



#### Editorial

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Market unlikely to fall big till it reaches 16600.

Tisco will announce superb nos. May be Rs 5000 crs plus as against loss. margins will improve from 10 pc to 24 pc and that is massive.

TATA gr will go into consolidation now. We had given buy in Tata ELXI at 560 now close to rs 3000. It is must for TATA to merge these 2 companies as they want to increase their holding again. They had to dilute in TCS to pay off the CORUS liability.

TATA steel has started a new journey and today is result. I think even it will be included in re balancing of MSCI and if this happens then TISCO will rise to Rs 800 in just 2 days. HDFC and Bharti will other 2 candidates. Hearing even AURO may come in MSCI and if that happens it will be rs 1300.

Ineos Tyro results tom and I had told you to add at rs 940 cmp 1050 and tom we do not know where would it go. May be Rs 1300.

TINPLATE TATA BSL METALIK all may merge in TISCO as RNT want to raise TATA Gr holding.

RNT loves Steel Auto and chemicals. TCS was the baby of KOHLI and will now remain a revenue earner for TATA.

Resonance announced good results but since it is disappointed investor stock is in lower. This is a great opp to buy for future.

Looking at all metal results ASHAPURA mines will be a blaster. GINNI story is not known to market. I bet on rs 300 for this stock.

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#### Change of the week

	13-Feb-21	Rise /Gain
Sensex	51544	823 ↑
Nifty	15163	242 ↑

#### Net Investments ( ` Cr)

	FII	DII
08-Feb -21	2172.5	(504.8)
09-Feb-21	3307.3	(1756.2)
10-Feb-21	1884.4	(2075.6)
11-Feb-21	1023.6	(707.6)
12-Feb-21	(37.33)	(597.6)
<b>Total</b>	<b>8348</b>	<b>(5639.8)</b>

#### Turnover ( ` Cr)

	FII	DII	Combined
<b>12-Feb-21</b>	<b>69,567</b>	<b>50,987</b>	1,20,554

12-Feb-21	Advances	Declines	Ratio
BSE	1418	1560	0.90

Nifty will rise and in last 2 days good shorts got built as everyone feel that market is topping out. At this juncture we need to see what is the method we should follow and can we expect correction..? Tomorrow is expiry and they will allow to built enough shorts today so that they can pull it like rocket.

India GDP is now 2.8 tr usd whereas market cap of BSE is 2.7 tr usd setting a market cap ratio at 96.5 pc which is still much lower than the reaction ratio of 120 pc. In 2007 we had seen this at 149 pc and currently also in US the same is above 183 pc hence expecting correction is madness. One correction had to come and it came before budget that was 8.4 pc. Now next big correction is visible at 16600 say another 10 pc... till that time small corrections of 1 to 2 pc will keep on coming. By the time our market capitalization grow further say to 3 tr usd ( 10 pc more at 16500 Nifty ) even GDP will rise to 3 r usd hence the ratio will be maintained by and large leaving no threat of correction. If Warren Buffet follow this I have no hesitation in following the same.

Tisco announced superb results. Now consider this RIL TISCO TAMO SBI LARSEN INFY TCS all announced better than expected nos which means earning beat in Q3 which will re rate Nifty as Q4 will be even better.

This quarter belonged to commodities and there is no slowdown hence even Q4 will be smart quarter for the commodities. The stocks which have done wonders in commodity cycle are Bhansali Engg, Ineos tyro, Vedanta, Tisco, SAIL, Jindal Steel, NMDC and many more. This is kind of margin improvement I have seen for the first time in my life. Many stocks have crossed from 10 margin to 24 pc say Tisco and many from 20 to 45 pc and hence now it seems India is the most attractive place for investment and valuations are not that expensive. Tom is a result of ASHAPURA and I believe even this co will beat street. Management is changing its perception and market will accept them as they are sitting on bauxite mines.

CMI Ltd which had seen sharp fall for GMO exit has consolidated for long. Co has only 30 crs LT debt. They had some working capital issue which is resolved as management raised rs 35 crs by placing shares in pref issue at Rs 35 crs to a person close to JAYLALITA which means even in future they will get funds. Since the stock was issued at Rs 50 and cmp is rs 42 it is a good case to buy this stock. 20% assured return is there and above 53 it is in break out. 100 pc electrification is not possible without overhead cables and for that CMI is the only listed entity for supplying.

