



Editorial

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The theme of midcap and small cap is started. In fact, pink paper suggest that P Note kind investment by FPI is likely to re-introduced but with KYC as the same is planned through custodian banks.

This is a pre cursor of big rally.

Many stocks have gone up by whopping 30% in just a week's time and you have lost one more opportunity to cash it. I was shouting form the top floor of the DALAL street that please take risk of 25% and buy as in our opinion 273 was clear for BJP.

Anyways you are ARJUNA and no one wants to be ABHIMANYU. Great now with every rise you will feel it difficult to buy as it is becoming costlier.

STILL I believe only CHEMICAL sector is the which will create INDIA's largest wealth why read in the following link.....

<http://stock.finception.in/speciality-chemicals>

If I write you have no confidence, if media says you will trust blindly. Now see this link and decide what will happen in CHEMICALS sector in INDIA. I will put my neck only in CHEMICAL sector going forward.

Nifty will in the range of 11700 to 12200 till 30th May. In June market will discuss monsoon and budget. Hence Nifty will to cross 12200.

I am clear in my mind that we will try and pierce 13000 before 31st Dec 2019.

PIYUSH GOYAL could be the Finance Minister which will be well accepted by market as he only raised the tax slab from Rs 2.5 lacs to Rs 5 lacs.

Market was volatile ahead of expiry. As per our analysis nifty will touch 12200 soon. So hold on. We are bullish on GOVT PSU banking stocks. Keep watch on SBI, BOB and KTK.

Change of the week

| | 31-May-19 | Rise /Gain |
|--------|-----------|------------|
| Sensex | 39714 | 277 ↑ |
| Nifty | 11922 | 83 ↑ |

Net Investments (` Cr)

| | FII | DII |
|--------------|---------------|--------------|
| 27-05-2019 | 2933.8 | (327.8) |
| 28-05-2019 | 4670.7 | 269.2 |
| 29-05-2019 | (101.4) | (189.5) |
| 30-05-2019 | 2072.6 | (1122.6) |
| 31-05-2019 | 676.15 | 394.0 |
| Total | 10,250 | (975) |

Turnover (` Cr)

| | FII | DII | |
|------------------|---------------|---------------|-----------------|
| 31-May-19 | 93,095 | 38,367 | 1,31,462 |

| 31-May-19 | Advances | Declines | Ratio |
|-----------|----------|----------|-------|
| BSE | 996 | 1592 | 0.62 |

FPI would be buying nothing less than 80000 crs in calendar year 2019 which means more exit for DII and HNI's. HNI and DII already sitting on Rs 70000 crs plus MF inflow of Rs 11000 crs pm for last 5 months that Rs 55000 crs. That means HNI DII MF and PFI all put together can investing more than Rs 2 lac crores in calendar year 2019.

Where would you get liquidity in large caps.... ? Will you trade at 80 PE then and answer is no. Therefore the majority of the flow will come in mid caps and small caps. Some ways will come out which will supersede the P Note route hence the money will come back for sure.

If you know you maths rights you can make money. MODI had his maths rights and he won elections. Similarly now if you have maths right then you will win. Pick multi baggers to wealth creation. Those who sell now are in suicidal mode and let them do that.

You focus should be on companies which are growing rapidly. One such co is CMI Ltd which is doing 60% railway infra cables work. With exports to 12 countries and reported profit of Rs 45 crs on an equity of Rs 15 crs the EPS is Rs 30. At CMP pf Rs 140 PE 4.66. Why is the price languishing...? Obviously there must be some desperate seller. What if the selling gets over..? Would you wait till selling gets over or would try your luck because with such fabulous results selling will get over sooner than later. You are getting at this price only because someone is selling.

Thus you have pick your stock and against selling. If you with the wind chances of MANPASAND happening cannot be ruled out.

