

**Editorial**
**Vol -1, No-I, 16 Jan, 2021, 09 pages**

Nifty will cross 14500 14600 for sure as punters are short.

I would suggest keep focus on new stocks. Bhansali Engg announced superb results and INEOS crossed Rs 1000 and hit 1064 high. It is all set to cross 1300 on results. So also RDB rasayan should hit the deck with superb nos. Now there is steady volumes in this counter which suggest strong hands have entered and trying to control the same. You will do well to add this share.

Vipul Organics MGT acquiring 8 lac share at rs 111 which means the price is now discovered. They have infused Rs 8 crs to set up another plant at PALGHAR instead of DAHEJ. This is because they do not want wait for approvals. TATAPUR was delayed for 2 years for the approvals. PALGHAR they have licence and approval in place so they will start production as early as possible. I think to my mind they will reach 300 tons a month now and well in position to further expand towards 1000 tons a month which is SUDARSHAN capacity.

DISH TV hearing that AIRTEL finally acquired it. I had given buy at Rs 7 and become silent for this deal. Now I suggest buy again for Rs 30. In short the destination is Rs 60 70 which I had told year back.

CSB Bank and Ashapura Minchem will announce superb results. Ashapura has hit lower cct as it has been hitting upper cct every day. Now wherever you fell it is turning you can catch and hold it for rs 200 plus.

Buy KIRLOSKAR oil for big upside on results. Corporate action will follow for sure. You have seen the demand of tractor rising. So also you will see demand of agri pumps rising many fold. Govt subsidy to farmers and free loan is the trigger.

Alok Ind will announce turnaround nos. Keep eye on this RIL gr company. Watch positive operating profits for the first time. Stock will be sweet spot for sure.

JBF Industries which was again the casualty of high loan is on take over list as PET import duty is being introduced from CHINA. JBF has second largest capacity in the world and RIL will have to eye this co for sure.

**Change of the week**

|        | 16-Jan-21 | Rise /Gain |
|--------|-----------|------------|
| Sensex | 49034     | 200 ↓      |
| Nifty  | 14433     | 86 ↓       |

**Net Investments ( ` Cr)**

|              | FII          | DII           |
|--------------|--------------|---------------|
| 11-Jan -21   | 2939.8       | (2610.1)      |
| 12-Jan-21    | 941.1        | (1334.5)      |
| 13-Jan-21    | 2166.2       | (2370.1)      |
| 14-Jan-21    | 1611.7       | (188.1)       |
| 15-Jan-21    | 971.0        | (942.0)       |
| <b>Total</b> | <b>8,628</b> | <b>(7444)</b> |

**Turnover ( ` Cr)**

|                  | FII           | DII           | Combined        |
|------------------|---------------|---------------|-----------------|
| <b>15-Jan-21</b> | <b>85,731</b> | <b>60,475</b> | <b>1,46,206</b> |

| 15-Jan-21 | Advances | Declines | Ratio |
|-----------|----------|----------|-------|
| BSE       | 1023     | 2001     | 0.51  |

Tata Motors is on break out level again. Above 205 big short covering will start towards 250. As such results are superb. They will surpass YOY nos for sure.

HPCL and IOC will be rocket stocks once BPCL sell happens. BPCL is a upstream co and hence RIL is not interested. HPCL and IOC has more distribution set up hence RIL will be interested in either of it.

TATA MOTORS hit 250 so fast and furious all shorts were squeezed. Now it will correct back to 210 and there we should see it again. Now BPCL set to explode in the same way. Reason there are more that 3 to 5 cr share short in FUTURES to control the price and the short is from SINGAPORE off course hands in glove with some of the bidders. Now watch it crossing 410 and 15 pc run will happen in BPCL. CLSA upgraded TAMO to 270. BPCL no upgrades are coming. They will come once it cross 500.

All will happen in JAN settlement. Reason Budget will plan new divestment but to boost confidence and allow market to accept that BPCL bidder name has to come in public domain with price. I think this is a strategy. When I was suggesting SAIL no one was looking at and now everyone. Same thing will happen in BPCL just wait for expiry. There is huge activity in 450 to 500 all call series which also suggest good interest from operators.

