

ShroffConnect Weekly Report

17th September, 2011

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Current scenario & news

World economy

- New claims for U.S. jobless aid rose unexpectedly and factory activity along much of the Eastern seaboard contracted early this month, bolstering the case for more action to support the struggling economy.
- Japanese manufacturing confidence improved for a fifth straight month in September but the pace of recovery slowed to a crawl, with a strong yen and faltering global growth.
- The euro rose against the dollar for the first time in three weeks after the European Central Bank said it will lend dollars to euro-area banks, tempering liquidity concern amid the region's sovereign debt crisis.
- Foreign direct investment (FDI) in China grew 17.7 percent year on year in the first eight months of 2011.

Indian economy

- The Reserve Bank of India (RBI) raised interest rates for the 12th time in 18 months and surprised markets by sticking with its anti-inflationary stance even as growth slows in India.
- Advance tax collections from the top 100 corporates from the nation's financial capital saw a robust 18 % jump in the quarter to September.
- After whopping jump for two consecutive months, India's foreign direct investment declined by 38 % year-on-year in July to \$ 1.09 billion.
- India has relaxed its overseas borrowing rules allowing firms to raise Chinese yuan-denominated debt and raising the borrowing limit for companies in an attempt to woo capital inflows amid heightened global uncertainty.

Macro scenario

World economy

- Slowing recovery in developed markets
- High unemployment in developed markets
- Possible Greece sovereign default

Indian economy

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

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 17th Sep 2011	% Change
STOCKS	Australia	ASX	4229.88	(1.11)
	Brazil	Bovespa	56872.54	1.96
	China	Shanghai	2482.34	(0.62)
	France	CAC	3074.15	3.35
	Germany	DAX	5623.96	8.36
	Hong Kong	Hang Seng	19455.31	(2.07)
	India	Sensex	16933.83	0.40
	Japan	Nikkei	8864.16	1.45
	UK	FTSE	5368.41	2.95
	USA	DJIA	11509.09	4.70
COMMODITIES	Copper	\$/Pound	3.93	(1.75)
	Crude	\$/Barrel	87.90	1.02
	Gold	\$/Troy Ounce	1814.90	(2.49)
	Natural Gas	\$/MMBtu	3.82	(2.55)
	Silver	\$/Troy Ounce	40.70	(1.76)
	Aluminium	\$/Tonne	2380.00	0.55
	Lead	\$/Tonne	2365.00	(3.43)
	Nickel	\$/Tonne	21510.00	1.70
CURRENCIES	Zinc	\$/Tonne	2159.00	(1.19)
	GBP/USD		1.5786	(0.59)
	EUR/USD		1.3792	1.00
	AUD/USD		1.0357	(1.07)
	JPY/USD		76.76	(1.07)
	INR/USD		47.27	1.66
	HKD/USD		7.7918	(0.03)
BONDS	BRL/USD		1.7325	3.59
	2 Year	US Treasury	110.34	0.01
	10 Year		130.48	(0.98)
	30 Year		140.72	(1.25)

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 17th Sep 2011	% Change
STOCKS	Nifty	Large Cap	5084.25	0.49
	Sensex	Large Cap	16933.83	0.40
	BSE Midcap	Mid Cap	6390.12	(0.70)
	BSE Smallcap	Small Cap	7213.02	(1.25)
Some Major Shares	ACC	Rs/share	1037.90	0.89
	Bharti Airtel		385.80	(3.59)
	HDFC Ltd		662.35	0.12
	Infosys		2395.15	5.31
	L&T		1608.80	(4.95)
	Reliance Inds		825.65	(0.01)
	Tata Motors		161.85	5.80
	Tata Steel		460.85	(3.37)
COMMODITIES	Aluminium	INR/Kg	111.30	1.23
	Copper	INR/Kg	414.10	(0.37)
	Crude	INR/Barrel	4156.00	2.19
	Gold	INR/10gms	27730.00	(1.50)
	Lead	INR/Kg	113.20	(1.65)
	Natural Gas	INR/1mmBtu	181.80	(1.20)
	Nickel	INR/Kg	1020.90	2.59
	Silver	INR/Kg	64408.00	(1.15)
	Zinc	INR/Kg	102.15	0.05
CURRENCIES	INR/EUR		65.30	2.74
	INR/GBP		74.64	1.39
	INR/100 JPY		61.56	2.55
	INR/USD		47.27	1.66

