

Editorial
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Now the whole world is talking that DOW will cross new high. I had been telling 28000 target since last few years. I am seeing now 28000 very fast. In may 18 I had told you Bank Nifty will cross 35000 and I am seeing that day now. Nifty will test 13000 in 2019.

SBI if cross 350 will surely test 500. You have lost major trail. Had you followed me you could have minted money.

Where to make moony now...?

In my opinion there are many cash stocks which are trailing at 10 Pe, full of expansion, promoters integrity is highest and sector is super dooper. One such stock I can list is VIPUL ORGANICS where first round of capacity expansion has completed. This is 600% higher than the existing one. Asian paints is the largest Indian customer. Next round of another 600 % expansion will start soon.

Can you dream more.... This is another CAMPHOR from me. Keep watch, study it well, try to meet management, see plant and then take a call. Could be a 20 bagger at least in years to come.

Wockhardt could be on sell. sources says it will be taken over. Just keep watch as there is no authentic news so far. We are hearing PIRAMAL name. However stock has not at all performed hence risk is just 10% whereas upside is 100%. Keep watch on the stock. Technical b o is above 460. Friday for the first time stock has shown fire as it has tested 450.

MANGAL CREDIT has come long way at 58 and now heading for new high. Those who sold will cry as ex leading NBFC head is joining this co. He has taken huge position in the stock.

Change of the week

	06-April-18	Rise /Gain
Sensex	38862	147 
Nifty	11665	46 

Net Investments (` Cr)

	FII	DII
01-Apri-19	9551.8	(1032,8)
02-Apri-19	473.9	(437.7)
03-Apri-19	(832.2)	(80.83)
04-April-19	(204.4)	1206
05-Apri-19	797	(325.5)
Total	9785.7	(670)

Turnover (` Cr)

	FII	DII	
05-Apri-18	74,209	37,979	1,12188

05-April-18	Advances	Declines	Ratio
BSE	1511	1072	1.40

Yesterday's fall was engineered to create more shorts. Banking could correct post rate policy of RBI. As expected focus shifted to pharma GMCG and metals. Vedanta Tisco SAIL found takers whereas AURO Wockhardt were in demand. Dr reddy is already high. Nestles and P and G in action.

Even a 50 point fall will suggest all is over. Hence bears come for fresh attack. Dow has given break out for 28000.

FPI buying is not stopping hence market has to go up.

News based stocks should be bought. Tata Motors Wockhardt and Karnataka Bank are in news. We have shares news with you. These stocks will show spark. In B gr we have shared news in MANGAL CREDIT and VIPUL ORGANICS. Choice is yours. There are 10 bagger stocks.

Purvankara is under priced stock. free float is just 6pc. You can imagine what the operators will do in this stock. This is close to all time low hence can be bought with confidence and in quantity. Some deal is taken place at rs 132 and stock can double with electric speed but it all depends on the operator. Keep eye..

Nifty trading at 11827 right now. I feel it will cross 11870 today and 12000 soon. Stock specific approach will help. Traders are still shorting at every rise as they expect that market will crash any moment. Reason the PE crossed 29.24 and history says whenever Nifty crosses 28 market crashes.

Then why not this time...?

Well NSE Nifty PE which will change only in JUNE 19 to 26.3 which is currently reflected in bloomberg. If you go by that then also there is enough scope. According to this statistics also 12500 is the level where PE reaches 28 and hence you can expect correction at 12500.

Now according to me the PE is 21.10 hence I fail to understand where do I expect correction..?

I see correction either tomorrow after bank policy if they do not cut rates or then at the time of rolls.

I would therefore stick with bottom up approach.

I had written enough about TRIVENI GLASS and stock has started hitting upper circuit.

5 Top Gainers			
Stock	05-04-2019	01-04-2019	% Gain
LAKSHMI VILAS	92.75	70.5	31.56
GODREJ PROPERT	978.45	814.3	20.15
ORIENT CEMENT	95	80.0	18.68
TATA MOTORS	205.75	174.3	18.04
INDIA BULL INTER	349.1	307.65	13.04

5 Top Losers			
Stock	05-04-2019	01-04-2019	% Loss
RCOM	3.27	4.14	21.01
VODAFONE IDEA	16.3	18.15	10.19
BPCL	358.15	396.3	9.64
CG POWER	38.7	42.75	9.47
CYIENT POWER	596.6	647.9	7.92

Top 5 Picks By CNI 'A' Group
Company
SBI
TATA MOTORS
BAJAJ AUTO
LUPIN
SAIL

Top 5 Picks By CNI 'B' Group
Company
KENNAMETAL INDIA
PODAR PIGMENT
PC JEWEL
MANGAL CREDIT
RDB RIL

Market require some breather before it makes further rally. Yesterday monsoon report and today's RBI policy provided perfect trigger for a small correction. Across the board all big street wizards have started talking about 500 points correction in Nifty in APRIL.

