

**Editorial**
**Vol -1, No-I, 18 Jan, 2020, 10 pages**

Infosys reported superb nos as expected. After the collapse clearing from all allegations and superb nos was logical conclusion. We enjoyed the run from 630 to 760 and made exit though stock is going to rise to Rs 900. Well we have to give way for new stocks.

Bharati I will wait for the fall. Sun Pharma will rise in the short term and will wait for sell at right time.

GAIL will rock for sure. Wait till Budget. GAS under GST is a big event. Even UBS has now given buy and CLSA too will give buy soon.

YES Bank announced QIP and stock though crashed to Rs 42 I think QIP will happen at premium that means price has to go up. Hear V B has been mandated to raise the funds and he has certain amount of goodwill and will be able to raise Rs 10000 crs easily. Hence stay invested.

HUL will be reporting 7 pc volume growth which means stock is due to rally. 7 pc growth is really good shows that economy is back on track. Infy reported good nos, today Biocon will report good nos, Axis as I said earlier will report good nos, L and T Fin will also report good nos on 16th and now HUL will report good nos. This clearly suggest Q3 will be good show for corporate earnings. Indus Ind too will report good nos but street is going short on VODA IDEA exposure which I feel over reaction. VODA is fully covered by VODA PLC corporate guarantee and nobody can doubt K M Birla hence there is all chance that stock will blast for short covering. Tisco will also announced superb results. SAIL has already announced 57% rise in sales volumes.

In short GDP will see 6% as against 4.5% in second half which will change everything. AUTO has done well in DEC which contribute over 49% to GDP.

RDB selling depth will keep on going down. The selling left is only 43000 shares now so whether you will get 5000 shares at a stretch is also doubtful that clearly means stock will cross rs 100 in very low volume going forward. I feel this stock will be on dream run soon after Nutraplus moving in the upward direction.

Nifty has crossed 12350 again and made a high of 12369 but it need to close above 12357 now to see major rally before Budget. Howsoever, 2 things keep in mind. One profit booking and second is short hedger.

**Change of the week**

	18-Jan-20	Rise /Gain
Sensex	41945	503 ↑
Nifty	12352	135 ↑

**Net Investments ( ` Cr)**

	FII	DII
13-Jan-20	120.7	47.1
14-Jan-20	(331.1)	(642.4)
15-Jan-20	63.2	(648.3)
16-Jan-20	9731	(184.6)
17-Jan-20	264.2	(500.1)
<b>Total</b>	<b>9848</b>	<b>(1927)</b>

**Turnover ( ` Cr)**

	FII	DII	Combined
<b>18-Jan-20</b>	<b>49,958</b>	<b>41,379</b>	<b>91,337</b>

18-Jan-20	Advances	Declines	Ratio
BSE	1325	1219	1.08

Avoid Nifty trade for now though it is going up. Select long and short stocks. You need to have 60 long and 40 short till you pass Budget.

Only thing I will be seeing in the Budget is that How F M brings in much required M without disturbing market borrowings and fiscal deficit. If she succeed then it will be master blaster performance from her. Yes, NAMO is heard working on finance management out of Budget as per media sources.

Nifty can rise to 13000 in that case. 11800 is the last support..

TRUMP coming to INDIA in FEB. Which stock it will benefit. I think RDB rasayan and RDB realty. Rdb realty the price was brought down for de merger story whereas RDB rasayan as told to you there is only one seller. With TRUMP coming to India and meeting many corporate RDB will be in focus as TRUMP JR is partner with RDB gr in KOLKATA. It could be the next multi bagger after the exit of Mr LASKHAR the only seller. After selling his shares destructively who's shares will he sell..? Will he produce new shares.... no then he will first buy till Rs 100 and then try to sell it again and make losses. Having incurred losses of over Rs 4 to 5 crs is he destined to make more losses. Well, this the operators style first make losses and then control the co and take the price to new high. We have seen this happening in store 1 Cera, Wimplast VIP and many more stocks. So this gives real confirmation that this co has something worth. Try to study the Balance Sheet in detail, see the cash flow and then decide your investment strategy.

We have seen recently the same trend in VIPUL where someone tried to control the stock with continuous sell at Rs 130 and now that selling is over and stock has crossed 140. The day it crosses 180 190 there is no stopping on this stock. The shareholders list will be out in next few days. Keep eye.