Bharti set for next innings towards 650. I had already told this to you and see M O has upgraded today to Rs 650.

Idea DISH ALOK are 3 my favourites and all will double in next 30 to 60 days.

RDB Rasayan finally heard signed agreement with IOC for pet distribution in eastern zone. This can raise the EPS to Rs 60 80 next year as this is massive volume biz with low margin. On announcement stock can rocket. Keep eye.

Yaari is getting insurance licence. Also will announce P2P lending biz next week. Big family houses started buying this stock. My target is 800 cmp 117. Worth having a look.

JBF Industries one more sunk co is on takeover target.

Metal stocks looked stretched for now. Avoid long in TISCO VEDANTA HINDALCO etc.

Wait for fresh stocks with fresh turnarounds.

| <b>5 Top Gainers</b> |                   |                   |               |
|----------------------|-------------------|-------------------|---------------|
| <b>Stock</b>         | <b>15-01-2021</b> | <b>11-01-2021</b> | <b>% Gain</b> |
| MSTC LTD             | 257.1             | 180.8             | 42.2          |
| TATA STEEL LONG      | 859.8             | 640               | 34.3          |
| TATA METALIKS        | 866.1             | 655.1             | 32.2          |
| TATA MOTORS          | 260.4             | 198.1             | 31.4          |
| MAJESCO L            | 26.05             | 20.5              | 26.7          |

| <b>5 Top Losers</b> |                   |                   |               |
|---------------------|-------------------|-------------------|---------------|
| <b>Stock</b>        | <b>15-01-2021</b> | <b>11-01-2021</b> | <b>% Loss</b> |
| BANDHAN BANK        | 368.5             | 419.1             | 12.0          |
| FIRST SOLUTION      | 90.6              | 101.4             | 10.6          |
| GREENPLY IND        | 122.3             | 136.2             | 10.2          |
| HIND ZINC           | 273.1             | 303.6             | 10.0          |
| FINOLEX CABLE       | 380.1             | 420.9             | 9.6           |

| <b>Top 5 Picks By CNI 'A' Group</b> |
|-------------------------------------|
| <b>Company</b>                      |
| RIL                                 |
| TATA POWER                          |
| TATA MOTORS DVR                     |
| SBI                                 |
| BRITANNIA                           |

| <b>Top 5 Picks By CNI 'B' Group</b> |
|-------------------------------------|
| <b>Company</b>                      |
| BURGER KING                         |
| ZYDUS WELLNESS                      |
| POLY CAB CABLE                      |
| SFL                                 |
| HAPPIEST MINDS                      |

Market may stay volatile ahead of expiry. Bharti touched an intraday high of 600. We have a long call on the stock from 450 levels. Hold may see four digits soon. Idea will soon cross previous highs of 14.5

Reliance has seen a strong consolidation phase from last 3 months. We believe mota bhai will start firing soon.

Same as Ineos strum recommended at 770 we are today advising to buy ION exchange. Update will follow later.

Market may touch the golden figure of 50,000.

When We gave buy on BHARTI at 428 the behaviour was Bharati blasted to 460 and then crashed to 428 next day to kill all stop losses and then moved back to 460. Since then Bharati never looked back and touched 600. Why I am drawing your attention..? BPCL yesterday rose to 425 giving big break out and then killed all stop losses and retraced to 405 and then bouncing back to 417. Now allow it to cross 425 and then seen the MAGIC. It will not stop till 550.

Well BPCL was controlled counter by bidders for obvious reasons. They have used K10 master and SING funds to short but now AAJ ka ARJUN has entered the counter hence BPCL cannot stop. I feel 550 is clear writing on the wall. Let me repeat when we spoke some OIL GLOBAL co's they have said BPCL is worth Rs 2000. I will not be surprised if big DIVIDEND equivalent to cash in books is announced in JAN ahead of bidder name.

When HIMADRI was at 38 I had told you something is happening. Many expressed concern on MGT. I am sure now at 53 everyone is bullish. Nos will be super and BIG fund will give exit to existing fund at 60 after results after that stock will become 3 digit. We will see many brokers reports coming in after it cross 3 digit. At cni we have advantage of early find.

