

Editorial
Vol -1, No-I, 02 Jan, 2021, 07 pages

merry happy Christmas to all CNI members and my followers.

Nifty my target was 13720 and it hit 13748 and I am hearing may traders shorting Nifty since they are feeling Nifty will correct for 3 holiday. Well, global markets are closed for 3 days so makes no difference. But the MONDAY will be again EUPHORINC buying for NAV next week. I feel Nifty will do 13900 13950 at least next week. All stop loss of today shorter 13850 will be taken in pocket.

This rally will not be stoppable. If we see 15000 in this rally I will not be surprised. I will be happy if market corrects to 13600 also because I do not think there is more scope. 13527 will not breach for sure.

Tata Motors and MOTHERSON will blast till expiry as brexit has happened traders short trapped.

Ambuja and ACC blasted after the royalty issue resolved. We were the first on either side.

RIL and ICICI will blast in JAN series. RIL will raise rates in JIO in JAN. My call is for 33000 bank Nifty in JAN and if that has to happen then AXIS INDUS and ICICI banks will blast.

I have given many good B gr stocks so far and you all are looking for some fresh stock which will blast and become multi bagger. In that case BUY SPENCERS Rs 5 paid up share at Rs 80 market cap just Rs 700 crs. Now before I write about the co please understand that at Rs 700 crs the retail venture is almost free. India Mart which I had told you at Rs 1500 now became rs 6200. Futures even after troubles trades at market cap of rs 23000 crs. And this co at Rs 700 crs. RPG gr co. It is a clear multi bagger. DAMANI holds 3 pc stake and in my opinion promoters will not sell for nothing less than 5000 to 7000 crs. Now you decide is it multi bagger...? March 20 when Nifty crashed it was trading at Rs 83 and since then it got accumulated between 80 and 91 hence there is nothing to lose in this stock. BUY in lacs.

Change of the week

	02-JAN-21	Rise /Gain
Sensex	47868	914 ↑
Nifty	14018	274 ↑

Net Investments (` Cr)

	FII	DII
28-Dec -20	1701.6	(1386.5)
29-Dec-20	2411.2	(2010.5)
30-Dec-20	1762.7	(587.4)
31-Dec-20	616.5	(257.6)
01-Jan-21	506.5	69.4
Total	6996	(4171)

Turnover (` Cr)

	FII	DII	Combined
01-Jan-21	35,698	34,545	70,243

01-Jan-21	Advances	Declines	Ratio
BSE	2044	967	2.1

India Mart V mart D mart and Futures retail you can see valuations and compare with SPENCERS. This stock where DAMANI is a shareholder will cushion your investment. DAMANI has interest in SPENCERS due to DMART and who knows he may take over.

Raymonds will be again on dream run on re rating of FMCG. Textiles and real estate getting separate. Real estate is worth Rs 450 and textiles and FMCG worth Rs 300 hence the SPTP is Rs 750 cmp is 308 and hence if you buy in anticipation you will make money.

NBCC is a good bet after it received Rs 1100 crs contracts.

CDSL is under accumulation from good funds.

If JK Bank run from 15 to 24 why not BOM catch when there are no buyers. Same BOM will be Rs 15 in no time when trigger surface and give you 30 pc returns. End of the day with bank privatisation these 2 banks will give good upside to Govt as well investors. If you have made some money in JK bank you can afford to bet on BOM now.

Nifty hit high of 12955 and corrected and 13000 alluring. Anytime it will cross 13000 before THURSDAY.

13000 crossed and still 2 days left. These 2 days will decide where the Nifty will rest. My guts feeling is that 13200 is on cards.

Small Cap Index has given mega break out and upside is at least 10 pc in the Index. So watch small cap stocks.

Apolo name came from ET in BPCL. Apolo is too big financially. Though some investors may doubt its capability to manage business this is a global trend and they manage better than anyone else. However if Apolo is coming in BPCL then I would first buy IOC and sit tight as Apolo knows how to create value for their investment and in that case there remains 400% upside in IOC. Investors is smart only if he reads between the lines and buy. eg FUTURES retails.... IDEA BPCL Bharti all are classical examples. JK Bank another example. Had you bought on my advise at 15 now there could have been 50% profit. Now same game we will see in BOM. 4 corporate houses emerged in getting bank licences. Now I believe that these 4 will acquire 1 each bank instead of going into green field bank project where no experience may take them into deep NPA route.

