

Editorial
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RBI rate cut, DDT going away and DTC coming in place will rock the market. We expect OCT 12000 and before Budget 12500 and 13500 next year possible.

If still want to stay away your choice. RDB RASAYAN I was shouting from the 29th floor of DALAL STREET at Rs 28 and stock rose to Rs 36 and heading for big upside simply because those who had accumulated 18 lac shares have not sold single share and the screen was manipulative to suppress the price. I do not recommend now leave it your senses.

VIPUL ORGANICS too I had shouted at 100 cmp 140 on merits stock warrants a price of Rs 250 and going forward fit case to see 4 digit as expansion has completed and will start yielding results. Conviction gives you money and not luck... There will be some crucked people in the market who will keep on doing losses to suppress the prices. We should take advantage of it instead of giving up. How long they will sustain. If there stock is over what will they do..? So let them sell and you should buy. This is not Yes Bank where promoters sell and stock does not go up.

Similarly other stocks will rise one by one and suddenly without giving any chance. If you feel that they will announce you will buy and stock price will rise will never happen.

Yes Bank sold another 1.8 pc stake. Stock may correct further or wait for change in management.

FPI will keep on distorting the INDIAN markets and INDIAN Govt will trying to do all that which will boost the market. Major announcement will further change the direction of the market. Look at call put position at the time of writing. It has given signal that 11500 itself will be resistance 11600 is big call writing. Hence unless something new does not happen Nifty will not cross 11600. This is shortened settlement. Oct 3 is the settlement day whereas RBI policy is on 4th OCT that is FRIDAY. From 11 th OCT results will start and result month gives only volatility and not big upside. Hence even though I had belief that Nifty may cross 12000 it will not.

Change of the week

	04-Oct-19	Rise /Gain
Sensex	37673	866 ↓
Nifty	11174	245 ↓

Net Investments (Cr)

	FII	DII
30-Sep	(298.8)	504.6
01-Oct	(1536.5)	1503.03
03-Oct	(810.7)	862.5
04-Oct	(682.9)	606.2
Total	(3326)	3475

Turnover (Cr)

	FII	DII	Combined
04-Oct-19	45,474	38,617	84,091

04-Oct-19	Advances	Declines	Ratio
BSE	953	1664	0.57

October - 11500.00	1172475.00	-4.77	1970700.00	115.91
October - 11600.00	845325.00	-6.90	2592675.00	25.39

RDB Rasayan management has shown indication of big dividend if DDT goes away. At CMP of Rs 36 stock is at less than 5 PE which suggest there is no risk in this stock going forward. I was strongly recommending this stock at Rs 28 and now it became Rs 36 do not miss even now as its 52 week top was Rs 109 and stock is very cheap at Rs 36.

Chemical Association has announced that CHEMICAL industry in INDIA will double at 300 bn usd.

If you focus on only trading your maximum time will go managing the pay outs. Whereas if you focus in wealth creation you will succeed in getting wealth.

IB Housing I had told you to stay away at Rs 800 with target below 400 and now you see it is sinking. It has more downside as LVB issue though looks simple it is not. There are more complexes as even RELIGRE issue is getting tangled with it.

The rationale of keeping Nifty under check is to corner Rs 65000 crs disinvestment is lower price. They got a good chunk of AXIS Rs 13000 crs which cannot be easily available on the floor. So use the bad triggers, hammer and buy good stocks is the strategy.

DHFL IB Housing all are gone and will get exposed to more weakness but there will time and again bounce and only traders will get trapped in the lure of trading profits.

I know a commissioner who has bought more than 25000 Yes Bank from Rs 110 and buying every day. Now he is feeling heat. Traders have to carry the risk. RBL Bank was first hammered to rs 300 from 700 and then there was short covering till 410 and again collapsed to Rs 330. So thumb rule of F and O is only short covering and hammering. What is fun...? Now you can buy again RBL around 330 and sell over Rs 400. If you catch the right cycle you can make money but risk in banking can get exposed any day. BOB 3600 crs SBI 8200 crs exposed in I B Housing and these stocks were hammered out of proportion. BOB got 9500 crs benefit which went un noticed due to short coverinng.

RIL a good co was hammered below 1200 even after ARMACO was announced and today rising even after 12.5 natural gas price cut has come. So you have to separate F and O and wealth creation.

5 Top Gainers			
Stock	04-Oct-19	30-Sep-19	% Gain
ADANI GREEN	65.05	57.3	13.5
JP ASSOCIATE	2.31	2.04	13.2
INFO EDGE	2255	2047.3	10.1
BPCL	515.2	469.6	9.7
ALEMBIC PHAR	549.3	512	7.2

5 Top Losers			
Stock	04-Oct-19	30-Sep-19	% Loss
INDIA BULL HOU	245.4	389.4	36.98
DEWAN HOUSING	31.25	42.25	26.04
REL INFRA	26.1	33.4	21.8
INDIA BULL REAL	40	50.9	21.4
EDELWEISS	84.45	105.7	20.1

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
RDB RASAYAN
NUTRA PLUS

Wealth creation is possible only if you are convinced and a long term investor. Yes some short term trading is possible to reduce your cost. Say you buy a stock Rs 35 then add sufficient quantity and sell 50% at Rs 70 so your cost will become zero. Some of our investors are still holding CERA, Wimplast, VIP and OAL at zero cost.

