

# *ShroffConnect* Weekly Report

## 31<sup>st</sup> December, 2016



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# Current news

## World economy

- South Korea lowered its growth outlook for next year as it sees weaker domestic demand and waning job growth holding back recovery in Asia's fourth-largest economy.
- Morale in large British companies hit an 18-month high in the fourth quarter, bolstered by robust economic growth and recovering fully from a slump that followed the Brexit vote, a survey showed .
- Japan's factory output rose in November and manufacturers expect to ramp up production in coming months, underscoring the central bank's view that a pick-up in global demand will underpin a steady economic recovery.
- Chinese firms reported strong performance in the fourth quarter, with hiring on the rise and profits up, but the outlook for 2017 is uncertain as cash flow remains weak and inventories rose at a record pace in late 2016, a survey showed.
- Oil prices are on track for their biggest annual percentage gain since 2009 on the back of an agreement struck between OPEC and non-OPEC countries to cut crude production output.

## Indian economy

- Since demonetisation decision was announced by the central government on November 8, Rs 4 lakh crore of undisclosed funds may have flown into bank accounts.
- Government's direct tax kitty has swelled to Rs 5.57 lakh crore between April 1 and December 19, thereby achieving 65 percent of budget estimates.
- Demonetisation is likely to affect realty space with a 10-30 percent drop in sales volumes over the next 12 months, even as no major price correction is expected in the metros.
- The Budget 2017 is likely to be taxpayer-friendly which will soothe pain of the cash crunch scheme implemented in November this year. The focus could be on sectors like agriculture, micro, small & medium enterprises and housing.
- Bad debts at Indian lenders, especially those in the dominant state-run sector, have climbed to a 14-year high and could swell further, putting a strain on their capital buffers and profitability, a central bank study showed.
- The subdued consumption in the country is likely to get a boost next month with big banks including the State Bank of India expected to cut lending rates, says a report.

## MACRO ECONOMIC SNAPSHOT AS ON 31/12/2016

USA	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	1.70	1.30
Inflation Rate	Monthly	1.70	1.60
Unemployment Rate	Monthly	4.60	4.90
Benchmark Interest Rate	Weekly	0.75	0.50
Govt. bond 10 year Rate	Weekly	↓2.44	2.54

Euro Area	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	1.70	1.70
Inflation Rate	Monthly	0.60	0.50
Unemployment Rate	Monthly	9.80	9.90
Benchmark Interest Rate	Weekly	0.00	0.00
Govt. bond 10 year Rate	Weekly	↓-0.48	-0.46

China	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	6.70	6.70
Inflation Rate	Monthly	2.30	2.10
Unemployment Rate	Monthly	4.04	4.05
Benchmark Interest Rate	Weekly	4.35	4.35
Govt. bond 10 year Rate	Weekly	↓ 3.01	3.15

Japan	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	1.10	0.90
Inflation Rate	Monthly	↑0.50	0.10
Unemployment Rate	Monthly	↑3.10	3.00
Benchmark Interest Rate	Weekly	-0.10	-0.10
Govt. bond 10 year Rate	Weekly	↓0.04	0.06

UK	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	2.20	2.00
Inflation Rate	Monthly	1.20	0.90
Unemployment Rate	Monthly	4.80	4.80
Benchmark Interest Rate	Weekly	0.25	0.25
Govt. bond 10 year Rate	Weekly	↓1.24	1.35

India	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	7.30	7.10
Inflation Rate	Monthly	3.63	4.20
Unemployment Rate	Monthly	no data	
Benchmark Interest Rate	Weekly	6.25	6.25
Govt. bond 10 year Rate	Weekly	↓6.52	6.54

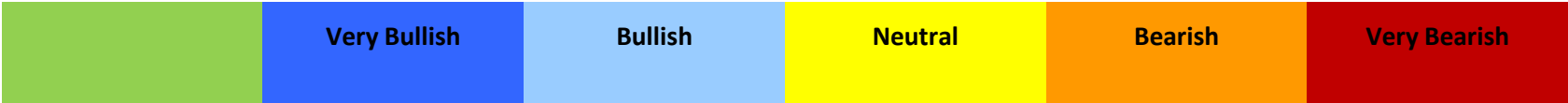
Brazil	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-2.90	-3.60
Inflation Rate	Monthly	6.99	7.87
Unemployment Rate	Monthly	↑11.90	11.80
Benchmark Interest Rate	Weekly	13.75	14.00
Govt. bond 10 year Rate	Weekly	↓11.40	11.46