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS

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

COMMODITIES

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

CURRENCIES
(against USD)

- | | | | |
|-----|-----|-------|-------|
| JPY | AUD | HKD ↓ | BRL ↓ |
| | EUR | | INR ↓ |
| | GBP | | |

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

Auto ↑
Cons Durable

Cap Goods
Healthcare ↓
Oil & Gas ↑

Bankex
IT
Metal
Power
Realty
Teck

COMMODITIES

Gold
Silver ↑

Aluminium
Copper
Lead
Zinc

Crude Oil
Natural Gas ↓
Nickel ↑

CURRENCIES (against INR)

JPY
USD ↑

EUR ↑
GBP

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

MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES	Bajaj Auto ↑ Chambal Fert Hero Motoco Hind Unilever ↑ Idea Cellular Nestle India Petronet LNG	Bosch Ltd ITC Lupin M&M	ACC Ambuja Cem Ashok Leyland Bharti Airtel Coal India Coromandel ↑ EID-Parry Exide Inds Grasim Ind Havells India ↑ HDFC ↑ HDFC Bank Hind Zinc ↑ Kotak Bank MRF O N G C ↑ Shriram Trans Sun Pharma ↓ Tata Global Tech Mahindra Ultratech United Phos	Apollo Tyres BEL Cipla ↑ Dr Reddy GAIL HCL Tech LT NMDC ↑ Power Grid Ranbaxy ↓ Siemens ↓ Tata Chem TCS Tata Power Tata Steel Thermax Wipro	Axis Bank BOB Bank Of India Bhel Cairn Canara Bank Crompton Gr Hindalco ICICI Bank Infosys Tech Jindal Steel JSW Steel Maruti Suzuki ↓ NTPC PFC PNB RECL Reliance Ind Sesa Goa Shr Renuka Standard Chart SBIN Sterlite Ind Tata Motors

↑ = 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	Bata India	Britannia Ind	Asian Paints ↓	Biocon	Bajaj Electricals	
	CRISIL	Colgate-Palm ↓	Bajaj Finserv	JSW Energy ↑	Bharat Forge	
	GMDC	TTK Prestige	Bayer Crop ↑	Opto Circuits	CMC	
	Gujarat Gas		Cadila Health ↑	Sintex Ind	Container Corp	
	IGL		Castrol India	Yes Bank	Cummins India	
	Jubilant Food		Dabur		Engineers India	
	Rallis India		Dewan Housing		Federal Bank ↓	
	Supreme Ind		Divi's Lab		Glaxo Pharma ↓	
	VIP Industries		Emami		I D F C	
	VST Ind		Glenmark Ph		IDBI Bank	
			Godrej Cons ↓		IFCI	
			GSK Con Health		Indian Hotel	
			GSPL		Patni Comp	
			Jain Irrigation		Voltas	
			LIC Housing			
			Marico ↓			
			Pidilite Ind ↓			
			Tata Coffee			
			Titan Ind			

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

Opinion on 17/09/2011

- Money Flow: Into Gold, Silver and Treasuries.
 - Opinion on Money Flow: Flight to “safe” assets.
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- Indian market: The market remained range bound this week even after IIP data, Inflation data and the RBI mid quarter review.
 - Sectors: Two wheelers, Cement, Cigarettes, Consumer goods, Food, FMCG, Industrial Gases and Telecom are outperforming.
 - Positives: GOI is becoming pro-active once again and taking steps to bolster the economy.
 - Negatives: RBI increasing interest rates once again; petrol price hike; high inflation.
 - Opinion: Unless the GOI announces some drastic measures to boost the economy, the market should continue to be range bound between 4900-5200 during the next week. Investors would do well to stick to good, low debt companies where there is volume growth, like Two wheelers and Consumer goods including FMCG, or margin growth, like Telecom.

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