

Editorial
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Tata companies may cool down today as short sellers will become active again on the logic that BREXIT proposal may not go through the UK PARLIAMENT. Well, you cannot stop them. But it will be a buying opportunity particularly in Tisco and Tata Motors as 2 factors are going to help them. UK brexit is now a given fact as UK cannot afford another election. Secondly CHINA GDP came at 6 PC which though prima facie looks weak, sequentially QoQ it is up hence that will metal and TATA Motors. As such AUTO is in reversal mode. Maruti too looks good. Please look at the UK exposure and stock reaction yesterday.

TCS 15.6%

Tata Motors 16.3%

Tata Communications 12.3%

Crisil 25.8%

Eclerx 25.8%

Majesco 7.5%

Solara Active 6.2 %

Mastek 73.9%

In an interview MARK MOBIOUS said that people really do not know the impact of BREXIT. It will help UK in a big way and companies in UK hence all above companies will be large beneficiaries.

Metal being heaviest short by FPI could be the darkest horse. Tisco particularly could be a star performer. FPI has reversed its view on INDIA for the reasons I had mentioned 2 days back. Tata Metal will give you a superb returns like Tata Elaxi.

Try to exit RIL today ahead of results as RIL has history of correcting after the results.

India will be first country to show the world how to come out of slow down and entire world is looking at INDIA. The only difference in other countries and INDIA is that they used QE for revival (US doing 60 bn usd QE every month) whereas INDIA is working on monetising minerals and assets INDIA own which no other country possess.

Change of the week

	25-Oct-19	Rise /Gain
Sensex	39058	39 ↓
Nifty	11583	2 ↓

Net Investments (Cr)

	FII	DII
22-Oct-19	(1073.9)	(985.4)
23-Oct-19	(149.5)	(137.3)
24-Oct-19	(193.5)	(738.7)
25-Oct-19	(435.5)	440.1
Total	(1852.4)	(1421.4)

Turnover (Cr)

	FII	DII	Combined
25-Oct-19	49,909	35,990	85,899

25-Oct-19	Advances	Declines	Ratio
BSE	1060	1382	0.76

The new game of NAMO COME INVEST and EARN is the great model. All facilities will be given by Govt across the board. All licences will come attached with the land buy. Only pollution and other serious licenses will be required to be obtained. India is going through green revolution where even CHIAN failed. VIPUL ORGANCIS is the first INDIAN co which has installed ZLD(Zero Discharge plant) in TARAPUR and set a right example of maximum utilisation of space by pulling the plant to 5th floor.

BHEL rose by 23 pc only because it is heavily short. FPI still short over 1 lac contracts And I mentioned at 10700 that this situation has come only after 2011 hence will have 4 to 5 months long side in INDIA. This will unfold new BULL market. Now the last fact which cannot ignore is ownership pattern. This is the biggest plus for INDIAN markets.

Infosys fell 16 pc on some insider complaint to the management about the quarterly results. Nilkeni did clarify that they will look into the same. INFY is like TENDULKAR the GOD of the share market hence if you cannot trust INFY then you cannot trust anyone in the stock market and in that case it is better to exit from the stock market and try debt market.

This is why even at 15% lower there were buyers in INFY and they will buy for long term. This has happened even couple of years back when stock had crashed from 1200 to 850 and then went on rising and became 850 ex bonus. Now I see fair chance of stock seeing 1300 which is 100% up from current price. The clarity will give you immediate return of 20% in the stock.

Infy is heavy weight and hence some other stocks have been managed to set off the Infy loss on Indices.

RIL given good results. If it beats past trend of correcting on good results and rally towards 1500 then for sure Indices will cross 12000.

Anyways mid caps and small caps are now started improving and hence I will advise our members to average out the stocks in which you have entered at high prices. If not then the prices will come for sure in the course of time but you will be exiting instead of making good profits.

Tata Steel has removed 2500 employees in Europe which will result in savings of Rs 6000 annually.

RBL Bank is set to announce results today and post result could see smart buying.

