



Editorial

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Nifty will test 12000. read our report of Saturday where we clearly given all reasons why market will not fall.

What you need to watch for..

Metals ... Tisco SAIL Vedanta..

NBFC.... Mannapuram Ujivan and Mangal Credit

Chemicals ... Sudarashan and Vipul Organics

API ... Lupin Auro and NUTRAPLUS... Nutraplus could be a dark horse as it has 3 API and consolidated sales is close to Rs 300 crs whereas market cap is less than 65 crs nothing can go wrong.

Banks ... may halt for the being yet can focus on PVT banks which are eligible for take over KTK, SIB, Federal could be best bets

Real Estate ... DLF and Purvankara Mangal credit

Select stocks will give good returns. API segment will be largest driver for the market as NARENDRA MODI will make generic prescription compulsory in the second innings which will open sky for API companies.

Another sector which will benefit is paper and packaging.

Do not panic even if Nifty falls a bit. As per our calculations the range is 11500 to 12000. More details are given in R I section.

Every week markets are governed by weekly expiry. Even though VIX has fallen to 20.4 pc I do not think that there is a big fall. Around 11500 there will be big support.

FPI buying is reduced but not stopped. FPI is a different animal and hence if brokers are taking view that we should short as FPI buying has stopped there could be rude shock.

FPI may swing in action again.

CNI had given calculations 298 to 328 seats for NDA. As per some survey American SPY agency CIA has given 323 and 380 seats to NDA if worst performed and best performed.

Change of the week

	13-April-19	Rise /Gain
Sensex	38767	77 ↓
Nifty	11643	20 ↓

Net Investments (` Cr)

	FII	DII
08-Apri-19	121.2	(623.8)
09-Apri-19	1229.5	(688.6)
10-Apri-19	1282.5	461.2
11-April-19	1016.4	(16.5)
12-Apri-19	897	(15.9)
Total	4545	(880)

Turnover (` Cr)

	FII	DII	
12-Apri-19	46617	29607	76,224

12-Apr-19	Advances	Declines	Ratio
BSE	1374	1173	1.17

Only 2 observations are key for me that is WB and UP. According to their survey UP should be 45 to 70 and WB should be 10 to 12. I had put 48 seats for UP and 16 seats for WB so let us where the toss goes.

There is no need to panic. Market is BUY mode and some pause will generate fresh buying which will take Nifty to new high. Today is Tuesday and Thursday is expiry and market is teaching everyone to short more. So you can understand what will happen on Thursday.

Nutraplus when fell from Rs 50 to 13 no action was taken by exchanges but when it rose from Rs 15 to 20 it was put to ASM. Does 33% rise is a great rise. Well, there could be strong hands behind this. I feel with a co of Rs 200 crs standalone and 330 crs consolidated should be valued on EV and this cannot be Rs 65 crs. Rest is up to you. Shivalik Bimetals is a classic example when the price was brought down to Rs 6 from 22 when I had recommended and then now it is Rs 265. So you should see whether the valuations justify to BUY and if yes then BUY in quantity and book 50 pc profit when rise 100 pc so that it becomes another CERA for you.

Conviction is not available in any market. RDB rasayan with 70 crs cash in books Rs 56 book value Rs 10 eps and pe of just 5.6 id does not make you hot then you should quit stock market. This is the FY 19 biz. FY could see HALDIA expansion nos. Also will see ONGC distribution nos if implemented in time. Instead of looking a stock at 40 PE shrewd investor will accumulated in size at 5 pe with conviction that nothing will go wrong. Debt or F D is the best investment option for you.

Same thing is true with MANGAL CREDIT. Here plus point is MGT is buyer. MGT is bringing professional management. Stock is at 1 BV. What do you want more..? If there are different research criteria then I really admit that I do not know such criteria.

I had given range of 11600 and 11800 for tomorrows expiry and it will be maintained. If Nifty cross 11800 then range will change to 12000.

There is sizable open interest hence big fall is ruled out. It seems there is extreme fear which is not allowing traders to hold positions.

This is good for long side trades as chances of big blast is not ruled out.

