

ShroffConnect Weekly Report

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Current scenario & news

World markets

- European governments are trying to persuade banks and insurers to share the pain of a second Greek bailout package, in an attempt to avoid market meltdown while keeping taxpayers happy
- Private sector activity slowed in China and Europe this month just as the outlook for the United States has darkened, which suggests a global slowdown is becoming more entrenched
- China's central bank has tightened controls on offshore yuan deals to curb speculation in the currency, signalling official worries about risks from the rapidly growing offshore market
- New orders for U.S. manufactured goods and a gauge of business spending plans rose in May, easing fears of a sharp slowdown in factory activity

Indian markets

- Food inflation touches 10-week high to 9.13%
- India's engineering exports registered robust growth of 119.4% to USD 7.9 billion in May year-on-year, driven mainly by an increase in demand from traditional markets like the US and Europe
- India's foreign exchange reserves rose marginally to \$310.562 billion as on June 17 from \$310.503 billion in the previous week
- The centre is likely to come out with a uniform and market-friendly stamp duty structure for transactions in the capital and commodities markets within two weeks
- India raises diesel and cooking fuel prices after a year to help state-run retailers trim their losses, while fueling further inflationary pressures

Macro scenario

World markets

- Slowing recovery
- Inflation
- Political unrest in Middle East

Indian markets

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

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 25th June 2011	% Change
STOCKS	Australia	ASX	4565.05	0.31
	Brazil	Bovespa	61016.72	(0.07)
	China	Shanghai	2745.75	3.86
	France	CAC	3784.80	(1.02)
	Germany	DAX	7121.38	(0.60)
	Hong Kong	Hang Seng	22171.95	2.20
	India	Sensex	18240.68	2.07
	Japan	Nikkei	9678.71	3.50
	UK	FTSE	5697.72	(0.30)
	USA	DJIA	11934.58	(0.58)
COMMODITIES	Copper	\$/Pound	4.09	(0.24)
	Crude	\$/Barrel	91.23	(1.81)
	Gold	\$/Troy Ounce	1502.80	(2.40)
	Natural Gas	\$/MMBtu	4.24	(2.08)
	Silver	\$/Troy Ounce	34.34	(4.35)
	Aluminium	\$/Tonne	2500.00	(1.77)
	Lead	\$/Tonne	2580.00	5.31
	Nickel	\$/Tonne	22150.00	2.42
CURRENCIES	Zinc	\$/Tonne	2254.20	3.03
	GBP/USD		1.5957	(1.48)
	EUR/USD		1.4186	(0.80)
	AUD/USD		1.0494	(1.17)
	JPY/USD		80.43	0.47
	INR/USD		44.98	0.51
	HKD/USD		7.7886	(0.01)
BONDS	BRL/USD		1.6045	0.53
	2 Year	US Treasury	110.11	0.08
	10 Year		124.73	(0.52)
	30 Year		126.59	(0.47)

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 25th June 2011	% Change
STOCKS	Nifty	Large Cap	5471.25	1.95
	Sensex	Large Cap	18240.68	2.07
	BSE Midcap	Mid Cap	6671.70	(2.10)
	BSE Smallcap	Small Cap	7922.38	(3.08)
Some Major Shares	ACC	Rs/share	977.70	1.86
	Bharti Airtel		391.90	2.98
	HDFC Ltd		668.00	4.60
	Infosys		2859.95	3.26
	L&T		1739.45	3.54
	Reliance Inds		871.40	0.31
	Tata Motors		966.45	(1.48)
	Tata Steel		578.95	1.03
COMMODITIES	Aluminium	INR/Kg	111.70	(1.46)
	Copper	INR/Kg	407.15	0.17
	Crude	INR/Barrel	4126.00	(0.79)
	Gold	INR/10gms	22199.00	(1.87)
	Lead	INR/Kg	115.25	5.44
	Natural Gas	INR/1mmBtu	191.00	(2.30)
	Nickel	INR/Kg	994.80	1.88
	Silver	INR/Kg	51840.00	(3.91)
	Zinc	INR/Kg	100.20	2.04
CURRENCIES	INR/EUR		63.85	(0.30)
	INR/GBP		71.85	(0.87)
	INR/100 JPY		55.92	0.02
	INR/USD		44.98	0.51

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS			Germany Japan ↑ USA	Australia China France ↓ Hong Kong UK	Brazil India ↓
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COMMODITIES	Gold		Aluminium Copper Crude Oil Lead Natural Gas Zinc	Nickel Silver ↓	
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CURRENCIES (against USD)		JPY	AUD BRL EUR GBP HKD INR		
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BONDS (US Treasury)	2 Year	10 Year 30 Year			
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↑ = 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
Healthcare ↑
Cap Goods
Teck ↑
Bankex
IT
Auto ↓
Metal ↓
Oil & Gas
Power
Realty

COMMODITIES

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

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

Our opinion

- Money Flow: Into treasuries.
 - Opinion on Money Flow: Money seems to be looking for safety as the Quantitative Easing 2 policy (QE2) of USA comes to an end this month.
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- Indian stocks: The market remains in correction mode and volatile.
 - Sectors: Private Banks, FMCG, Consumer Durables, Healthcare and Telecom are outperforming.
 - Positives: No further negatives are in sight except perhaps a 0.25% interest rate hike in August.
 - Negatives: High interest rates, high inflation and increased diesel price hike.
 - Opinion: The market is corrective in the medium term. Macro factors remain negative. There is a slowdown due to increasing interest rates and high input prices. Investors should wait for a clear trend before investing.

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