Now we are focussing PSU MMTTC. We are hearing big B entering. Stock hitting new high every day. On charts I can see target Rs 60 cmp 32. But eventually will cross 3 digit. May be a divestment candidate. Today the volume is very moderate just 8 lac shares whereas every day it cross 1 cr shares hence by the time it catches volumes it will be 33.2 which if crossed ( new high ) will make stock dance. Buy and HOLD this stock.

SAIL done OFS. What after that..? I would suggest stay away for the time being. One that supply will be high and second there might be Govt action on all metal stocks.

Conviction will enter you now when you see MORGAN name in Idea shareholding. Morgan acquired 14 cr shares. Now other funds acquiring. CLSA will issue report in this stock may be at rs 18 20. My target is 3 digit. We had already released small note on Idea long back.

DISH will be taken over by AIRTEL as per my source hence can be a doubler.

Alok will report 150 crs plus operating profit against 8000 crs losses which means a clear turnaround case. With yarn prices shooting thr the roof ALOK is a safe bet for rs 50.

RIL may bid for JBF as they have world class asset.

Nifty is heading for 15000. So avoid short. Yet you can have in hedge.

MINT did a story that Govt suspect price manipulation in BPCL. This means sebi investigation should start and short covering will begin. Kolkata punters are shorter.

BPCL heading for 550 for sure. Now I will bet big on CIPLA.

CLSA too issued re rating on OIL and GAS sector and gave buy in BPCL HPCL IOC etc. Why they were so late not understood but now this sector will catch momentum.

Bharti crossed 610 and now 700 mn usd buying still left which means stock will cross 650 700 easliy.

TATA Steel long products announced superb results. This is spong iron co. Necessarily this indicate and confirm that TINPLATE will announce bumper results.

Idea crossed 13 after morgan name came. Now with improved biz this will become darling. Very soon you will see all issuing buy reports at Rs 18 for rs 35 40. This is how stock markets behave. At Rs 3 co was shut and at Rs 35 it become a going concern.

ION Exchange will test 2500 in 3 months.

Nifty corrected in the first hour only to trap bears. I feel 14800 will come next week.

HIND OIL production started in Bombay High. Also they have discovered GAS and now OIL in KG D 80 basin. Rising oil prices good. RJ is big stake holder. I see stock going to 130 very fast. Keep eye.

Nifty crossed 13000 as expected. May go to 13200. What next...? profit booking will come and therefore you need to hedge your longs. Motherson Sumi is first stock we believe that one can hedge short. The reason the stock has decent run up and EU acquisition does not go well as far Indian co's are concerned. There is case of padding.

Though 13000 looks a tough call by and large the Fpi flow which directs market is not slowing. It broke all time new record and crossed Rs 55000 crs in Nov so far. Most likely to cross 60000 crs. This is in line with our expectation of Fpi allocation for EM and specifically India out of the 13 tr usd stimulus. We had estimated over 40 bn usd inflow and so far seen just 15 bn usd inflow which suggest steam is not going out.

Having crossed 13000 Nifty is no man's land. Therefore we need to assess trend in baby steps now. I think 13500 should be next target. But small correction may come from Friday so you need to cautious on F AND O stocks. We have picked up some short calls for hedging.

I feel selective news wise rally will continue e g auro and drl whereas by and large some large stocks are set to correct except Reliance which will balance Nifty. However small caps will blast in Dec. Purvankara and Jk bank recovered 50 pc in no time. WOCKHARDT moved 50 pc now it is time for Raymonds Idea Bharti Bpcl loc Ongc Centrum Bank of Maharashtra L G balakrishnan Hudco Premier Camshaft Vipul Organics Camlin etc . I have no doubt in my mind about raymonds valuation and will not be surprised if it hits upper cct on any given day. In banks Indus ind is still potential to rise till 1710 the warrant bench mark price as promoters will subscribe warrants before jan end. My source says they do not need money but they want to merge the bank with another strong bank so that they can become passive investors and for that they have Rs 2500 per share value in mind.