5 Top Gainers			
Stock	12-04-2019	08-04-2019	% Gain
RAIN IND	130.6	99.8	30.85
PC JEWEL	111.9	87	28.68
VAKRANGEE	67.1	53.1	26.37
INDIA BULL REAL	111.3	90.5	22.9
SHANKARA	538.7	461.8	16.6

5 Top Losers			
Stock	12-04-2019	08-04-2019	% Loss
RCOM	2.55	3.27	22.0
PNB HOUSING	822.8	933.5	11.8
CENTURY PLYBORD	188.4	212.9	11.5
DLF	181.8	201.5	9.78
RPOWER	9.51	10.47	9.17

Top 5 Picks By CNI 'A' Group
Company
TCS
TECH MAHINDRA
DIVIS
REL
SBI

Top 5 Picks By CNI 'B' Group
Company
RDB RASAYAN
PODAR PIGMENT
POKARNA
CMI CABLES
VST TRILLER

Tisco has crossed 550 and hence now easily cross 600 and then new high. Same is true with SAIL.

We pasted an article in R I section according to which CHINA has closed 4000 companies of chemicals in CHINA. This is out of 5000 companies which means 80% closure which is very huge. Also the chemical industrial parks closed to the extent of 60% that is out of 50 30 closed. Pigment is the one segment which is largely affected as per the notification.

Impact is very clear. Export driven companies in INDIA will blast. Why..? Europe and USA are largest importers of chemicals from CHINA. CHINA shutdown means companies doing exports will benefit. To my mind VIPUL ORGANICS has 80% exports and Sudarashan too is good in exports. Since VIPUL has recently added capacity they are ready for the blast from exports. They have presence in 59 countries in Europe and latin America. Keep eye on their nos.

2 quarters back BASF shut down German plant and the profits of IOL Chemicals rocketed from Rs 1 crs to as high as Rs 88 crs. This is the game changer for the chemical co's.

Fortunes smiling for INDIAN chemical co's. Metal is already on fire. Vale issue is not yet resolved.

Infosys results is there on FRIDAY and traders are shorting INFOSYS. Please stay away as co may surprise.

Today is expiry coupled with voting. In my opinion Nifty will close around 11690 11700 and will not go below 11600.

Tomorrow is the crucial day for the market for INFY and TCS results which will direct us on Q4 earnings. My opinion is that the earnings will be in line and stocks may move up as lot of shorts are built in INFY and TCS. Short sellers always love to short stocks which are not corrected.

Monsoon report is good now. This is a good factor.

With just 45 days left the volatility will not dampen markets too much as there is no big positions in the market. All big punters who had got exit thanks to big FPI buying are sitting on piles of cash and will decide to enter only post results.

What will happen you have to decide as the scenario is very clear, punters not there, FPI in full form with over Rs 50000 crs invested, punters ready with cash to pump market post NDA coming to power, H F and bears heavily short, there is sizable O I suggesting retail at bay.

I am trying spot some more stocks in cash market which can give us good returns. Yesterday our team broke the first hand report on chemicals. There was blast in some province of CHINA where 187 people died. This is like VALE in BRAZIL. Even that was broke by us first. The impact we have calculated and posted in R I section. There was 400 % pc rise in dies chemicals. According to which I believe 2 companies will benefit straight away that is SUDARSHAN CHEMICALS and VIPUL ORGANICS. I know, you must wondering, then why prices of these shares are not moving. Well, other analysts will take some time to understand. I am sure market will react sooner than later. If you are convinced then do not bother about markets and buy at your conviction. Price movement is in the hands of operators and not us. We can identify stock and impact.

The fear of unknown is making many retail investors to exit at current prices which the operators are taking advantage. Once the retail is out stocks will be up 20% and retail will cry as usual. If you know you destination of 13000 14000 you will never try to sell shares. What happened when you sold shares at 10000 believing that Nifty will become 9200...? Has it happened....?

When do not trust anyone including yourself then it is quiet natural that you will believe in the worst even media and sell everything you own.

e g I had given clear rationale in MANGAL CREDIT at Rs 47 and cmp Rs 62 and I believe that the rally has not yet started. Promoters are continuously adding 5% under creeping every year why..? Because they believe that there is value and we are not ready to believe. This is the difference why operators, promoters and good HNI investors make money and retail left with tears in their eyes. For your no conviction you cannot blame your destiny. There are some agents including brokers on which you rely and they for their own skin cut your pockets.

Nothing will change in INDIA even though everything is available on NET for research now a days.

The threat of terrorism on election has been done with which is the biggest win of democracy. 91 seats have seen voting yesterday. This was troubled area and its success speaks well. There was good response. Young first time voters were seen excited.

Anyways, market has nothing to do with till the last phase gets over. The poll opinion will come after that.