Finally DAMANI took stake in INDIA Cement which will now move for the better. India Cement today announced Rs 30 hike though I had mentioned this long back.

HUL was high spirit as we believe that the volume growth will be almost 6 to7 pc as against street expectation of aorund 2 to 3 pc. That means FMCG recovered. This will have good impact even on MARICO which has not fallen even after weak set of nos. Next set of nos will take MARICO to Rs 450 plus. Coconut price fall is huge plus for the co's mainstream products.

<b>5 Top Gainers</b>			
<b>Stock</b>	<b>18-Jan-19</b>	<b>14-Jan-19</b>	<b>% Gain</b>
INDOSTAR CAP	237.2	189.1	25.4
INOX WIND LTD	45.5	36.55	24.6
TV18 BROADCAST	27.4	22.2	23.4
BIRLA CORP	794.6	650.3	22.1
IRB INFRA	100.5	82.7	21.5

<b>5 Top Losers</b>			
<b>Stock</b>	<b>18-Jan-19</b>	<b>14-Jan-19</b>	<b>% Loss</b>
S&I	513.0	981.5	47.5
IDEA	4.5	6.0	25.7
REL INFRA	21.3	24.9	14.4
ADANI GREEN	188.3	220.1	14.4
REL POWER	2.33	2.69	13.3

<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	
POLY CAB CABLE	
RDB RASAYAN	
NUTRA PLUS	

KTK Bank is trading very cheap and if we go by valuations of PVT banks then KTK is free. Sooner than later this 550 branches bank will see crossing Rs 130 140. Serious investors may see opportunity in it like DLF. We had huge conviction and see now the price is crossed 254 and just away from earlier high of 271. Mind well, I had written no of times even when DLF fell to Rs 100 and around that this stock will cross new high. After 274 it is all set to cross even Rs 500 for sure.

Tata Motors has come long way from rs 120 to 197 and now ready for big move. Trust me, this stock will be Rs 500 in next 2 years. I feel before Budget it will Rs 240. Depreciation is the big catch for AUTO sector. As of now your vehicle becomes free in just 14 months if you buy in MARCH. March 20 30% March 21 30% and April 21 30% and hence the residual value will be just 10% after 14 months. That also means many big corporate will buy CAR now in their books and transfer to employee at 10% after 14 months. Even MARUTI will rise. TAMO has launched E V that is huge. Success of this car will take TAMO to sky.

GAIL has touched Rs 132.80 and will rise more. GAIL is now permitted to import cheap gas and sell it in distribution. This is again huge as margins will expand. This is right move before selling OIL and GAS companies. GAS under GST and imports of GAS means higher margin expansion. No wonders SHARELHAN, BOF, UBS all have covered GAIL with target of 160 to 208. Once that target is crossed there will be upgrades. My target is Rs 300 to 500.

Nifty has to cross 12350 on closing basis even today then only the road to 12900 13000 will start. Now I am getting little afraid on Budget as many people are becoming bullish on Budget. Mahindra said this Budget will be a dream budget and taxes will lowered. I will focus to see how debt and market borrowings will be dealt. Day after is expiry and either they can take it to 12500 or bring it down. I can throw light only as of now. 12300 as of now puts are more than calls though there is high probability that they might write 12350 put also. It is up by 174% at 12.9 lacs but there is 15 lac calls writing also. If we close above 12350 today with heavy put writing then closing can be 12500 on Thursday.

Anyways I am least worried about small cap stocks and believe that we will get 10 20 30 times returns in next 3 years. Nutraplus already gave us 2 times returns from the low and all set to repeat its performance. Post SEBI circular changes there will be huge pace of rally in small stocks. Those who take risk and buy now will always benefited. And those who will buy after the event will have to pay the premium. Choice is yours.

How can you pick multi bagger stocks..? First study the fundamentals and keep track of the stock for at least 2 years with some exposure in the stock. determine your valuations whatever yardsticks you apply. Focus on the growth of the business and its model particularly the cash flow statement even if the co is in losses. Then try to inspect the shareholders list to decide how much selling we can see. Once you realise the selling is now ending you must raise the speed of buying and complete your quota. Rest leave it to market.