Century Textiles has sold a small unit of cement lying in the co and hence will get good cash flow. Plus real estate getting buyers now. Century also close to selling paper unit for 2500 crs. I think Century stock can surprise street.

It will be better for you to follow the market cap tp Gdp which is close to 100 pc and max room there is 120 pc which happened in 2007. Hence from here on even though liquidity will keep on driving markets the fear will always be there.

So be selective, hedge with short , rely on derivatives available in our (website) or given in street call from time to time and avoid leveraging.

Avoid some chemical stock even though it has come in small cap index as promoters quality is not reliable. It reminds me a co ICSA priced at 1250 ( 125 1 paid up ) with 63 fpi stake collapsed to zero. Even that time we had cautioned investors. Some big operators dis help this co fudge its books show good profits rigged price from 29 to 900 and brought to investors table. I will not be surprised if this come in F and O also as easy exit is possible only in F and O where no regulations apply. But chances of such co becoming Vakrangi is always very high where Cni always exclude such cos from coverage. So better buy MNC at 1500 like GLAXO and COLGATE instead of buying stocks where promoters are hands in glove with big operators.

13100 put writing is on hence 13100 will hold. Chances are bright that it may cross 13200 by tomorrow.

So long as FPI investment keeps coming market will rise. DII are sellers and seating on tons of cash hence even if market falls 500 points DII will turn buyers hence imagining that all is over is madness. Be selective.

EXXON MOBILE SHELL ADNOC 3 MNC and VEDANTA ADANI and APOLO PE three others are bidders in BPCL as per my source. Price Rs 630. Post this divestment there will be upper circuit in PSU Index. Reason whole world is short in PSU as they were treated as pigs. Govt too knows this. The way Govt gave LVB to DSB against rules and regulations is a clear indication that NAMO has promised all big investors to get something in INDIA whether it is front entry or back entry.

This will change the respect of PSU and PSB short covering will make PSU index hit upper cct. This earlier had happened when Rs 2 lac crs re capitalisation was announced few years back where PSB hit a jackpot. Now PSB and PSU both.

My favourite is BPCL HPCL IOC BOB PNB SBI BOI. In others R J started buying WOCKY which will announce huge nos, sell of new drugs and stake sell. G S started buying HPCL.

Operators started adding ASIAN paints with target of 2500 so where is correction seen. These are same one who had bought Kotak at Rs 1400 and stock corrected to 1320 and then game started and Kotak reached 1950.

Bharti and Idea will blast in DEC as both co's have confirmed that they are raising rates in DEC.

BPCL will blast as 6 names ( 3MNC ) will be out. In short it will be MNC co like UNITED SPIRIT which doubled and still there. I will advise to buy stock. If not then buy 400 call and wait for Govt action. This time media failed to nail the names as Govt is playing close cards. I have found from Secretary level that they are buying BPCL in personal accounts.

AURO has tied with MODERNA for vaccine hence AURO will blast.

RDB Rasayan some big investors who have stake in BHARTI and HERO have approached management for chunk and hearing management asking price of Rs 150 which is fair in view of earning visibility. That may be the tipping point. Q1 Q2 nos were superb and if the trend continue then it is a multi bagger.

Now coming to small caps. Remind my words I had said that you will get 30 times returns in days to come in small caps. Why..? No 1 the valuations are still at 50% lower than 2008 levels. It means to catch to current levels we need to rise 30 times. Which stock..?

Only CNI is the right agency in small caps. We will unveil small caps from time to time which will give such kind of returns. We can ensure that out of every 10 recommended 8 will become multi baggers and 2 could be cases like LVB that too because of promoters mistakes.

The major risk in small caps is working capital issue, bank funding issue, lack of scalability. Apart from that some promoters use the opportunity for personal gains and sell own shares hence stock does not perform. Third risk in small cap is that big competitors kill them using the contacts arrange capital to them allow them to install plants and then pull the rug from below and make them collapse with an intention to grab the set up made by small caps reasonably well which large co's cant waste time. JBF CCD Sintex Alok Manpasand all are classical examples where they become good co's from small caps, investors put in their skin and one fine morning these companies were on the ground. Here even promoters grid to grow much faster, pledge himself and leverage goes against.