Russia	Period	Current	Previous
GDP Annual Growth Rate	Quarterly	-0.40	-0.60
Inflation Rate	Monthly	↓5.40	5.80
Unemployment Rate	Monthly	5.40	5.40
Benchmark Interest Rate	Weekly	10.00	10.00
Govt. bond 10 year Rate	Weekly	↓8.38	8.51

## WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 31st Dec 2016	% Change
STOCKS	Australia	Aus Ordinaries	5719.10	0.77
	Brazil	Bovespa	60227.29	3.95
	China	Shanghai	3103.64	(0.21)
	France	CAC	4862.31	0.47
	Germany	DAX	11481.06	0.27
	Hong Kong	HANGSENG	22000.56	1.97
	India	Sensex	26626.46	2.25
	Japan	Nikkei	19114.37	(1.61)
	UK	FTSE	7142.83	1.06
	USA	DJIA	19762.60	(0.86)
COMMODITIES	Copper	\$/Pound	2.51	1.21
	Crude	\$/Barrel	53.72	1.32
	Gold	\$/Troy Ounce	1151.70	1.60
	Natural Gas	\$/MMBtu	3.72	1.64
	Silver	\$/Troy Ounce	15.99	1.46
	Aluminium	\$/Tonne	1688.00	(1.57)
	Lead	\$/Tonne	2014.50	(2.54)
	Nickel	\$/Tonne	10055.00	(3.60)
	Zinc	\$/Tonne	2568.00	(0.35)
CURRENCIES	USD/GBP		1.23	0.00
	USD/EUR		1.05	0.00
	USD/AUD		0.72	0.00
	JPY/USD		116.87	(0.38)
	INR/USD		67.94	0.16
	HKD/USD		7.75	(0.13)
	BRL/USD		3.25	(0.61)
	CNY/USD		6.94	0.00

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS	Australia ↑	Brazil ↑	HongKong ↑	China	
	France		India		
	Germany				
	Japan				
	UK				
	USA				

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

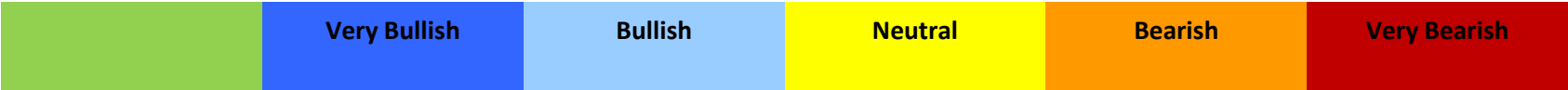
CURRENCIES (against USD)		HKD ↑	BRL	INR	AUD
					CNY
					EUR
					GBP
					JPY

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

## INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 31st Dec 2016	% Change
STOCKS	Nifty	Large Cap	8185.80	2.51
	Sensex	Large Cap	26626.46	2.25
	BSE Midcap	Mid Cap	12031.34	2.30
	BSE Smallcap	Small Cap	12046.13	2.11
Some Major Shares	ACC	Rs/share	1331.05	2.68
	Bharti Airtel		305.65	3.42
	HDFC Ltd		1262.60	3.08
	Infosys		1010.60	2.24
	L&T		1349.10	0.87
	Reliance Inds		1082.40	2.37
	Tata Motors		472.00	1.36
	Tata Steel		391.25	0.10
COMMODITIES	Aluminium	INR/Kg	116.40	(1.15)
	Copper	INR/Kg	376.80	1.05
	Crude	INR/Barrel	3650.00	1.50
	Gold	INR/10gms	27445.00	1.67
	Lead	INR/Kg	134.80	(2.78)
	Natural Gas	INR/1mmBtu	252.00	1.74
	Nickel	INR/Kg	680.10	(3.67)
	Silver	INR/Kg	39049.00	1.18
	Zinc	INR/Kg	174.15	0.20
CURRENCIES	INR/EUR		71.43	0.73
	INR/GBP		83.82	0.55
	INR/100 JPY		58.11	0.57
	INR/USD		67.94	0.16

INDIAN MARKETS - TECHNICAL SNAPSHOT



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

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

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