

# *ShroffConnect* Weekly Report

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**Aditya Shroff**

Stock Broking Services

**Shroff Securities Pvt. Ltd.**

Portfolio Management Services

Kolkata: 033 40662165/22627829

Bangalore: 080 25588305/25588306

Email: [contact@shroffsecurities.com](mailto:contact@shroffsecurities.com)

Web: [www.shroffsecurities.com](http://www.shroffsecurities.com)

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# Current news

## World economy

- U.S. economic growth unexpectedly slowed in the fourth quarter as the strongest pace of consumer spending in three years resulted in a surge in imports.
- The euro zone's economy could prove to be a shining star again this year, but persistently tepid inflation will probably keep the European Central Bank from following its peers and tightening monetary policy anytime soon.
- Britain's economy unexpectedly picked up speed in the last three months of 2017, according to data which showed that the prospect of Brexit was still weighing on the economy, but not as heavily as once feared by investors.
- Japan's inflation in December continued to lag a strong economic revival, leaving the central bank in a dilemma on how to turn off crisis-era stimulus policies that even some of its own board members warn will start to hurt more than help if retained for too long.
- Euro zone consumer confidence jumped much more than expected in January, a flash estimate from the European Commission showed on Tuesday, further underlining the momentum in the economy that is growing at its fastest in a decade.

## Indian economy

- Revenue collections from Goods and Services Tax (GST) marginally increased to Rs 86,703 crore during December, recovering from last month's lows.
- The government will infuse Rs 88,139 crore into 20 public sector banks through recapitalisation bonds and budgetary support in this financial year, a move aimed at strengthening these banks' lending capacity and thereby pulling the country out of a three-year low growth slump.
- A total of 19 public sector banks have suggested allowing full tax deduction on provisions made for bad loans, as against the cap of 5 percent of taxable income, as a high proportion of stressed assets are being resolved under the Insolvency and Bankruptcy Code (IBC).
- Petrol prices on Tuesday hit the highest level since the BJP government came to power in 2014, and diesel touched a record high of Rs 63.20 a litre, prompting the oil ministry to seek a cut in excise duty.
- India is projected to grow at 7.4 percent in 2018 as against China's 6.8 percent, the IMF said, making it the fastest growing country among emerging economies following last year's slowdown due to demonetisation and the implementation of the GST.

## MACRO ECONOMIC SNAPSHOT AS ON 27/01/2018

| USA                     | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | ↑2.50   | 2.30     |
| Inflation Rate          | Monthly   | 2.10    | 2.20     |
| Unemployment Rate       | Monthly   | 4.10    | 4.10     |
| Benchmark Interest Rate | Weekly    | 1.50    | 1.25     |
| Govt. bond 10 year Rate | Weekly    | ↑2.68   | 2.64     |

| Euro Area               | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | 2.60    | 2.40     |
| Inflation Rate          | Monthly   | 1.40    | 1.50     |
| Unemployment Rate       | Monthly   | 8.70    | 8.80     |
| 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 | 6.80    | 6.80     |
| Inflation Rate          | Monthly   | 1.80    | 1.70     |
| Unemployment Rate       | Monthly   | ↓3.90   | 3.95     |
| Benchmark Interest Rate | Weekly    | 4.35    | 4.35     |
| Govt. bond 10 year Rate | Weekly    | ↓3.98   | 4.02     |

| Japan                   | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | 2.10    | 1.60     |
| Inflation Rate          | Monthly   | ↑1.00   | 0.60     |
| Unemployment Rate       | Monthly   | 2.70    | 2.80     |
| Benchmark Interest Rate | Weekly    | -0.10   | -0.10    |
| Govt. bond 10 year Rate | Weekly    | 0.08    | 0.08     |

| UK                      | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | ↓1.50   | 1.70     |
| Inflation Rate          | Monthly   | 3.00    | 3.10     |
| Unemployment Rate       | Monthly   | 4.30    | 4.30     |
| Benchmark Interest Rate | Weekly    | 0.50    | 0.50     |
| Govt. bond 10 year Rate | Weekly    | ↑1.44   | 1.38     |

| India                   | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | 6.30    | 5.70     |
| Inflation Rate          | Monthly   | 5.21    | 4.88     |
| Unemployment Rate       | Monthly   | no data |          |
| Benchmark Interest Rate | Weekly    | 6.00    | 6.00     |
| Govt. bond 10 year Rate | Weekly    | ↓7.31   | 7.48     |

| Brazil                  | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | 1.40    | 0.40     |
| Inflation Rate          | Monthly   | 2.95    | 2.80     |
| Unemployment Rate       | Monthly   | 12.00   | 12.20    |
| Benchmark Interest Rate | Weekly    | 7.00    | 7.50     |
| Govt. bond 10 year Rate | Weekly    | ↓9.71   | 9.90     |

| Russia                  | Period    | Current | Previous |
|-------------------------|-----------|---------|----------|
| GDP Annual Growth Rate  | Quarterly | 1.80    | 2.50     |
| Inflation Rate          | Monthly   | 2.50    | 2.50     |
| Unemployment Rate       | Monthly   | 5.10    | 5.10     |
| Benchmark Interest Rate | Weekly    | 7.75    | 8.25     |
| Govt. bond 10 year Rate | Weekly    | ↑7.42   | 7.41     |