So we need to careful in selecting small caps. Also would advise make your capital free in every small cap stock where you enter. Say sell 50% when stock rise 100% and rest try your luck. We did it with CERA VIP WIMPLAST etc and see the magic worked. Even with 3 stock making multi baggers you in tons of wealth.

Subex could be another multi bagger into making. We recommended at Rs 8 now it is rs 21 and cost is minus. So keep in portfolio and see what happens. Maharashtra Apex is next. We recommended at Rs 63 cmp 84. At rs 130 you must sell 50% and forget rest for 800. Idea could be another multi bagger. RDB Rasayan I told you. This stock never gone down in the panic selling of MARCH and now is back in action with big interest and big nos. Vipul Organics I had already mentioned earlier. We will come out with more multi baggers idea in the course of time as journey is just started.

In large caps IOC HPCL BPCL will become multi baggers. The PSU which were neglected sector will become fancy after BPCL divestment and there will mad scramble for the same. e g SAIL I had mentioned even when it was rs 30 that political circles are buyers in the stock and ministry indicated that they will sell SAIL not below rs 120 130.

## Global Story

Well last week when we wrote this column the FPI Investment was just less than Rs 5000 crs which was creating a doubt whether the flow will continue or not. This assumes character as Nifty has been hitting new high and street is not getting this digested. Every one expect some correction. We too have expressed our view last week that correction can only with some strong event like BUDGET as breaking momentum of current rally seems very difficult. The figures as of THURSDAY is Rs 18490 Crs which though not matching with Nov 2020 and Dec 2020 but enough to keep the momentum going.

Nifty corrected a bit on FIRDAY as US markets were weak in futures and this correction we feel was welcome. INDIA GDP is currently reached at 2.6 trillion usd showing some recovery from last assessed nos of 2.4 trillion usd. At the same time the market cap of India (BSE) is 2.67 trillion usd setting the ratio of 97% which is still comfortable as far as market view is concerned. At 120 pc we should be extremely cautious. On PE side we are already on danger sign but there is alternative logic when it comes to PE that we have to discount 2022 that is 1 year forward PE hence it really does not matter. 2022 PE comes to 24 hence sounds reasonable particularly when unprecedented flows are coming in. We have seen Rs 1,22,000 coming in just 2 months of Nov and Dec and then in the first of JAN we have seen so far 18500 crs which is still very high. Cumulative inflow from MAY 2020 is 35 bn usd and we expect another 40 to 50 BN inflow. US cleared 1.9 trillion us stimulus package yesterday which means more flows will come.

So long as flow continues like this markets will rise. At the same time we have to exercise enough caution as the biggest event is approaching fast. Whole world is talking about the dream budget. The Hon'ble FM is on record that it will be 100 years best budget. Now we must see the engineering of the Budget. The estimated revenue for 20/21 is Rs. 20,20,926 higher by 9.23 over last year's figures of Rs 18,50,101. Having seen 2 months wiped off there is no chance to reach the figure of Rs 20.20 lac crs. The fiscal deficit which was estimated at 3.8 pc could fall to almost 6 pc. There is big shortfall even from tax revenues. Last year Govt had slashed that co rates to 25% and new co's to 15% again a big blow. This can match only in the long term when there is big volume growth happens. Covid 19 did not allow MNC to spread their wings as travel is banned hence no material impact is seen.

This year there is high demand from the common man and also individual tax papers for huge tax cuts. If not done they will revolt. There is no parity with corporate 25% tax and individual high earner 43% tax. So even this year there has to be shortfall in the revenue. The divestment is not seen the light of the day. BPCL where Govt is expecting to get Rs 90000 Crs should see the light of the day. If BPCL deal does not happen in next 15 days then even if Govt claims another Rs 1 lac crs credit on account of divestment this will not go well with the market. They have refused to tweak capital gains time and again hence there is very less probability that they will abolish capital gains even this time. Individuals are also suffering from dividend tax which was moved from companies to individuals in the last budget. TDS on dividend has made things more complicated for sure.

