

ShroffConnect Weekly Report

8th October, 2011

Shroff Securities Pvt. Ltd.

Portfolio Investment Management Services

Kolkata: 033 32933592/3658

Bangalore: 080 32996004/6005

Email: shroffsec@gmail.com

Web: www.shroffsecurities.com

(for private circulation only)

Current scenario & news

World economy

- Growth in the vast U.S. services sector slowed modestly in September as a contraction in employment eclipsed a jump in new orders.
- The Bank of Japan said its board voted unanimously to keep its key rate unchanged between zero and 0.1 % as it continued with earlier measures to help safeguard Japan's fragile recovery.
- Europe's worsening debt crisis could significantly damage the U.S. economy, treasury secretary Timothy Geithner warned on Thursday as he urged Europe to shore up its bailout fund.
- The Bank of England has launched a second round of quantitative easing to defend Britain's faltering economy against the euro zone debt crisis, pledging to buy 75 billion pounds (\$114.8 billion) of assets with new money in a dramatic move to stave off recession.

Indian economy

- India's manufacturing growth fell to its lowest in more than two years in September, reinforcing fears that an extended period of high policy rates is hurting growth.
- India's exports soared 44.25 % to \$24.31 billion, while imports grew 41.82 % to \$38.35 billion in August, leaving a trade deficit of \$14.04 billion.
- The new mining Bill will force Indian companies to aggressively hunt for assets abroad as the bill will make mining costlier in the country.
- The country's foreign exchange reserves fell for the second consecutive week, going down by USD 1.23 billion to USD 311.48 billion, for the week ended September 30.
- India's food price index rose 9.41 percent and the fuel price index climbed 14.69 percent in the year to Sept. 24.

Macro scenario

World economy

- Slowing recovery in developed markets
- High unemployment in developed markets
- Euro zone debt crisis

Indian economy

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

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 8th Oct 2011	% Change
STOCKS	Australia	ASX	4224.97	3.81
	Brazil	Bovespa	51243.62	(2.07)
	China	Shanghai	2359.47	0.01
	France	CAC	3095.56	3.81
	Germany	DAX	5675.70	3.16
	Hong Kong	Hang Seng	17707.01	0.65
	India	Sensex	16232.54	(1.34)
	Japan	Nikkei	8605.62	(1.09)
	UK	FTSE	5303.40	3.41
	USA	DJIA	11103.12	1.74
COMMODITIES	Copper	\$/Pound	3.28	5.47
	Crude	\$/Barrel	82.87	5.23
	Gold	\$/Troy Ounce	1642.20	0.97
	Natural Gas	\$/MMBtu	3.48	(4.92)
	Silver	\$/Troy Ounce	31.23	4.17
	Aluminium	\$/Tonne	2228.00	3.29
	Lead	\$/Tonne	1940.00	(2.27)
	Nickel	\$/Tonne	18905.00	7.41
	Zinc	\$/Tonne	1920.00	3.23
CURRENCIES	GBP/USD		1.5557	(0.15)
	EUR/USD		1.3376	(0.07)
	AUD/USD		0.9767	1.11
	JPY/USD		76.70	(0.45)
	INR/USD		49.03	0.04
	HKD/USD		7.7821	(0.03)
	BRL/USD		1.7715	(5.75)
BONDS	2 Year	US Treasury	110.02	(0.13)
	10 Year		128.89	(0.92)
	30 Year		141.31	(0.93)

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 8th Oct 2011	% Change
STOCKS	Nifty	Large Cap	4888.05	(1.12)
	Sensex	Large Cap	16232.54	(1.34)
	BSE Midcap	Mid Cap	5959.28	(2.78)
	BSE Smallcap	Small Cap	6721.55	(2.32)
Some Major Shares	ACC	Rs/share	1113.50	1.36
	Bharti Airtel		354.80	(6.14)
	HDFC Ltd		645.40	0.70
	Infosys		2508.70	(0.96)
	L&T		1393.15	2.62
	Reliance Inds		802.90	(0.67)
	Tata Motors		159.15	1.99
	Tata Steel		419.70	1.05
COMMODITIES	Aluminium	INR/Kg	107.75	0.94
	Copper	INR/Kg	360.30	3.89
	Crude	INR/Barrel	4071.00	3.51
	Gold	INR/10gms	26350.00	1.23
	Lead	INR/Kg	95.80	(2.19)
	Natural Gas	INR/1mmBtu	172.30	(5.59)
	Nickel	INR/Kg	932.80	6.61
	Silver	INR/Kg	52297.00	2.18
	Zinc	INR/Kg	93.70	1.63
CURRENCIES	INR/EUR		65.63	0.02
	INR/GBP		76.28	(0.20)
	INR/100 JPY		63.92	0.41
	INR/USD		49.03	0.04