Tata Motors for example was on falling spree when some fund ( broker ) said openly that it will go below Rs 50 and we have kept faith. Now Tata Motors has bounced back to rs 199 and all set to cross Rs 240 before Budget. What can drive Tata Motors...? The single factor is depreciation apart from E V. Govt is all set to extend 30% deprecation by one more year which is good for AUTO sector. High conviction is that this stock will gain lost glory. Tata Chemicals for example took almost 6 years for accumulation between Rs 200 to 400 and now see the price. It has crossed Rs 700 and all set to cross Rs 1200 also. So patience is required. Market operators spend years for doing this for getting huge returns.

Now even see RDB RASAYAN which rose to Rs 109 and fell to Rs 24 and now started rising. Here too we have seen huge accumulation over last 3 years and now believe that selling is not more than 25000 to 30000 shares from 1 single investors and few others will keep on selling till Rs 109 because in India many investors sell once their buying price cross. Though it is wrong practice in general that is what happens. Operators who start with Rs 25 and accumulate by investing crores of Rs will never be happy with 500% returns. He is destined to take home nothing less than 1000 pc. TRY this stock for next 2 years and see the results.

Castrol is going out FO from FEB and hence this stock has to blast now. Stock generally made exit from F and O when fall big or rise more after the exit. I am bullish with target Rs 190 and let us whether we see this price by MARCH 20. A lover of MNC has entered today. If his name is out then stock will be double for sure.

Yes Bank after collapsing to 36.65 why went back to Rs 41 with volumes of over 30 cr shares..? Yes Bank creates a clear doubt in my mind is being used to launder money hence the huge volatility. There is no other way to transfer profits. Either do it in call and put and if done in illiquid counters SEBI and IT will go after and hence liquid should be

the best choice and there is nothing more liquid than YES Bank. I really fail to understand the reasoning why big brokers have to give their opinion on the stock that it will go to Rs 15..? Anyways I am firm with my view that in long term YES will cross 3 digit. Every now and then media too is very busy in doing story in YES Bank. If this is so penny why is media burning..? Why are brokers giving targets ..? Yesterday also there was media story suggesting that YES should be merged with SBI.. Why..? It is pvt bank and Govt has nothing to do with it. Secondly there is no worry.

Midcaps are flying in the air. CNI recommended most of the stocks are hitting the target. Yesterday we had given a buy call on PFS and today the stock was up 9% in trade. We are super bullish on Gail, Castrol and Tata motors.

Our conviction is clear that nifty will slowly reach 12700 mark and mark our words quality midcap stock will turn 10X to 20X will next few years. So we advise u to accumulate quality midcap stocks for investment purpose.

We are super bullish on Vipul organic.

CNI calls are rocket calls .... any doubt... Bharati though we are negative it rose today even after SC decision on AGR but has to fall eventually. This is a short covering price. Bharati is affected and cash flow will be a problem. The stock which was accumulated for QIP price will see the market route sooner than later. Wait for correction. Whenever Nifty reverse this stock will crash. As such against 10 long we need to have at least one short and even we go wrong in one short it will be offset.

B gr has started showing colour and my focus is there now. Nutraplus from Rs 5.75 to Rs 15.50 in last 2 months and still will rise from Rs 15.50 to 30 in next few months even though stock is in trade to trade now. In trade to trade it becomes easy for the operator as intra-day traders who try to play goes out. Yesterday operators bought 20000 share only after 3.25 pm till upper circuit. So logically they will come for buying only at the end of the day. Keep focus on the stock. Same thing we have seen in VPUL Organics which hit a high of Rs 158 and leaving the lower house slowly. The attempt of controlling price is seen here but ho long..? There has to be delivery to control the stock. Buyers seems not a hurry to take it Rs 250 immediately. Why would they give Rs 100 more to sellers when seller himself is ready to throw in towel at 145. It is happy sign for the stock. Even Sudarshan chemicals have reached Rs 468 from a low of Rs 300 where we had become bullish. Our target of rs 1000 is intact. More the rally in SUDARSAHN cheaper will be VIPUL at any price due to rising market cap difference and narrowing capacity difference.

Same thing we noticed in RDB rasayan. I had told you selling is getting dry and stock busted to Rs 54 today. What a move. With promoters being partners of TRUMP the JR there is fair chance that this co may announce some tie with an AMERICAN co for when TRUMP is INDIA in FEB. They have already tied up with Lorwen Germany and ONGC. Capacity is added at HALDIA as well as Kharagpur. Now market does not understand this then it is problem of the market. They will come for buying at Rs 150 for sure. I fix a price of Rs 500 for this stock now. M LASHKAR was the only sellers in this stock and almost done with hence now I think there is no barricade in this stock. Must BUY at cmp for huge gains.

