

Editorial
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I had attended VAISHALI pharma conference yesterday and found following about the co. One that there is complete transformation from an API co to brand co. Margins will improve from 5 pc to 30 pc in next 24 months due to 125 brands launched internationally. 175 more brands are in pipeline. Co investing Rs 60 crs in registration of over 1000 products. Few products are excellent which are as under..

Oral vitamins, Gummies, liquid paracetamol, anti allergic ointments and many more. Revenues will shot by 50 pc CAGR for next 3 years. Make this in ideal investment opportunity. There is one german co in gummies which have revenue of over 2 bn pounds and this is the first co in India to launch gummies. What is gummies. It is replacement to horlicks, borunvita and other drinks as they contain vitamins required for children in jelly form.

The COO is 26 years old lady in charge of business from last 7 years. I liked the co. I do not know about you.

Dow rose by 1300 points and this was inevitable. Nifty will rise to 12400 and this is inevitable. But you cannot forget that market makers will not allow to make you easy money in trading. This is time to pick good stocks and wait. e g tisco fell from 500 to 360 and will bounce back easily to 450 which means 20 pc is yours.

But patience required. Traders will get tired with more volatility.

Hold what you have...

Change of the week

	07-Mar-20	Rise /Gain
Sensex	47576	1200 ↓
Nifty	10989	340 ↓

Net Investments (` Cr)

	FII	DII
02-Mar-20	(300.6)	1138.7
03-Mar-20	(2328.8)	3135.2
04-Mar-20	(789.4)	764.1
05-Mar-20	(2237.6)	2510.8
06-Mar-20	(3594.8)	2543.7
Total	(9248)	10090

Turnover (` Cr)

	FII	DII	Combined
06-Mar-20	81,127	47,957	1,29,084

06-Mar-20	Advances	Declines	Ratio
BSE	496	1959	0.25

Market settled though volatility not yet over. good news generally gets bad response as they get factored in. Dow rose 1300 points in anticipation of rate cut and corrected 800 points post rate cut. Now it is up again 240 in futures.

Expiry on Thursday will drive INDIA. Operators got big position all near 11100 and hence logically they will try and close Nifty above 11450 11500 so that they can take credit of 350 points in this expiry.

Dips should be used for buying. Since flat opening happened there will be high closing for sure. Tomorrow they will be in driver's seat.

Attended VIPUL ORGANICS analysts meet and impressed. Co is in top 5 in INDIA. With 160 to 180 crs revenue for 20 21 with ibitda of 20 pc nos too look impressive. CHINA is huge plus for INDIA now as EUROPE is entirely buying from INDIA now. No one can stop this stock from becoming multi bagger now for sure. BASF, CLARIANT out due to smallness, SUDARSHAN in top 3 in the world , VIPUL in top 5 in INDIA. Huabach No 2 only for captive use. Meghmani in commodity. Many veterans attended the analysts meet. China capacity 7500 tons per month. India capacity 1200 tons per month. Sudarshan 700 tons per month and Vipul 265 tons as of now as explained by MGT. So gap between SUDARSHAN and VIPUL is reducing rapidly.

After 10 pc correction if you feel that there will be 10% rise in 2 days then please note that this is INDIA not US. Here everything depends of market movers. When the shorts get trap they allow more shorting and at the same time they kill the day traders. For 3 4 days if day traders do not get credit they become frustrated and commit mistakes of going short. Then the up move starts. Yesterday we saw 500 points rally. We will see another 700 points rally in single day to fill the gap. We fell 3000 points from the top and recovery so far is just 500 points hence 2500 points has to rise first.

Till 11450 there will louder shout that it is dead cat bounce and sell on rise. At 11900 there will be cry we are short trapped now what..? At 12400 now we cannot hold we cut short and Nifty races will be the scene.

Where you see your future in F and O or in wealth creation. If you want help in wealth creation I can help as you need to bet on right stocks at right price.

5 Top Gainers			
Stock	06-Mar-20	02-Mar-20	% Gain
OBC	48.35	34.6	39.74
FUTURE CON	15.68	12.35	26.96
BLISS GVS	122.65	99.55	23.2
DHFL	16.72	14.5	15.31
GODREJ CON	638.5	560.75	13.87

5 Top Losers			
Stock	06-Mar-20	02-Mar-20	% Loss
YES BANK	310.2	712.4	56.45
SPIICE JET	16.2	34.5	53.1
HFCL	63.2	83.3	24.13
SREI INFRA	11.54	14.6	20.96
SADBHAV ENG	6.25	7.85	20.38

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	
VIPUL ORGANIC	

Dow fell to 24700 but bounced back to 27100 but Nifty has its own way to react. It is allowing more and more short built up. Expiry consideration works here.

IRCTC which I told you that at 1900 was expensive it crashed to Rs 1400 and now honeymoon seems over as it will be coming under regulation control. First 6 months regulations do not apply hence 400 500 pc price rigging is permitted without attracting any regulations. Avoid this stock now. Also avoid SBI cards. Even Avoid SBI it may crash below 250 post issue. This will again prove how manipulations happen in IPO.