I am delighted and happy when I heard a strong buzz of 10700 from the punters. They say bad news coming and Nifty will tank to 10700. This is contrary to facts which I shared yesterday and now the game is clear. Bears shorts trapped and ahead of expiry 10700 buzz got stronger. No one can stop now Nifty to cross 12500 as beyond 12200 bears will make 12500.

In that case RIL should go handy as Nifty cannot rise without RIL rise. We had given buy at 1235 and see you could see the price of 1390 after elections only because Nifty had to run. Long term target is 3000 plus hence even if you stuck in delivery there is no way that you can lose money.

SBI I had told you Rs 350 and it crossed even 360. Now what next..? The price was manipulated to as low as 260 where I had been giving strong buy calls. Reason was simple. QIP.... if QIP was planned the price had to go up and for the first it was to go down because buying low and then pulling is the major profit of operators.

| 5 Top Gainers | | | |
|-------------------|------------|------------|--------|
| Stock | 31-05-2019 | 27-05-2019 | % Gain |
| SYMPHONY | 1516.5 | 1188.8 | 27.5 |
| NAVKAR CORPO | 34.5 | 30 | 15.1 |
| V-GUARD | 240.5 | 209.8 | 14.6 |
| TIME- Technoplast | 99.9 | 87.7 | 13.9 |
| Vinanti Organic | 2165.8 | 1914.5 | 13.3 |

| 5 Top Losers | | | |
|-----------------|------------|------------|--------|
| Stock | 31-05-2019 | 27-05-2019 | % Loss |
| Manpasand Bever | 51.4 | 110 | 53.27 |
| PC Jeweller | 77.15 | 104.3 | 26.0 |
| NCC | 97.85 | 114.15 | 14.28 |
| JAIN Irrigation | 49.85 | 56.1 | 11.14 |
| Rel capital | 121.5 | 136.6 | 11.02 |

| Top 5 Picks By CNI 'A' Group |
|------------------------------|
| Company |
| REL |
| TATA MOTORS |
| INFY |
| TATA POWER |
| EICHER |

| Top 5 Picks By CNI 'B' Group |
|------------------------------|
| Company |
| RDB RASAYAN |
| VIPUL ORGANIC |
| ACRYSIL |
| ZYDUS |
| CADILAL |

Now if QIP is for 18000 crs the stock will perform even after QIP but if QIP is for 10000 crs then stock will correct back below 300 after the QIP what is the price of QIP why I will share later or ask CNI team to flash detailed note on this in R I section which you can read.

In Vipul Organics I am hearing there could be entry of big names. Rest I cannot shares. You can do your due diligence. It is game changer and stock will be winner like CAMPHOR that is what I can say. If you propose to buy after good volumes then be prepared to enter in 4 digits. IFB I was recommending at Rs 14 with no volumes now at rs 1400 every one likes it. Again VINATI ORGANCIS I was recommending at 180 200 levels and now at 2000 every one looking at the stock. This is what happens when to buy is your call.

Nifty is all set to cross 13000 in Calendar year 2019 and by 2024 we may see 23000. So in next 5 years of NAMO term we can make huge wealth provided you have self conviction. Market players will never give you such guidance. They will make you ZIGZAG views so that you can remained confused all the times.

You lost one opportunity that was before exit polls. I was shouting from the top of the 29th floor that Nifty will test 12000 and you all had your own doubts.

There are 100's of stocks which are trading at 5 to 10 PE which will give at least 100 pc return in next 12 months as nothing is going to stay at that valuation when Nifty keep on rising. So invest with conviction, avoid fraud stocks, avoid high volume stocks, avoid operator driven stocks. Please note that volumes are done by some volume players who charge 7 paise as cost for creating bogus volumes and it is promoted by everyone because buying of only 10% of volumes is permitted by the system by and large. Now if I have to buy 10 lac RIL at 9.15 I will not be allowed as I have to wait for 1.5 cr shares volume. That means I cannot be the best buyer at my price.

Well, I am not trying to write against the volumes theory but suggest you all that do not fall pray to volumes as you are not buying million shares. For your quantity even if volumes are in thousands it should work. Let this be issue for all those investors who want to buy any share in millions.

