

ShroffConnect Weekly Report

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Aditya Shroff

Stock Broking Services

Shroff Securities Pvt. Ltd.

Portfolio Management Services

Kolkata: 033 22627829/40662165

Bangalore: 080 32996004/6005

Email: contact@shroffsecurities.com

Web: www.shroffsecurities.com

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Current news

World economy

- China looked set for a soggy start to 2016 after activity in the manufacturing sector contracted for a fifth straight month in December, suggesting the government may have to step up policy support to avert a sharper slowdown.
- Japan's factory output fell for the first time in three months in November and retail sales slumped, suggesting that a clear recovery in the world's third-largest economy will be delayed until early in 2016.
- IMF Managing Director Christine Lagarde said the prospect of rising interest rates in the United States and an economic slowdown in China were contributing to uncertainty and a higher risk of economic vulnerability worldwide.
- Saudi Arabia said this year's budget deficit amounted to \$98 billion (367 billion riyals) as lower oil prices cut into the government's main source of revenue, prompting the kingdom to scale back spending for the coming year and hike up petrol prices.
- Singapore's economic growth probably slowed in the fourth quarter as sluggish global demand weighed on the manufacturing sector, a poll showed.

Indian economy

- India will crack down on errant financial firms that raise funds, mainly from millions of rural poor customers, through loosely regulated credit cooperative societies, a senior official in the agriculture ministry said.
- India's external debt edged up by 1.7 per cent during the first six months of the ongoing fiscal to USD 483.2 billion at the September-end.
- India's infrastructure output shrank 1.3 percent on year in November, its first fall in seven months, dragged down by a sharp slowdown in electricity production and a contraction in cement and steel output.
- The e-commerce industry in the country is likely to be worth USD 38 billion by 2016, a 67 percent jump over the USD 23 billion revenues for 2015, as per industry body ASSOCHAM.
- Growth in eight core sectors of the economy declined 1.3 percent in November, compared to 3.2 percent growth in October.
- Gold plunged by Rs 260 to Rs 25,390 per ten grams in the last trading day of 2015 at the bullion market, tracking a weak trend overseas amid muted demand from jewellers.

MACRO ECONOMIC SNAPSHOT AS ON 02/01/2016

| USA | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | 2.10 | 2.70 |
| Inflation Rate | Monthly | 0.50 | 0.20 |
| Unemployment Rate | Monthly | 5.00 | 5.00 |
| Benchmark Interest Rate | Weekly | 0.50 | 0.25 |
| Govt. bond 10 year Rate | Weekly | ↑2.26 | 2.25 |

| Euro Area | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | 1.60 | 1.50 |
| Inflation Rate | Monthly | 0.20 | 0.10 |
| Unemployment Rate | Monthly | 10.70 | 10.80 |
| Benchmark Interest Rate | Weekly | 0.05 | 0.05 |
| Govt. bond 10 year Rate | Weekly | ↓-0.08 | -0.06 |

| China | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | 6.90 | 7.00 |
| Inflation Rate | Monthly | 1.50 | 1.30 |
| Unemployment Rate | Monthly | 4.05 | 4.04 |
| Benchmark Interest Rate | Weekly | 4.35 | 4.60 |
| Govt. bond 10 year Rate | Weekly | ↓2.84 | 2.88 |

| Japan | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | 1.60 | 0.70 |
| Inflation Rate | Monthly | 0.30 | 0.30 |
| Unemployment Rate | Monthly | 3.30 | 3.10 |
| Benchmark Interest Rate | Weekly | 0.00 | 0.00 |
| Govt. bond 10 year Rate | Weekly | 0.28 | 0.28 |

| UK | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | 2.10 | 2.40 |
| Inflation Rate | Monthly | 0.10 | -0.10 |
| Unemployment Rate | Monthly | 5.20 | 5.30 |
| Benchmark Interest Rate | Weekly | 0.50 | 0.50 |
| Govt. bond 10 year Rate | Weekly | ↑1.96 | 1.92 |

| India | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | 7.40 | 7.00 |
| Inflation Rate | Monthly | 5.41 | 5.00 |
| Unemployment Rate | Monthly | no data | |
| Benchmark Interest Rate | Weekly | 6.75 | 7.25 |
| Govt. bond 10 year Rate | Weekly | ↓7.73 | 7.75 |

| Brazil | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | -4.50 | -3.00 |
| Inflation Rate | Monthly | 10.48 | 9.93 |
| Unemployment Rate | Monthly | 7.50 | 7.90 |
| Benchmark Interest Rate | Weekly | 14.25 | 14.25 |
| Govt. bond 10 year Rate | Weekly | ↑16.51 | 16.27 |

| Russia | Period | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate | Quarterly | -4.10 | -4.60 |
| Inflation Rate | Monthly | ↓12.90 | 15.00 |
| Unemployment Rate | Monthly | 5.80 | 5.50 |
| Benchmark Interest Rate | Weekly | 11.00 | 11.00 |
| Govt. bond 10 year Rate | Weekly | ↓9.74 | 9.87 |