Volatility will be there due to uncertainty but the direction will be up. The O I in APRIL Nifty is just 1.53 crs shares as against normal positions of 2.7 crs shares which indicate no positions state ahead of elections.

Infy and TCS both will in line. Q4 results are expected to be better. Particularly banks stocks. After Arcelor inflow of Rs 42000 crs the FE reserves will rise to 425 bn usd which will be highest so far in the history of INDIA.

Midcaps is the lifeline of the market and without midcap participating there cannot be fuse out of street.

Hence you should focus on mid caps where buying can come any time. Purvankara merits in the one and SUDARSHAN chemical is another. VIPUL ORGACICS M D is in CHINA to take stock of the situation and when we spoke sounded very positive. In one word says this is huge plus for the co.

Wockhardt Nutraplus in pharma sector. Polycab and CMI in cables sector. Yes and Karnataka Bank in banking sector.

Tata Motors and Ahok Leyland in AUTO. Both these co's have confirmed the rising sales and lower inventory.

Mannapuram and UJJIVAL along with MANGAL CREDIT. Mangal Credit heard going for restructuring and they will be taking over a retail NBFC from JAIPUR as per sources though the same is not confirmed.

Thus in my opinion there seems enough value in mid caps. What to pick and what to leave is your intelligent call.

For me NDA will form Govt, monsoon is normal, earnings will be on track, rate cut will spur growth, reforms will catch fire in second term as NDA will get majority in RS in 2020 and finally next 5 years India will reach major milestone. We are becoming self reliant in defence, we are exporting trains to AUSTRALIA, we are raising standards of INFRA built up. More than 300 air port will get connected a good reason for FDI flow rise as infra is the boost for MNC to enter INDIA. Finally this will spark great amount of employment. Every one shout on unemployment but can you suggest whether you get domestic help whether in cities or towns and even villages..?

Stock market has to rise to 23000 Nifty and if you still do not understand this as golden opportunity then you can remain only as gamblers where the end result is collapse.

Global Story

Even after touching a new high, Nifty did not correct much though the street was expecting a 10% correction. We do not know the reasons why the street was expecting a correction. Maybe, they did not participate, hence the desire for a correction. But trust us, even if the market corrects by 10%, they will still not participate as their expectations of a 9200 target will be back. SIP could be the only option for such investors.

Anyway, some volatility was certainly expected to create a fearful atmosphere. Fresh shorts can get triggered only when there is uncertainty and election results are the best trigger. On Thursday, the first phase of voting was completed. Though the general mood is pro-NDA, there could always be wild speculation among speculative traders. Who knew that the stand-in captain of Mumbai Indians would play his career's best IPL innings to steal an unexpected win for his franchise. At 3 down for 60 odd runs the stand-in captain Pollard promoted himself to 4th position and played a classic innings of 83 off just 31 balls before falling, leaving the tail-enders to secure the last ball win. Surprises are part of life.

The MET department has now claimed that the El-Nino effect has eased and monsoon shall be normal this time. This is a good sign as draught conditions have created huge shortage of water. It will be another tough task for PM Narendra Modi to complete the river linkages which were planned by former PM Atal Bihari Vajpayee. If done, it would be a tremendous boost even for 2024, as this will bring direct relief to all the farmers and the agricultural growth itself will accelerate up to the 4-5% range. Also, the assets lost due to floods will be saved which will recoup the cost of linking rivers directly or indirectly.

The market has been volatile during the week for the Thursday expiry followed by the 2 major company results on Friday-Infosys and TCS. For the first time, both these companies have decided to announce their results on the same day. Because of the clash, the direction of results can be predicted.

Generally, result months never see a runaway rally as stocks react in accordance with the results. Whenever the results are good, stocks will correct (thanks to profit booking from front-runners) and whenever results are bad, stocks will rise for short covering. Exceptionally good or poor results could see the stocks travelling in the same direction.

But the feature of this month is that there are no major F&O positions. FPIs are in buying mode whereas HNIs, DIIs and retail investors have booked profits and will enter after the election results. As against a normal OI of around 2.7 crore shares, the OI in Nifty stands at 1.53 crore shares, which clearly indicates that punters are at bay. The expiry is on 25th April with 2 holidays till then, which means only 7 trading sessions are left for expiry. Thus, the focus of punters will be on short term trading on earnings play.

There will be a good amount of speculation in the May settlement as results will be announced on 23rd May whereas opinion polls will come out on 19th May, 2019. This will allow traders to call for the shots on either side. You get 3 days for wild speculation as 19th is a Sunday.