Having said this, even though we have no reason to doubt the intentions of the FM the question is what is that 100 YEARS best dream budget will bring to us. There could be good scope of reforms. e g they can introduce scrappage policy in the budget which can boost the AUTO sector, they can bring in mining and coal policies in the budget, they can do away with labour laws a must for MNC to enter INDIA. They can also announce GOLD digitization. All these will do well for the long term health of the economy but what about the 3 burning issues fiscal deficit, market borrowings and revenue mismatch..? Rising oil again another burning issue which will eat India's budget again.

All said and done market does not like high fiscal deficit, higher market borrowing for sure. So if Govt does not find means and ways to show lower fiscal deficit and stick to lower market borrowings participants will react negatively for sure. At least the flow will stop for the time being. Some reversal also could be seen. This you have to read from other angle.

FPI does not want market to go down as they are going to stay here permanently. The correction will be with a purpose. When market corrects there will be massive unwinding and retail selling which makes market lighter and that is what they want. Unless market become lighter and shorts are trapped there is no meaningful rally further. Thus if market corrects 5

to 10% post Budget it will be the best buying opportunity as we believe Nifty has potential to rise to 16500 in 2 years and 18800 in 3 years.

If you want daily market direction you may log in to [www.cniresearchltd.com](http://www.cniresearchltd.com) which has impeccable strike rate. Even in this version you have been reading out views for last 4 and 5 months and seen the performance.

## Global Indices

| Country        | Indices            | Date | Index      | Net Change | Change % |
|----------------|--------------------|------|------------|------------|----------|
| Hong Kong      | Hang Seng          | 16/1 | 28,573.86  | +77.00     | +0.27    |
| Singapore      | Straits Times      | 16/1 | 3,004.87   | +4.87      | +0.16    |
| United States  | NASDAQ             | 16/1 | 12,998.50  | -114.14    | -0.87    |
| United States  | DJIA               | 16/1 | 30,814.26  | -177.26    | -0.57    |
| United States  | S&P 500            | 16/1 | 3,768.25   | -27.20     | -0.72    |
| Japan          | Nikkei 225         | 16/1 | 28,519.18  | -179.08    | -0.62    |
| United Kingdom | FTSE 100           | 16/1 | 6,735.71   | -66.25     | -0.97    |
| Malaysia       | KLSE Composite     | 16/1 | 1,627.01   | -8.70      | -0.53    |
| Indonesia      | Jakarta Composite  | 16/1 | 6,373.41   | -54.90     | -0.85    |
| Thailand       | SET                | 16/1 | 1,519.13   | -16.85     | -1.10    |
| France         | CAC 40             | 16/1 | 5,611.69   | -69.45     | -1.22    |
| Germany        | DAX                | 16/1 | 13,787.73  | -200.97    | -1.44    |
| Argentina      | MerVal             | 16/1 | 50,500.83  | -69.45     | -1.14    |
| Brazil         | Bovespa            | 16/1 | 120,348.80 | -200.97    | -2.54    |
| Mexico         | IPC                | 16/1 | 45,892.28  | -584.16    | -0.39    |
| Austria        | ATX                | 16/1 | 2,947.96   | -3,131.70  | -1.52    |
| Belgium        | BEL-20             | 16/1 | 3,715.69   | -178.63    | -0.66    |
| Netherlands    | AEX General        | 16/1 | 651.73     | -45.46     | -0.75    |
| Spain          | Madrid General     | 16/1 | 822.59     | -24.57     | -1.67    |
| Switzerland    | Swiss Market       | 16/1 | 10,877.06  | -4.93      | +0.24    |
| Australia      | All Ordinaries     | 16/1 | 6,986.79   | +4.07      | +0.06    |
| China          | Shanghai Composite | 16/1 | 3,566.38   | +0.47      | +0.01    |
| Philippines    | PSE Composite      | 16/1 | 7,238.46   | -34.69     | -0.48    |
| Sri Lanka      | All Share          | 16/1 | 7,734.57   | +291.34    | +3.91    |
| Taiwan         | Taiwan Weighted    | 16/1 | 15,616.39  | -90.80     | -0.58    |
| South Korea    | KOSPI              | 16/1 | 3,085.90   | -64.03     | -2.03    |

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