

ShroffConnect Weekly Report

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Current scenario & news

World markets

- China's foreign exchange reserves soared to a record \$3.2 trillion at the end of June, threatening to worsen the country's inflation headache as bank lending and money growth expanded faster than forecast
- Eight European banks have failed a test of their ability to withstand a long recession and will have to raise just 2.5 billion euros (\$3.5 billion) of capital, significantly less than expected
- Italy's parliament was all set to approve a 48 billion euro austerity package aimed at averting a full scale financial crisis but there were growing questions about the government's capacity for further reforms
- U.S. consumer prices excluding food, energy climb as manufacturing stalls

Indian markets

- Inflation quickened in June, driven by higher prices of manufactured goods and fuel, adding pressure on the RBI to raise rates this month despite signs of slowing growth
- Foreign direct investment (FDI) flows into India declined by 25% to USD 19.42 billion in 2010-11 from USD 25.83 billion in 2009-10. In 2008-09, the country attracted FDI worth USD 27.33 billion
- India's monsoon slipped into the red with the country receiving 3% deficient rains since its onset in June
- India's services exports stood at USD 11.83 billion in May, 2011, up almost 3.2% in comparison to April
- Credit offtake from banks grew by 20.1 % to over Rs 42 lakh crore during the one-year period ended on July 1, 2011

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 16th July 2011	% Change
STOCKS	Australia	ASX	4542.69	(3.68)
	Brazil	Bovespa	59478.01	(3.31)
	China	Shanghai	2820.17	0.80
	France	CAC	3726.59	(4.78)
	Germany	DAX	7220.12	(2.47)
	Hong Kong	Hang Seng	21875.38	(3.74)
	India	Sensex	18561.92	(1.57)
	Japan	Nikkei	9974.47	(1.61)
	UK	FTSE	5843.66	(2.45)
	USA	DJIA	12479.73	(1.40)
COMMODITIES	Copper	\$/Pound	4.42	0.23
	Crude	\$/Barrel	97.49	1.05
	Gold	\$/Troy Ounce	1594.50	3.23
	Natural Gas	\$/MMBtu	4.55	7.82
	Silver	\$/Troy Ounce	39.28	7.09
	Aluminium	\$/Tonne	2494.00	(1.62)
	Lead	\$/Tonne	2708.00	(0.40)
	Nickel	\$/Tonne	24155.00	1.11
	Zinc	\$/Tonne	2377.50	0.91
CURRENCIES	GBP/USD		1.6128	0.47
	EUR/USD		1.4149	(0.68)
	AUD/USD		1.0648	(1.03)
	JPY/USD		79.14	(1.88)
	INR/USD		44.51	0.52
	HKD/USD		7.7937	0.15
	BRL/USD		1.5745	0.64
BONDS	2 Year	US Treasury	109.92	0.07
	10 Year		124.86	0.92
	30 Year		126.03	0.85

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 16th July 2011	% Change
STOCKS	Nifty	Large Cap	5581.10	(1.41)
	Sensex	Large Cap	18561.92	(1.57)
	BSE Midcap	Mid Cap	7006.75	0.15
	BSE Smallcap	Small Cap	8363.22	(0.14)
Some Major Shares	ACC	Rs/share	980.15	0.49
	Bharti Airtel		392.95	(1.31)
	HDFC Ltd		693.80	(2.86)
	Infosys		2731.35	(8.24)
	L&T		1823.05	(0.74)
	Reliance Inds		873.20	2.15
	Tata Motors		1033.05	(1.99)
	Tata Steel		572.95	(3.69)
COMMODITIES	Aluminium	INR/Kg	110.25	(1.91)
	Copper	INR/Kg	435.00	0.36
	Crude	INR/Barrel	4329.00	0.98
	Gold	INR/10gms	23071.00	3.22
	Lead	INR/Kg	120.55	0.33
	Natural Gas	INR/1mmBtu	202.10	7.61
	Nickel	INR/Kg	1076.10	1.14
	Silver	INR/Kg	58473.00	6.83
	Zinc	INR/Kg	105.35	0.48
CURRENCIES	INR/EUR		63.02	(0.28)
	INR/GBP		71.75	0.94
	INR/100 JPY		56.27	2.50
	INR/USD		44.51	0.52

WORLD MARKETS - TECHNICAL SNAPSHOT

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

SECTORS

FMCG

Cap Goods
Cons Durable
Healthcare

Auto
Bankex
Power
Realty
Teck

IT ↓
Metal

Oil & Gas

COMMODITIES

Gold ↑

Aluminium
Copper
Lead
Natural Gas
Nickel ↑
Silver
Zinc

Crude Oil ↓

CURRENCIES (against INR)

JPY ↑

EUR
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 HDFC Bank Hind Unilever ITC Nestle India Petronet LNG	Adani Ent B P C L Bajaj Auto H P C L Idea Cellular ↓ LT M R P L ↓ MRF ↑ Power Grid Ranbaxy Siemens Tata Chemicals	Allahabad Bank Axis Bank BOB Bhel Cipla ↓ GAIL HDFC Hero Honda ↓ Hind Zinc ICICI Bank IOB Jindal Steel M&M NTPC O N G C Punj Loyd PNB RCOM Sesa Goa SBIN ↑ Suzlon Syndicate Bank Tata Power	ACC Ambuja Cem Andhra Bank ↓ Ashok Leyland Bank Of India BEL Cairn Grasim Ind Hindalco Jindal Saw Maruti Suzuki Reliance Infra Sterlite Ind ↓ Ultratech Wipro ↑ Neutral Tata Steel TCS United Spirits	Canara Bank Infosys Tech ↓ JP Associates ↓ JSW Steel ↓ PFC Reliance Ind SAIL Tata Motors UCO Bank Union Bank

↑ = 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	Aditya Bir Nuv	Bharat Forge ↑	Crompton Gr ↓	GMR Infra	
	Asian Paints	Chambal Fert ↑	Biocon	Dr Reddy	Mphasis ↓	
	Colgate-Palm	Dabur	Cummins India	GSPL ↓	Patni Comp	
	Divi's Lab	Exide Inds	DLF ↑	HCC	Piramal Health ↓	
	IGL	Federal Bank	Havells India	I D F C	Sun Tv	
	Sun Pharma	Glenmark Ph	HCL Tech	IDBI Bank		
	Titan Ind	Kotak Bank	HDIL	IFCI		
		Lupin	LIC Housing	Indian Hotel		
		Mundraport	OFSS ↓	Jain Irrigation ↓		
		Yes Bank	Reliance Cap	RECL ↑		
			Shr Renuka	Shriram Trans		
			Tata Global	SRF		
			Tech Mahindra	Sterlite Tech		
			United Phosp	Voltas		

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

Our opinion

- Money Flow: Money seems to be flowing again towards the safety of bullion and treasuries.
 - Opinion on Money Flow: There is no specific trend especially with sovereign trouble in Europe and economic issues in the USA. The situation is quite fluid.
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- Indian market: The market is range bound.
 - Sectors: Auto Ancillaries, Pvt. Banks, Cigarettes, Fertilizers, FMCG, Gas, Healthcare, Refineries & Telecom are outperforming.
 - Positives: Good results, good tax collections, chance of RBI not raising rates due to slowing growth
 - Negatives: High interest rates, high input prices
 - Opinion: The market is showing signs of a new trend with some better volumes. The monsoon has been erratic till now. Negative macro factors have been discounted. Investors would do well to hold on, and buy on dips.

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