

Editorial
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Proofs of slowdown in AUTO sector has come now and they have started cutting production too. There are 2 aspects one that they have to product BS VI vehicles now and second is that the bull run continued in AUTO segment for 18 months and in every six months some slow down comes. This is what data study reveals. Slow down there for almost 7 8 months hence this slow down can be there for another 5 6 months max. Demand will pick up again. Therefore slow down in AUTO is not a indicator of slow down in the entire economy. Rate cut and tax cut will help boost earnings as explained.

Imagine the other factor. KASHMIR issue getting resolved. What could be impact on the global investors. In anticipation of reforms markets were rising and now when reforms are happening through bills getting passed in RS market is falling.

Many stocks trail at 136 to 189 PE and they are not falling whereas some stocks after steep fall to 2 pe still not found takers. This clearly suggest that market is controlled and those who control have holding in stocks with 136 to 190 pe hence these stocks are not falling and will not fall till the time some material wrong comes out in these stocks.

For retail investor it is warning. If you buy stock at 136 to 190 pe only and only you have to be blamed for anything wrong in these stocks. Vakrangee, Manpasand and many other stocks were in this category and you have all have seen what happened.

Today' fall is for international reasons hence there will be sharp bounce in the second half. 10865 is hitting again and again. 10767 could be the last point from where Nifty has to test 11500 first. But it is also true that even though investors understand this they are not in a position to invest more thanks to the cash flow situation or the extreme fear factor.

Those who are in cash it is ideally best time to get in. Conviction that matters...

Change of the week

	10-Aug-19	Rise /Gain
Sensex	37581	450 ↑
Nifty	11109	111 ↑

Net Investments (Cr)

	FII	DII
05-08-2019	(2170.5)	1871.2
06-08-2019	(1864.5)	2289.0
07-08-2019	(511.7)	531.5
08-08-2019	(1065.5)	292.2
09-08-2019	203.5	606.9
Total	(5407)	5591

Turnover (Cr)

	FII	DII	
10-Aug-19	56,744	40,813	97,557

10-Aug-19	Advances	Declines	Ratio
BSE	1557	951	1.63

Historic was the only word for scrapping article 370. This will lift the life in JK in the sense they will be able to sell land now. They can take good education and participate in Govt schemes. Outsiders too can buy land and take part in education. We have spent Rs 277000 crs so far just in grants which has done nothing well for the people of the J and K. This govt has resolution for J and K and will announce many useful schemes for the development of J and K.

From stock market point of view J and K bank could be exposed now if they have funded to politicians hence could not a good fit for buying. Also will see competition from other PVT banks who will enter J and K with force now as they can buy land. But there are few food co's occupying huge land parcel which could be multi baggers in time to come.

Anyways market has bottomed out now. 10767 will be the last on charts. The extreme volatility was artificial but frightening so that no investors can dare to buy. Midcaps and small caps though were saved. Attempt of selling these stocks by incurring unnecessary losses suggest attempt to distort with some bad intention though they are not going to succeed.

There was a news in the street that GMO fund was closed. In fact one media guy spoke to the GMO fund manager in USA and he too admitted that the fund in INDIA is closed. However, from the holding it seems only few stock has changed hands. SANGAM INDIA MGT heard has bailed out the fund of course at huge losses. In Gayatri projects efforts are being made with some canadian fund to park the holding of GMO which may happen at discount to market price as new fund could also look for safety net.

Co's which may announce robust growth in Q1 with no debt issues are NUTRAPLUS VIPUL CMI and RDB RASAYAN all in next 8 days. Current stocks prices have made these stocks at 2 to 6 pe ratio where losing money over a period of time is impossible.

A wild though... car slowdown is periodical and will correct. Other sectors doing well. Govt likely to take steps to boost growth as it's dream is to take India to 5 tr usd economy. Thus with some announcement growth will return and Nifty will cross 12500.... can you buy then..? If yes then certainly you should wait and watch for buying.

