

ShroffConnect Weekly Report

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Current scenario & news

World economy

- New U.S. claims for jobless benefits hit a seven-month low and permits for future home construction rebounded strongly in October.
- The Eurozone economy expanded by 0.2 percent in the three months to September, even as severe debt turmoil threatens to derail the fragile recovery of the 17-nation bloc.
- The International Monetary Fund is inserting itself more forcefully into Europe's efforts to resolve its debt crisis, hoping to stem a contagion that is spreading worldwide and threatening global growth.
- Fear over European banks' exposure to risky government debt stalked markets as unsecured lending between banks evaporated and the cost of secured loans rose.

Indian economy

- Indian stocks posted their biggest weekly decline in three months as the rupee weakened, raising the cost of importing raw materials, and on concern Europe's debt crisis is deepening.
- The rupee plunged to 32-month low of sub-51 level against dollar on persisting demand for the US currency from banks and importers.
- The Reserve Bank said it will buyback bonds from the market to ease a liquidity crunch in the banking system, a move which is expected to cool the sharp spike in yields that have raised the government's borrowing costs.
- India's foreign exchange reserves fell to \$314.339 billion on Nov. 11, from \$314.665 billion in the previous week.
- Value of gold in the government's kitty has grown by over Rs 1,00,000 crore in about two years.

Macro scenario

World economy

- Slowing recovery in developed markets
- Eurozone crisis

Indian economy

- High inflation
- High Interest rate
- High input cost
- Steep depreciation in rupee
- GDP growth at 7-8%

WORLD MARKETS - A SNAPSHOT

	Name	Description	Week ended 19th Nov 2011	% Change
STOCKS	Australia	ASX	4246.68	(2.57)
	Brazil	Bovespa	56731.30	(3.10)
	China	Shanghai	2416.56	(2.60)
	France	CAC	2997.01	(4.84)
	Germany	DAX	5800.24	(4.24)
	Hong Kong	Hang Seng	18491.20	(3.38)
	India	Sensex	16371.51	(4.78)
	Japan	Nikkei	8374.91	(1.64)
	UK	FTSE	5362.94	(3.29)
	USA	DJIA	11796.20	(2.94)
COMMODITIES	Copper	\$/Pound	3.40	(2.58)
	Crude	\$/Barrel	97.79	(1.44)
	Gold	\$/Troy Ounce	1726.00	(3.52)
	Natural Gas	\$/MMBtu	3.32	(6.74)
	Silver	\$/Troy Ounce	32.42	(6.38)
	Aluminium	\$/Tonne	2110.00	(2.41)
	Lead	\$/Tonne	2059.00	3.21
	Nickel	\$/Tonne	17754.00	(1.78)
	Zinc	\$/Tonne	1965.00	2.34
CURRENCIES	GBP/USD		1.5803	(1.61)
	EUR/USD		1.3522	(1.64)
	AUD/USD		1.0005	(2.66)
	JPY/USD		76.83	(0.43)
	INR/USD		51.23	2.46
	HKD/USD		7.7888	0.11
	BRL/USD		1.7783	2.05
BONDS	2 Year	US Treasury	110.12	(0.05)
	10 Year		130.30	0.40
	30 Year		142.78	1.67