The only buyers in the last 3.5 months have been FPIs and their buying is based on sound calculations. In the last report, we had given statistics of FPI buying with an expectation that FPI buying might cross Rs. 1 lakh crore in calendar year 2019. If this happens then our target of 12000 and 13000 will definitely see the light of the day.

We had set the targets based on earnings and PE ratio of Nifty which are becoming a reality only due to FPI buying. We are awaiting a robust rally in the mid-caps as HNIs as well DIIs are cash surplus now. Even the March inflow in MFs has again crossed Rs 11,000 crore. This suggests that there will be sizable buying from these market participants though they may jump only after seeing election results. They are fully reconciled to buy either at 12300 or at sub-11000 depending on the election results. But in any case, we feel that the market is unlikely to break 10000 now in the near future even if election results are unexpected.

Let us once again touch upon the numbers of NDA. We at CNI are pretty certain about a range of 290 to 328 being the worst case and best case scenarios respectively. Of late, UP is again swinging back to the BJP camp where our new estimates peg upward of 50 seats as against the earlier expectation of 40 odd seats. The opposition coalition is facing rough weather and the split of minority votes between SP-BSP and Congress itself will help the BJP.

Many in the media are projecting 220 seats for the BJP whereas the Phalodi satta bazaar, which is considered to have a credible track record, is giving a minimum of 255 seats to the BJP. In our view, 220 seems to be a very conservative estimate, whereas the satta Bazaar may not have factored in the Muslim female votes, a factor which was seen in 2014 when BJP won 71 seats out 80 seats in UP. Muslim females and some other Muslim voters are happy with PM Narendra Modi's policies and feel optimistic about progressive reforms for Muslim women. As regards Kashmiri Muslims, they can

vitiating the country's voting pattern. Even in Kashmir, a major chunk of the locals want tourism to prosper, being their bread and butter. They look forward to peace whereas only a small section of the population foments violence and keeps the fire burning. Only certain elements want Article 370 and 35A to stay and raise anti-national slogans. The broader point here is that not every Muslim is anti-Modi. Therefore, the opposition which is heavily banking on Muslim votes could be in for a rude shock.

So far, we have seen the Nifty behaving the way we were expecting, which leaves us with good amount of confidence that even mid-caps will behave the same way we are projecting. We have run at a near 100% strike rate since 2008 and hence you can fall back on the guidance of our special team which might be subject to variance in the short term, but has proved accurate in the long term.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	13/04	29,909.76	+70.31	+0.24
Singapore	Straits Times	13/04	3,331.98	+1.16	+0.03
United States	NASDAQ	13/04	7,984.16	+36.80	+0.46
United States	DJIA	13/04	26,412.30	+269.25	+1.03
United States	S&P 500	13/04	2,907.41	+19.09	+0.66
Japan	Nikkei 225	13/04	21,870.56	+159.18	+0.73
United Kingdom	FTSE 100	13/04	7,437.06	+19.11	+0.26
Malaysia	KLSE Composite	13/04	1,630.17	+5.94	+0.37
Indonesia	Jakarta Composite	13/04	6,405.87	-4.30	-0.07
Thailand	SET	13/04	1,660.45	+1.36	+0.08
France	CAC 40	13/04	5,502.70	+16.98	+0.31
Germany	DAX	13/04	11,999.93	+64.73	+0.54
Argentina	MerVal	13/04	31,357.03	-144.01	-0.46
Brazil	Bovespa	13/04	92,875.00	-1,879.70	-1.98
Mexico	IPC	13/04	44,686.06	+106.01	+0.24
Austria	ATX	13/04	3,215.63	+27.11	+1.40
Belgium	BEL-20	13/04	3,845.05	+37.31	+0.98
Netherlands	AEX General	13/04	561.61	-0.22	-0.04
Spain	Madrid General	13/04	955.45	+2.98	+0.31
Switzerland	Swiss Market	13/04	9,484.91	-64.35	-0.67
Australia	All Ordinaries	13/04	6,347.00	+52.94	+0.84
China	Shanghai Composite	13/04	3,188.63	-1.34	-0.04
Philippines	PSE Composite	13/04	7,880.82	-74.98	-0.94
Sri Lanka	All Share	13/04	5,585.30	+9.19	+0.16
Taiwan	Taiwan Weighted	13/04	10,805.30	-3.47	-0.03
East Israel	TA-100	13/04	1,461.96	+6.77	+0.47

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