5 Top Gainers			
Stock	01-01-2021	28-12-2020	% Gain
PAISALO	705.3	521.3	35.3
RUPA & CO	311.3	238.6	30.4
JP ASSOCIATE	7.8	6.16	27.1
MAJESCO	16.2	12.8	26.5
YAARI	96.1	77	24.8

5 Top Losers			
Stock	01-01-2021	28-12-2020	% Loss
DISH TV	13.3	14.8	9.7
INDIA TOURISM	326	343.8	5.1
TASTY BITE	11960	12500	4.3
INDO COUNT	146.5	152.6	4.0
GRANULES	359.2	373.4	3.8

Top 5 Picks By CNI 'A' Group	
Company	
RIL	
SBI	
ICICI BANK	
GODREJ IND	
BRITANNIA	

Top 5 Picks By CNI 'B' Group	
Company	
HDFC LIFE	
ZYDUS WELLNESS	
POLY CAB CABLE	
SFL	
RDB RASAYAN	

I have written about INDUS IND and after talking to promoters I feel that they will subscribe warrants. In that case Rs 1710 will become a benchmark price. Mind it I had told you when it was rs 300 that stock will do Rs 1500 again. Time has come. Warrant is expiring on 31st JAN 2021 and I believe stock can do rs 1400 before JAN end so that it can become effectively Rs 1750 for promoters (rs 427 paid 25%). For us reason to hold till 1750.

BPCL main game starts in next 2 days as we need to watch short covering in BPCL.

Now on the same principles we can buy IOC and Raymond's. Raymond's is in small cap INDEX and with selling over stock can blast 25 to 50% immediately.

Come back in Maha APEX as time is shortening. With the end of NOV max 30 days left for KURLON to file red hearing. Again same principles apply.

Nifty crossed 13000 as expected. May go to 13200. What next...? profit booking will come and therefore you need to hedge your longs. Motherson Sumi is first stock we believe that one can hedge short. The reason the stock has decent run up and EU acquisition does not go well as far Indian co's are concerned. There is case of padding.

Though 13000 looks a tough call by and large the Fpi flow which directs market is not slowing. It broke all time new record and crossed Rs 55000 crs in Nov so far. Most likely to cross 60000 crs. This is in line with our expectation of Fpi allocation for EM and specifically India out of the 13 tr usd stimulus. We had estimated over 40 bn usd inflow and so far seen just 15 bn usd inflow which suggest steam is not going out.

Having crossed 13000 Nifty is no man's land. Therefore we need to assess trend in baby steps now. I think 13500 should be next target. But small correction may come from Friday so you need to cautious on F AND O stocks. We have picked up some short calls for hedging.

I feel selective news wise rally will continue e g auro and dnl whereas by and large some large stocks are set to correct except Reliance which will balance Nifty. However small caps will blast in Dec. Purvankara and Jk bank recovered 50 pc in no time. WOCKHARDT moved 50 pc now it is time for Raymonds Idea Bharti Bpcl loc Ongc Centrum Bank of Maharashtra L G balakrishnan Hudco Premier Camshaft Vipul Organics Camlin etc . I have no doubt in my mind about raymonds valuation and will not be surprised if it hits upper cct on any given day. In banks Indus ind is still potential to rise till 1710 the warrant bench mark price as promoters will subscribe warrants before jan end. My source says they do not need money but they want to merge the bank with another strong bank so that they can become passive investors and for that they have Rs 2500 per share value in mind.

Century Textiles has sold a small unit of cement lying in the co and hence will get good cash flow. Plus real estate getting buyers now. Century also close to selling paper unit for 2500 crs. I think Century stock can surprise street.

It will be better for you to follow the market cap tp Gdp which is close to 100 pc and max room there is 120 pc which happened in 2007. Hence from here on even though liquidity will keep on driving markets the fear will always be there.

So be selective, hedge with short , rely on derivatives available in our (website) or given in street call from time to time and avoid leveraging.

