



Editorial

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Sensex down and mid caps up. This situation will continue till expiry. Range will be 10500 to 10800. IF you need any clarification on any stock I will be delighted to help you. Already received no of e mails from out members and have replied to all of them.

At this juncture market welcome sellers as Indices will double in next 4 years for sure hence those who are buyers are happy that will not have to folk more money for giving exit to sellers.

SUZUKI has decided to exit from CHINA as their share has dropped from 25 pc to just 7% and that is because of rising per capital income Chinese are shifting to high end vehicles. In INDIA this trend will emerge may be after 15 20 years hence till that INDIA will be high focus for SUZUKI JAPAN.

CHINA has banned paper waste. Hence the demand of PP bags is rising everywhere. CHINA costs are rising due to crude, power and labour apart from currency losses. India huge benefit due to lower cost of labour, cheap power, and comparatively depreciated rupee. The equation of margins have changed overnight with 10% re depreciation. And with product mix from 50 kg bags to 500 to 2000 kg bags the margins of RDB RASAYAN will expand substantially. Make your due diligence on these issues. I am bullish on the stock and believe could be a multi bagger over a period of time.

Siemens, ABB, Mitsubishi and many other carbon companies have increased appetite of PP bags thanks to rise in GDP which is connected with industrial demands. INDIA share in ENGG exports is rising. Also many MNC are now entering in INDIA e g biggest mobile factory is set up in INDIA.

Thus the next booming sector will be PP bags and RIL is the only supplier of PP. RIL has been in virtual monopoly.

As regards competition, hardly 3 or 4 companies are there is this space and the largest is under debt trap and hence these 2 companies will have bright future.

Change of the week

	15-Sep-18	Rise /Gain
Sensex	38090	304 ↓
Nifty	11515	69 ↓

Net Investments (Cr)

	FII	DII
10-Sep-18	(841.5)	(289.6)
11-Sep-18	(1454)	749.6
12-Sep-18	(1086)	541.4
14-Sep-18	1090	115.4
Total	(2291.5)	1115.8

Turnover (Cr)

	FII	DII	
14-Sep-18	52,363	26,864	79,227

14-Sep-18	Advances	Declines	Ratio
BSE	1811	850	2.13

This fall is again an opportunity to buy as market has to move up again. The rise in bond rates is taken as straight signal of rate hike and hence sell off in indices stocks. best part is that mid caps are now holding nicely.

This is great play. As when market falls the fear does not allow to remain long in mid caps. The whatever 1% fall is seen is thanks to panic squaring off which is being absorbed by strong hands. With Nifty reversal we can see these mid caps firing all cylinders.

Stay invested.

Petrol, Re are not going to affect the Indian economy. As regards markets you must know that manipulations never stop as it is in full control of few large HNI's who are hands in glove with FII and DII. They all together pull and sell markets.

The objective is take cash through cash settlement of the Nifty derivatives. FPI was as issue if at all then at 10000 they should have become seller and not at 11800. The movement has to be from settlement to settlement. Last settlement they took Nifty to 11800 and may be this settlement they want it to come down. They sold together and brought it to 11300.

I though believe that enough is done as market is oversold now. Every tom dick harry is in short and talking about 11000. In fact few are talking about 8000 LEHMAN kind correction.

I do not believe it. Market will turn very soon. 9 sessions are left for expiry and hence the roll pain is already factored in.

12 companies have beaten the analysts call in Q2 25 companies have met the expectations and only 12 cos were below expectations and even on valuations there is no worry.

In A gr shares you have to bear with the pain come what it may. But this is what at Hobson's choice. Why are you crying then..? A gr shares which you consider as safe bets have to correct at some point in time. SO if MARUTI is correcting there is no worry as it is A gr share. When we discuss with investors they want liquidity and volumes so for even 100 shares buying you love to have stock like MARUTI. 100 shares have given a loss of Rs 1 lac so what..? ITS MARUTI...

There are some stocks which will never correct and will rise as when market rise to new levels because we have undertaken study of these stocks and realise the potential before recommending. I once again request CNI members for more clarity you can contact me on my mail.

