

# *ShroffConnect* Weekly Report

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# Current news

## World economy

- The number of Americans filing for unemployment benefits unexpectedly fell last week, pointing to sustained strength in the labor market despite a sharp slowdown in hiring last month.
- The Eurozone economy grew by 0.6 per cent in the first quarter of 2016, the highest rate for 12 months, supported by household spending and private sector investment.
- Russia's central bank cut its key interest rate by half a percentage point Friday, the first reduction in nearly a year after the ruble recovered thanks to a bounce in oil and fading inflation fears.
- The return on benchmark UK government bonds has fallen to a record low as investors move in to safer assets on concerns about the global economy.
- Deflationary pressures in China eased further in May, relieving some pressure on cash-strapped companies, but consumer inflation was cooler than expected, suggesting the central bank will keep policy supportive in coming months but be in no hurry to cut interest rates further.
- The US government posted a \$53 billion budget deficit in May, a 38 percent drop from the same month last year, the Treasury Department said.

## Indian economy

- India's industrial output unexpectedly fell in April, its first contraction in three months, dragged down by a sharp plunge in production of capital goods and a contraction in consumer wares.
- India's foreign exchange reserves hit a record high at \$363.46 billion for the week ended June 3, mostly due to the central bank taking delivery of its forward-dollar contracts and dollar buying in spot foreign exchange markets, analysts said.
- With the Reserve Bank of India (RBI) not altering policy rates, it will be only the transmission of monetary policy that would influence India's economic development and credit profile, credit rating agency Moody's Investors Service said.
- Equity mutual funds witnessed an inflow of over Rs 4,721 crore in May, making it the highest in six months, mainly on account of strong retail participation.
- What comes out as a good news for the economy, a jump of 18 percent to Rs 43,391 crore was registered in net direct tax collections during the first two months of the current fiscal, the government said.
- India's top state-run banks will need more than double the capital the government plans to inject into them due to their weak asset quality and levels of profitability, a report said.

## MACRO ECONOMIC SNAPSHOT AS ON 11/06/2016

USA	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	2.00	2.00
Inflation Rate	Monthly	1.10	0.90
Unemployment Rate	Monthly	4.70	5.00
Benchmark Interest Rate	Weekly	0.50	0.50
Govt. bond 10 year Rate	Weekly	↓1.67	1.71

Euro Area	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	1.70	1.60
Inflation Rate	Monthly	-0.10	-0.20
Unemployment Rate	Monthly	10.20	10.20
Benchmark Interest Rate	Weekly	0.00	0.00
Govt. bond 10 year Rate	Weekly	↓-0.32	-0.31

China	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	6.70	6.80
Inflation Rate	Monthly	↓2.00	2.30
Unemployment Rate	Monthly	4.04	4.05
Benchmark Interest Rate	Weekly	4.35	4.60
Govt. bond 10 year Rate	Weekly	↓3.02	3.03

Japan	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	0.10	1.70
Inflation Rate	Monthly	-0.30	-0.10
Unemployment Rate	Monthly	3.20	3.20
Benchmark Interest Rate	Weekly	-0.10	-0.10
Govt. bond 10 year Rate	Weekly	↓-0.13	-0.10

UK	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	2.00	2.10
Inflation Rate	Monthly	0.30	0.50
Unemployment Rate	Monthly	5.10	5.10
Benchmark Interest Rate	Weekly	0.50	0.50
Govt. bond 10 year Rate	Weekly	↓1.24	1.28

India	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	7.90	7.30
Inflation Rate	Monthly	5.39	4.83
Unemployment Rate	Monthly	no data	
Benchmark Interest Rate	Weekly	6.50	6.75
Govt. bond 10 year Rate	Weekly	7.49	7.49

Brazil	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-5.40	-5.90
Inflation Rate	Monthly	↑9.32	9.28
Unemployment Rate	Monthly	11.20	10.90
Benchmark Interest Rate	Weekly	14.25	14.25
Govt. bond 10 year Rate	Weekly	↓12.44	12.59

