

Editorial
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Market today hit new high and stock of the day was force motors. We had given a buy on the stock at 1225 on Friday and today the stock hit upper circuit of 1513 20% up. Similarly we had recommended bank of Maharashtra at 12.25 few days before and today stock touched at high of 15.20. Sheela foam today hit a high of 1730.

Now we may see huge action in zydus wellness and syngene international. Keep a watch on both the stock.

BPCL is a patience game but will double ur wealth. So hold on.

Sheela foam 1750. Cheers to team CNI for such an accurate call. Now it's time for ZYDUS WELLNESS. Keep a watch on the stock. TCS as said before crossed 2800 in trade.

INOX AND HDFC LIFE looks good

ZYDUS as being advised from last 2 days shot up 100 bucks to 1950 rupees. We believe we may soon see 2400 on the stock

IOC looks good may test 100 levels soon. Reliance after a long consolidation is back in the game and gearing back for 2200 mark. Against all odds market is hitting new highs. We are currently speaking to many HNI and retail who all are just sitting on cash or else booking profit and waiting for market to fall but market is way smarter and it will fall only when no one will expect to. So we advise our client to stay stock specific and enjoy the run

Muthoot finance looks good.

Change of the week

	12-Dec-20	Rise /Gain
Sensex	46099	1041 ↑
Nifty	13513	260 ↑

Net Investments (` Cr)

	FII	DII
07-Dec -20	3414	(2767)
08-Dec-20	3122	(2640)
09-Dec-20	3653	(2493)
10-Dec-20	3513	(2275)
11-Dec-20	4195	(2359)
Total	17,897	(12534)

Turnover (` Cr)

	FII	DII	Combined
11-Dec-20	73,094	50,834	1,23928

11-Dec-20	Advances	Declines	Ratio
BSE	1744	1230	1.41

The bull run has started showing colour now. Follow the CNI method. Early entry early exit so that you are protected from the volatility. You can see our strike rate. No one will give consistent profit month after month in A gr stocks for last 13 years. Whichever stock we were stuck every time before the correction we averaged at right time and made exit in profit. E g BOB KTK and PNB. Thus we run at 100% strike rate which is impossible and this is done for a small cost of Rs 2000.

It is upto you. In bull market even panwala gives free tip but no one tell you exit. CNI gave exits and all well in time.

Nelco and Ineoss our two new picks. Auto yet to fire. This debt free co will cross Rs 1300.

Bank of MAHA has to cross Rs 26.

We were the first to tell you about AMBUJA royalty issue. We shorted at 260 and covered at 251 though stock is still struggling. We were first and we covered first. That is early entry and early exit. Same with SUN TV.

Now we are recommending to add INEOSSTYRO GERMAN MNC.... cmp 770 target 5000 in 3 years. Short term 1100 1500.

Nifty will cross 13700 so do not panic for weekly expiry. We will see late bounce and run will start. Add VIPUL ORGANICS. You have seen the name finally in the sellers list. Whereas the buyers name will come in shareholding. It went up from 1.08 to 1.68 lacs shares. Other addition is still below .5 pc hence not visible. Now max few thousand more shares selling left. If buyer can add this much they can add more also. Earnings will be superb. Stock going cheap.

Time to book profits and stay away till dec expiry. The euphoria is built so clearly avoid buying except ... bpcl bharti hpcl loc gail and ongc also avoid.

When ifci hfcl starts running market will have to correct.

All longs hedge with short calls. Kotak hero motherson classical sell.

Wait for 13000 now.

5 Top Gainers			
Stock	11-12-2020	07-12-2020	% Gain
PC JEWEL	25.2	17.0	48.0
IFCI	10.6	7.2	46.3
SCI	83.9	64.5	30.1
IFB IND	1031.4	804.9	28.1
YAARI DIGITAL	83.3	65.3	27.4

5 Top Losers			
Stock	11-12-2020	07-12-2020	% Loss
ADANI POWER	44.44	59.6	25.2
HATSUN AGRO	803.0	997.8	19.5
INDO STAR	317.6	357.9	11.2
KRBL	251	277.4	9.53
JK CEMENT	1955.4	2161.0	9.51

Top 5 Picks By CNI 'A' Group
Company
RIL
SBI
KOTAK
GODREJ IND
BRITANNIA

Top 5 Picks By CNI 'B' Group
Company
GALAXY SURFACTANT
ZYDUS WELLNESS
POLY CAB CABLE
RDB RASAYAN
SFL

Meanwhile pick undervalued stocks like Cmi and ieonsstyro.