## WORLD MARKETS - A SNAPSHOT

|             | Name        | Description    | Week ended<br>27th Jan 2018 | % Change |
|-------------|-------------|----------------|-----------------------------|----------|
| STOCKS      | Australia   | Aus Ordinaries | 6164.70                     | 0.74     |
|             | Brazil      | Bovespa        | 85531.00                    | 5.31     |
|             | China       | Shanghai       | 3558.13                     | 2.01     |
|             | France      | CAC            | 5529.15                     | 0.05     |
|             | Germany     | DAX            | 13340.17                    | (0.54)   |
|             | Hong Kong   | HANGSENG       | 33154.12                    | 2.79     |
|             | India       | Sensex         | 36050.44                    | 1.52     |
|             | Japan       | Nikkei         | 23631.88                    | (0.74)   |
|             | UK          | FTSE           | 7665.50                     | (0.84)   |
|             | USA         | DJIA           | 26616.71                    | 2.09     |
| COMMODITIES | Copper      | \$/Pound       | 3.20                        | 0.31     |
|             | Crude       | \$/Barrel      | 66.14                       | 4.47     |
|             | Gold        | \$/Troy Ounce  | 1352.10                     | 1.43     |
|             | Natural Gas | \$/MMBtu       | 3.17                        | (0.31)   |
|             | Silver      | \$/Troy Ounce  | 17.44                       | 2.35     |
|             | Aluminium   | \$/Tonne       | 2257.00                     | 1.67     |
|             | Lead        | \$/Tonne       | 2593.00                     | 0.46     |
|             | Nickel      | \$/Tonne       | 13650.00                    | 7.31     |
|             | Zinc        | \$/Tonne       | 3478.00                     | 1.80     |
| CURRENCIES  | USD/GBP     |                | 1.42                        | 2.90     |
|             | USD/EUR     |                | 1.24                        | 1.64     |
|             | USD/AUD     |                | 0.81                        | 1.25     |
|             | JPY/USD     |                | 108.70                      | 1.86     |
|             | INR/USD     |                | 63.58                       | 0.38     |
|             | HKD/USD     |                | 7.82                        | 0.00     |
|             | BRL/USD     |                | 3.15                        | 1.56     |
|             | CNY/USD     |                | 6.32                        | 1.25     |

## WORLD MARKETS - TECHNICAL SNAPSHOT

|                             |           | Very Bullish | Bullish   | Neutral | Bearish     | Very Bearish |
|-----------------------------|-----------|--------------|-----------|---------|-------------|--------------|
| STOCKS                      | Australia |              | China ↑   |         |             |              |
|                             | Brazil    |              | UK ↓      |         |             |              |
|                             | France    |              |           |         |             |              |
|                             | Germany   |              |           |         |             |              |
|                             | HongKong  |              |           |         |             |              |
|                             | India     |              |           |         |             |              |
|                             | Japan     |              |           |         |             |              |
|                             | USA       |              |           |         |             |              |
| COMMODITIES                 | Aluminium |              | Copper    |         | Natural Gas |              |
|                             | Gold      |              | Crude Oil |         | Silver      |              |
|                             | Lead      |              |           |         |             |              |
|                             | Nickel    |              |           |         |             |              |
|                             | Zinc      |              |           |         |             |              |
| CURRENCIES<br>(against USD) | CNY       |              | AUD       |         | BRL         | HKD          |
|                             | EUR ↑     |              | GBP ↑     |         |             |              |
|                             |           |              | INR ↑     |         |             |              |
|                             |           |              | JPY ↑     |         |             |              |

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

## INDIAN MARKETS - A SNAPSHOT

|                      | Name          | Description | Week ended<br>27th Jan 2018 | % Change |
|----------------------|---------------|-------------|-----------------------------|----------|
| STOCKS               | Nifty         | Large Cap   | 11069.65                    | 1.61     |
|                      | Sensex        | Large Cap   | 36050.44                    | 1.52     |
|                      | BSE Midcap    | Mid Cap     | 17841.19                    | 0.43     |
|                      | BSE Smallcap  | Small Cap   | 19342.18                    | (0.59)   |
| Some Major<br>Shares | ACC           | Rs/share    | 1726.40                     | (5.64)   |
|                      | Bharti Airtel |             | 452.70                      | (9.08)   |
|                      | HDFC Ltd      |             | 1908.30                     | 0.37     |
|                      | Infosys       |             | 1175.40                     | 2.79     |
|                      | L&T           |             | 1416.50                     | 3.28     |
|                      | Reliance Inds |             | 965.90                      | 3.72     |
|                      | Tata Motors   |             | 400.30                      | (4.25)   |
|                      | Tata Steel    |             | 769.15                      | 2.14     |
| COMMODITIES          | Aluminium     | INR/Kg      | 141.60                      | (0.11)   |
|                      | Copper        | INR/Kg      | 451.85                      | 0.31     |
|                      | Crude         | INR/Barrel  | 4190.00                     | 3.76     |
|                      | Gold          | INR/10gms   | 30361.00                    | 2.04     |
|                      | Lead          | INR/Kg      | 164.25                      | (0.70)   |
|                      | Natural Gas   | INR/1mmBtu  | 218.90                      | 7.57     |
|                      | Nickel        | INR/Kg      | 868.20                      | 7.48     |
|                      | Silver        | INR/Kg      | 39960.00                    | 2.54     |
|                      | Zinc          | INR/Kg      | 221.60                      | 1.19     |
| CURRENCIES           | INR/EUR       |             | 78.96                       | (1.24)   |
|                      | INR/GBP       |             | 90.08                       | (1.92)   |
|                      | INR/100 JPY   |             | 58.48                       | (1.53)   |
|                      | INR/USD       |             | 63.58                       | 0.38     |

## INDIAN MARKETS - TECHNICAL SNAPSHOT

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

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

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