

ShroffConnect Weekly Report

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Current scenario & news

World markets

- Growth in U.S. manufacturing posted a surprise gain in June, contrasting with Europe and Asia where manufacturing activity lost steam for a second month as interest rate hikes there began to bite
- A Chinese manufacturing index fell to the lowest level since February 2009, signaling that the world's second-biggest economy is cooling as export demand weakens and the government reins in credit to control inflation
- The Federal Reserve ends its \$600 billion bond-buying program, known as QE2, on Thursday and has yet to offer any hints of more monetary easing to come
- Greek banks have lost about 8 % of their private-sector deposits so far this year as customers worried about Greece's potential debt default transferred funds abroad or bought gold

Indian markets

- India's infrastructure sector output grew 5.3 % in May from a year earlier, slightly faster than an annual growth of 5.2 % in April
- India's exports in May rose an annual 56.9 % to \$25.9 billion, while imports for the month rose 54.1 % to \$40.91 billion
- India's fiscal deficit from April to May was 1.31 trillion rupees (\$29.2 billion), or 31.7 percent of the full-year target, the government said
- India's foreign exchange reserves fell to \$309.020 billion as on June 24 from \$310.562 billion in the previous week
- India's fuel oil exports for July fell 20 % to 400,000-450,000 tonnes from a month earlier
- India's consumer price index (CPI) rose 8.72 % in May from a year earlier, slower than April's annual rise of 9.41 %

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 2nd July 2011	% Change
STOCKS	Australia	ASX	4647.93	1.82
	Brazil	Bovespa	63394.34	3.90
	China	Shanghai	2759.36	0.50
	France	CAC	4007.35	5.88
	Germany	DAX	7419.44	4.19
	Hong Kong	Hang Seng	22398.10	1.02
	India	Sensex	18762.80	2.86
	Japan	Nikkei	9868.07	1.96
	UK	FTSE	5989.76	5.13
	USA	DJIA	12582.77	5.43
COMMODITIES	Copper	\$/Pound	4.31	5.38
	Crude	\$/Barrel	94.75	3.86
	Gold	\$/Troy Ounce	1486.70	(1.07)
	Natural Gas	\$/MMBtu	4.32	1.89
	Silver	\$/Troy Ounce	33.86	(1.40)
	Aluminium	\$/Tonne	2503.00	0.12
	Lead	\$/Tonne	2674.00	3.64
	Nickel	\$/Tonne	23000.00	3.84
	Zinc	\$/Tonne	2365.00	4.92
CURRENCIES	GBP/USD		1.6074	0.73
	EUR/USD		1.4523	2.38
	AUD/USD		1.0768	2.61
	JPY/USD		80.81	0.47
	INR/USD		44.62	(0.80)
	HKD/USD		7.7816	(0.09)
	BRL/USD		1.5575	(2.93)
BONDS	2 Year	US Treasury	109.63	(0.44)
	10 Year		121.98	(2.20)
	30 Year		122.69	(3.08)

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 2nd July 2011	% Change
STOCKS	Nifty	Large Cap	5627.20	2.85
	Sensex	Large Cap	18762.80	2.86
	BSE Midcap	Mid Cap	6901.67	3.45
	BSE Smallcap	Small Cap	8224.41	3.81
Some Major Shares	ACC	Rs/share	955.20	(2.30)
	Bharti Airtel		383.45	(2.16)
	HDFC Ltd		703.30	5.28
	Infosys		2934.15	2.59
	L&T		1807.50	3.91
	Reliance Inds		861.95	(1.08)
	Tata Motors		994.70	2.92
	Tata Steel		602.30	4.03
COMMODITIES	Aluminium	INR/Kg	111.75	0.04
	Copper	INR/Kg	425.90	4.61
	Crude	INR/Barrel	4238.00	2.71
	Gold	INR/10gms	21695.00	(2.27)
	Lead	INR/Kg	118.95	3.21
	Natural Gas	INR/1mmBtu	193.70	1.41
	Nickel	INR/Kg	1037.90	4.33
	Silver	INR/Kg	50252.00	(3.06)
	Zinc	INR/Kg	105.25	5.04
CURRENCIES	INR/EUR		64.86	1.58
	INR/GBP		71.70	(0.21)
	INR/100 JPY		55.18	(1.32)
	INR/USD		44.62	(0.80)

WORLD MARKETS - TECHNICAL SNAPSHOT

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

SECTORS

FMCG	Cons Durable Healthcare	Bankex ↑ Cap Goods IT ↑ Teck	Auto ↑ Metal ↑ Power ↑ Realty ↑	Oil & Gas
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COMMODITIES

Gold ↓	Aluminium Copper Crude Oil Lead Natural Gas Zinc	Nickel ↑ Silver ↓
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CURRENCIES
(against INR)

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

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

Our opinion

- Money Flow: There is some flow into stocks and metals (non-bullion) and out of bullion and treasuries.
 - Opinion on Money Flow: Money seems to be looking towards growth once again.
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- Indian stocks: The market has bounced back from lows.
 - 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 has rallied and showing signs that the correction may be over. Macro factors remain negative. There is a slowdown due to increasing interest rates and high input prices, and Q1 results are around the corner. Investors may buy on dips when the trend has been established.

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