INDIAN MARKETS - A SNAPSHOT

	Name	Description	Week ended 19th Nov 2011	% Change
STOCKS	Nifty	Large Cap	4905.80	(5.09)
	Sensex	Large Cap	16371.51	(4.78)
	BSE Midcap	Mid Cap	5716.45	(7.24)
	BSE Smallcap	Small Cap	6182.31	(8.61)
Some Major Shares	ACC	Rs/share	1150.50	(5.59)
	Bharti Airtel		397.50	0.48
	HDFC Ltd		645.60	(3.16)
	Infosys		2740.80	(1.26)
	L&T		1244.60	(6.45)
	Reliance Inds		808.10	(8.73)
	Tata Motors		170.30	(6.14)
	Tata Steel		391.40	(8.94)
COMMODITIES	Aluminium	INR/Kg	108.10	0.05
	Copper	INR/Kg	388.75	1.24
	Crude	INR/Barrel	5024.00	2.09
	Gold	INR/10gms	28704.00	(0.67)
	Lead	INR/Kg	105.45	5.66
	Natural Gas	INR/1mmBtu	172.50	(5.17)
	Nickel	INR/Kg	921.90	0.62
	Silver	INR/Kg	55850.00	(3.45)
	Zinc	INR/Kg	100.60	4.09
CURRENCIES	INR/EUR		69.29	0.80
	INR/GBP		80.96	0.88
	INR/100 JPY		66.64	2.90
	INR/USD		51.23	2.46

WORLD MARKETS - TECHNICAL SNAPSHOT

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

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

INDIAN MARKETS - TECHNICAL SNAPSHOT

		Very Bullish	Bullish	Neutral	Bearish	Very Bearish
INDICES				Nifty Sensex		Mid Cap ↓ Small Cap
SECTORS		FMCg ↑	IT ↑	Auto Cons Durable Healthcare Teck	Oil & Gas ↓	Bankex ↓ Cap Goods Metal Power ↓ Realty ↓
COMMODITIES		Gold	Crude Oil ↑	Copper ↑ Natural Gas Silver ↑ Zinc ↑	Aluminium Lead Nickel	
CURRENCIES (against INR)		EUR GBP JPY 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	ACC Ambuja Cem Bajaj Auto Hero Motoco Hind Unilever Idea Cellular ↑	Grasim Ind Infosys Tech ↑ ITC Kotak Bank Ultratech ↓	Apollo Tyres Ashok Leyland Bharti Airtel Bosch Ltd Cairn Canara Bank Cipla Coromandel Dr Reddy Havells India HCL Tech HDFC HDFC Bank Jindal Steel Lupin M&M ↓ Nestle India ↓ NTPC O N G C Petronet LNG PFC Power Grid RECL Reliance Ind Sun Pharma Tata Chem Tata Motors TCS Wipro	Bank Of India Chambal Fert ↓ Coal India EID-Parry Hind Zinc JSW Steel MRF ↓ NMDC ↓ Ranbaxy Siemens ↓ Standard Chart ↓ Tata Global Tech Mahindra Thermax United Phos ↓	Axis Bank ↓ Bank of Baroda ↓ BEL ↓ Bhel Crompton Gr Exide Inds GAIL ↓ Hindalco ICICI Bank LT Maruti Suzuki ↓ PNB ↓ Sesa Goa Shr Renuka ↓ Shriram Trans SBIN Sterlite Ind Tata Power ↓ Tata Steel ↓

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

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Opinion on 19/11/2011

- Money flow: There seems to be no clear trend.
 - Opinion on Money Flow: There is a lot of confusion and nervousness in the markets. Every day, the situation changes somewhat with one statement by a politician, or a stand by a government. Stocks & bullion are very volatile.
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- Indian market: The Indian market was down sharply during the week, especially mid caps and small caps.
 - Sectors: Two wheelers, Cement, Cigarettes, Food, Household goods, IT and Telecom continue to outperform.
 - Positives: Some good US economic data and easing inflation in China.
 - Negatives: High interest rate, high inflation, ballooning fiscal deficit, extremely weak INR, lack of political will and governance.
 - Opinion: The market did not go into an uptrend as was suspected, mostly due to weakening macro environment in Europe. It seems that even France, the no.2 economy in the Eurozone is under pressure. The conditions in India also do not seem encouraging. Not much is expected during the winter session of parliament. The government is giving the impression that it wants to increase revenue at any cost. There is too much volatility and nervousness amongst investors. The Indian market may rally briefly but the chart patterns now suggest a continuing downtrend. Investors should exit weak stocks during rallies and hold onto stronger stocks in order to protect their capital. They may invest again once the picture is clearer.

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