

ShroffConnect Weekly Report

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Current news

World economy

- U.S. economic growth accelerated in the second quarter as solid consumer spending offset the drag from weak business spending on equipment, suggesting a steady momentum that could bring the Federal Reserve closer to hiking interest rates this year.
- Japan's factory output rose modestly in June after a big drop in the prior month, highlighting worries of a second-quarter economic slump as exports weaken and manufacturers are saddled with large inventories.
- China's central bank said on Tuesday that it will use various monetary tools to maintain appropriate levels of liquidity in the second half of this year.
- The International Monetary Fund approved a USD 1.24 billion emergency loan for Iraq on Thursday, saying the country needs extra support in the face of the Islamic State insurgency and depressed oil prices.
- France and Germany told Greece on Monday to come up with serious proposals in order to restart financial aid talks, a day after Greeks voted overwhelmingly to reject more austerity.

Indian economy

- The state-run banks will need 1.8 trillion rupees (\$28.07 billion) capital beyond their own growth from now until 2018/19 to meet lending requirements and global regulatory rules, a finance ministry statement said on Friday.
- All but four of 51 forecasters polled expect the RBI to hold its key repo rate at 7.25 percent on Aug. 4. It has already cut the rate three times this year to loosen credit and boost slowing growth in Asia's third-largest economy.
- The fiscal deficit in the first three months of current fiscal stood at Rs 2.86 lakh crore or 51.6 percent of Budget estimates for 2015-16.
- Infrastructure output grew at a slower pace of 3 percent in June as sectors like coal and steel turned weak while oil and gas production fell -- bolstering the case for faster reforms and further rate cuts by the RBI.
- Seeking to simplify FDI norms, the government notified changes in the foreign direct investment policy under which there will be a composite cap on overseas investment in various sectors, except in banking and defence segments.

MACRO ECONOMIC SNAPSHOT AS ON 01/08/2015

USA	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	↓2.30	2.90
Inflation Rate	Monthly	0.10	0.00
Unemployment Rate	Monthly	5.30	5.50
Benchmark Interest Rate	Weekly	0.25	0.25
Govt. bond 10 year Rate	Weekly	↓2.18	2.26

Euro Area	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	1.00	0.90
Inflation Rate	Monthly	0.20	0.20
Unemployment Rate	Monthly	11.10	11.10
Benchmark Interest Rate	Weekly	0.05	0.05
Govt. bond 10 year Rate	Weekly	↓0.01	0.03

China	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	7.00	7.00
Inflation Rate	Monthly	1.40	1.20
Unemployment Rate	Monthly	4.04	4.10
Benchmark Interest Rate	Weekly	4.85	5.10
Govt. bond 10 year Rate	Weekly	↓3.45	3.47

Japan	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-0.90	-1.00
Inflation Rate	Monthly	↓0.40	0.50
Unemployment Rate	Monthly	↑3.40	3.30
Benchmark Interest Rate	Weekly	0.00	0.00
Govt. bond 10 year Rate	Weekly	↑0.42	0.41

UK	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	↓2.60	2.90
Inflation Rate	Monthly	0.00	0.10
Unemployment Rate	Monthly	5.60	5.50
Benchmark Interest Rate	Weekly	0.50	0.50
Govt. bond 10 year Rate	Weekly	↑1.97	1.93

India	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	7.50	5.30
Inflation Rate	Monthly	5.40	5.01
Unemployment Rate	Monthly	no data	
Benchmark Interest Rate	Weekly	7.25	7.50
Govt. bond 10 year Rate	Weekly	↓7.81	7.83

Brazil	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-1.60	-0.20
Inflation Rate	Monthly	8.89	8.47
Unemployment Rate	Monthly	6.90	6.70
Benchmark Interest Rate	Weekly	↑14.25	13.75
Govt. bond 10 year Rate	Weekly	↓12.98	13.11

Russia	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-2.20	-1.90
Inflation Rate	Monthly	15.30	15.80
Unemployment Rate	Monthly	5.40	5.60
Benchmark Interest Rate	Weekly	↓11.00	11.50
Govt. bond 10 year Rate	Weekly	↑10.91	10.81

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 1st Aug 2015	% Change
STOCKS	Australia	Aus Ordinaries	5681.69	1.80
	Brazil	Bovespa	50864.77	3.29
	China	Shanghai	3663.73	(10.00)
	France	CAC	5082.61	0.50
	Germany	DAX	11308.99	(0.34)
	Hong Kong	HANGSENG	24636.28	(1.96)
	India	Sensex	28114.56	0.01
	Japan	Nikkei	20585.24	0.20
	UK	FTSE	6696.28	1.77
	USA	DJIA	17689.86	0.69
COMMODITIES	Copper	\$/Pound	2.36	(1.26)
	Crude	\$/Barrel	47.12	(2.75)
	Gold	\$/Troy Ounce	1095.10	0.09
	Natural Gas	\$/MMBtu	2.72	(3.55)
	Silver	\$/Troy Ounce	14.74	0.27
	Aluminium	\$/Tonne	1620.00	(1.52)
	Lead	\$/Tonne	1699.50	(1.34)
	Nickel	\$/Tonne	11040.00	(2.65)
	Zinc	\$/Tonne	1917.50	(2.07)
CURRENCIES	USD/GBP		1.56	0.65
	USD/EUR		1.10	0.00
	USD/AUD		0.73	(1.35)
	JPY/USD		123.92	0.02
	INR/USD		63.98	0.11
	HKD/USD		7.75	0.00
	BRL/USD		3.42	4.27
	CNY/USD		6.21	0.00

WORLD MARKETS - TECHNICAL SNAPSHOT

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

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

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 1st Aug 2015	% Change
STOCKS	Nifty	Large Cap	8532.85	0.13
	Sensex	Large Cap	28114.56	0.01
	BSE Midcap	Mid Cap	11273.02	1.12
	BSE Smallcap	Small Cap	11830.80	1.39
Some Major Shares	ACC	Rs/share	1387.40	(1.52)
	Bharti Airtel		418.80	(3.48)
	HDFC Ltd		1340.40	(1.35)
	Infosys		1077.05	(0.97)
	L&T		1791.25	(0.62)
	Reliance Inds		1001.85	(2.26)
	Tata Motors		383.85	(1.64)
	Tata Steel		246.90	(6.85)
COMMODITIES	Aluminium	INR/Kg	102.00	(1.21)
	Copper	INR/Kg	335.40	(1.43)
	Crude	INR/Barrel	3038.00	(1.94)
	Gold	INR/10gms	24813.00	0.33
	Lead	INR/Kg	108.05	(1.32)
	Natural Gas	INR/1mmBtu	174.80	(2.18)
	Nickel	INR/Kg	698.50	(3.88)
	Silver	INR/Kg	34025.00	0.96
	Zinc	INR/Kg	122.85	(2.03)
CURRENCIES	INR/EUR		70.29	0.16
	INR/GBP		99.95	0.83
	INR/100 JPY		51.74	0.00
	INR/USD		63.98	0.11

INDIAN MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
INDICES		Mid Cap Small Cap ↑	Nifty Sensex			
SECTORS	Cap Goods		Auto Bankex Cons Durable ↓ FMCG Healthcare IT Teck	Oil & Gas Power	Metal	Realty
COMMODITIES					Gold ↑ Lead Natural Gas ↓ Zinc	Aluminium Copper Crude Oil Nickel Silver
CURRENCIES (against INR)	USD		GBP		EUR JPY	

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

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