Buy quality B gr stocks and wait. Nifty has to cross 12400. Let us see what happens.

Distortion game is on which kills small investors. So investors should follow own conscious.

Collapse of Yes Bank could not be gain of SBI for sure. SBI hammered and will be heading for Rs 200 for various reasons. Yes Bank, SBI cards, and PSU all are negative. The business of YES Bank will flow to INDUS IND KOTAK HDFC etc but to my mind INDUS IND will be the largest beneficiary. Stock hammered to low of Rs 913 to prove the technical correction and now short covering and value buying will be seen. Many funds will come forward for buying on YES rationale.

Who should be for YES crisis as far as stock is concerned..? First of the bogus volumes. It seems someone knew yesterday that this is coming hence they created bogus volume got the stock in ban and sold their stock. In ban no one can buy only square off possible and they are not allowing the square off even at 30 pc lower. Now I think Rs 15 can come on the screen. Even in that case the broker which had opined Rs 15 target and now re 1 target should be considered as having insider information and SEBI should investigate.

The real problem was that exchange refused to hold YES f d or bank guarantee hence brokers have rushed to replace the same by selling shares in the open market to meet to margin requirement.

Well, there is no minimum promoter cap on holding hence in such cases promoters have been given escape route by allowing their selling on floor. And all big brokers who lend name helped in offloading by creating 100 crs shares volume in a day which normally happens in DOW JONES. Not only Satyam but all cases where co has collapsed and finally got backdoor de listed have one common feature that promoters has become zero. Whether it is MALLYA, SATYAM or now YES.

Yet, you all love F and O and I am afraid one day you will be out of the market. Another investor who is a tyre dealer and plays in 1000 crs in biz and not getting even Rs 5 crs loan now because of defaults and CIBIL. All has happened due to heavy losses in F and O.

Market is our teacher. I am here for last 25 years and after 2000 crash learnt that F and O cannot give you money. Though the policy makers have inclination to divert the investors to F and O and investors commit over trading. I have reasonable wealth to survive for 100 more years and all thanks to stock picking in the market. You may go wrong in 3 out of 5 but 2 sure bets which become multi bagger gives you annualised CAGR return of over 100 pc for 10 years and this is not possible in any business.

Well, Nifty will bounce back and all prices will cross earlier high. It is just a matter of time. Even if you desire to add you will not be able to due to cash flows. Whenever correction happens this is the state of market. Normally correction hold for 11% and this was done till yesterday. However, YES BANK trigger got market drifted to a new low where correction now stands at 12.6 pc. In this range the correction can be maximum of 16 pc as per past data. Hence we should be prepared for another 3.4 pc correction if it extends. Else could be the last day of SELL and we will see huge reversal from MONDAY.

When you are in delivery you are not panicked for mark to market though your portfolio valuation could be down a bit.

Global Story

We have to appreciate the unsolicited event which affected market and hence even the unsolicited movement. We wrote in our last report that 11063 should be the precise bottom and market did recover from that level to 11340. Neither was it fill throng recovery nor the dead cat bounce. What went wrong then....?

Dow behaviour, though looks like a prima facie reason due to CARONA virus , dented the market, we believe it was YES BANK episode which dented the sentiment. Dow was factored in. In fact DOW was minus 900 points in futures during INDIAN market hours and finally closed just 256 points in red. So in effect it has recovered almost 650 points.

On Thursday, Yes Bank rose 30% and went in BAN on announcement that SBI and LIC will take stake in the Bank. In the evening a surprise announcement came from RBI suspending the board of YES BANK and restrictions of Rs 50000 on withdrawals was set. These 2 events were absolutely in the different direction. One was bullish and another bearish. Naturally stock had to tank with multiple effects after rising smartly by 30%. Depositors panicked, Investors tried exit at any rate, brokers tried to close positions fearing margin trigger, and silently someone was at its best making killing in the stock. Probably certain group had all the information of events unfolding with exact sequences. Stock made a low of Rs 5.65 reminding SATYAM low. This was a controlled move because in BAN you only can square off. Now they did not allow the circuit to open before Rs 14 which was clear writing on the wall that squaring off will start from Rs 14 and the hence the end happened at Rs 5.65. Same thing had happened at the time of SATYAM. Those who had information about KOTAK bidding had made killing in the stock but not before a big bear making open statement on live TV Channel that SATYAM should be zero as early as market opens. Today, also the crash was followed by a statement from a broker yesterday giving target of Re 1, which was enough to create panic among investors. There is no accountability.

For the reasons explained above, stock crashed to Rs 5.65 and then suddenly stock started rising with huge volumes as insiders started buying. End of the day, volume was 126 cr shares on 1 exchange itself. Stock recovered to Rs 19 and by that time all retail investors are out from the stock hearing that it will be Re 1. Even for speculators, there was only square off possible in F and O as the stock was in ban. The buying was permitted to only few who can afford pay penalty and carry in F and O and rest has to play in cash segment. Then came the master stroke through rumour that LIC and SBI will invest at Rs 34 per share through preferential offer during market hours. This is just not possible as the mechanism of preferential issue are different and this was misguiding. TV channels off course had their role in it. There can be only QIP. Also there was rider that there will be rights issue at Rs 10 post the Rs 34 issue. Now it was confusing for the investors that why would someone pay Rs 34 when shares will be available at Rs 10 later..? Post market all speculation have been put at rest. Now the issue will be at Rs 10. So stock price will be around Rs 10 only. Stock is going from F and O and with PSU tag this stock be bears fancy till May 2020.

