead ↓
Nickel

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

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MAJOR MEDIUM & SMALL CAP COMPANIES - TECHNICAL SNAPSHOT

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

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Our opinion

- Money Flow: Out of stocks, commodities (except Gold) and into treasuries.
 - Opinion on Money Flow: The money seems to be flowing into treasuries, and out of stocks and commodities, though Gold seems to be outperforming.
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- Indian stocks: The market has rallied from the lows.
 - Sectors: Generally consumer goods shares – fast moving and durables - are outperforming.
 - Positives: Selectively good corporate results.
 - Negatives: High interest rates, high inflation and pending petro price hike.
 - Opinion: The market is corrective in the medium term and volatile. Macro factors remain negative. There is a fear of slowdown due to increasing interest rates and pending petro price hike. Investors should wait for a clear uptrend before investing and may book some profits on a rally.

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