Avoid some chemical stock even though it has come in small cap index as promoters quality is not reliable. It reminds me a co ICSA priced at 1250 (125 1 paid up) with 63 fpi stake collapsed to zero. Even that time we had cautioned investors. Some big operators dis help this co fudge its books show good profits rigged price from 29 to 900 and brought to investors table. I will not be surprised if this come in F and O also as easy exit is possible only in F and O where no regulations apply. But chances of such co becoming Vakrangi is always very high where Cni always exclude such cos from coverage. So better buy MNC at 1500 like GLAXO and COLGATE instead of buying stocks where promoters are hands in glove with big operators.

13100 put writing is on hence 13100 will hold. Chances are bright that it may cross 13200 by tomorrow.

So long as FPI investment keeps coming market will rise. DII are sellers and seating on tons of cash hence even if market falls 500 points DII will turn buyers hence imagining that all is over is madness. Be selective.

EXXON MOBILE SHELL ADNOC 3 MNC and VEDANTA ADANI and APOLO PE three others are bidders in BPCL as per my source. Price Rs 630. Post this divestment there will be upper circuit in PSU Index. Reason whole world is short in PSU as they were treated as pigs. Govt too knows this. The way Govt gave LVB to DSB against rules and regulations is a clear indication that NAMO has promised all big investors to get something in INDIA whether it is front entry or back entry.

This will change the respect of PSU and PSB short covering will make PSU index hit upper cct. This earlier had happened when Rs 2 lac crs re capitalisation was announced few years back where PSB hit a jackpot. Now PSB and PSU both.

My favourite is BPCL HPCL IOC BOB PNB SBI BOI. In others R J started buying WOOCKY which will announce huge nos, sell of new drugs and stake sell. G S started buying HPCL.

Operators started adding ASIAN paints with target of 2500 so where is correction seen. These are same one who had bought Kotak at Rs 1400 and stock corrected to 1320 and then game started and Kotak reached 1950.

Bharti and Idea will blast in DEC as both co's have confirmed that they are raising rates in DEC.

BPCL will blast as 6 names (3MNC) will be out. In short it will be MNC co like UNITED SPIRIT which doubled and still there. I will advise to buy stock. If not then buy 400 call and wait for Govt action. This time media failed to nail the names as Govt is playing close cards. I have found from Secretary level that they are buying BPCL in personal accounts.

AURO has tied with MODERNA for vaccine hence AURO will blast.

RDB Rasayan some big investors who have stake in BHARTI and HERO have approached management for chunk and hearing management asking price of Rs 150 which is fair in view of earning visibility. That may be the tipping point. Q1 Q2 nos were superb and if the trend continue then it is a multi bagger.

Now coming to small caps. Remind my words I had said that you will get 30 times returns in days to come in small caps. Why..? No 1 the valuations are still at 50% lower than 2008 levels. It means to catch to current levels we need to rise 30 times. Which stock..?

Only CNI is the right agency in small caps. We will unveil small caps from time to time which will give such kind of returns. We can ensure that out of every 10 recommended 8 will become multi baggers and 2 could be cases like LVB that too because of promoters mistakes.

The major risk in small caps is working capital issue, bank funding issue, lack of scalability. Apart from that some promoters use the opportunity for personal gains and sell own shares hence stock does not perform. Third risk in small cap is that big competitors kill them using the contacts arrange capital to them allow them to install plants and then pull the rug from below and make them collapse with an intention to grab the set up made by small caps reasonably well which large co's cant waste time. JBF CCD Sintex Alok Manpasand all are classical examples where they become good co's from small caps, investors put in their skin and one fine morning these companies were on the ground. Here even promoters grid to grow much faster, pledge himself and leverage goes against.

So we need to careful in selecting small caps. Also would advise make your capital free in every small cap stock where you enter. Say sell 50% when stock rise 100% and rest try your luck. We did it with CERA VIP WIMPLAST etc and see the magic worked. Even with 3 stock making multi baggers you in tons of wealth.