The lockdown had squeezed working finances as major buyers were Govt more particularly railways. After the halt of almost 9 months co started getting big railway orders. In fact the order book is very healthy.

Turning point..... stock rally started at 54 when co raised funds through first pref issue. GMO world's 4 th largest fund financed the acquisition of the baddi plant by buying 1.5 mn shares at 304. Gmo small Cap fund closed and they had no option than ro sell the shares. Some investors did gave them offer at 118 but for some reasons they refused to sell to investor and sold the entire holding in the open market till Rs 30. May be some 1 set the GMO fund managers. Earlier also they were subjected to internal inquiry in case of Gayatri projects and Sangam India which were operated by dubious operators. Well though GMO exited other funds like HSBC did not as they did not gad big chunk and also they know the inside out of co. They in fact may add more. There are some savvy investors too hence 1 mn shsres float is not a big deal. The whole exercise was to eat the plant.

The typical story getting repeated. Co reported losses and bad nos to see the price suppressed. The fund exited at the worst price making 90 pc loss. The stock got accumulated by very strong hands ... to be precise some investors holding large chunk in cable stocks. Now the stock has started reversal.

In last 1 week more than 6 lac shares have changed hands. We see heavy to heavy buying in this stock and co will start posting superb results.

To sum up a stock which made a high of Rs 370 on asset quality and on recomendation from edelwiese is now available at bottom price that is below the pref issue price hence a clear multi bagger.

Insider view.... A offer for baddi plant was given by another cable co for Rs 630 crs which management has refused. At current market cap of Rs 50 55 crs this stock is available at penny stock price hence writing is clear on the wall. IT IS A 10 bagger BUY AND HOLD

Add IDEA the fibre assets sale money has come and announcement will come next week. Stock can rise 25 to 40 pc.

Global Story

Before we review you must know that what we gained. We gave buy in SBI at Rs 149 and ITC at 149 and they are at 272 and 216. Infosys at Rs 525 and now 1166. Tisco at Rs 270 and cmp 622. Indus Ind at 300 and Axis at 270 which currently are at 935 and 620. In short the recovery which started post the COVID 19 collapse from 7500 to 13500 has result massive gains to our followers. We are saying our followers because we had issued report saying first target on valuation is 10400 and we should not lose this buying opportunity whereas the entire world was busy calculating the GDP impact and ill effects. we raised our targets from 10400 to 12400 and then 13500 and with due regards we reached all out targets. Our performance is there on the front page of our website that www.cniresearchltd.com. Having given a beautiful run at the lifetime high indices naturally the fear of getting trapped is very high. We therefore explain what strategy one should follow going forward. What are the issues which can distort market equation going forward.

We have already dealt with price earnings ratio and market capitalization to GDP. Price earnings ratio has some room left for upside whereas market capitalization to GDP has big upside left vacant. We had also discussed the third aspect that is liquidity and it is not drying. This is the biggest factor and so long as liquidity flows continue market will keep on rising. To date Calendar year 2020 has reported Rs 1.41 lac crs net buying from FPI which is highest ever since 1991 post reforms. Nov seen highest monthly inflow of Rs 60000 crs. Dec so far we have received Rs 33000 Crs and we are not even half way done. If the flow continues and crosses Nov 60000 crs mark then there is no one who can stop Nifty from crossing 14000 in Dec itself. Now to magnify the figures and put in right perspective is see what is the amount of buying post the covid 19 selling of 69000 Crs in March and April 2020. It is Rs 196543 Crs (26.5 BN USD). It is massive and unprecedented hence the biggest ever rally since 1991. 26 BN USD resulted in 6000 points rally and another 34 BN USD could make at 2000 to 3000 points rally going forward.

As early as APRIL 2020 we had in our report mentioned that India share of inflow out of the 13 trillion USD stimulus is 60 BN USD. That means we have not even seen 50% of the inflow so far hence believing that market is topped out or near top is foolish view. There may be pause, there may be some correction, there may be profit booking but the rally will continue. High liquidity will change global discounting scales which we had anticipated earlier. The PE and market capitalisation of GDP will change with change in financial year and strong recovery in GDP. We had last calculated this ratio at 94% when GDP was 2.6 trillion USD now we believe that recovery will lift GDP to 2.9 to 3 trillion USD which will match the rising market capitalisation leaving some head room.