Today is expiry. Can we see 12000 crossing tomorrow on the fresh note. If yes , then we may see 12500 before Budget.

We need to focus what is coming in Budget. F M will be PIYUSH GOYAL as he was very well accepted by everyone when made last Budget.

Global Story

Nifty once again crossed 12000 and Sensex 40000 but did not sustain there. May be some insiders had an idea of ministry portfolio and hence tried to hit bank nifty very harshly which was down by 800 points in flash time. It was 2.25 pc which is huge. Lot of speculation was there that it was a fat finger case though we do not agree.

Anyways we had different rationale for the first day first show. Usually on the first day of the new settlement market opens gap up and then give up and close in red and it happened even today. It does not mean that the rally is come to a halt.

In the fresh settlement, operators never take fresh positions at all time high prices. That too particularly when they had beautiful run in the previous settlement where they take home record credits. Hence logically, first market has to correct after smart opening. This is what we have seen. The bank Nifty fat finger story has really burned the stop losses calories in a big way killing many long positions.

When stop losses trigger, someone built positions. This is the real game. The announcement of portfolio was used as good trigger.

Bad GDP data, low PMI though are key drivers market work on positions and such data encourage more shorting by street players. Currently market is still in oversold position.

AMIT SHAH was given HOME ministry and the message was loud and clear. We thought he is known for turning party and hence could become FINANCE MINISTER who can turn the economy for growth and better prospects. However, KASHMIR (ARTICLE 370 and 35 A), West Bengal (MAMTA), the Citizenship issues and few pockets will be now dealt with seriously. We can fall back on what was prominently announced by AMIT SHAH in the public meetings during campaigning. He had announced scrapping ARTICLE 370 in J and K and for that he was given this portfolio. Even he can deal with the RAM MANDIR issue. Another reason for bringing him in the mainframe could be that Shri NARENDRA MODI could be very confident that NDA will rise more and win 2024 easily and does not require AMIT SHAH as party president. In his view it is JOB DONE hence AMIJI is at HOME MINISTRY.

Mrs NIRMALA SITARAMAN, well educated, BA MA and M PHIL all in ECONOMICS, one of the most honest lady could be well thought to have disciplined FINANCE MINISTER to raise the bar of the economy. Someone in USA rightly said so that INDIA needs only 10000 honest people the country will progress. These 10000 include ministers, bureaucrats and heads of all Govt departments which are connected with administration of the economy. The system will change and country will progress. Since she is an educated economist she understand the economy better than anyone else hence she is the right choice. However we cannot forget that there are major challenges before her.

She is an iron lady hence how much leeway she will provide could be another surprise and we will see only in the Budget. But the issues on hand are falling GDP, rising unemployment, lagging exports, tax burdens and FDI and FPI without which India growth story will be paralysed. Who else can understand better about the India's exports enhancement as she was the commerce minister. She can also understand the issue of LTCG, triple taxation of dividend and FPI importance. Raising funds with increasing Govt expenditure simultaneously keeping fiscal slippages in check is the real challenge now. We had talked about PRIVATISATION in our white paper of 24th MAY 2019 and now the buzz is getting strong. Govt might consider privatisation of 46 loss making PSU's to begin with. If this is done the our Budgetary support will ease reducing the fiscal imbalance. ANOTHER LADY MARGARATE THACHER had done this in 1965 to turn BRITISH economy.

Coming back to market, some selling was seen by FPI ahead of exit poll which we had seen in MAY no's which was around Rs 5000 Crs but post the exit poll till now the situation has changed. FPI figure has reached Rs 7920 Crs plus which means post exit poll around Rs 13000 Crs buying is seen. The aggregate FPI of 2019 is Rs 76052 Crs whereas if we eliminate JAN 19 the same becomes Rs 80314 Crs so far in 4 months. We had indicated that FPI will be investing around Rs 80000 Crs more till Dec 19. We will for sure cross the 2019 figure of Rs 97000 Crs.