At the end, I am 100 pc cent sure that market is safe and it will rise. So do not panic. I still hold my target of 14000 by Dec 19. I still hold that there is no one in opposition who is capable to give us a stable Govt like what NAMO has given in last 4 years

5 Top Gainers			
Stock	14-Sep-18	10-Sep-18	% Gain
BALRAMPUR	88.6	77.6	14.18
JINDAL STAINLESS	150.45	132.2	13.8
RASHTRIYA CHE	73.95	68.65	7.72
ABB LTD	1446.9	1345.5	7.56
SONATA SOFTW	394.6	367.1	7.48

5 Top Losers			
Stock	14-Sep-18	10-Sep-18	% Loss
ILFS Trans	23.8	30.1	20.93
RADICO	417.15	472.2	11.67
SHANKARA BLD	1200	1353.7	11.21
ASHOKA BUILD	122.4	136.65	10.39
JPA	10.01	11.5	9.74

Top 5 Picks By CNI 'A' Group
Company
SBI
TATA MOTORS
BHARTI
ICICI BANK
SAIL

Top 5 Picks By CNI 'B' Group
Company
RDB RL
POKARNA
PODAR PIGMENT
JET AIRYAYS
DFM FOODS

1000 point fall was the master stroke executed by the bulls to get into the positions smartly at the lower levels.

500 points already recovered and now balance 500 points in next few sessions.

Then market JAISE THE.... but traders sucked, investors exited, and only those who control market has accumulated.

The return of DRAGON will see only at 12000 plus.

Oversold markets, absolutely no ownership now can definitely lead market to new highs. In fact, we know from our own members who have sold certain stocks which they had got with God's grace at very compelling valuations and there was no compulsion to sell as they have portfolio of crores. Hence the sell could be mere due to panic and they will never be able to get into these stocks easily as market does not give chance to re enter.

This is why no one owns CERA Sanitation. In an attempt to time the market all investors had sold his share at some profit say rs 50 to 100 when we had given buy at Rs 120 whereas the current market price is Rs 20000. What have you lost...?

These kind of profits can be earned only by staying in the stock. Ideally what should you do is buy a stock say at Rs 106 sell 50% at 212 and rest you just forget and then you will enjoy this when it becomes rs 1000 1500 2000 etc. like INDUS IND, HDFC, HDFC Bank, Cera, Wimplast, VIP etc.

My job is to tell you what is good and what is bad. I have even started responding to e mails. Definitely you follow 100 advisors and hence you may buy good and bad stocks as all advisors are not independent like me. Some have vested interest, some are distributions and some are profit sharing advisors.

MANGAL CREDIT with broking, logistic (B to B), real estate, leasing and mining could be a great story going forward. All at Rs 100 crs market cap.....? Co has sought shareholders approval as per AGM notice to re consolidate the stock into face value of Rs 10. That means stock will start trading after 30th Sept at Rs 60 assuming the price remains same. Hence it will not be any more penny stock hence will attract lots of buyers in the stock. I advise strong BUY. Broking has to be valued as per branches and clientele handled, real estate has to be valued as per projects, logistic on sales and profits, leasing on sales and profits and mining on the basis of reserves of iron ore.

Global Story

In 2 days market fell by 1000 points and in next 2 days market recovered by 700 points to close the week at 11550 Nifty in F and O. The volatility in Sept is completely engineered as market has to move forward and this is just not possible without building shorts.

The hollow and exposed capital market exhibited once again that neither RE nor Petrol is going to affect Indian Capital market as it is fully under control. Having given example of Tisco earlier, now followed by BALRAMPUR CHINI in the settlement (the last one) it is amply clear that the current 46 scrip's in physical settlement is not going to help the system become robust as expected by all of us before the announcement of physical settlement.

Physical settlement really works as a good balance between the cash market (through delivery) and derivatives market where long and short happens. Now where delivery is abundant physical settlement is not going to work for sure. e g J P Associates is in physical settlement. Even if someone is short say 10 Cr shares of JPA, he will get these much shares hence while shorting he will have no second thought. Fundamentals, in fact, does not require this stock in F and O hence whether you have physical settlement or no makes no difference as far as JPA is concerned.

But the same is not true with any good quality stock say TISCO, INFY, TCS etc for that matter. Now let us take the example of TISCO as this stock had moved over 50% in AUG settlement. Had there been option to borrow stock from lending mechanism, shorter could have arranged delivery and buyers could not have been in a position to pull the price by 50% in less than 30 days. Multiple issues comes into play. One you have arrange more cash for buying stock, second there will be huge participation in cash market for arbitrage which will require at least 500% more strength to give similar impact. Therefore the physical settlement is a different ball game altogether.

So we will have to wait to see the implementation of physical settlement in rest of the scrip's in f and O and hence till that time there is no change in the scenario. This is one of the reason there will be more ups and downs scrip wise for next 12 months because this window may get closed once physical settlement is introduced in all F and O scrip's.