WORLD MARKETS - TECHNICAL SNAPSHOT



STOCKS

USA

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

COMMODITIES

Gold

Crude Oil ↑
Silver

- Aluminium
- Copper
- Lead
- Natural Gas ↓
- Nickel
- Zinc

CURRENCIES
(against USD)

JPY

HKD

AUD ↓
EUR ↓
GBP ↓

BRL
INR

BONDS
(US Treasury)

10 Year
30 Year

2 Year ↓

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

INDIAN MARKETS - TECHNICAL SNAPSHOT



INDICES

Nifty
Sensex
Mid Cap ↓
Small Cap

SECTORS

Auto
Cons Durable
FMCG

Healthcare
IT ↑
Realty

Bankex
Cap Goods
Metal
Oil & Gas
Power
Teck

COMMODITIES

Gold

Aluminium
Crude Oil
Zinc

Natural Gas ↓
Silver

Copper ↓
Lead ↓
Nickel

CURRENCIES (against INR)

GBP
JPY
USD

EUR ↓

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

MAJOR LARGE CAP COMPANIES - TECHNICAL SNAPSHOT

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

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

Opinion on 08/10/2011

- Money Flow: Somewhat into US stocks and out of gold, treasuries.
 - Opinion on Money Flow: It is too soon to be able to spot a trend, though money flow out of treasuries and gold indicates that a stock rally may be on the cards.
-
- Indian markets: In a medium term correction.
 - Sectors: Cement, Industrial gases & FMCG are outperforming.
 - Positives: Lower commodity prices.
 - Negatives: A large no. of policies being announced, high interest rates, high inflation.
 - Opinion: The market has tested the support level at 4700-4750 twice and bounced back. This is a good sign. News from abroad continues to be poor apart from the negatives outlined above. Even defensive counters are reacting very negatively to news flows. Results are around the corner as well. Investors should wait for a confirmed uptrend before investing fresh money. They may hold onto current investments or even switch to sectors which are showing more strength.

Disclaimer

- The report is for private circulation only. The information contained herein does not constitute a recommendation, advice, an offer or solicitation for the purchase or sale of any financial instruments/ investment products. All information, statements, opinions, statistics contained in the report are provided "as is" for informational purposes only, not intended for trading purposes or advice. The information provided is based on historical data. The past is not necessarily a guide to the future values and prices. The information provided in this report thus provides non-binding information, for which Shroff Securities Private Limited ("Company"), its directors, officers or employees disclaim liability. Trading in financial instruments and trade practices in the stock markets carries a great deal of risk. Recipient of this report should take independent professional advice before doing any transaction(s). The Company, its directors, officers or employees shall not be liable for any informational errors, incompleteness, or delays, or for any actions taken in reliance on information contained herein. Recipient of this report expressly understands and agrees that it is their sole responsibility to authenticate, verify and evaluate or take professional advice on the accuracy and completeness of all information, statements, opinions and other materials contained or expressed in this report. This report is not meant for any person located in or resident in jurisdictions which restrict the distribution of such material. The Recipient of this report is required to observe any relevant restrictions.
- No guarantee, representation or warranty whatsoever is made by the Company , its directors, officers or employees regarding the timeliness, quality, completeness, accuracy, adequacy, fullness, functionality or reliability of the information, statements, opinions, products, services and materials contained in this report or of the results obtained from the use of such information, statements, opinions and materials and no warranties whether express or implied, responsibility or liability, contingent or otherwise of any kind and nature whatsoever regarding the accuracy, quality, performance, merchantability and/or fitness for a particular purpose of the information, statements, opinions and materials contained, in his report or of the results obtained from the use of such information, statements, opinions and materials the security suitability for the investor, accounting and tax consequences of investing in securities or the future value developments of the stocks.
- The Company, its directors, officers or employees expressly disclaim liability and shall not be held responsible for any profit or loss which may arise out of any transaction(s) based on information, material or opinions appearing in this report. The Company or its group entities, their directors, owners, partners, officers, employees or clients may / may not have personal positions in the mentioned financial instruments.