<b>5 Top Gainers</b>			
<b>Stock</b>	<b>12-02-2021</b>	<b>08-02-2021</b>	<b>% Gain</b>
MAGMA FINCORP	98.0	58.55	67.4
GREENPLY IND	164.4	122.1	34.6
BALAJI AMINES	1628	1209.8	34.5
ARVIND LTD	71.95	54.75	31.4
NEULAND LAB	1955	1489.9	30.4

<b>5 Top Losers</b>			
<b>Stock</b>	<b>12-02-2021</b>	<b>08-02-2021</b>	<b>% Loss</b>
VARROC ENG	395	447	11.6
BHEL	38.8	43.5	10.9
CARE	483	537	10.1
BIRLA SOFT	244.1	271.6	10.11
SPANDANA	680	756.5	10.1

<b>Top 5 Picks By CNI 'A' Group</b>
<b>Company</b>
RIL
SBI
ICICI BANK
GODREJ IND
BRITANNIA

<b>Top 5 Picks By CNI 'B' Group</b>
<b>Company</b>
HDFC LIFE
ZYDUS WELLNESS
SHEELA FOAM
IEX
BURGER KING

BPCL announced Rs 16 dividend. Govt announced to sell 2 subsidiaries of BPCL which will fetch good amount which I am sure will go to Govt and not to a new buyer. This could mean another special dividend of Rs 80 to 100 before the co is handed over. In short BPCL is clear buy and will rise to Rs 500 550 for sure. I will suggest holding on. If stock correct it is a conviction buy. Govt has become smart and they will foil all chance of selling at low hence they will get the price they want.

SRF is under consolidation. I am expecting a big news may be acquisition this week.

Irrespective of what I wrote above stock selection is the key. Focus on wealth creation. Ineos tyro is announcing results today.

A new chapter is opened in INEOS with co announcing Rs 136 crs PBT as against Rs 36 crs. It is still less than my expectation yet superb nos and stock is certainly now heading for new highs. Even March quarter will be better than Sept and hence we can expect Rs 150 to 180 crs PBT which means EPS of Rs 78 for the MARCH quarter. Now you have decide where the stock going as it is GERMAN MNC with 75 % stake. My destination is 5000 to 10000.

Amazon moved S C against H C order on FUTURES yet I believe RIL will rise as hearing that JIO is preparing for de merger and go for IPO soon.

IIFL which I had recommended at Rs 70 now trading at 250 can easily go to Rs 300 as they are getting insurance broking licence.

TATA Steel I am raising my target to rs 1140 and then to 1500. TATA STEEL will reduce its debt in next quarter after they sell EU business. TATA SON had acquired pref issue at Rs 540 long back and hence stock was to rise and hence I was always bullish on TATA STEEL.

Govt announced a new policy for packaging industry and RDB is one of the biggest player in FIBC bags which goes into packaging. The fortunes are smiling at RDB Rasayan. What we have seen in BHANSALI and INEOS will also see in RDB on 13th when co announces results. This is because the import duty on polypropylene was removed in last Budget and prices have shot up sharply. The effect we had seen in SEPT nos. Similar expectation is there in Dec no. If happens stock will head to Rs 80 90 very fast giving 50 60 pc upside. Nothing to lose as stock is undervalued at 5 PE.

Ashapura to announce results today. Ginni bauxite factor should be kept in mind. Stock is kept under control because the cct limit is just 5 pc. The day it will become 20 pc stock will rise to 300. Same thing is true in Resonance so keep on adding at lower levels and wait for your turn target 600 to 700.

NBCC announced superb results.

Aurobindo results are okay and co trying to become debt free so clear by in dips.

Resonance corrected post result and it is now good opportunity to accumulate.

Zee is getting consolidated and will blast. Capital International is buying as per my source and when Capital buys stock will never fall for sure. Zee 5 content valuation is at 350 plus change of management premium is rs 150 hence Zee should see rs 500 in my opinion and cmp is Rs 217 hence a clear buy.

Idea going to announce superb nos. May be rs 10000 to 12000 crs IBITDA and if that happens then I think Idea will not stop till Rs 30 for sure. It not only spark IDEA but will spark BHARTI and RIL for sure as sector will get re rated. So be long even BHARTI for that matters.

Textiles is new favour of the street. We had earlier selected ALOK for investment since it is RIL gr co. Co had posted good IBITDA from losses. 150 crs IBITDA for full year expected. Stock will do wonders. Now JBF result is today and our analyst expect a turnaround no. May be rs 60 crs IBITDA. If this no come then stock is free at rs 14. Current market cap of JBF is around Rs 100 crs whereas ALOK is at Rs 11000 crs. JBF has world class plants in EUROPE which is world's second largest. Take a small risk today as result is today. If result is not upto mark you can sell at Rs 14 but if results are as expected then stock may go to Rs 40 50 very fast. Because such result indicate OTS.

BPCL DIPAM said the transaction will be completed in 3 months. Due diligence is on and even said maximum will be tried by Govt. That is why subsidiaries are sold. The cash will be given to Govt as special dividend. We have

already entitled to Rs 16 and now can get Rs 80 more. Thus out cost is going down day by day. Hold as I have no change of mind in BPCL target.

