

ShroffConnect Weekly Report

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Current scenario & news

World economy

- Euro zone manufacturing activity contracted for the first time in almost two years in August due to a sharp downturn in output and new orders.
- Factory activity worldwide stalled last month as new orders tumbled, heightening fears that the global economy may be heading for another recession.
- U.S. employment growth ground to a halt in August as sagging consumer confidence discouraged already skittish U.S. businesses from hiring, keeping pressure on the Federal Reserve to provide more monetary stimulus to aid the economy.
- South Korean inflation accelerated to a 3-year high in August although exports eased and manufacturing output shrank, feeding expectations among economists that the central bank might have to hold rates steady or even cut them.

Indian economy

- India's economy grew at its weakest pace in six quarters but outperformed even gloomier predictions, reinforcing expectations RBI will keep raising interest rates to put a lid on inflation.
- India's exports in July rose an annual 82 % to \$29.3 billion, while imports for the month rose 51.5 % to \$40.4 billion.
- India's factory sector expanded at its slowest pace since early 2009 in August as export orders shrank amid weakening global demand, in Asia's third-largest economy.
- India's fiscal deficit during April to July was 2.29 trillion rupees (\$49.6 billion), or 55.4 % of the full-year target.
- India to receive a loan of 200 million euros from the European Union to finance private sector projects for the development of renewable energy resources.

Macro scenario

World economy

- Slowing recovery in developed markets
- High unemployment in developed markets.

Indian economy

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

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 3rd Sep 2011	% Change
STOCKS	Australia	ASX	4321.55	1.18
	Brazil	Bovespa	56531.62	5.96
	China	Shanghai	2528.28	(3.21)
	France	CAC	3148.53	1.97
	Germany	DAX	5538.33	0.02
	Hong Kong	Hang Seng	20212.91	3.22
	India	Sensex	16821.46	6.14
	Japan	Nikkei	8950.74	1.74
	UK	FTSE	5292.03	3.16
	USA	DJIA	11240.26	(0.39)
COMMODITIES	Copper	\$/Pound	4.12	0.49
	Crude	\$/Barrel	86.65	1.29
	Gold	\$/Troy Ounce	1886.70	3.00
	Natural Gas	\$/MMBtu	3.86	(2.03)
	Silver	\$/Troy Ounce	43.30	3.79
	Aluminium	\$/Tonne	2436.00	2.44
	Lead	\$/Tonne	2460.00	(1.01)
	Nickel	\$/Tonne	21500.00	0.23
	Zinc	\$/Tonne	2195.00	(2.31)
CURRENCIES	GBP/USD		1.6218	(0.91)
	EUR/USD		1.4204	(2.03)
	AUD/USD		1.0644	0.66
	JPY/USD		76.79	0.18
	INR/USD		45.73	(0.91)
	HKD/USD		7.7884	(0.11)
	BRL/USD		1.6415	2.34
BONDS	2 Year	US Treasury	110.25	(0.03)
	10 Year		131.30	0.78
	30 Year		141.56	2.46

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 3rd Sep 2011	% Change
STOCKS	Nifty	Large Cap	5040.00	6.15
	Sensex	Large Cap	16821.46	6.14
	BSE Midcap	Mid Cap	6324.61	4.80
	BSE Smallcap	Small Cap	7133.74	3.22
Some Major Shares	ACC	Rs/share	1015.25	2.29
	Bharti Airtel		408.60	2.50
	HDFC Ltd		660.95	6.30
	Infosys		2319.20	5.30
	L&T		1609.30	5.09
	Reliance Inds		805.45	11.96
	Tata Motors		754.75	8.05
	Tata Steel		490.10	16.05
COMMODITIES	Aluminium	INR/Kg	111.40	3.05
	Copper	INR/Kg	420.20	0.90
	Crude	INR/Barrel	3979.00	0.89
	Gold	INR/10gms	27789.00	0.55
	Lead	INR/Kg	114.30	(1.04)
	Natural Gas	INR/1mmBtu	179.10	(1.65)
	Nickel	INR/Kg	993.00	(1.49)
	Silver	INR/Kg	63969.00	0.72
	Zinc	INR/Kg	100.80	(2.61)
CURRENCIES	INR/EUR		65.00	(1.44)
	INR/GBP		74.17	(1.80)
	INR/100 JPY		59.55	(1.08)
	INR/USD		45.73	(0.91)

