

ShroffConnect Weekly Report

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Current scenario & news

World economy

- The euro zone economy slowed sharply in the second quarter, hobbled by sluggish growth in Germany and stagnation in France, raising fears of a longer-term dip that could derail efforts to resolve the bloc's debt crisis.
- Treasuries surged, pushing yields on five-, seven- and 10-year notes to historic lows, as investors sought a refuge on concern U.S. growth is slowing and Europe's sovereign-debt crisis is getting worse.
- Asian currencies fell, led by India's rupee and South Korea's won, as U.S. data added to signs the global economic recovery is losing steam and Europe's worsening debt crisis bolstered demand for dollars.

Indian economy

- Rising gold prices may have reduced jewellery demand but consumer appetite for gold as an investment vehicle continues with gold imports registering an impressive 60% growth from a year ago.
- Amidst global uncertainties, India's foreign direct investments surged by 53.8 % in the first six months of this calendar year to Rs 75,506 crore.
- The total public debt of the government was Rs 31.5 lakh crore at that end of June 2011 against Rs 29.7 lakh crore at the end of March 2011.
- India's engineering exports saw a whopping growth of 187 % to \$8.2 billion in July year-on-year on the back of rising demand, mostly from new markets like Latin America and Africa.

Macro scenario

World economy

- Slowing recovery in Europe
- Inflation in China
- Slowing recovery in developed markets

Indian economy

- High inflation
- High interest rate
- GDP growth at 7-8%
- Over active environment ministry
- Monsoon below normal

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 20th Aug 2011	% Change
STOCKS	Australia	ASX	4171.90	(1.56)
	Brazil	Bovespa	52447.63	(1.92)
	China	Shanghai	2534.36	(2.27)
	France	CAC	3016.99	(6.13)
	Germany	DAX	5480.00	(8.63)
	Hong Kong	Hang Seng	19399.92	(1.12)
	India	Sensex	16141.67	(4.14)
	Japan	Nikkei	8719.24	(2.73)
	UK	FTSE	5040.76	(5.25)
	USA	DJIA	10817.65	(4.01)
COMMODITIES	Copper	\$/Pound	3.98	(0.75)
	Crude	\$/Barrel	82.70	(3.05)
	Gold	\$/Troy Ounce	1855.30	6.07
	Natural Gas	\$/MMBtu	3.93	(3.44)
	Silver	\$/Troy Ounce	42.93	9.88
	Aluminium	\$/Tonne	2355.00	(1.88)
	Lead	\$/Tonne	2302.00	(3.28)
	Nickel	\$/Tonne	21205.00	(0.91)
	Zinc	\$/Tonne	2193.00	0.73
CURRENCIES	GBP/USD		1.6463	1.16
	EUR/USD		1.4393	1.04
	AUD/USD		1.0406	0.58
	JPY/USD		76.50	(0.22)
	INR/USD		45.65	0.77
	HKD/USD		7.7956	0.04
	BRL/USD		1.5995	(0.68)
BONDS	2 Year	US Treasury	110.27	(0.04)
	10 Year		130.80	0.71
	30 Year		140.22	2.40

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 20th Aug 2011	% Change
STOCKS	Nifty	Large Cap	4845.65	(4.48)
	Sensex	Large Cap	16141.67	(4.14)
	BSE Midcap	Mid Cap	6127.10	(5.93)
	BSE Smallcap	Small Cap	7004.56	(8.09)
Some Major Shares	ACC	Rs/share	998.95	(0.07)
	Bharti Airtel		383.65	(1.40)
	HDFC Ltd		639.20	(4.42)
	Infosys		2224.70	(6.34)
	L&T		1545.55	(6.15)
	Reliance Inds		732.55	(3.73)
	Tata Motors		712.35	(10.96)
	Tata Steel		459.40	(3.27)
COMMODITIES	Aluminium	INR/Kg	106.65	(1.61)
	Copper	INR/Kg	402.90	0.12
	Crude	INR/Barrel	3803.00	(2.31)
	Gold	INR/10gms	27954.00	8.77
	Lead	INR/Kg	106.50	(1.34)
	Natural Gas	INR/1mmBtu	180.80	(2.11)
	Nickel	INR/Kg	970.50	(0.88)
	Silver	INR/Kg	66261.00	12.91
	Zinc	INR/Kg	99.60	1.17
CURRENCIES	INR/EUR		65.76	1.83
	INR/GBP		75.12	1.89
	INR/100 JPY		59.68	1.03
	INR/USD		45.65	0.77

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS

China	Australia
Germany	Brazil
Japan	France
USA	Hong Kong
	India ↓
	UK

COMMODITIES

Gold	Silver ↑	Copper	Aluminium
		Lead	Crude Oil
		Natural Gas	Nickel
		Zinc	

CURRENCIES (against USD)

JPY	AUD	HKD ↓
	BRL	
	EUR	
	GBP	
	INR	

BONDS (US Treasury)

2 Year
10 Year
30 Year

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

INDIAN MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
INDICES					Mid Cap Nifty Small Cap	Sensex ↓
SECTORS	FMCG			Cons Durable	Auto Bankex Cap Goods Healthcare ↓ Realty	IT Metal Oil & Gas Power Teck ↓
COMMODITIES	Gold		Silver ↑	Copper Lead Natural Gas Zinc	Aluminium Crude Oil Nickel	
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	Idea Cellular ITC Nestle India ↑ Petronet LNG	B P C L Bharti Airtel Hero Honda	ACC Adani Ent Ambuja Cem ↑ Ashok Leyland Bajaj Auto ↓ BEL GAIL H P C L HDFC HDFC Bank Hind Unilever Hind Zinc LT M R P L M&M Maruti Suzuki MRF ↓ NTPC O N G C Power Grid Ranbaxy Siemens Tata Chemicals Ultratech	Allahabad Bank ↓ Andhra Bank ↓ Axis Bank Bank of Baroda Cipla Grasim Ind Punj Loyd PNB ↓ Suzlon Syndicate Bank ↓ Tata Power TCS ↓ United Spirits	Bank Of India Bhel Cairn Canara Bank Hindalco ICICI Bank ↓ IOB ↓ Infosys Tech Jindal Saw Jindal Steel JP Associates JSW Steel PFC RCOM Reliance Ind Reliance Infra SAIL Sesa Goa SBIN Sterlite Ind Tata Motors Tata Steel UCO Bank Union Bank Wipro

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

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

Our opinion

- Money Flow: Into bullion and treasuries.
 - Opinion on Money Flow: The flow of money into bullion and treasuries is on the back of demand for seemingly safe assets.
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- Indian stocks: The market is still in correction mode in the medium term.
 - Sectors: Cigarettes, FMCG, Gas & Telecom are outperforming.
 - Positives: Lower crude prices.
 - Negatives: High inflation, high interest rate.
 - Opinion: The market is at a crucial support at approx. 4700-4850 Nifty levels. If this support does not hold, then the correction would, in effect, become a downtrend in the medium term. Investors should not invest till the trend becomes clear.

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