

**Editorial**
**Vol -1, No-I, 24 Aug, 2019, 10 pages**

11178 is the 200 DMA.... We had mentioned in our weekly report that it was quite possible for the market makers to cross 11170 the then 200 DMA when they took Nifty to 11155... Why would they wait for just 15 points...? They will but only when they want....

Trust me when Nifty cross 11180 or 11200 and then 11330 no one will remain bearish and all talks of slowdown and recession will get buried.

India Cement CHAIRMAN gone on record that there is no slow down in cement. Why..? Cement is the pillar of INDIA yet cement is not in slow down. Auto yes slow down is for various reasons and GOVT is addressing that.

RBI will cut rates more. With rate cut, low inflation, lower taxation, festive season ahead the growth will pick up not slow down.

The Q1 earnings did grow not at expected 20 pc plus but at 13% but it grew. But market has factored de growth that is recession which is not likely. Hence market has to go up.

In fact, the sentiment is so badly affected that no one is willing to come forward for buying stock in current scenario. Even stocks which have reported 3000 pc growth in PAT is not seen buying what more can we expect from the matured investors...? They are due to one more slaughter as they will enter at new high and extremely high valuations. My advice is that those who are bearish must close the option of equity forever and look for some other avenues where they can make good returns like GOLD

Air and flow changes with Nifty changes. If Nifty cross 11500 entire street will see buying due to sudden spurt due to short covering. And that time the feel of I will be left out will trigger your buying. ENJOY till then...

**Change of the week**

	24-Aug-19	Rise /Gain
Sensex	36701	623 ↓
Nifty	10829	216 ↓

**Net Investments ( Cr)**

	FII	DII
19-Aug-19	(265.0)	386.2
20-Aug-19	(408.2)	296.4
21-Aug-19	(1044.3)	353.9
22-Aug-19	(1289.9)	1719.0
23-Aug-19	(1737)	1548.5
<b>Total</b>	<b>(4743)</b>	<b>4302</b>

**Turnover ( Cr)**

	FII	DII	Combined
<b>23-Aug-19</b>	<b>48,136</b>	<b>31,180</b>	<b>79,316</b>

23-Aug-19	Advances	Declines	Ratio
BSE	1309	1145	1.14

We have published AUTO report why they are reeling under slow down and how they will bounce back.

Market is oversold and very soon we may see sanity on the street. We have over reacting to recession AND that to too early.

US has gone on record that they will not go into recession and this is possible only if QE is used. Hence rate cut as well QE is hinted that will push US markets higher. So also we will see QE in India though INDIA never announce QE.

SAT has finally come out with the direction that sufferer investors should get compensation and this could be welcome decision. Similar matter is before SC where investor has asked for compensation from investor protection fund and hearing is there in the 3rd week of Sept.

I repeat chemical sector is not affected by slow down. In fact, the cross check with all companies suggest that they are refusing orders being over booked. Instead of sticking to low margin volume game orders they are shifting to high margin value added products orders. So margins are likely to double in next 2 years.

I have selected few chemical stocks and suggest you also should select. This help you to beat the slowdown. If you do not want to invest you will do better if you switch from stocks stuck in slowdown to chemical stocks.

Nifty 11180 then 11325 has to cross for bullish bets and this expiry could be decider for that matter.

One more fraud C G which tanked yesterday. In fact, this fact was in public domain at least 4 years before yet stocks was kept on trailing at high price thanks to the distributors who create bogus volumes. Why would regulator fail to nab such bogus volume guys..? A guy from JAIPUR trades in as many as 15 scrip's through controlled 20 to 25 accounts with 15 brokers accounts from one room and his job is create volumes. Well, my advice still will be do not see artificial volumes. The trap is evident and you will fall in. See fundamentals even if there is no volume. Why would you bother to think of exit if you are buying only 1000 shares..? And mind when you buy seeing volumes will be some day without volumes as the operations will be over and cost financing will stop and where would you then exit.

