

ShroffConnect Weekly Report

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Current scenario & news

World markets

- The pace of China's export growth slowed in May in a sign that weaker global demand is biting, while stronger imports showed the world's second-largest economy is holding up well despite government policy tightening and power shortages.
- Greece is said to require \$65 billion more in emergency loans from EU, IMF
- Growth slowed in some U.S. regions during May as costlier food and energy as well as supply disruptions stemming from a major earthquake in Japan in March took a toll
- Japan's current account surplus fell less than expected in April from a year earlier, fuelling further hopes for an early economic recovery as manufacturers restore lost production and mend supply chains after the March disaster

Indian markets

- India's industrial output growth dipped in April, the latest sign that the rising cost of credit and inflation are slowing the economy, which may compel the Reserve Bank to pull back from its aggressive monetary policy tightening
- India's net direct tax collections slid 47.93 percent on year in the first two months of the current fiscal year that started in April as tax refunds surged
- India's tea import has gone up by 24.5% to Rs 95.54 crore in the period Jan - Mar 2011 from Rs 76.76 crore in the same period last year. However, the import volume has come down from 5.02 mn kg in 2010 to 4.23 mn kg in 2011
- The food price index rose 9.01 % and the fuel price index climbed 12.46 % in the year to May 28

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 11th June 2011	% Change
STOCKS	Australia	ASX	4634.90	(0.68)
	Brazil	Bovespa	62697.16	(2.55)
	China	Shanghai	2706.18	(0.81)
	France	CAC	3805.09	(2.20)
	Germany	DAX	7069.90	(0.55)
	Hong Kong	Hang Seng	22420.37	(2.31)
	India	Sensex	18268.54	(0.59)
	Japan	Nikkei	9514.44	0.23
	UK	FTSE	5765.80	(1.52)
	USA	DJIA	11951.91	(1.64)
COMMODITIES	Copper	\$/Pound	4.03	(2.42)
	Crude	\$/Barrel	98.92	(1.64)
	Gold	\$/Troy Ounce	1532.50	(0.72)
	Natural Gas	\$/MMBtu	4.76	1.49
	Silver	\$/Troy Ounce	36.19	(0.25)
	Aluminium	\$/Tonne	2619.00	(0.68)
	Lead	\$/Tonne	2545.00	4.60
	Nickel	\$/Tonne	22850.00	0.22
CURRENCIES	Zinc	\$/Tonne	2255.00	(0.13)
	GBP/USD		1.6226	(1.22)
	EUR/USD		1.4346	(1.98)
	AUD/USD		1.0536	(1.67)
	JPY/USD		80.30	0.05
	INR/USD		44.72	(0.22)
	HKD/USD		7.7841	0.08
BONDS	BRL/USD		1.5965	1.27
	2 Year	US Treasury	110.04	0.03
	10 Year		124.92	0.15
	30 Year		126.97	0.32

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 11th June 2011	% Change
STOCKS	Nifty	Large Cap	5485.80	(0.56)
	Sensex	Large Cap	18268.54	(0.59)
	BSE Midcap	Mid Cap	6898.28	0.03
	BSE Smallcap	Small Cap	8288.46	0.60
Some Major Shares	ACC	Rs/share	1003.50	(2.44)
	Bharti Airtel		373.95	(1.19)
	HDFC Ltd		651.50	(1.30)
	Infosys		2862.35	1.64
	L&T		1694.05	(1.09)
	Reliance Inds		944.50	1.06
	Tata Motors		1019.60	(0.41)
	Tata Steel		569.45	(0.66)
COMMODITIES	Aluminium	INR/Kg	116.75	(0.81)
	Copper	INR/Kg	401.60	(1.74)
	Crude	INR/Barrel	4432.00	(1.60)
	Gold	INR/10gms	22545.00	0.65
	Lead	INR/Kg	114.25	3.63
	Natural Gas	INR/1mmBtu	213.80	1.42
	Nickel	INR/Kg	1024.30	(0.25)
	Silver	INR/Kg	54447.00	0.08
	Zinc	INR/Kg	101.05	(0.30)
CURRENCIES	INR/EUR		64.19	(2.16)
	INR/GBP		72.39	(1.63)
	INR/100 JPY		55.69	(0.23)
	INR/USD		44.72	(0.22)

WORLD MARKETS - TECHNICAL SNAPSHOT

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

Mid Cap ↑
Small Cap ↑

Nifty ↓
Sensex ↓

SECTORS

FMCG

Cons Durable

Bankex
Cap Goods
Healthcare

Auto ↓
IT
Metal ↓
Oil & Gas ↓
Teck

Power
Realty

COMMODITIES

Gold

Natural Gas ↑
Silver ↑

Aluminium
Crude Oil
Lead ↑
Zinc

Copper
Nickel

CURRENCIES (against INR)

EUR ↓
JPY ↑

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

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

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 is correcting.
 - Sectors: Generally consumer goods shares – fast moving and durables - are outperforming. Midcaps and smallcaps are performing better than large caps.
 - 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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