

ShroffConnect Weekly Report

29th January, 2011

Shroff Securities Pvt. Ltd.

Portfolio Investment Management Services

(for private circulation only)

Current scenario & news

World markets

- Consumer spending and booming U.S. exports boosts the U.S. economic growth
- Japan's annual export growth picked up more strongly than expected in December as shipments to China jumped to record high
- Central banks hoard cash fearing Middle East instability
- UK economy contracts in the last quarter

Indian markets

- India's engineering exports grew by about 50 per cent yoy to USD 5.5 billion in December, 2010, on the back of increased demand from US and Middle East markets
- The outstanding internal debt of the Government stood at Rs 25,64,983 crore in Q3, thereby constituting 36.6 per cent of GDP compared with 35 per cent in the previous quarter
- FDI in the country's service sector declined by 27% to \$2.59 bn (Rs 11.885 cr) during Apr-Nov of the current fiscal
- Govt. mulls import duty cut on food products to curb inflation

Macro scenario

World markets

- Low interest rate
- High deficits
- Continued easy monetary policy by USA, extension of tax cuts
- Budgetary cuts by Euro zone nations and UK

Indian markets

- Partial rollback of stimulus
- Increasing interest rate
- High deficit, high inflation
- GDP growth at 8–9%

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 29th Jan 2011	% Change
STOCKS	Australia	ASX	4872.51	0.24
	Brazil	Bovespa	66697.57	(3.52)
	China	Shanghai	2752.95	1.36
	France	CAC	4002.32	(0.38)
	Germany	DAX	7102.8	0.57
	Hong Kong	Hang Seng	23617.02	(1.09)
	India	Sensex	18395.97	(3.22)
	Japan	Nikkei	10360.34	0.84
	UK	FTSE	5881.37	(0.25)
	USA	DJIA	11823.7	(0.41)
COMMODITIES	Copper	\$/Pound	4.35	0.93
	Crude	\$/Barrel	89.49	0.44
	Gold	\$/Troy Ounce	1339.10	(0.21)
	Natural Gas	\$/MMBtu	4.33	(8.26)
	Silver	\$/Troy Ounce	27.96	1.67
	Aluminium	\$/Tonne	2472.20	2.21
	Lead	\$/Tonne	2437.65	0.52
	Nickel	\$/Tonne	26621.00	1.77
	Zinc	\$/Tonne	2354.15	1.56
CURRENCIES	USD/GBP		1.5851	(0.91)
	USD/EUR		1.3609	(0.02)
	USD/AUD		0.9940	0.43
	JPY/USD		82.00	(0.68)
	INR/USD		45.80	0.44
	HKD/USD		7.7901	0.03
	BRL/USD		1.6812	0.55
BONDS	2 Year	US Treasury	109.64	0.19
	10 Year		121.16	0.83
	30 Year		121.44	1.12

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 29th Jan 2011	% Change
STOCKS	Nifty	Large Cap	5512.15	(3.24)
	Sensex	Large Cap	18395.97	(3.22)
	BSE Midcap	Mid Cap	6898.37	(4.08)
	BSE Smallcap	Small Cap	8546.29	(4.47)
Some Major Shares	ACC	Rs/share	992.15	(0.42)
	Bharti Airtel		327.25	(2.62)
	HDFC Ltd		645.25	(0.91)
	Infosys		3168.15	(2.33)
	L&T		1607.30	(2.56)
	Reliance Inds		913.00	(7.48)
	Tata Motors		1150.30	(3.12)
	Tata Steel		637.45	1.25
COMMODITIES	Aluminium	INR/Kg	112.40	2.41
	Copper	INR/Kg	441.55	0.85
	Crude	INR/Barrel	4117.00	0.44
	Gold	INR/10gms	19927.00	(0.71)
	Lead	INR/Kg	114.90	1.46
	Natural Gas	INR/1mmBtu	202.60	(6.68)
	Nickel	INR/Kg	1221.40	2.07
	Silver	INR/Kg	42999.00	0.68
	Zinc	INR/Kg	105.95	(0.14)
CURRENCIES	INR/EUR		62.38	0.32
	INR/GBP		72.67	(0.38)
	INR/100 JPY		55.77	0.98
	INR/USD		45.80	0.44

WORLD MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
STOCKS		Australia France ↑ Germany Japan ↑ UK USA	Hong Kong ↓	Brazil China India		
COMMODITIES		Aluminium Copper Nickel	Crude Oil ↓ Lead ↓ Silver ↓ Zinc ↓	Gold Natural Gas ↓		
					↑ = moved up from last week ↓ = moved dn from last week	
CURRENCIES (against USD)	JPY		AUD ↓ BRL EUR ↑ GBP	INR	HKD	
BONDS (US Treasury)				2 Year ↑	10 Year	30 Year

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Nifty
Sensex

Mid Cap
Small Cap

SECTORS

IT

Teck ↓

Auto
Cons Durable
FMCG ↓
Healthcare ↓
Metal

Bankex
Cap Goods ↑
Oil & Gas ↓

Power
Realty

COMMODITIES

Aluminium
Copper
Lead
Nickel
Silver
Zinc

Crude Oil ↓

Gold ↓
Natural Gas ↓

↑ = moved up from last week

↓ = moved dn from last week

CURRENCIES (against INR)

EUR
GBP
JPY
USD

MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
COMPANIES	Hind Zinc Petronet LNG TCS	Grasim Ind ↓ Hindalco ↓ Infosys Tech ↓ Tata Steel	ACC Ambuja Cem Bank Of India BEL Bharti Airtel Cairn Cipla ↓ GAIL HDFC Hind Unilever ↓ ICICI Bank Idea Cellular ITC ↓ Jindal Saw Jindal Steel M R P L M&M ↓ Maruti Suzuki Nestle India ↓ NTPC Ranbaxy Sesa Goa Siemens Sterlite Ind Suzlon Tata Motors ↓ Tata Power Ultratech Wipro ↓	Adani Ent ↓ Allahabad Bank Axis Bank B P C L ↑ Bajaj Auto ↓ BOB Canara Bank HDFC Bank Hero Honda ↓ IOB LT Power Grid Punj Loyd PNB Reliance Ind ↓ Syndicate Bank Tata Chem ↓ Union Bank United Spirits	Andhra Bank Ashok Ley ↓ Bhel ↓ H P C L JP Associates JSW Steel ↓ MRF O N G C ↓ PFC ↓ RCOM ↓ Reliance Infra SAIL SBIN ↓

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

↑ = moved up from last week

↓ = moved dn from last week

Our opinion

- ❑ Money flow: Into stocks of developed markets.
 - ❑ Opinion on money flow: Developed economies are showing signs of strengthening recovery. Money is flowing out of emerging markets into them because they seem cheaper.
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- ❑ Indian stocks: The market is in a long term correction.
 - ❑ Current trend in sectors: Sectors which relatively strong: Aluminium & IT.
 - ❑ Positives: Growth and consumption story. Strong foreign markets.
 - ❑ Negatives: Rising raw material costs, high inflation and uncertain political conditions. Mixed corporate results.
 - ❑ Opinion: The market is in a correction mode in the longer term period. The saving grace is a strong foreign market, though we have seen the first signs of trouble there as well. During the next two months the market could be volatile. Long term investors may hold onto their investments. Fresh investments are not advised now.

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