

ShroffConnect Weekly Report

30th July, 2011

Shroff Securities Pvt. Ltd.

Portfolio Investment Management Services

Email - shroffsec@gmail.com

Phone - 033 32933592 / 32933658

(for private circulation only)

Current scenario & news

World economy

- Euro-region inflation unexpectedly slowed in July, though it remained above the European Central Bank's 2 % ceiling for an eighth month as rising energy prices added pressure on companies to pass on higher costs
- Treasuries surged, driving 10- and 30-year yields to the lowest levels this year, as U.S. lawmakers deadlocked over raising the debt limit and the economy grew more slowly than forecast
- Asian currencies completed a second weekly gain, led by the Philippine peso and India's rupee, on speculation the region's growth outlook and rising interest rates will attract foreign funds
- Emerging-market stocks declined and borrowing costs rose as concern grew that debt crises in the U.S. and Europe may curb the global economic expansion

Indian economy

- RBI raised interest rates by a higher-than-expected 50 basis points, stepping up its fight against persistently high inflation despite slowing growth in Asia's third-largest economy
- Indian refiners processed 4.7 % more crude in June from a year ago, the seventh consecutive monthly rise, with the pace of growth picking up slightly from May on improved output from private refineries
- The country's fiscal deficit from April to June was 1.63 trillion rupees (\$36.8 billion), or 34.9 % of the full-year target
- The government borrowed 233.29 billion rupees through loans from the central bank in the week ended July 22
- Monsoon rains were 23 % below normal in the week to July 27, a sharp reversal from the 7 % above average rains in the previous week

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 30th July 2011	% Change
STOCKS	Australia	ASX	4500.53	(3.71)
	Brazil	Bovespa	58823.45	(2.40)
	China	Shanghai	2701.73	(2.49)
	France	CAC	3671.28	(4.46)
	Germany	DAX	7158.77	(2.29)
	Hong Kong	Hang Seng	22440.25	(0.02)
	India	Sensex	18197.20	(2.80)
	Japan	Nikkei	9833.03	(2.95)
	UK	FTSE	5815.19	(2.02)
	USA	DJIA	12143.24	(4.24)
COMMODITIES	Copper	\$/Pound	4.48	1.82
	Crude	\$/Barrel	95.86	(3.96)
	Gold	\$/Troy Ounce	1629.00	1.84
	Natural Gas	\$/MMBtu	4.15	(5.68)
	Silver	\$/Troy Ounce	39.89	(0.52)
	Aluminium	\$/Tonne	2624.00	1.31
	Lead	\$/Tonne	2613.00	(2.86)
	Nickel	\$/Tonne	24995.00	4.25
CURRENCIES	Zinc	\$/Tonne	2490.00	(0.20)
	GBP/USD		1.6359	0.36
	EUR/USD		1.4327	(0.19)
	AUD/USD		1.0998	1.36
	JPY/USD		77.76	(0.99)
	INR/USD		44.07	(0.63)
	HKD/USD		7.7923	0.02
BONDS	BRL/USD		1.5675	0.97
	2 Year	US Treasury	109.96	0.09
	10 Year		125.69	1.09
	30 Year		128.13	1.82

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 30th July 2011	% Change
STOCKS	Nifty	Large Cap	5482.00	(2.70)
	Sensex	Large Cap	18197.20	(2.80)
	BSE Midcap	Mid Cap	6915.31	(1.86)
	BSE Smallcap	Small Cap	8305.58	(1.87)
Some Major Shares	ACC	Rs/share	1011.60	1.66
	Bharti Airtel		437.25	6.35
	HDFC Ltd		689.00	(2.66)
	Infosys		2775.90	(1.85)
	L&T		1725.55	(5.57)
	Reliance Inds		827.95	(5.20)
	Tata Motors		948.10	(4.90)
	Tata Steel		564.00	(3.47)
COMMODITIES	Aluminium	INR/Kg	115.55	1.58
	Copper	INR/Kg	436.85	0.78
	Crude	INR/Barrel	4237.00	(4.70)
	Gold	INR/10gms	23166.00	0.29
	Lead	INR/Kg	116.25	(2.72)
	Natural Gas	INR/1mmBtu	185.10	(5.42)
	Nickel	INR/Kg	1098.80	3.22
	Silver	INR/Kg	58898.00	(0.99)
	Zinc	INR/Kg	109.95	0.78
CURRENCIES	INR/EUR		63.19	(0.80)
	INR/GBP		72.10	(0.21)
	INR/100 JPY		56.68	0.43
	INR/USD		44.07	(0.63)