This is was my point. Grapes are sore. No one made big profits. In fact, my assessment is than many HNI's are short in market and individually losing over rs 1 cr in many cases. They have ability and shorting more at every rise. Thus this small fall is giving them cushion for fresh sell.

At the same time there is break out in global markets. There is break out in metals. There is break out in mid cap charts. Hence there will be sudden rally after catching many traders on the wrong foot.

I repeat correction never comes when desired. Short covering takes market to new high. On valuation we are still at 21 Pe in real sense and cannot say markets are costly. FPI therefore pulling in more money. Re became 68.5 and heading for 65 according me as FPI will be gaining even on re front.

In short except banking I do not see weakness. Banking too selectively one should remain long and buy in dips. There is no major fall in banks too.

MANGAL CREDIT has been on fire. The person who could be joining MANGAL holds a post of CFO is a 14000 crs NBFC and he made this co from 1200 crs to 14000 crs in less than 5 years. This capability could help him turn even MANGAL into 1000 to 2000 crs co in less than 5 years.

RDB Rasayan heard from sources close to MGT that they have finally got the distribution biz in place which will add huge topline and bottom line. Stock at 4 pe can we go wrong..? If you to have to select multi baggers what criteria you apply..? Shivalik Bimetals we had selected at Rs 18 19 and stock now crossed 260... what was the criteria..? I believe only criteria is conviction. Stock corrected from rs 85 to 40 because someone sold 2 lac shares and operators are not fool to buy 2 lac shares at 85 and they rightfully bought at 45 and now they will take the price back to new level.

Nifty small correction is an opportunity to buy only. Nifty has to test 13000 for sure. When I was telling you 11650 when Nifty was 10000 others were saying it will become 9200. Now also no one sees 13000 and will remind you in DEC 19 when Nifty test 13000.

We had given all sort of calculations. If you need to understand more you can always contact me.

Nervousness is continued with street expecting a correction of 500 points in Nifty which I do not agree. Read tomorrow's report where we will give you all the reasons why this will not happen.

April month as told to you is full of holidays and elections hence volatility will be there.

However there are break outs in global markets as well as many sectors. Metal and mid caps were break out on charts.

The real mid cap rally is about to start. Keep watch...

Global Story

Bears are expecting a big fall (500 points as per some opinions) in the Nifty in April alone. However, they do not have valid reasons for such expectations. We feel otherwise for the following reasons.

First of all, bears were short from 10000 levels and are yet to cut their shorts. Mind you, they had shorted due to the election uncertainty when market fell steeply in January 2018 and since then, they had been initiating more shorts at every rise. This is the beauty of derivatives where overseas players have been given only the option of hedging their overall exposure through short-sell of Nifty. Hence, many hedge funds and overseas investors had opted for this option of shorting Nifty against their overall long positions. Thus, the short is still continuing. Though their long bets in Index stocks have yielded some gains, the mid-caps continue to languish. The overall outcome therefore, is net loss for the FPIs and overseas investors, irrespective of the fact that market is at lifetime high.

The market has taken a long time for consolidation, that is, from January 2018 to February 2019, which is a 13 month period. In calendar year 2018, FPIs sold stocks worth Rs 33,000 crore which was reflected in the market. The new calendar year has brought inflows worth Rs 50,000 crore out of which Rs 32,000 crore alone has been in the month of March 2019, a month where the Nifty has skyrocketed by 700 points.

The current rally is thanks to FPI buying of over 50,000 crore in just 3 months which is the single largest buying figure in any year after 2014. In 2014, the buying was Rs 97,000 crore. FPIs do not buy without reason. Expecting reversal of FPI investments without any reason is beyond understanding.

The Nifty PE is still at 21 on trailing and consolidated earnings. Generally, as a thumb rule a correction starts once the Nifty PE crosses 28. But this time, the PE has crossed the 28 mark at the fag end of the financial year defying the underlying logic. NSE will update their records not before 1st June 2019, as they follow historical and standalone valuation for PE. Q4 earnings results will end on May 31st.