WORLD MARKETS - A SNAPSHOT

| | Name | Description | Week ended 2nd Jan 2016 | % Change |
|-------------|-------------|----------------|----------------------------|----------|
| STOCKS | Australia | Aus Ordinaries | 5344.56 | 1.68 |
| | Brazil | Bovespa | 43349.96 | (1.12) |
| | China | Shanghai | 3539.18 | (2.03) |
| | France | CAC | 4663.29 | 0.00 |
| | Germany | DAX | 10743.01 | 0.14 |
| | Hong Kong | HANGSENG | 21914.40 | (1.01) |
| | India | Sensex | 26160.90 | 1.25 |
| | Japan | Nikkei | 19033.71 | 1.30 |
| | UK | FTSE | 6262.93 | 0.13 |
| | USA | DJIA | 17425.03 | (0.72) |
| COMMODITIES | Copper | \$/Pound | 2.13 | 0.47 |
| | Crude | \$/Barrel | 37.04 | (2.78) |
| | Gold | \$/Troy Ounce | 1060.20 | (1.46) |
| | Natural Gas | \$/MMBtu | 2.34 | 15.27 |
| | Silver | \$/Troy Ounce | 13.80 | (4.03) |
| | Aluminium | \$/Tonne | 1501.00 | (2.56) |
| | Lead | \$/Tonne | 1782.50 | 2.21 |
| | Nickel | \$/Tonne | 8820.00 | 2.32 |
| | Zinc | \$/Tonne | 1607.00 | 3.44 |
| CURRENCIES | USD/GBP | | 1.47 | (1.34) |
| | USD/EUR | | 1.09 | (0.91) |
| | USD/AUD | | 0.73 | 1.39 |
| | JPY/USD | | 120.30 | (0.08) |
| | INR/USD | | 66.22 | 0.30 |
| | HKD/USD | | 7.75 | 0.00 |
| | BRL/USD | | 3.96 | 0.51 |
| | CNY/USD | | 6.49 | 0.31 |

WORLD MARKETS - TECHNICAL SNAPSHOT

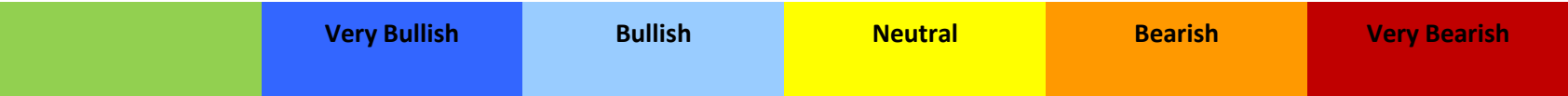
| | | Very Bullish | Bullish | Neutral | Bearish | Very Bearish |
|-----------------------------|--|--------------|-------------------------|---|--------------------------------------|---|
| STOCKS | | | Germany Japan USA | Australia China France HongKong India UK | | Brazil |
| COMMODITIES | | | | Lead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

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

INDIAN MARKETS - A SNAPSHOT

| | Name | Description | Week ended 2nd Jan 2016 | % Change |
|----------------------|---------------|-------------|----------------------------|----------|
| STOCKS | Nifty | Large Cap | 7963.20 | 1.30 |
| | Sensex | Large Cap | 26160.90 | 1.25 |
| | BSE Midcap | Mid Cap | 11245.42 | 2.06 |
| | BSE Smallcap | Small Cap | 11940.75 | 1.79 |
| Some Major Shares | ACC | Rs/share | 1373.65 | 2.19 |
| | Bharti Airtel | | 340.50 | 0.61 |
| | HDFC Ltd | | 1258.45 | 2.35 |
| | Infosys | | 1105.25 | 0.81 |
| | L&T | | 1289.20 | (0.41) |
| | Reliance Inds | | 1015.35 | 1.48 |
| | Tata Motors | | 401.90 | 5.10 |
| | Tata Steel | | 257.40 | (2.26) |
| COMMODITIES | Aluminium | INR/Kg | 100.35 | (0.45) |
| | Copper | INR/Kg | 316.30 | 0.96 |
| | Crude | INR/Barrel | 2480.00 | (1.90) |
| | Gold | INR/10gms | 24962.00 | (0.99) |
| | Lead | INR/Kg | 118.55 | 2.91 |
| | Natural Gas | INR/1mmBtu | 156.90 | 17.62 |
| | Nickel | INR/Kg | 585.50 | 3.23 |
| | Silver | INR/Kg | 33335.00 | (2.94) |
| | Zinc | INR/Kg | 106.60 | 5.39 |
| CURRENCIES | INR/EUR | | 71.91 | (0.73) |
| | INR/GBP | | 97.64 | (0.94) |
| | INR/100 JPY | | 54.94 | 0.29 |
| | INR/USD | | 66.22 | 0.30 |

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES Small Cap ↑ Mid Cap Nifty Sensex

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

COMMODITIES Lead Aluminium Copper
 Natural Gas ↑ Gold Crude Oil
 Zinc ↑ Silver Nickel

CURRENCIES USD GBP EUR ↓
(against INR) JPY

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

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