Russia	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-1.20	-3.80
Inflation Rate	Monthly	7.30	7.30
Unemployment Rate	Monthly	5.90	6.00
Benchmark Interest Rate	Weekly	↓10.50	11.00
Govt. bond 10 year Rate	Weekly	↓8.69	8.99

## WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 11th June 2016	% Change
STOCKS	Australia	Aus Ordinaries	5391.56	(0.02)
	Brazil	Bovespa	49422.16	(2.37)
	China	Shanghai	2927.16	(0.39)
	France	CAC	4306.72	(2.60)
	Germany	DAX	9834.62	(2.66)
	Hong Kong	HANGSENG	21042.64	0.46
	India	Sensex	26635.75	(0.77)
	Japan	Nikkei	16601.36	(0.25)
	UK	FTSE	6115.76	(1.51)
	USA	DJIA	17865.34	0.33
COMMODITIES	Copper	\$/Pound	2.03	(3.79)
	Crude	\$/Barrel	49.07	0.93
	Gold	\$/Troy Ounce	1275.90	2.66
	Natural Gas	\$/MMBtu	2.56	6.67
	Silver	\$/Troy Ounce	17.33	5.93
	Aluminium	\$/Tonne	1574.00	2.01
	Lead	\$/Tonne	1698.00	(1.34)
	Nickel	\$/Tonne	8920.00	4.82
	Zinc	\$/Tonne	2088.50	4.53
CURRENCIES	USD/GBP		1.43	(1.38)
	USD/EUR		1.12	(1.75)
	USD/AUD		0.74	0.00
	JPY/USD		106.96	0.42
	INR/USD		66.94	(0.07)
	HKD/USD		7.76	(0.13)
	BRL/USD		3.42	(2.84)
	CNY/USD		6.56	0.00

## WORLD MARKETS - TECHNICAL SNAPSHOT

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

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

## INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 11th June 2016	% Change
STOCKS	Nifty	Large Cap	8170.05	(0.62)
	Sensex	Large Cap	26635.75	(0.77)
	BSE Midcap	Mid Cap	11376.37	(0.16)
	BSE Smallcap	Small Cap	11362.72	1.92
Some Major Shares	ACC	Rs/share	1555.65	1.02
	Bharti Airtel		351.10	(1.97)
	HDFC Ltd		1230.40	(1.95)
	Infosys		1180.60	(6.81)
	L&T		1487.70	1.86
	Reliance Inds		976.70	1.78
	Tata Motors		456.95	0.66
	Tata Steel		334.40	(1.23)
COMMODITIES	Aluminium	INR/Kg	105.10	1.69
	Copper	INR/Kg	301.35	(3.91)
	Crude	INR/Barrel	3298.00	1.38
	Gold	INR/10gms	30084.00	4.90
	Lead	INR/Kg	114.25	(1.42)
	Natural Gas	INR/1mmBtu	172.00	6.17
	Nickel	INR/Kg	597.60	4.46
	Silver	INR/Kg	41068.00	5.09
	Zinc	INR/Kg	139.40	4.30
CURRENCIES	INR/EUR		75.30	(1.09)
	INR/GBP		95.43	(1.88)
	INR/100 JPY		62.62	(0.41)
	INR/USD		66.94	(0.07)

## INDIAN MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
INDICES	Mid Cap		Nifty ↓ Sensex ↓ Small Cap			
SECTORS	Auto Bankex FMCG		Cap Goods Cons Durable IT ↓ Teck ↓	Healthcare Metal Oil & Gas Power Realty		
COMMODITIES	Zinc ↑		Gold ↑	Aluminium ↑ Crude Oil Natural Gas Silver ↑	Copper Lead ↓ Nickel	
CURRENCIES (against INR)			JPY USD	EUR GBP ↓		

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

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