5 Top Gainers			
Stock	09-08-2019	05-08-2019	% Gain
NAVKAR CORP	27.9	20.1	38.8
J&K BANK	44.1	35.5	24.2
VENKY	1393	1190	17.06
KEI IND	488.9	417.7	17.03
SHARDA CROP	309.4	264.8	16.8

5 Top Losers			
Stock	09-08-2019	05-08-2019	% Loss
CCD	73.3	99.9	26.5
COX & KINGS	8.07	10.39	22.33
NBCC	34.65	42.85	19.1
JAGRAN PRAK	63.55	78.1	18.6
PARAG	180.9	220.7	18.03

Top 5 Picks By CNI 'A' Group
Company
SBI
TATA MOTORS
TATA STEEL
HERO HONDA
REL

Top 5 Picks By CNI 'B' Group
Company
RDB RASAYAN
VIPUL ORGANIC
POKARNA
ACRYSIL
POLY CAB

Govt on agenda of lifting economy and pleasing FPI. Market has bottomed out though the last leg of volatility will imply and try to prevent trading profits to the traders.

Investors never buy when stocks are cheap but enter when stocks become costly and track volumes.

Why one would buy stocks at 66 136 and 189 pe..? It's all about conviction and investors get false conviction seeing big names in such stocks without realising that they entered at 10 15 pe and show casing you at 136 pe..?

Choice is yours. I at CNI will keep on advising to buy stocks at less than 5 pe and which meets other investment criteria which other stocks to meet even at 136 pe such corporate governance, promoters integrity, growth trajectory, low debt, no pledge and good B V etc.

I have shown at least 5 such stocks to you and you will remember me after 2 years when they become multi baggers. I repeat you can contact me even at chamatcar@chamatcar.com for any clarification about stocks and market guidance.

J and K bank rose 30 pc in 2 days but I am bit negative on the stock for 2 reasons. One that it is already under scrutiny from agencies and 2 that many strong pvt banks will enter J and K as ownership of land is allowed. They will compete J and K and take away business affecting J and K Bank.

But for J and K industries it is good. One land prices will rise and easy banking will be available.

Please study some cases where some 1 try to distort the price every day by selling stock till lower price. This is done by incurring losses. Why the issue of market integrity is overlooked..? It is intentional or there are loop holes..? In the current environment still all kinds of manipulation happens which suggest that there are loop holes. Simplest one seems to be handling of multiple accounts from one premises where volume business is handled. Usually volume creators charge .07% as cost of creating artificial volumes and these are people who cheat the genuine investors by creating bogus volumes. This grave area need to be plugged. Hope so it will done sooner.

All the best to the value investors after we reached the historic movement of KASHMIR freedom. Let us believe that capital market reforms will come in the mind of SHRI NARENDRA MODI now at least. Why would country like India has less than 2% of its population deal in capital market..? When he can focus of toilets why not capital market..?

Festive seasons is about to start now which will spark demand in every segment and sector. This will even propel good nos in Q3 which will be announced in JAN 20 and before we realise the next Budget will be due of 1 st FEB 220 hence market cannot remain in limbo for long.

As regards slow down, there cannot be worst slow down than in 2008 2009 post LEHMAN and US and other economies have dealt with it by QE mechanism. They will not allow economies to fall under recession so early hence do not lose hopes and wait and watch.

If you buy any and all stocks you will be more confused and disappointed. You need to focus only 5 stocks. Even 2 out of 5 becomes multi baggers you will be super rich and will afford to pay higher surcharge..

Once again bears chose to attack markets on policy day where RBI announced better than expected rate cut. We feared this and this happened.

Today is expiry. Though 11000 put has been written it all will depend how much short and long is there and where operators wants to take market..?

Now in call and put FPI are writing over Rs 5000 crs and mint Rs 1000 crs in every week would like to exit INDIA...? Answer is no. It is just a black mail...Otherwise after 15% tax through Mauritius they could never have entered INDIA...?