As on 3rd April 2019, NSE Nifty PE was 29.06 whereas the same was 26.53 as per Bloomberg. We at CNI calculate the Nifty PE at 21.22.

In fact, aggressive shorts were initiated by big HNIs and a few hedge funds who trade on the basis of PE ratio and 28 was factored in as the tipping point. Therefore, even though it looks like the market is overbought, in fact it is oversold.

There is clear visibility on the NDA returning to power with anywhere between 300 and 325 seats. Lack of a strong opposition leader and a fractured opposition are clear tailwinds for Mr. Narendra Modi, who is leading the race.

The global markets have just given a new breakout and DOW will be travelling towards 28000. We had mentioned this target all along for the last 2 years even though DOW seesawed between 26000 and 21000 for a while. Now, it looks all set for the rally.

After 2 rate cuts, there will be good improvement in corporate earnings which will lift estimated earnings in FY20. There is a clear possibility of seeing 18% earnings growth on the basis of which even at 21 PE consolidated the Nifty has potential to see target of 13800-14000.

The market had been discussing the elections since January 2018 when post-budget, the market had witnessed a correction. Now that the time gap has reduced substantially. It is just 48 days left for the countdown. A halt for a couple of days does not mean FPIs will stop buying for the next 48 days. They are better equipped to estimate the election results and hence their buying could be called a systematic investment decision.

In 2014, FPI buying was Rs. 97,000 crore and so far in 2019 the figure is close to the Rs 50,000 crore mark, that too in just 3 months. It can be said that there are chances that FPI buying will surpass Rs. 1 lakh crore in year for the first time in India. This speculation can go haywire only if elections results are drastically different.

From April, 61 scrips are covered by physical settlement, which is a healthy sign. From October, everything will be under physical settlement. Manipulation will require more capital and more costs.

In the recent FPI buying, DIIs have sold Rs 30,000 crore, whereas retail share has only been Rs 3,000 to 5,000 crore, the rest has been by ultra HNIs. This liquidity will help HNIs now to drive the mid-cap and small-cap game. The vicious cycle will continue. This is seen on the mid-cap charts. There could be a run in mid-caps very soon.

A rising Rupee is helping FPIs to make a killing. Therefore, we do not think they will come for selling before the Rupee reaches 65.

When the market reaches a peak or new high, with every 50 to 100 points of further rise, there will always be a feeling that this is the tipping point. This is nothing unusual. The market settles and starts rallying after minor corrections.

So relax and enjoy the so-called volatility. Brainstorming and the right selection of stocks will create wealth for you.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	06/04	29,936.32	-50.07	-0.17
Singapore	Straits Times	06/04	3,322.64	+6.43	+0.19
United States	NASDAQ	06/04	7,938.69	+46.91	+0.59
United States	DJIA	06/04	26,424.99	+40.36	+0.15
United States	S&P 500	06/04	2,892.74	+13.35	+0.46
Japan	Nikkei 225	06/04	21,807.50	+82.55	+0.38
United Kingdom	FTSE 100	06/04	7,446.87	+44.93	+0.61
Malaysia	KLSE Composite	06/04	1,641.81	-3.26	-0.20
Indonesia	Jakarta Composite	06/04	6,474.02	-20.61	-0.32
Thailand	SET	06/04	1,646.18	+1.96	+0.12
France	CAC 40	06/04	5,476.20	+12.40	+0.23
Germany	DAX	06/04	12,009.75	+21.74	+0.18
Argentina	MerVal	06/04	32,666.88	+524.41	+1.63
Brazil	Bovespa	06/04	97,108.19	+795.13	+0.83
Mexico	IPC	06/04	44,989.86	+1,052.47	+2.40
Austria	ATX	06/04	3,154.90	+32.25	+1.03
Belgium	BEL-20	06/04	3,805.39	+23.17	+0.61
Netherlands	AEX General	06/04	562.58	+1.03	+0.18
Spain	Madrid General	06/04	958.73	-2.01	-0.21
Switzerland	Swiss Market	06/04	9,541.15	-22.56	-0.24
Australia	All Ordinaries	06/04	6,270.59	-49.81	-0.79
China	Shanghai Composite	06/04	3,246.57	+30.28	+0.94
Philippines	PSE Composite	06/04	7,873.18	+19.05	+0.24
Sri Lanka	All Share	06/04	5,621.36	-32.07	-0.57
Taiwan	Taiwan Weighted	06/04	10,704.38	+14.08	+0.13
East Israel	TA-100	06/04	1,423.55	-11.17	-0.78

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