<b>5 Top Gainers</b>			
<b>Stock</b>	<b>23-Aug-19</b>	<b>19-Aug-19</b>	<b>% Gain</b>
CCD	80.2	62.9	27.4
SHANKARA BUILDE	292.2	257.9	13.6
RAJESH EXPORT	734.2	658.95	11.4
SUVEN LIFE	256.5	233.7	9.73
PVR	1504.9	1383.3	8.79

<b>5 Top Losers</b>			
<b>Stock</b>	<b>23-Aug-19</b>	<b>19-Aug-19</b>	<b>% Loss</b>
CG POWER	9.60	17.95	46.5
HDIL	6.33	11.28	43.88
RCAPITAL	34.8	48.4	28.1
EDELWEISS	99.5	134	25.75
YES BANK	59.25	79.45	25.4

<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	

Yes Bank is it giving exit to you..? The QIP shares are used to create lower prices every day like all other past QIP's. Except 1 or 2 investors rest seems circumspect. Another classical case is SBI where the share prices was taken to rs 376 on QIP and whole world of chartist were gone bullish with target of rs 550 and see what happened. Who is seller..? None other than LIC which generally should be the buyer at this price. Only LIC can explain why...?

FPI are sellers even though they blackmailed FINMIN. Now FINMIN ensured that they will be considering changes in the law yet FPI are sellers. In July FPI sold 12491 crs whereas the same in AUG is Rs 9363 crs so far. Thus out of rs 83000 crs buying they have already sold Rs 22000 crs. Now recession news and slow down will help them to sell more and the 4 years selling pattern of 2014 to 2018 has returned. Only I am waiting the same pattern of DII buying so that market should go up.

Anyways, market has to bounce as it is oversold state. Pink paper is engrossing the slow down out of proportion. Even assuming that there are job cuts and slow down the same is already factored in the prices.

I think there is urgent need to change the 5% creeping limit to 10 pc so that promoters who have entered market for buying their own shares can buy more and consolidate their position. But this move can stop market distortion and give exit to investors. In any case since the open offer limit was changed from 15 to 25 pc even the 5 pc creeping limit should change to 10%.

Will have to wait for decisive U turn in the street else try to digest the pain of weekly settlement. Weekly settlement has more steam for higher volatility as calls and puts earn only in volatility. In fact, this is drifted market from delivery based trades to trading though the end result of trading is sheer losses. Yet it is passion to trade in derivatives.

We at CNI advocate wealth creation and would advice only buying really good stocks at value and suggest investors to have full conviction about your investments, may retract with us and then add it at every price so that your holding also rise and cost also comes down. This is only way of wealth creation. Have patience ...

Iron ore prices did correct but only to the level from where it had rose 25 pc hence there is no big impact on the steel companies but market is behaving as if the iron ore prices have corrected by 80 pc which is not the case.

Therefore I still come back to the same conclusion that markets are controlled and will fall till the time market controller wants and will reverse when they want.

A leading daily said that SEBI reconsidering promoting P Note..? Why so that the identity should be kept under cover. S long as Govt does not bent on super rich tax and or LTCG I think the mayhem will continue.

Yesterday I got a news to short I B housing at Rs 515 and stock crashed to 455 so you can imagine how much front running could be happening. Any case I am always negative on this stock for various reasons. Earnings will be big question mark now with no churning of book.

Now they are selling RIL below 1272. I had told you that every chartist is negative on RIL with target 920 even after the ARMACO deal hence there will be more built up of short side in RIL. But only the monthly expiry will tell us where are we heading..? If counter is long on ARMACO stock will crash and close below 1200 and if short trapped then will cross 1350.

DLF crashed today with B L story of non disclosure. So wherever media come out with a story stock will get battered. Front running is the key on media stories whether done by media people or operators hands in glove with media.

Karnataka bank is on ht list. Can it go below rs 50..? Yes Bank can it go to Rs 23 as projected by bears..? If YES does another QIP that could be at what price..? Do you believe that it could be at Rs 60 or even below..? Answer one question when you know all stocks corrects post QIP heavily then why are FPI invest through QIP..?