Keep watch on domestic API co's as per the story in Livemint. Govt will be announcing all drugs out of price control if the same is bought from local API instead of imports. Rest you can understand.

Yes Bank seems the worst is over for the time being. RBL too will bounce back. Asset quality is not bad. If the CATHLIC SYRIAN BANK is trading at 180 ahead of IPO then it is better to buy RBL which is much better than CSB. Yes Bank chart suggests Rs 60 target.

Selective long will always be the call of the day. Destruction cannot sustain for long. Having paid the price once they are open for a second round.

We do not believe RBI will cut rates today. Tax cut is enough with DDT and DTC will have a great impact on the economy. We are talking about a slowdown and see AMAZON made sales of 1.8 bn usd in 4 days. So money is there for sure. What is missing is confidence which will always return when things improve.

There is a common feature in investors they buy when things are rosy and sell when bad. Smart investor does exactly reverse. This is like the ALGO set by operators. It eats you also.

Yes Bank selling seems a fixed structure to transfer 10 crs shares else you can never find a buyer for 10 cr shares on the street even at Rs 10. The job is done hence another 8 crs were picked from market. This is the job of insiders and we will become sure when the deal of new management is announced. The balance stake of Mr Rana could go in the deal. Can be another KOTAK now..? Wait and wait for a few years to see the results.

Same way some sources close to management are accumulating VIPUL ORGANICS. We will come to know only when they make some announcement, may be about new clients, may be about new products and may be about next expansion plans. Nos will be visible from Q2 onwards. Smart buyers are accumulating ahead of nos announcement.

LIVEMINT story we checked with sources in the ministry and they have confirmed that Govt may announce removing drug control of API is bought locally to promote INDIAN API co's which is the backbone of pharma industry. So far drug co's were heavily dependent on China hence there was no much investment in API. API is technology driven and hence this will give more rise for domestic intelligence. Nutraplus being one of the largest domestic API could benefit more. Now you can understand why attempts were made to suppress the price and attempt to take over the co...? Here is a classic case where ROI can be imaginable.

Many smart investors have started entering market after 2 years. Some like PSU and some pharma. I like CHEMICAL and API. My performance will come when market improves.

Rate cut if comes .5 bps then market will fall as operators will do exactly opposite what public do. Hence if no rate cut then market will rise.

FPI are there to make us dance and we are dancing. They have burnt fingers on tax cut announcement.

Nifty range could be 11250 to 11400 in OCT unless we see N Sitaraman batting from the front once again with bold measures as such DDT in coming weeks.

Global Story

RBI did cut 25 bps rate which in fact should be considered good as cost of borrowing also goes down and the profitability will rise. Now the rate is 5.15 per cent with immediate effect. The RBI's move was in line with the expectations of most economists. The central bank's Monetary Policy Committee maintained an "accommodative" stance, which rules out any increase in the key interest rates for now. The Reserve Bank of India has now cumulatively lowered interest rates by 135 bps this year which could mean a rise of 4.05 pc profits of the company. Already we had seen major tax cuts which had effect of 18% pc rise in EPS.

It is market policy that you have to bring down the market whenever the rate is cut as they believe lot long must have built ahead of policy. Hence kill the traders the MANTRA of market. As such we have written no of times that Indian markets are fully controlled and we have no second opinion on that. The majority of the traders only loose trading happens only in derivative. With 100's of series open in derivatives as well in options striking profitable trade in almost impossible.

Then the question is why is that people inclined to trade in F and O and/or in options ..? The reason is very simple. Most of the brokers do not allow investors to buy any share they like from X gr and they in fact ask for advance payment. Online buying is not at all permitted without there being credit in your account. Then comes that you cannot buy more than 10% of the volumes...? These restrictions really hamper the integrity of share market with regard the market discovery mechanism.

Anyways, after smart rate cuts Nifty blasted from 10600 to 11600 which was unprecedented. We had even that time pointed out that there was good amount of front running and this all happened because market was overly short. Nifty tested 11600 through handful of Indices stocks rally but most of the stocks in B gr were either not participated in the rally or falling more. e g KESORAM which recovered a bit to Rs 57 58 and no again fell below 50 and all set to break new low. Thus the bottom line is that only short covering was the main reason the euphoric and historic rally.

Yes after the historic move markets are back to normal and you all would like to know from where are we heading...