Our observation is very clear. Any stock you want to sell is getting absorbed for a price... that means there are buyers at lower prices. Why ..?

The GHOST is back... The GHOST entity is damaging the market and it works on law of gravity. FPI want to see all stocks which are 5 to 10 pe and add all stocks which are at 60 to 190 pe how is that possible..? This could also mean that FPI money is trailed to something else.

Do not be too much pessimist and focus of 5 stocks which can make your life. You will never be too rich by buying EDEL at 136 PE or TITAN at 66 pe. You need to invest in stocks at 2 pe... When 66 pe stock goes up automatically Indices will go up and by default your 2 pe stock will also go up and by the time it reach 4 pe your profits will be 100%.

So you are the best judge for where to invest... Gold has crossed 38000 and heading for 40000 soon. I had mentioned this and could be Rs 55000 in next 4 to 5 years.

LUPIN and CIPLA have given good set of nos which suggest some upswing in pharma. Please focus on NUTRAPLUS a clear game changer API.

Many stocks are at mouth watering levels but you need to be very selective as corporate governance and insider trading are the key issues in INDIA. If operators can go short in PSB stocks like BOB PNB SBI they can go short anywhere...? SBI QIP still in limbo and I had mentioned that SBI is always good buy below 300 and risky at 370 and also said price will depend on level of dilution. Now Yes Bank QIP pricing will decide the future... ? But most probably knowing INDIAN markets QIP free stocks will be used to dampen the price of Yes Bank with an objective to take over the Bank at lower price.

Today's can be tomorrow's BAD hence try to select good among the corrected stocks with no fraud, no debt, good business model, good ROE, dividend paying etc and remain safe. With falling bank rates which will come down to 4 pc equity will be the only option for the investors. Banks may see more spread as they will have shell less on deposit and ask more on loans.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	10/08	25,939.30	-181.47	-0.69
Singapore	Straits Times	10/08	3,168.94	-15.75	-0.49
United States	NASDAQ	10/08	7,959.14	-80.02	-1.0
United States	DJIA	10/08	26,287.44	-90.75	-0.34
United States	S&P 500	10/08	2,918.65	-19.44	-0.66
Japan	Nikkei 225	10/08	20,684.82	+91.47	+0.44
United Kingdom	FTSE 100	10/08	7,253.85	-32.05	-0.44
Malaysia	KLSE Composite	10/08	1,615.05	-0.97	-0.06
Indonesia	Jakarta Composite	10/08	6,282.13	+7.46	+0.12
Thailand	SET	10/08	1,650.64	-14.48	-0.87
France	CAC 40	10/08	5,327.92	-60.05	-1.11
Germany	DAX	10/08	11,693.80	-151.6	-1.28
Argentina	MerVal	10/08	44,355.09	+3,261.64	+7.94
Brazil	Bovespa	10/08	103,996.20	-119.00	-0.11
Mexico	IPC	10/08	40,421.28	-18.14	-0.04
Austria	ATX	10/08	2,892.40	-6.30	-0.22
Belgium	BEL-20	10/08	3,534.57	-39.85	-1.11
Netherlands	AEX General	10/08	542.22	-6.66	-1.21
Spain	Madrid General	10/08	879.37	-10.99	-1.23
Switzerland	Swiss Market	10/08	9,749.92	-1.63	-0.02
Australia	All Ordinaries	10/08	6,663.43	+21.17	+0.32
China	Shanghai Composite	10/08	2,774.75	-19.80	-0.71
Philippines	PSE Composite	10/08	7,854.39	-59.77	-0.76
Sri Lanka	All Share	10/08	5,943.11	+64.85	+1.10
Taiwan	Taiwan Weighted	10/08	10,494.49	+108.31	+1.04
East Israel	TA-100	10/08	1,500.13	-4.02	-0.27

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