I have no answers except wait and watch. I cannot be on selling side as it is against the principles of bull market. If you believe that we have entered in bear market you must be on selling side. I do not believe that we are in bear market as of now.

FINALLY today is the WEEKLY closing and the most dreaded event.... PUT writing 1.8 mn is done at 10900 whereas 10900 call writing is 2.7 mn. This fairly indicate that Nifty will close above 10900 and the calls will be pocketed as this is done by bears. 10800 have 2 mn and 10850 have 1.1 mn put writing hence 10800 breaking seems difficult. Earlier also market had created level of 10800 and 11150. Same range will be maintained till it cross 11191 200 DMA. Every day 200 DMA will keep on rising even though Nifty is below 200 DMA.

R Agarwal tweeted that it has seen the most dangerous and worst wealth destruction in his entire career of 40 years this time. Well this is true. But when this happens this gives the birth of new bull market. I spoke to sources in the FINMIN and they admitted that some stimulus package will be announced soon that will pull Sensex by 1000 points. When you and me both have to be tender hook.

I cannot say BUY as sentiments is not in favour of BUY but I certainly cannot say SELL as reversal will be very fast.

Those who are in personal touch with me are though adding stocks advised by me and will benefit in next 2 years like anything. I am seeing them owning a house in MUMBAI suburb from their current investments.

Our negative approach has saved many from buying high profile stocks which have now corrected over 90% from the top. Prepare list of 5 stocks and focus and tell me after 2 years what have you made out of it.

RIL crashed from Rs 1305 to 1228 where is the ARMACO deal now...? Thus stock moves at WILL and FPI and smart investors act in connivance to create artificial market. Bears still say RIL will test 920. Will it ....? Any time things could change..

I remember 13700 Bank Nifty where street was talking 10000 and it had collapsed from 19200 and then reversal took it back to 19200 in less than 60 days and I was the only buying adviser at 13700. today at 26700 Bank Nifty it may go to 26000 but for sure it has to cross 32000 again and may be 38000 next time. Keep this in mind. Will remind you when Bank Nifty is back to 32000.

That is all from ME... If stimulus announced in the week end then we will see rise of 1000 to 1500 points ahead of expiry and if not then could be in the next settlement. Do not forget political involvement is there is market direct as well indirect through web of FPI's. Yesterday's fall was talked in the street from PC gr after arrest of PC

## Global Story

Yes Bank proved once again that the QIP in any stocks opens the door for lower side through flooding of stocks. Who will try and find out the cause of destruction and whether FPI which subscribed to the QIP were the sellers...? If yes, then the intention is clear to distort the market which means attack on the integrity of the market.

The current topic for discussion is RECESSION.... Which country is largely affected by recession... US or INDIA..? Which are the sectors which are in recession except AUTO...?

Global Economy Slowdown is a natural economy pro

cess , which weed out inefficient businesses, players , employees in the economy. We need to go through this in order to grow further. On PMI index of major economies over the last 18 months, India is the only major economy to have registered an improvement. Globally auto sales registering negative yoy growth in almost all major economy (which explains collapse of Germany's PMI) Whole aeronautics industry going through supply disruptions due to 737 max fiasco. Oil & Gas capex is weak due to low energy prices across spectrum. Continued Chinese slowdown on structural problems like ageing , shutdown of plants, clampdown on shadow banking etc and no "hot " new consumer technology product like apple which call for new investments Over and above trade war uncertainties have deterred new investments.

Yet India is much better among all the global economies. US and INDIA are capable to use effectively QE to pull the economies from the slowdowns. Last few months Govt was off ECONOMY for 3 reasons, Central election, ex FM not keeping well and now KASHMIR issue. Now having dealt with these issues successfully Govt will be back in business as far as economy is concerned. Following major changes were announced yesterday...

FPI tax reversed...

Asked banks to reduce rates to fine tune rate cuts...

Rs 70000 crs provided across the board liquidity...