Market has broken 200 DMA of 11258 today in the last half an hour which was a desperate attempt by bears to break the rhythm of the market. In fact, from THURSDAY bears were attack mode and started writing calls of 11500 11400 and today 11300 which suggest that the upside could be limited. The fresh short selling on the various grounds which are as under...

- there is global weakness
- GST collection fell to 19 month low
- Auto sales did not pick up in Sept
- Heavy rains have damaged major crops
- RBI had reduced the GDP estimate to 6.1 pc from 6.9 pc
- PMC Bank has shaken the confidence of the investors
- IBHL issue has too shaken the banking system particularly of SBI BOB HDFC and Yes Bank
- Yes Bank pledged shares created huge selling in the market wiping of the confidence in pvt banking
- New SEBI guidelines for funding of shares in Cash segment
- Huge speculative losses in CASTOR trades on the commodity side
- BMA Wealth licence suspension

Bears consider these issues are enough to damage the market and take it back to 10500.

What we feel that Govt is determined to pull the economy out of the woods and results of the steps taken will take at least a quarter hence there is no reason to get panicked. Market works on shots and longs. Fresh shorts are getting built which will create similar position when some major announcement will come. We believe following positive factors are being ignored...

-Global trade war is beneficial to INDIA as MNC's are shifting manufacturing base from CHINA to INDIA. The tax cuts and No MAT were aimed these MNC's.

-AUTO sales will start picking up from OCT as festive seasons has started now. Depreciation is the catch for MARCH and hence we believe that by MARCH the inventory will be completely sold out.

-Amazon did 1.8 BN USD sales in just 4 days. This means there is steam of liquidity and buying powers.

-Narendra Modi in USA had hinted on removing LTCG and DDT hence market will react more positively as when happens. Only 4 months left for the Budget 2020 hence shorting could be suicidal. The current phase of bears selling should be used as investment period and we are now governed by physical delivery. Hence there could be case where FPI may get trapped on the wrong side if some investor take head on by writing delivery.

- The GDP too will bounce back soon and one quarter higher GDP can write a script for another short covering.

-Earning growth is visible.

-The Nifty PE is at 18 and there are only 4 months for the financial closure. Hence very soon we will be talking about EPS 21.

-There is no liquidity issues with BNFC. IBHL, Yes Bank were more of speculative moves which is part and parcel of the market.

-New guidelines of SEBI has made a clear picture now that no one will be allowed to carry positions at brokers account hence over a period even selling will not come now.

-Bear attack could be intentional to corner good stuff of papers out of the floor. e.g Axis QIP of Rs 13000 crs, IRCTC IPO and now they are eyeing BPCL. Therefore shorting market could a strategy for buying bigger chunk.

Conclusion...

We believe that Nifty will not only test 12000 but could test even 12500 hence leave the bears with the strategy what they are doing and we as investors should focus on where we can invest and earn money.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	4-10	25,821.03	-289.28	-1.11
Singapore	Straits Times	4-10	3,078.36	-9.61	-0.31
United States	NASDAQ	4-10	7,982.47	+110.20	+1.40
United States	DJIA	4-10	26,573.72	+372.68	+1.42
United States	S&P 500	4-10	2,952.01	+41.38	+1.42
Japan	Nikkei 225	4-10	21,410.20	+68.46	+0.32
United Kingdom	FTSE 100	4-10	7,155.38	+77.74	+1.10
Malaysia	KLSE Composite	4-10	1,557.67	-6.45	-0.41
Indonesia	Jakarta Composite	4-10	6,061.25	+22.73	+0.38
Thailand	SET	4-10	1,605.96	-4.73	-0.29
France	CAC 40	4-10	5,488.32	+49.55	+0.91
Germany	DAX	4-10	12,012.81	+87.56	+0.73
Argentina	MerVal	4-10	31,816.50	+1,450.60	+4.78
Brazil	Bovespa	4-10	102,551.30	+1,035.30	+1.02
Mexico	IPC	4-10	43,416.90	+973.59	+2.29
Austria	ATX	4-10	2,923.29	+17.54	+0.60
Belgium	BEL-20	4-10	3,610.64	+35.88	+1.00
Netherlands	AEX General	4-10	564.59	+6.09	+1.09
Spain	Madrid General	4-10	894.66	+5.90	+0.66
Switzerland	Swiss Market	4-10	9,827.72	+67.28	+0.69
Australia	All Ordinaries	4-10	6,636.90	+25.22	+0.38
China	Shanghai Composite	4-10	2,905.19	-26.98	-0.92
Philippines	PSE Composite	4-10	7,704.60	+159.05	+2.11
Sri Lanka	All Share	4-10	5,689.90	+12.40	+0.22
Taiwan	Taiwan Weighted	4-10	10,894.48	+18.57	+0.17
East Israel	TA-100	4-10	1,500.13	-4.02	-0.27

Name of Editor: Minit Jhaveri

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Mr. Kishor Ostwal
120, Gokul Arcade,
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