WORLD MARKETS - TECHNICAL SNAPSHOT

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

Cons Durable
Healthcare ↑

Auto
Bankex
Cap Goods ↓
IT
Metal
Oil & Gas
Power
Realty ↓
Teck

COMMODITIES

Gold

Silver

Aluminium ↑
Copper
Lead
Zinc

Crude Oil
Natural Gas ↓

Nickel

CURRENCIES (against INR)

EUR ↑
JPY

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	Chambal Fert Hero Honda Idea Cellular Nestle India Petronet LNG	Bajaj Auto Bharti Airtel Bosch Ltd ITC ↓	ACC Ambuja Cem Apollo Tyres Ashok Leyland Coal India Ltd ↑ EID-Parry Exide Inds Grasim Ind ↑ HDFC HDFC Bank Hind Unilever Hind Zinc Kotak Bank LT Lupin M&M MRF Power Grid Ranbaxy Siemens Sun Pharma Tata Global Tech Mahindra Ultratech United Phos	BEL ↓ Dr Reddy ↑ GAIL Havells India HCL Tech Maruti Suzuki ↑ NTPC O N G C ↓ PNB Shriram Trans ↑ Tata Chemicals ↓ TCS	Axis Bank Bank of Baroda Bank Of India Bhel Cairn Canara Bank Cipla ↓ Crompton Gr Hindalco ICICI Bank Infosys Tech Jindal Steel JSW Steel NMDC Ltd PFC RECL Reliance Ind Sesa Goa Shr Renuka ↓ Standard Chart SBIN Sterlite Ind Tata Motors Tata Power Tata Steel Thermax Ltd 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	Colgate-Palm ↑	Bajaj Finserv	Bayer Crop Sci	Bajaj Electricals	
	Bata India	TTK Prestige ↑	Biocon ↑	CMC	Bharat Forge	
	Britannia		Cadila Health	Federal Bank	Container Corp	
	CRISIL Ltd		Castrol India	Glaxo Pharma ↓	Cummins	
	GMDC		Dabur	Opto Circuits	Engineers India	
	Gujarat Gas		Dewan Housing ↑	Tata Coffee	I D F C	
	IGL		Divi's Lab		IDBI Bank	
	Jubilant Food		Emami		IFCI	
	Rallis India Ltd		Glenmark Ph		Indian Hotel	
	Supreme Ind		Godrej Cons		JSW Energy ↓	
	VIP Industries		GSK Con Health		Patni Comp	
	VST Ind		GSPL		Voltas	
			Jain Irrigation			
			LIC Housing ↑			
			Marico ↓			
			Pidilite Ind			
			Sintex Ind			
			Titan Ind			
			Yes Bank			

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

Opinion on 03/09/2011

- Money flow: Out of stocks; into bullion and treasuries.
 - Opinion: Investors are seeking “safe” assets.
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- Indian markets: There is a short term rally within the medium term correction.
 - Sectors: Two wheelers, Cement, Cigarettes, Consumer Products, Food, Gas and Telecom are outperforming.
 - Positives: Lower crude and commodity prices; the govt. seems to be putting important legislations on the fast track especially after the Anna Hazare campaign.
 - Negatives: High inflation, high interest rates.
 - Opinion: The short term rally came early in the week as expected. This could go up to 5200 Nifty. As we are still in a medium term correction, the weakness should resume by the end of the week. Investors would do well to decrease positions in this rally so that they may buy back later. Fresh investments should be made only on consolidation of prices at some level.

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