Subex could be another multi bagger into making. We recommended at Rs 8 now it is rs 21 and cost is minus. So keep in portfolio and see what happens. Maharashtra Apex is next. We recommended at Rs 63 cmp 84. At rs 130 you must sell 50% and forget rest for 800. Idea could be another multi bagger. RDB Rasayan I told you. This stock never gone down in the panic selling of MARCH and now is back in action with big interest and big nos. Vipul Organics I had already mentioned earlier. We will come out with more multi baggers idea in the course of time as journey is just started.

In large caps IOC HPCL BPCL will become multi baggers. The PSU which were neglected sector will become fancy after BPCL divestment and there will mad scramble for the same. e g SAIL I had mentioned even when it was rs 120 130 that political circles are buyers in the stock and ministry indicated that they will sell SAIL not below rs 120 130.

Global Story

Who you rate better in market predictions those who said 14000 at 13200 13400 or 13500 or the one who has been saying 14000 from last 2 years and maintained the target even when Nifty corrected to 7500. This is none other than your own CNI Research Ltd the no 1 research house. We have impeccable track record of predicting Nifty even since LEHMAN happened in 2008. Well this is not a tall claim as our track record is seen on the front page of our WBSITE where not a single month has given negative return (see performance). We follow different strategy which will not get well with daily traders but for wealth creating it is not only way to it.

We must appreciate the current rally is driven by liquidity and hence any kind of selling is getting absorbed in this market and many stocks rocketed from 100 pc to 1000 pc in last 9 months. Dec 20 has seen highest even single month buying of Rs 62000 crs which surpassed Nov 20 record of Rs 20000 crs. Though the net buying of 2020 is Rs 170000 crs the last 8 months buying is 239000 crs (32.3 BN USD). Now we have been keeping tab on this no in order to see further upside in market. So long as this no keep on ticking like the score of SACHIN TENDULKAR market will be in the upward direction. JAN 2021 started with a bang with a net buying of Rs 617 crs suggesting that this time there was no holiday to even FUNDS.

In all our previous reports first in MAY 2020 we had clearly mentioned that as per our working the INDIA inflow could be minimum of 60 BN USD and could rise to 80 BN USD also. Now as of now we have seen 32.3 BN USD and Nifty has scaled up from 7500 to 14000. Another 30 BN USD means Rs 2.2 lac crs inflow in 2021 which is massive. With the base shifting from 7500 to 14000 now even small buying will have big effect on Nifty. The panic selling is over. Retail is getting out from old stocks every day and trying to either enter quality stocks, real estate, gold and prefer to remain in cash for that matter. But surely the flow of supply is reducing having seen major selling in last 8 months. Again no conviction, sudden rally, fear of correction, greed of buying low made investors sell heavily in the from 10000 to 12000 levels. Now we can certainly say the ownership pattern is changed and hence big supply will not come. As a rule when supply does not come stock prices rise many fold. This is what we are seeing in stocks like KOTAK Bank Asian Paints Bharat Forge Pidilite India Mart Honeywell etc.

All said and done, it is high time for investors to pick some good stocks where there is value. e g TINPLATE a TATA gr company which is trading at 20 PE as of now but given the Sept Q earnings we think stock has potential to rise to 200 pc more. Sept was a first turnaround quarter for the co and now DEC and MARCH Quarters has to be extra ordinary for the co due to unprecedented rise in metal prices. Is SAIL looks cheap at rs 75 then TINPLATE is free. There are many stocks which we believe are still available at the bottom of the cycle and investors will do picking such stocks. Because of following a bottom up approach we have been successful and created wealth for our followers. Trading in OPTIONS is nothing but suicidal as the prices drop with time loss and you cannot beat operators who play derivatives only for monthly income. e g say they buy Vedanta at Rs 92 cash and futures and they will keep selling call calls of rs 100 105 110 115 120 125 etc say at least 15 20 series and even spread even in PUTS. Now the share price goes up a bit, tip is generated on charts and through brokers, traders buy calls and stocks close below the mean level eating all the calls. So the Rs 92 vedanta closes say at Rs 95 also then all calls sold give then at least rs 10 15 which reduces their cost to Rs 80 in one settlement. The game is on in every settlement and hence F and O is different ball game which we do not suggest for retail investors. Even experts like us cannot make money in options consistently.