Castrol L and T fin Kirlosak Brothers are value stocks and can be added at every price. K Brothers can cross 190 any time. A big fund has entered CASTROL along with G S who loves MNC.

PFS I had written enough about the PSU stock. This is subsidiary of PTC. This is finance to power sector. Management sounds bullish and fair on business as per the interview of 7th JAN 2020. Co is now all set to write back more than 1000 crs whereas the market cap itself is less than 1000 crs. With Rs 135 crs NPA recovery from rattan power co may write back another 240 crs being account becoming standard the current quarter write back could be Rs 375 crs. Stock at just Rs 15.6 offers a great value. This is a multi bagger and stock fell from rs 73 to Rs 11 only on write off of over rs 1000 crs and with rs 1000 crs write back there should be possibility of stock re testing rs 73 again over a period of time. But for you even if test Rs 30 it is 100 pc rise from current rates. You take a call whether you a like other PSU at 100 pe or this at 6 pe...? When it cross Rs 17.80 52 week high entire world will buy. CNI has habit of picking stocks when they are at low because we follow BOTTOM UP story. Now e g TATA ELAXI gave good results and robust guidance and funds are buying at Rs 950 we gave at rs 630 so yourself see the difference. With the flow gain is quick but risk is high. Against the flow gain is high but risk is very low but it takes some time.

NCC crossed 60 and now has to travel towards Rs 80 any time. Keep eye. PNB Housing we gave buy at 470 cmp is 545 and will cross 700 also. So we exit very fast only due to showing our performance. We can help members for

long term advises individually through e mail. Now add RDB VIPUL NUTRA and discuss with us we will explain the rationale and targets.

## Global Story

Finally Nifty was rising in slow motion towards 13000 now. But the star performers were midcaps and small caps. Many investors missed the bus and will regret and enter at high valuations.

Anyways, CNI has delivered a stellar performance from Nifty 8000 till 12400 and run at almost 90 pc strike rates every month since 2008. This can be seen on the front page of our website that is [www.cniresearchltd.com](http://www.cniresearchltd.com).

So far so good as we ranked best in analysis, we ranked best in giving A gr calls, we ranked best in terms of research and we have helped our members to build huge wealth with precise accuracy in Nifty directions and call selection. e g When we picked TATA ELAXI at Rs 630 no one was bullish on this stock and Q3 nos were really good followed by very strong commentary which took stock price to Rs 950 in less than 2 months. That is an annualised return of 300%. This is one example. You can to our performance page and see all monthly reports which will give fair idea about our call selection. It is not on charts yet it performed every time.

Now the big question is what next..? We had mentioned that if Nifty cross 12350 we will travel towards 12900 13000 in a straight run. This is overdue. Will it happen before Budget or after Budget. Now there are just 9 sessions in this settlement and 1 session before Budget. Hence it is very difficult to see nifty reach 13000 on Budget day now as the move was bit a slow and sidelined. Therefore 13000 is possible only Budget is excellent. If Budget disappoints then Nifty will settle back to 12000 which should become new bottom. The bottom of 12000 also could change depending on where Nifty reaches on Budget day.

Technically market is still in oversold position as far as Nifty is concerned. Since stocks have started moving many funds have built positions in stocks like RIL, INFY, TISCO, TCS, SBI, GRASIM, TCS and many more stocks but they have to have hedged shorts and that is Nifty. Hence if Budget is robust Nifty will see heavy short covering. FPI are not allowed to short stocks. Yes, they can borrow stocks from ALBM or other funds overseas and sell through P note but in that case sooner than later they will have to cut the same from street and re deliver.

### Let us therefore focus on Budget...

Prima facie it looks like it is Budget of SHRI NARENDRA MODI and not the FINMIN. Having done 15% tax for new manufacturing companies, he will have to give freedom of labour and direct land to begin with then only there will massive inflow for new manufacturing base in INDIA. This will create un precedented employment in India which was never seen before. If this come then there is no stopping. Same labour reforms need to be extended to existing manufacturing co's in a systematic and phased manner.