All said and done, YES Bank stock is now in mess and there will be huge ups and down and finally investors will lose only whichever direction the stock goes. LIC took IDBI and IDBI crashed. SBI too will get affected by this. SBI seen a low of Rs 254 and the expected gains of SBI cards is wiped off. In fact, many got stuck even in SBI assuming SBI cards value unlocking will make SBI cheap. But being PSU this will be ideally again a hedge stock for FPI.

We would have appreciated that had FINMIN announced the package on THURSDAY instead of FRIDAY not allowing space to media and manipulators.

But with the end of YES BANK story, Rs 8400 Crs bond written down (will affect bond holders to that extend) and safety net provided to depositors, market will be back on CORONA issue now. CORONA though we believe, will not dent INDIAN economy as compared to global economy will still be a driving force for the market makers.

Anyway, this correction is over reaction and is in the last leg. No one can do exact bottom fishing and hence one has to buy in every day in small portions during such times. With Nifty now trailing at PE ratio of 21, we do not see much downfall, except for the fact that there should not another whitewash like YES BANK tomorrow. Even global investors were failed to understand the DOW behaviour this time. Irrespective of wild moves in DOW say 1300 points rise 1000 points fall gain 1100 points rise and 1000 points fall, DOW closed at 26121 on Thursday and 25864 on FRIDAY suggest that it is still higher by almost 5.5% from the low of 24700 odd nos. Whereas Nifty has kept its falling spree rapidly and closed at 10927 after seeing low of 10830 which means it is not even 1% above the low of 10840. In SGX it was closed at 10830 suggesting a further fall on MONDAY to begin with. Thus DOW has done well in comparison to Nifty. Well, the guiding factors in US and India are different and scale of control is also different.

Only 12 stocks have 70 pc weightage in Nifty and hence it will be really absurd to believe that Nifty will keep on falling more and more from here on. Considering the sell contract size, retail exposure, bear attack, oversold conditions, call put

ratio and THURSDAY expiry, we believe that market will bounce back very smartly, provided you have patience to see rebound.

Post LEHMAN there were 100's of analyst who had expressed that 11000 Sensex is impossible But Sensex went to cross even 40000. Even now many says 12000 Nifty is impossible. We believe that nothing is impossible. Nifty will travel towards its destination of 23000.

One thing is sure though there will be pain in the short term, we believe that future is very bright and hence market has to bounce very fast. Valuations are very compelling and investing at this point in time is good. You will be able to beat MF returns by no of times for sure. Also after every geo political issue or virus market have gone up by 25 to 40%. Yes, retail investors do not have money but the FPI do and with yields falling below 1% in US money has to flow to EM and more particularly INDIA. Our conviction is intact... YOURS...? Reality check....

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	07/03	26,146.67	-621.20	-2.32
Singapore	Straits Times	07/03	2,960.98	-57.29	-1.90
United States	NASDAQ	07/03	8,575.62	-162.98	-1.87
United States	DJIA	07/03	25,864.78	-256.50	-0.98
United States	S&P 500	07/03	2,972.37	-51.57	-1.71
Japan	Nikkei 225	07/03	20,749.75	-579.37	-2.72
United Kingdom	FTSE 100	07/03	6,462.55	-242.88	-3.62
Malaysia	KLSE Composite	07/03	1,483.10	-7.93	-0.53
Indonesia	Jakarta Composite	07/03	5,498.54	-139.59	-2.48
Thailand	SET	07/03	1,364.57	-26.26	-1.89
France	CAC 40	07/03	5,139.11	-221.99	-4.14
Germany	DAX	07/03	11,541.87	-402.85	-3.37
Argentina	MerVal	07/03	35,222.43	-1,549.77	-4.21
Brazil	Bovespa	07/03	97,996.80	-4,236.40	-4.14
Mexico	IPC	07/03	41,388.78	-956.08	-2.26
Austria	ATX	07/03	2,615.56	-105.40	-3.87
Belgium	BEL-20	07/03	3,435.09	-109.74	-3.10
Netherlands	AEX General	07/03	531.29	-21.25	-3.85
Spain	Madrid General	07/03	834.02	-29.31	-3.39
Switzerland	Swiss Market	07/03	9,736.82	-406.75	+4.01
Australia	All Ordinaries	07/03	6,287.51	-184.94	-2.86
China	Shanghai Composite	07/03	3,034.51	-37.17	-1.21
Philippines	PSE Composite	07/03	6,770.38	-114.39	-1.66
Sri Lanka	All Share	07/03	5,343.15	-141.10	-2.57
Taiwan	Taiwan Weighted	07/03	11,321.81	-193.01	-1.68
East Israel	TA-100	07/03	1,500.13	-4.02	-0.27

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