Vipul is going to announce results tom. I feel good nos. Stock has come long way from Rs 110 to 180 hence I will not suggest to add for result. Post result if profit booking comes then accumulate more as the third plant may go operational before June end. Co will announce setting up another plant at PALGHAR before going to DAHEJ. As per B S they have acquired good land in DAHEJ which will be the largest capacity plant.

RDB too going to announce result tom but I feel this stock can be bought for results as there is no run up in this stock.

Idea is going to announce result tom and if they announce anything above 10000 crs IBITDA stock could become flier.

Ashapura announced superb results but stock is seems under control of some strong operator. With Rs 41 crs PAT the valuations is very cheap and hence I feel rs 250 300 will come. Hold tight. Market is slave of earnings and will have to salute to earnings. Once I was recommending Garware Polyster at Rs 130 has now become Rs 650 and will be heading for Rs 2000 plus. All biggies have now entered. Even in ASHAPURA these people will enter and we will see stock going to Rs 600 700 in course of time.

ION Exchange hit Rs 1282 high today. I am firm with my targets of rs 2500 5000 and 10000 in years to come.

Sun pharma settled all cases with SEBI and many brokers including MORGAN and CLSA have a buy rating. I feel this is one stock we should stay away. Reasons the issue of corporate governance does not get resolved by settling cases. It is fact that promoters had diverted rs 1800 crs from SUN to SUZLON. And third is that D S is on record that his son does not want to carry business. Therefore logically he may sell the business. Now at 650 I do not see value unless some MNC come and buy. He was ready to sell at Rs 900. So I would wait till that day and pay Rs 900 if some MNC buy instead of buying now. I fact I had asked my clients to sell SUN at 550 and buy INEOS at 770. Sun rose 15% whereas Ineos 36% with MNC and clear clarity on earnings.

Tata Steel has announced superb nos. In Q4 they will have higher IBITDA as prices are likely to rise by Rs 5500 as per estimates. Stock will cross Rs 1140 for sure in next 3 months. 3 years back At Rs 280 on DIWALI DAY I had suggested BUY TISCO for Rs 1100 1500 and the dream is not getting fulfilled.

Zee I have already explained. I B Housing results today. Keep eye. My end target is rs 340.

Finally Nifty is in strong upward trajectory. Bears try every day. Yesterday they had to cut short when Nifty crossed 15150. Now Nifty will blast to 15500 next week. It is allowing to short fresh around 15190 and at the end of the day it should close around 15278.

## Global Story

In our last report we had mentioned Nifty is heading for 15200 and 15500 and yes Nifty made a high of 15238 before closing at 15161. We had given the Warren buffet valuation method that is Market Capitalisation to GDP ratio. BSE celebrated 2.7 TN USD market cap this week that is Rs 2 Lac Crs whereas GDP too has recovered from a low of 2.3 pc to 2.8 pc. The ratio is still below 100 pc which is very positive. So long as it is below 120 pc market rally will continue as 120 is the level where correction can trigger. In fact, extreme bull case scenario it can go to 149 e.g. In 2007 it has reached 149 pc before market collapsed.

Earning growth for Q3 was much higher than 20 pc. It has huge beat. First time after many years we have seen this kind of nos. Many co's announced 50 pc to 8000 pc growth in the bottom line which is huge by any stretch of imagination. E.g. Bhansali engineering announced 817 pc rise in bottom line, Ineos reported 317 pc whereas some chemical co has announced even 7800 pc growth. This is mainly attributed to 3 factors china factor, 25 pc tax regime and covid opportunity of concessions and paint up demand. The cascading effect was seen on commodity sector. China factor has worked in favour so much that almost all metals are ruling at their life time high. The trend is continuing even in Feb and therefore it is widely expected that the March quarter will also beat Dec quarter. By the end of financial year 2021 we will grow more than last year even though we lost 1 quarter. This will be a unique case in such scenario asking all global investors to divert to India.

Chemicals, metals and I T sector have done extremely well. But the surprise pack is banking both private and public. Gross Npa's have fallen steeply. Please remind your memories we gave buy in Sbi at 149 now 400 Indus at 280 now 1060 Axis at 300 now at 750 and ICICI at 275 now at 650 and we believe the run is not yet over. The reforms, lower NPA, higher recovery and credit take off has done wonders. Consolidation in banking industry is obvious with Govt announced sell of 2 PSB and retaining only 4 PSB with Govt as of now. The objective is very simple to make the Bank's size bigger and compatible. At the same time allowing foreign banks and expansion of Indian pvt banks will be a massive push to banking sector for the first time. Additional spending of Rs 40 lac crs ( 20 in 2021 and 20 in 2022 ) will expand the horizon of banking to manifold in India. This will set new standards in banking sector. A must in the portfolio. We had first raised alarm in bank nifty at 18000 with target 30000 which was then raised to 35000. Now we raise our target to 44000 and 50000 and all will happen in 2021. That also means the 4 banks mentioned here will rise 50 to 80 pc. Therefore we hold our view that one should exit from banks come what it may.