Another Rs 5 lacs crores liquidity likely to come ...

Depreciation rates raised from 15 to 30 pc huge trigger for delivery lifting for cars...

Govt ban lifted on car buying...

BS IV will survive...

Higher registration charges delayed ...

GST disputes resolved... Max 60 days to clear all pending refunds to provide liquidity to SMES

Admission that tax revenue collection is on target...

Admission that India is still the largest growing economy..

Major haul in tax administration ...

2 more rounds of announcement in next 2 weeks ..One will be definitely for the Housing sector and rest few others.

This all suggest that this GOVT is reconciled to discuss with INDUSTRY and also take necessary action to provide stimulus to the economy. It has reversed the much sought after service charges on the FPI. At the same time it will not bow down to any black mails from any one for unreasonable demands. They have done enough for the AUTO sectors now. 30 pc depreciation means you can practically get the tax free in less than 25 months if you take it MARCH 20. Therefore demand will rise for sure.

Reducing GST is not in the hands of the Govt as state Govt will not give clearance for the reduction of GST.

Just the talk of FPI tax reversal had impact of 700 points rally a week back could really mean at least 700 points rally when it happened for sure.

So as far India is concerned it is still better among US CHINA and INDIA as far growth is concerned. CHINA anti US trade war by restricting OIL imports could mean drop in OIL prices further. This will be good for INDIA for 2 reasons. US will soft relationship with INDIA as they now look at INDIAN consumption for OIL. Secondly since OIL prices will be low INDIA will benefit and save huge import bill.

OIL is major factor for INDIA. The confidence of FIN MIN spills out in favour of market. With just less than 5 months for next Budget, the nos cannot sway hence there is every reason to believe that INDIAN markets will bounce back.

On earnings front though it was on lower side yet a 13% growth cannot be said that it is de growth hence we cannot stay at 18 pe for long. We have over reacted. Now F M doling out more than required there is no reason for the market players to continue with the unsolicited mayhem. Markets will rise for sure. 11330 will be the tipping point.

## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	23/08	26,179.33	+130.61	+0.50
Singapore	Straits Times	23/08	3,110.35	-17.39	-0.56
United States	NASDAQ	23/08	7,751.77	-239.62	-3.00
United States	DJIA	23/08	25,628.90	-623.34	-2.37
United States	S&P 500	23/08	2,847.11	-75.84	-2.59
Japan	Nikkei 225	23/08	20,710.91	+82.90	+0.40
United Kingdom	FTSE 100	23/08	7,094.98	-33.20	-0.47
Malaysia	KLSE Composite	23/08	1,609.33	+6.86	+0.43
Indonesia	Jakarta Composite	23/08	6,255.60	+16.35	+0.26
Thailand	SET	23/08	1,646.68	+13.12	+0.80
France	CAC 40	23/08	5,326.87	-61.38	-1.14
Germany	DAX	23/08	11,611.51	-135.53	-1.15
Argentina	MerVal	23/08	26,585.97	-1,396.99	-4.99
Brazil	Bovespa	23/08	97,667.50	-2,343.80	-2.34
Mexico	IPC	23/08	39,862.07	-282.17	-0.70
Austria	ATX	23/08	2,896.64	-33.13	-1.13
Belgium	BEL-20	23/08	3,479.20	-30.91	-0.88
Netherlands	AEX General	23/08	542.09	-4.81	-0.88
Spain	Madrid General	23/08	866.63	-6.95	-0.80
Switzerland	Swiss Market	23/08	9,744.98	-60.52	-0.62
Australia	All Ordinaries	23/08	6,614.32	+21.30	+0.32
China	Shanghai Composite	23/08	2,897.43	+13.99	+0.49
Philippines	PSE Composite	23/08	7,889.41	+40.58	+0.52
Sri Lanka	All Share	23/08	5,898.47	-6.55	-0.11
Taiwan	Taiwan Weighted	23/08	10,538.11	+8.33	+0.08
East Israel	TA-100	23/08	1,500.13	-4.02	-0.27

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