Nifty corrected from 11800 to 11300 and no one was anticipating that it will correct below 11500. It did and all long got killed. Shorts were built. It all started with FPI news which we had discussed in our earlier note. Had there been any concern, FPI could have reacted when the circular was issued that is in APRIL 18 at that time Nifty was at 10000. The fact they decided to rake this issue only when Nifty reached 11800 that too after the expiry of AUG settlement clearly indicate that this all was a trap. MEDIA again played crucial role in tossing this issue out of proportion. Then came the RE issue. All these factors created much required shorts in already over stressed shorts from 10000 levels. Investors did not go long, squared off everything, gone short and also sold delivery holding when MEDIA excess powered the 2019 election story. Well, that was ahead of the floor test. Even after proving the strength on the floor (without SENA and TDP at 325 Nos) the buzz continued that 2019 is difficult for NAMO. Irrespective of such strong campaign made by all opposition, chances of BJP is very bright and clear, simply because people of INDIA have no choice even by default.

Even today media is playing havoc with a report that UP is a problem area. At CNI in the first calculations itself we had said that BJP will lose at least 30 seats in UP as retaining 71 is next to impossible. But at the same time 25 seats of NE and others from KERALA and WB will surely add up to the tally.

Now CONGRESS, MAMTA and few others all are playing HINDU card for 2019 elections but the original is original. The real strength of BJP is SANGH which really knows how to work on ground reality. They won NE for BJP, They helped KERALA and they are now making strong inroad in WB. We had projected only 10 seats from WB but the way MAMTA is going on back foot it looks like the claim of AMIT SHAH to win 22 seats may see the light of the day. If that happens then 330 plus is sure for NDA.

SENA and TDP though may contest separate elections, can always join the NDA post elections.

Coming back to market, we have 1 holiday next week leaving only 8 sessions for expiry. 5 to 6 are required for rolls of positions over Rs 3 Lac Crore Nifty. Having seen havoc on the lower side Nifty now has to move in the opposite direction till the expiry. We therefore continue to believe that Nifty will cross 11800 in this settlement. Even if it tests 12000 we will not be surprised.

The tendency of reaction has not changed though the size of the market has changed. A correction of 1000 points which is just around 2.6% is normal. You have to consider that Sensex is at 38000 and even a 1% correction means 400 points. Even when Sensex was 16000 it used to move 2 to 3% in no time. That time 400 points in day was huge but 160 points

was okay. Now 400 point is okay whereas if 1000 points fall in a day should be huge. Therefore the corrections are in the range and markets are in control.

The theme of mid cap rally should continue simply because even though Nifty tested 11300 none of the midcaps really shown new lows. Many of the midcaps were holding on. Next leg of rally will take out mid caps out of the box for sure.

A leading FII brokerage house has issued report now saying that market may test 42000 post election and 33000 if NDA loses election. 10% fall or rise is a normal prediction. Nothing spectacular. At 38000 what else can you predict..? We had predicted Nifty 12000 before election and 14000 post election when Nifty was struggling at 10000 and the sentiments were extremely bearish. We hold our view and with 90% fair chance of NDA winning election.

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Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	15/09	27,286.41	+271.92	+1.01
Singapore	Straits Times	15/09	3,161.42	+29.65	+0.95
United States	NASDAQ	15/09	8,010.04	-3.67	-0.05
United States	DJIA	15/09	26,154.67	+8.68	+0.03
United States	S&P 500	15/09	2,904.98	+0.80	+0.03
Japan	Nikkei 225	15/09	23,094.67	+273.35	+1.20
United Kingdom	FTSE 100	15/09	7,304.04	+22.47	+0.31
Malaysia	KLSE Composite	15/09	1,803.76	+11.16	+0.62
Indonesia	Jakarta Composite	15/09	5,931.28	+73.01	+1.25
Thailand	SET	15/09	1,722.21	+4.25	+0.25
France	CAC 40	15/09	5,352.57	+24.45	+0.46
Germany	DAX	15/09	12,124.33	+68.78	+0.57
Argentina	MerVal	15/09	30,177.43	+153.67	+0.51
Brazil	Bovespa	15/09	75,429.09	+742.42	+0.99
Mexico	IPC	15/09	49,611.93	-81.28	-0.16
Austria	ATX	15/09	3,329.08	+21.36	+0.65
Belgium	BEL-20	15/09	3,709.56	+17.20	+0.47
Netherlands	AEX General	15/09	540.53	+1.01	+0.19
Spain	Madrid General	15/09	947.20	+3.39	+0.36
Switzerland	Swiss Market	15/09	8,970.00	+9.92	+0.11
Australia	All Ordinaries	15/09	6,276.35	+36.47	+0.58
China	Shanghai Composite	15/09	2,681.64	-4.93	-0.18
Philippines	PSE Composite	15/09	7,413.15	-104.22	-1.39
Sri Lanka	All Share	15/09	6,031.26	-29.42	-0.49
Taiwan	Taiwan Weighted	15/09	10,868.14	+140.91	+1.31
East Israel	TA-100	15/09	1,465.79	-2.90	-0.20

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