Nifty 11500 will hold and could see 12000 on DIWALI. So wait and watch for DIWALI celebration

5 Top Gainers			
Stock	22-Oct-19	25-Oct-19	% Gain
RPOWER	2.32	3.3	42.2
RINFRA	21.85	29.05	32.95
GRANULES	101.5	124.35	22.5
SHANKARA	286.4	348	21.5
EVEREADY	39.75	47.85	20.3

5 Top Losers			
Stock	22-Oct-19	25-Oct-19	% Loss
VODAFONE	6.39	4.1	35.6
DISH TV	16.6	11.7	29.7
DISHMAN	155	115.1	25.7
INDIABULLS HOUS	231.5	186	19.6
INDIA BULL INTE	71	57.9	18.4

Top 5 Picks By CNI 'A' Group	
Company	
RIL	
SBI	
ICICI BANK	
GODREJ IND	
BRITANNIA	

Top 5 Picks By CNI 'B' Group	
Company	
HDFC LIFE	
ZYDUS WELLNESS	
POLY CAB CABLE	
RDB RASAYAN	
NUTRA PLUS	

Can we see something wrong in INFY whistle blowing compliant... ..? Can it a conspiracy...? In Cricket politics and share market anything and everything is possible...? Why did the complaint disclosed after 30 days...? What if nothing comes out of the investigation..? Stock price will be back to Rs 750 and those who sold will cry and those who bought will have the last laugh. Without INFY IT sector is zero hence INFY has to bounce.

Stock even if bounce now the end result will be bad till OCT 31st due to settlement consideration. So anyone who wants to buy INFY must buy at the fag end of the settlement if want to avoid volatility and do bottom fishing. Technically 635 is good support and if breaks then 570 possible. So take risk accordingly. Tata Elaxi will be better choice as the same will be merged with TCS sooner than later.

Today a GERMAN pigment co took stake in unlisted GUJ pigment co. Pigment is on high. A leading INDIA's Numero One ACE investor's name is seen in the shareholders details of VIPUL ORGANICS. This suggest marquee investors have started accumulating which means we are on right track. Keep watch.

Nifty 11500 is very strong support. Tom is election results and market may turn hostile towards 11700 after election results. Also is the expiry. Weekly expiry game is very serious and can erode tour capital. Therefore it is better to be in delivery if you want to play safe else just try mutual funds where by default you will remain invested only in top 50 stocks.

DIWALI trades will happen on SUNDAY. We are releasing our DIWALI picks which consist 13 stocks. DIWALI stocks are always and buy and forget hence you should buy only token shares.

As of now BJP is leading in MAHA as well as HARYANA hence there is no political setback. The stability is good. Govt all set to announce big and bold measures in PSB and PSU's soon. GDP is all set to bounce back. Even MARUTI has said that sales is recovering. Maruti stock has jumped from a low of Rs 5600 to 7500 and all set to cross 10000 again since this is oversold counter.

Infosys will be star performer in the coming days. As reported in pink paper it seems there was a sabotage as shorts were built as early as Sept 20th and letter was filed only on 30th Sept and the same came in public knowledge only on 20th Oct. Thus 1 month is too large a period for creating positions. Since it is Infosys it is visible. This shorts will come for covering for sure. I also believe that there will be any issues in the investigation and it will come out clean.

To best of my belief I expect some changes in classification of mutual funds which will create life in mid caps and small caps. Without this there cannot be larger participation from the retail and some papers have reached NAMO on this. So expect many fold rise in small caps and midcaps thanks to ownership pattern of late.

Many investors have decided to exit from small caps and mid caps seeing the worst ever destruction not knowing that the very sector will be the best ever sector once again. No one comes in the stock market for 10 to 20 pc returns particularly the HNI's. 10 to 20% segment is now for FPI and DII which in turn announces only 10 to 14% returns. Given the slowdown and lower interest regime big investors prefer 10% returns (safe) Vs bank interest of 6 pc. But HNI's are here to rule and they will not settle anything less than 1000 pc. They carry maximum risk and hence their reward is also the highest. Out of 10 stocks they may fail in 4 to 5 but a success rate of even 2 could make them billionaires hence this will never stop.