Now big correction is ruled out for sure for following reasons. First is that we have left 200 DMA way behind at 10800 hence the trend can reverse only if we break 10800 now. That is a BEAR market. Reforms, recovery, farm income, low tax regime, cyclical rally and road map to bridge the fiscal deficit are the triggers for the rally. We had estimated in APRIL 2020 that fiscal deficit will not be more than Rs 3Lac Crs and now these reports are coming. The last point which we believe will save our markets from big fall is liquidity with DII. DII equity holding is 112 BN USD and LIC around 90 BN USD. Now out of selling of 26.5 BN USD (FPI buying) only 10 to 15% is assigned to HNI and retail rest to DII. Hence we presume that DII is sitting on piles of cash even after redemption which will cushion the markets easily in case of big fall.

However no market is good without correction. Hence if the Bull Run need to continue then a 300 to 400 points that is 3 pc correction is must before the march continues. In that case the breadth of market becomes very healthy. Alternatively if Nifty continues its ride towards 14000 then correction will be slightly bigger say 10 to 11 pc. That will be really painful for those who joined rally after 13000. Those who joined at 7500 to 10000 are comfortable. Thus we are making a clear point that one should be ready for a small correction of 300 to 400 Nifty very soon or 1400 points correction after we reach 14000 and design our strategy accordingly.

We should change portfolio by booking profits in run up stocks and pick undervalued defensive stocks. We should hedge our longs with high valued stocks with shorts. We should hold at least 50% cash at this point time and stay invested to the extent only 50%. We should avoid leverage. Finally we should pick value picks in B gr to enjoy more than 50% returns the way we enjoyed in A gr so far.

We agree the broad based rally has started. Every trader and investor has started earnings. This is the first sign of the distribution. The more traders and retail earn they will lose self control and commit more in terms of value and the will get stuck one day.

When stocks like Bank of Baroda, PNB, Karnataka bank, IFCI, Sail, JP Associates, Hfcl, Pcj and Vakrangee starts moving fast it generally indicate return of the investors. In other words, market started rewarding traders and small investors without which the rally is meaningless. This is where you need expert help which we do provide to CNI members. As of now we are following Hedge trades. Most of the times we are getting return on both side of trades.

This is why we said in the beginning 3 pc correction should be healthy at this point in time. Else we have to be prepared for 10 to 11 pc correction. The broad based rally on the one hand seen return of investors and on the other safe passage to big hni's. If you have cash in hand you will get enough opportunities which generally retail miss as they always over commit.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	11/12	26,505.87	+95.28	+0.36
Singapore	Straits Times	11/12	2,821.70	-3.26	-0.12
United States	NASDAQ	11/12	12,377.87	-27.94	-0.23
United States	DJIA	11/12	30,046.37	+47.11	+0.16
United States	S&P 500	11/12	3,663.46	-4.64	-0.13
Japan	Nikkei 225	11/12	26,652.52	-103.72	-0.39
United Kingdom	FTSE 100	11/12	6,546.75	-53.01	-0.80
Malaysia	KLSE Composite	11/12	1,684.58	+30.19	+1.82
Indonesia	Jakarta Composite	11/12	5,938.33	+4.63	+0.08
Thailand	SET	11/12	1,482.67	+3.75	+0.25
France	CAC 40	11/12	5,507.55	-42.10	-0.76
Germany	DAX	11/12	13,114.30	-181.43	-1.36
Argentina	MerVal	11/12	53,822.44	+132.05	+0.25
Brazil	Bovespa	11/12	115,128.00	-0.60	0.00
Mexico	IPC	11/12	43,612.31	+93.60	+0.22
Austria	ATX	11/12	2,632.17	-21.39	-0.81
Belgium	BEL-20	11/12	3,649.74	-30.37	-0.83
Netherlands	AEX General	11/12	614.46	-3.64	-0.59
Spain	Madrid General	11/12	802.92	-11.98	-1.47
Switzerland	Swiss Market	11/12	10,391.76	-4.20	-0.04
Australia	All Ordinaries	11/12	6,886.37	-30.78	-0.44
China	Shanghai Composite	11/12	3,347.19	-26.09	-0.77
Philippines	PSE Composite	11/12	7,246.16	+91.73	+1.28
Sri Lanka	All Share	11/12	6,614.56	+5.17	+0.08
Taiwan	Taiwan Weighted	11/12	14,261.69	+12.20	+0.09
South Korei	KOSPI	11/12	2,770.06	+23.60	+0.86

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