Second expectation from SHRI NARENDRA MODI is that huge tax rates cut will be introduced for personal taxes and rise in 80C limits as reported in media to boost savings and then push spending. Without savings there cannot be big spending as inflation has taken a big toll on the middle class savings.

Third could be stimulus for exports. Already enough incentives are given yet exports are not picking which means we not really competitive globally in terms of either quality or prices. e g textile is suffering as there is 13% EU duty on INDIAN textiles whereas preferred nations such as PAKISTAN BANGLADESH etc are exempt from EU duty. EU will not change hence he has to give 50% tax rebate on export income. If this is done approximately the tax rate will come down by 15% which is good enough bring the domestic industry on par with new MNC allowed to set up manufacturing with just 15% rate of tax.

Fourth challenge is to meet the fiscal deficit and to meet the ends RBI dividend is not sufficient. They will have to complete the BPCL and AI sell before March 31. BPCL is important as it will give Rs 74000 crs to Govt.

Yet the fiscal deficit will be under stress and FM has given some goodies to tackle the sagging economy on the one hand whereas the revenues fell steeply due to slowdown. The telecoms AGR are unlikely to check in the Govt exchequer before 31st March. The 5 G auction will happen only in APRIL or MAY 20 which will fall in next year and to that extend will help Govt to define lower fiscal deficit for 20 21. Coal mine auction, land sell and privatisation can be a game changed for 20 21 Budget. So the challenge likes for the 10 20 final budget figures where the deficit if managed from overseas debt then it will be a win win situation.

So if market borrowings is not hiked (FM says so) and fiscal deficit is maintained at 3.3 (FM says so ) and next 20 21 fiscal deficit is reduced to 3.1 to 3 pc with lower market borrowing then hitting the deck of 13000 is possible.

In short there are ifs and buts and we will be the first to give you Budget analysis which will determine the market trend post Budget. In any case, even if the budget is disappointing then Nifty will correct 5 to 7% nothing beyond that and the rally will start once again with all midcaps and small cap at the centre of rally. Mind well when BALRAMPUR CHINI fell to Rs 60 after it was removed from F and O we had clearly that it will cross Rs 200 and it did.

So our punch line is that AVOID leveraging, avoid F and O, be stock specific, follow bottom up approach with core valuations in mind, avoid following media and be prepared for 7% Nifty correction you will come out WINNERS.

## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	18/01	29,056.42	+173.38	+0.60
Singapore	Straits Times	18/01	3,281.03	+3.03	+0.09
United States	NASDAQ	18/01	9,388.94	+31.81	+0.34
United States	DJIA	18/01	29,348.10	+50.46	+0.17
United States	S&P 500	18/01	3,329.62	+12.81	+0.39
Japan	Nikkei 225	18/01	24,041.26	+108.13	+0.45
United Kingdom	FTSE 100	18/01	7,674.56	+64.75	+0.85
Malaysia	KLSE Composite	18/01	1,595.81	+7.93	+0.50
Indonesia	Jakarta Composite	18/01	6,291.66	+5.61	+0.09
Thailand	SET	18/01	1,600.48	+4.61	+0.29
France	CAC 40	18/01	6,100.72	+61.69	+1.02
Germany	DAX	18/01	13,526.13	+96.70	+0.72
Argentina	MerVal	18/01	42,339.82	-22.52	-0.05
Brazil	Bovespa	18/01	118,478.30	+1,774.10	+1.52
Mexico	IPC	18/01	45,817.76	+514.67	+1.14
Austria	ATX	18/01	3,172.52	-2.34	-0.07
Belgium	BEL-20	18/01	4,007.20	+19.42	+0.49
Netherlands	AEX General	18/01	615.57	+3.51	+0.57
Spain	Madrid General	18/01	962.74	+10.07	+1.06
Switzerland	Swiss Market	18/01	10,841.82	+148.30	+1.39
Australia	All Ordinaries	18/01	7,180.29	+21.65	+0.30
China	Shanghai Composite	18/01	3,075.50	+1.42	+0.05
Philippines	PSE Composite	18/01	7,722.58	+69.40	+0.91
Sri Lanka	All Share	18/01	5,932.92	-8.07	-0.14
Taiwan	Taiwan Weighted	18/01	12,090.29	+23.36	+0.19
East Israel	TA-100	18/01	1,500.13	-4.02	-0.27

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