We also raise nifty target to 16600 16700 in 2021. As mentioned earlier 40 45 BN USD is yet to enter India. Apart from this we believe major FDI will come in manufacturing sector as the tax rate is lowest in India that is 15 pc. You must also appreciate that the new FDI regime will be a game changer for many sectors especially real estate. Say Microsoft if change its manufacturing base to India ( democracy, low cost, easy labour , easy availability of raw material and lowest tax ) then at least 5 MN sq ft commercial space will be required. This will be followed by equal space in residential space to park their overseas technocrats and local brains. Consequential cycles of commodity demand will work. There may be hundreds of Microsoft changing Indian equation. As of now Vietnam is leading with 33 % diversion from China. However, we are sure India is doing all that which will attract more investments in India. India has planned 100 BN USD infra spending in next 5 years only with a motive to bring these MNC's. The Budget 2021 was the first step towards this.

100 BN USD infra spending is massive but where from the resources come? The divestment is the right prescription. Govt planned to raise Rs 25 Lac Crs from selling PSU companies in next 5 years. Oil and gas sector alone will give more than 10 Lac Crs which is more than the required 100 BN USD. BPCL alone will give Rs 1 Lac crs and hence getting Rs 8 Lac Crs is not difficult. Then comes the coal mine sell , 5 g auction will bring more. Finally the 15 pc tax will open the taps of inflow from overseas. We support 2.5 Lac Crs budgetary support to psu which will not only be saved but will start bringing in 4 Lac Crs as new tax revenue from the new 15 pc tax. Apply this rationale to MARUTI and check facts.

The global vision of Shri Narendra Modi is beyond our understanding. But the FPI read it well and that is why have pumped 37 BN USD in last 10 months. Another 40 45 BN USD coming. Will it stop there or fresh taps will be opened will be assessed as and when we reach there. Fact remains our PM is doing exactly what is required to be done and FPI were waited for this day since 1991 when we first opened up. It is sure that we will get more inflows than CHINA and grow higher than CHINA in coming years and hence staying invested will give good results to the investors.

Thus we strongly believe India story is the best story as of now and hence we will see 16600 16700 in 2021 and keeping that in mind take investment calls.

More daily guidance is available in [www.cniresearchltd.com](http://www.cniresearchltd.com)

## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	12/02	30,173.57	+134.85	+0.45
Singapore	Straits Times	12/02	2,925.48	-0.36	-0.01
United States	NASDAQ	12/02	14,095.47	+69.70	+0.50
United States	DJIA	12/02	31,458.40	+27.70	+0.09
United States	S&P 500	12/02	3,934.83	+18.45	+0.47
Japan	Nikkei 225	12/02	29,520.07	-42.86	-0.14
United Kingdom	FTSE 100	12/02	6,589.79	+61.07	+0.94
Malaysia	KLSE Composite	12/02	1,599.42	+2.57	+0.16
Indonesia	Jakarta Composite	12/02	6,222.52	+20.69	+0.33
Thailand	SET	12/02	1,508.35	-8.59	-0.57
France	CAC 40	12/02	5,703.67	+33.85	+0.60
Germany	DAX	12/02	14,049.89	+8.98	+0.06
Argentina	MerVal	12/02	51,466.21	-188.36	-0.36
Brazil	Bovespa	12/02	119,428.70	+128.90	+0.11
Mexico	IPC	12/02	44,202.52	+142.43	+0.32
Austria	ATX	12/02	2,962.71	-20.42	-0.68
Belgium	BEL-20	12/02	3,819.93	+21.76	+0.57
Netherlands	AEX General	12/02	676.83	+12.49	+1.88
Spain	Madrid General	12/02	807.28	+1.71	+0.21
Switzerland	Swiss Market	12/02	10,880.37	+27.46	+0.25
Australia	All Ordinaries	12/02	7,081.32	-40.78	-0.57
China	Shanghai Composite	12/02	3,655.09	+51.60	+1.43
Philippines	PSE Composite	12/02	6,991.01	-91.14	-1.29
Sri Lanka	All Share	12/02	7,985.00	+387.19	+5.10
Taiwan	Taiwan Weighted	12/02	15,802.40	+96.18	+0.61
South Korei	KOSPI	12/02	3,100.58	+15.91	+0.52

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