

ShroffConnect Weekly Report

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Shroff Securities Pvt. Ltd.

Portfolio Investment Management Services

Email - shroffsec@gmail.com

Phone - 033 32933592 / 32933658

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Current scenario & news

World economy

- Growth ground to a halt in the euro zone's private sector this month while China's factory sector contracted for the first time in a year, deepening evidence of a sharp slowdown in the global economy
- Asian currencies advanced to a 14- year high after European leaders pledged more aid for Greece, easing concern the debt crisis will worsen and bolstering demand for emerging-market assets
- The number of Americans filing new claims for unemployment benefits rose more than expected, pointing to a labour market that is struggling to regain momentum
- China pressed the United States to take measures to boost market confidence in the dollar and U.S. government debt, underscoring investor worries that Washington could default on its debt

Indian economy

- Singapore's imports from India increased by 48 % to 9.34 bln Singapore dollars (SGD) in the first half of this year from SGD 6.3 bln a year ago
- India's foreign exchange reserves declined by \$112 mln to \$314.507 bln on the back of a dip in foreign currency assets for the week ended July 15
- India's share in merchandise world trade rose from 0.7% in 2000 to 1.4% in 2010, making it the 20th largest exporter in the world
- Iron ore exports from India are likely to fall by more than a quarter to their lowest level in eight years because of higher costs and slow efforts in a key state to resume shipments
- Food inflation fell to a three-week low of 7.58 % for the week ended July 9 on the back of cheaper pulse prices

Macro scenario

World economy

- Slowing recovery in Europe
- Inflation in China
- Government debt issues in U.S.

Indian economy

- High inflation
- High interest rate
- GDP growth at 7-8%

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 23th July 2011	% Change
STOCKS	Australia	ASX	4674.05	2.89
	Brazil	Bovespa	60270.47	1.33
	China	Shanghai	2770.79	(1.75)
	France	CAC	3842.70	3.12
	Germany	DAX	7326.39	1.47
	Hong Kong	Hang Seng	22444.80	2.60
	India	Sensex	18722.30	0.86
	Japan	Nikkei	10132.11	1.58
	UK	FTSE	5935.02	1.56
	USA	DJIA	12681.16	1.61
COMMODITIES	Copper	\$/Pound	4.40	(0.45)
	Crude	\$/Barrel	99.81	2.38
	Gold	\$/Troy Ounce	1599.60	0.32
	Natural Gas	\$/MMBtu	4.40	(3.30)
	Silver	\$/Troy Ounce	40.10	2.09
	Aluminium	\$/Tonne	2590.00	3.85
	Lead	\$/Tonne	2690.00	(0.66)
	Nickel	\$/Tonne	23975.00	(0.75)
CURRENCIES	Zinc	\$/Tonne	2495.00	4.94
	GBP/USD		1.6300	1.07
	EUR/USD		1.4354	1.45
	AUD/USD		1.0850	1.90
	JPY/USD		78.54	(0.76)
	INR/USD		44.35	(0.36)
	HKD/USD		7.7910	(0.03)
BONDS	BRL/USD		1.5525	(1.40)
	2 Year	US Treasury	109.86	(0.05)
	10 Year		124.33	(0.42)
	30 Year		125.84	(0.15)

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 23th July 2011	% Change
STOCKS	Nifty	Large Cap	5633.95	0.95
	Sensex	Large Cap	18722.30	0.86
	BSE Midcap	Mid Cap	7046.12	0.56
	BSE Smallcap	Small Cap	8463.49	1.20
Some Major Shares	ACC	Rs/share	995.05	1.52
	Bharti Airtel		411.15	4.63
	HDFC Ltd		707.85	2.03
	Infosys		2828.25	3.55
	L&T		1827.25	0.23
	Reliance Inds		873.35	0.02
	Tata Motors		996.95	(3.49)
	Tata Steel		584.25	1.97
COMMODITIES	Aluminium	INR/Kg	113.75	3.17
	Copper	INR/Kg	433.45	(0.36)
	Crude	INR/Barrel	4446.00	2.70
	Gold	INR/10gms	23099.00	0.12
	Lead	INR/Kg	119.50	(0.87)
	Natural Gas	INR/1mmBtu	195.70	(3.17)
	Nickel	INR/Kg	1064.50	(1.08)
	Silver	INR/Kg	59486.00	1.73
	Zinc	INR/Kg	109.10	3.56
CURRENCIES	INR/EUR		63.70	1.08
	INR/GBP		72.25	0.70
	INR/100 JPY		56.44	0.30
	INR/USD		44.35	(0.36)

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS		Japan USA	Australia ↑ China France ↑ Germany Hong Kong ↑ India UK		Brazil
COMMODITIES	Gold	Silver ↑	Aluminium Copper Crude Oil Lead Natural Gas Nickel Zinc		
CURRENCIES (against USD)	BRL	AUD ↑ INR JPY	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
IT ↑
Metal ↑
Power
Realty
Teck

Oil & Gas ↑

COMMODITIES

Gold

Silver ↑

Aluminium
Copper
Crude Oil ↑
Lead
Natural Gas
Nickel
Zinc

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

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

Our opinion

- Money Flow: Towards bullion and stocks, out of treasuries.
 - Opinion on Money Flow: Money is flowing out of USD assets into bullion and stocks. This could be due to uncertainty surrounding the U S Government loan program. But, as usual, a compromise formula will probably be put into place.
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- Indian stocks: Sideways.
 - Sectors: Auto Ancillaries, Banking, Cigarettes, Fertilizers, FMCG, Gas, Pharma, Refineries and Telecom are outperforming.
 - Positives: Some corporate results are very good.
 - Negatives: High input costs, high interest rates.
 - Opinion: The companies affected by high interest rates are showing poor results and depressed margins. Those which have been able to pass on the higher costs are showing stellar performances. Investors should buy such unaffected companies on dips after their quarterly results have been declared.

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