We are bullish on market and expect Nifty to test 12500 before Budget and 13000 in Dec 19. However we are really surprised to see that mid cap has again getting languishing after some take off. The rally will be considered broad based

only when the mid caps and small caps participate in the rally. We may be bit early in the assessment as there was very little time to react from 23rd MAY till 30th MAY thanks for the expiry consideration. We should keep eye on midcaps and small caps for smart rally. If we see 25 to 50 pc rally then for sure many investors will be able to exit and then only the vicious cycle will work.

Another issue is that FPI DII and HNI all are liking large cap stocks at present and the expected FPI and other flows in the investment theme could be Rs 2 lac Crs. How long they feel they can continue to invest in large caps is to be seen. The day they feel it became expensive they will start dipping in the mid caps and small caps.

Now if the mid cap and small cap fail to participate then for sure the return of INDAIN small investors will be at bay. They will come back with force only if they get exit in many stocks where they are trapped. Also Q4 was the tuff quarter for corporate as they had to clean up books due to various new regulations which are applicable. Many companies reported weak Number thanks to GST issues.

The weak GDP data, lower inflation, and weak PMI clearly hints at one more rate cut in the next policy of RBI.

Global Indices

| Country | Indices | Date | Index | Net Change | Change % |
|----------------|--------------------|-------|-----------|------------|----------|
| Hong Kong | Hang Seng | 01/06 | 26,901.09 | -213.79 | -0.79 |
| Singapore | Straits Times | 01/06 | 3,117.76 | -25.24 | -0.80 |
| United States | NASDAQ | 01/06 | 7,453.15 | -114.57 | -1.51 |
| United States | DJIA | 01/06 | 24,815.04 | -354.84 | -1.41 |
| United States | S&P 500 | 01/06 | 2,752.06 | -36.80 | -1.32 |
| Japan | Nikkei 225 | 01/06 | 20,601.19 | -341.34 | -1.63 |
| United Kingdom | FTSE 100 | 01/06 | 7,161.71 | -56.45 | -0.78 |
| Malaysia | KLSE Composite | 01/06 | 1,650.76 | +14.26 | +0.87 |
| Indonesia | Jakarta Composite | 01/06 | 6,209.12 | +105.01 | +1.72 |
| Thailand | SET | 01/06 | 1,620.22 | -1.35 | -0.08 |
| France | CAC 40 | 01/06 | 5,207.63 | -41.28 | -0.79 |
| Germany | DAX | 01/06 | 11,726.84 | -175.24 | -1.47 |
| Argentina | MerVal | 01/06 | 33,949.53 | -289.73 | -0.85 |
| Brazil | Bovespa | 01/06 | 97,030.31 | -427.05 | -0.44 |
| Mexico | IPC | 01/06 | 42,749.16 | -596.66 | -1.38 |
| Austria | ATX | 01/06 | 2,897.45 | -23.43 | -0.80 |
| Belgium | BEL-20 | 01/06 | 3,427.18 | -28.32 | -0.82 |
| Netherlands | AEX General | 01/06 | 540.49 | -4.94 | -0.91 |
| Spain | Madrid General | 01/06 | 908.89 | -15.02 | -1.63 |
| Switzerland | Swiss Market | 01/06 | 9,523.98 | -17.99 | -0.19 |
| Australia | All Ordinaries | 01/06 | 6,491.81 | +2.63 | +0.04 |
| China | Shanghai Composite | 01/06 | 2,898.70 | -7.11 | -0.24 |
| Philippines | PSE Composite | 01/06 | 7,970.02 | +133.47 | +1.70 |
| Sri Lanka | All Share | 01/06 | 5,310.95 | -13.59 | -0.26 |
| Taiwan | Taiwan Weighted | 01/06 | 10,498.49 | +115.50 | +1.11 |
| East Israel | TA-100 | 01/06 | 1,434.90 | +5.07 | +0.35 |

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
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