Coming back to the core subject we suggest try and identify good stocks with following criteria, sound promoter, good sector, PE less than 10, PB ratio less than 2, co earning free cash flow, co expanding which means future growth assured and invest. No matter there is no volume. Volume is a relative concept. e g Yesterday when we advised our clients to buy TINPLATE a tata group co price was Rs 152 and volumes was just 2.5 Lac shares. Price rose and volume started rising. Stock closed at 168 and the volumes were more than 6.5 MN shares. It means stock trade cheap only when there is no volume. The moment some decide to pick good quantity the price rise will generate volumes as human tendency is to sell when stock rise suddenly whereas we at CNI advise to add more when your stock rise which cannot happen without a reason.

For stock selection you can log in to www.cniresearchltd.com where we share the new stocks which are identified on above criteria. The best part is that we share the rationale of stock picking which gives you confidence in stock picking. Blind buying on tips is also possible but not without stop losses and most of the time stop losses will get killed. Free advice is always dangerous. You must treat your finances on the same line of your health.

Wish you very happy New Year and with a promise to keep you informed about the market trend on the basis of analysis of FPI and derivatives data from time to time. At least JAN 2021 will belong to small cap stocks. We believe the small cap index is all set to test 9000.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	02/1	27,231.13	+84.02	+0.31
Singapore	Straits Times	02/1	2,843.81	-25.41	-0.89
United States	NASDAQ	02/1	12,888.28	+18.28	+0.14
United States	DJIA	02/1	30,606.48	+196.92	+0.65
United States	S&P 500	02/1	3,756.07	+24.03	+0.64
Japan	Nikkei 225	02/1	27,444.17	-123.98	-0.45
United Kingdom	FTSE 100	02/1	6,460.52	-95.30	-1.45
Malaysia	KLSE Composite	02/1	1,627.21	-17.20	-1.05
Indonesia	Jakarta Composite	02/1	5,979.07	-57.10	-0.95
Thailand	SET	02/1	1,449.35	-12.60	-0.86
France	CAC 40	02/1	5,551.41	-48.00	-0.86
Germany	DAX	02/1	13,718.78	-42.60	-0.31
Argentina	MerVal	02/1	51,226.49	-93.65	-0.18
Brazil	Bovespa	02/1	119,017.20	-391.90	-0.33
Mexico	IPC	02/1	44,066.88	-627.08	-1.40
Austria	ATX	02/1	2,780.44	+2.21	+0.08
Belgium	BEL-20	02/1	3,621.28	-41.78	-1.14
Netherlands	AEX General	02/1	624.61	-3.45	-0.55
Spain	Madrid General	02/1	804.97	-7.21	-0.89
Switzerland	Swiss Market	02/1	10,703.51	+21.47	+0.20
Australia	All Ordinaries	02/1	6,850.61	-92.31	-1.33
China	Shanghai Composite	02/1	3,473.07	+58.62	+1.72
Philippines	PSE Composite	02/1	7,139.71	+17.46	+0.25
Sri Lanka	All Share	02/1	6,774.22	+26.21	+0.39
Taiwan	Taiwan Weighted	02/1	14,732.53	+44.83	+0.31
South Korei	KOSPI	02/1	2,873.47	+52.96	+1.88

Name of Editor: Minit Jhaveri

Publisher:

Mr. Kishor Ostwal
120, Gokul Arcade,
Sahar Road, Vile Parle (East),
Mumbai-400057
Tel No: 022-28220323/28383889, Fax No: +91-22-28242220
E-Mail at: chamatcar@chamatcar.com

Printer:

KOKILA GRAPHICS

Printing Press Address:

Gala No-12, Gr. Floor,
Bliss Compound, Nivetia Road,
Malad (East),
Mumbai-400 097

Owner:

CNI Research Ltd

Place of Publication

A-120, Gokul Arcade,
1st Floor, opp Garware House,
Sahar Road, Vile Parle (E)
Mumbai- 400057

CNI Publications, A/120, Gokul Arcade, Sahar Road, Vile Parle (East). Mumbai- 400 057. PH.022- 28220323 / 28383889, Fax- 022-28242220