WORLD MARKETS - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
STOCKS		Japan	China Germany Hong Kong India UK USA ↓	Australia ↓ France ↓	Brazil
COMMODITIES	Gold	Silver	Aluminium Copper Crude Oil Lead Natural Gas Nickel Zinc		
CURRENCIES (against USD)	AUD ↑ BRL JPY ↑	INR	EUR GBP	HKD	
BONDS (US Treasury)		10 Year ↑ 30 Year ↑	2 Year		

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

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Mid Cap
Nifty
Sensex
Small Cap

SECTORS

FMCG

Cons Durable
Healthcare

Auto
Bankex
Cap Goods ↓
Realty
Teck

IT ↓
Metal ↓
Power ↓

Oil & Gas ↓

COMMODITIES

Gold

Silver

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

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

Our opinion

- Money Flow: Into bullion.
 - Opinion on Money Flow: The flow of money into bullion seems to be because of the US debt issues and related USD weakness.
-
- Indian stocks: The market is moving sideways.
 - Sectors: Two wheelers, private Banks, Cigarettes, Gas, Pharma, Telecom and Watches/Jewellery are outperforming.
 - Positives: Good results of some companies, and good tax collections.
 - Negatives: Unexpectedly large hike in interest rates.
 - Opinion: The market's enthusiasm at the end of last week was dampened considerably due to 0.5% hike in the repo rate by the RBI. There is also no direction now due to the uncertainty of the US debt issues. Investors should wait for clarity on the US debt issue front prior to investing fresh funds, and hold onto existing investments.

Disclaimer

- The report is for private circulation only. The information contained herein does not constitute a recommendation, advice, an offer or solicitation for the purchase or sale of any financial instruments/ investment products. All information, statements, opinions, statistics contained in the report are provided "as is" for informational purposes only, not intended for trading purposes or advice. The information provided is based on historical data. The past is not necessarily a guide to the future values and prices. The information provided in this report thus provides non-binding information, for which Shroff Securities Private Limited ("Company"), its directors, officers or employees disclaim liability. Trading in financial instruments and trade practices in the stock markets carries a great deal of risk. Recipient of this report should take independent professional advice before doing any transaction(s). The Company, its directors, officers or employees shall not be liable for any informational errors, incompleteness, or delays, or for any actions taken in reliance on information contained herein. Recipient of this report expressly understands and agrees that it is their sole responsibility to authenticate, verify and evaluate or take professional advice on the accuracy and completeness of all information, statements, opinions and other materials contained or expressed in this report. This report is not meant for any person located in or resident in jurisdictions which restrict the distribution of such material. The Recipient of this report is required to observe any relevant restrictions.
- No guarantee, representation or warranty whatsoever is made by the Company , its directors, officers or employees regarding the timeliness, quality, completeness, accuracy, adequacy, fullness, functionality or reliability of the information, statements, opinions, products, services and materials contained in this report or of the results obtained from the use of such information, statements, opinions and materials and no warranties whether express or implied, responsibility or liability, contingent or otherwise of any kind and nature whatsoever regarding the accuracy, quality, performance, merchantability and/or fitness for a particular purpose of the information, statements, opinions and materials contained, in his report or of the results obtained from the use of such information, statements, opinions and materials the security suitability for the investor, accounting and tax consequences of investing in securities or the future value developments of the stocks.
- The Company, its directors, officers or employees expressly disclaim liability and shall not be held responsible for any profit or loss which may arise out of any transaction(s) based on information, material or opinions appearing in this report. The Company or its group entities, their directors, owners, partners, officers, employees or clients may / may not have personal positions in the mentioned financial instruments.