Today Mr CHOKHANI from ENAM has said this what I had been telling you all along that there will be a bull market like 2003.

Time changes, cycle changes, sector changes and stock changes but what is good will remain good. e g I had been recommending ASTRA ZENEZA from Rs 1400 levels and now t has become Rs 2500. It will cross Rs 5000 and then it will become un reachable for retail like glaxo nestle and P and G.

How to pick multi baggers... Check revenue Vs market cap, check BV Vs stock price, check ROE, Check the marquee investors by inspecting the registrar. e g NUTRAPLUS have at least 15 to 20 marquee investors and all have invested at rs 90 and holding even after the price became Rs 6 which means they have confidence in the co. Current price is only for distress selling. Smart investors are accumulating and very soon you will see no selling in this stock then what...? Uncertain times are the best frs of certain investors. Please do not write mails on names of marquee investors. You can take inspection with the registrar which is a right of every shareholder and find out. Mails will be entertained only explaining fundamentals and advise on any co.

Sometimes the very FPI damage the stock price. We have seen recently seen in one of co where stock price corrected from rs 350 to just 50 for no fault of the co. It was one fund which got closed and made exit. Stock has

started bouncing back as results are good sector is good and ownership now trim and slim. If only 1 criteria has to be applied for stock assessment then that is public ownership. Why did R Com Suzlon failed it is only public shareholding.

You need to have faith in ONE MASTER who protects you from every crisis. If not then you are yourself responsible. Finance should be handled on the same lines of HEALTH.

RIL crossed 1440 again in style which is for the first time a divergent trend after results. Many punters have shorted assuming that RIL generally corrects more than rs 100 post results. Even this time eluding short sellers it did correct till 1390 from 1420 to get short trapped. Now the reason we believe that RIL could see Rs 1600 as early next week is that it may announce de merger of JIO and RETAIL into separate companies. ARMACO is interested only in OIL assets. BPCL privatization has given a lead advantage to ARMACO in RIL. The split of shares could mean RIL valued at Rs 2500 from cmp Rs 1440 hence there will be huge buying before the effect of de merger is given. Now see Century which is still valued at rs 975 (Rs 450 for century and Rs 525 for ULTRATECH) offers at least 100 pc upside in next 12 months.

Infosys US has already said there is nothing in the investigation. As such they will follow SEBI. Law suits will be defended. In the history every second year you can see some event happens in INFOSYS either downgrade, bad results or now the whistle blowing complaint which makes stock correct 20% and then the same old story starts. Infosys not different even this time. Infosys now will double in next 12 to 18 months. Remember my advice when it was trading at rs 850 cum bonus... stock doubled. Infosys is the GOD of the stock market and you cannot easily bring splinters on such company. It will come out clean and stock will be rs 850 again. Those who short sold were benefited and those who buy now will be benefited. In my mind the short sellers only are buyers and they control the stock. They shorted in SEPT and now they will buy in Nov.

SBI's telecom book is fully secured by corporate guarantee. Vodafone PLC and IDEA that Ultratech cannot default hence there is no impact on SBI. results are super good hence stock will blast today. My personal target in the stock is Rs 350. Already short with target of Rs 150 saw another short yesterday. Also media spread SBI RIL payment bank negative story hence SBI has to outperform.

Nifty will cross 11700 today and could see 11750 on DIWALI. The above3 stocks are enough to make Nifty 11750.

Global Story

Street is in "**SELL ON RALLY mode**" hence we do not see major participation from the retail. Hindu Business Line has reported this week that the MF classification according to large cap, mid cap and small cap has dented the sentiments which Indian markets had not witnessed for at least last 4 decades. The magnitude of wealth destruction was the highest in this period of 20 months where no MF is ready to buy any mid cap shares. See the link below and read the contents carefully.

<https://www.thehindubusinessline.com/markets/stock-markets/why-small-mid-cap-stocks-dont-rally-like-sensex-nifty/article29755521.ece>

Some extracts from the story is as under.....

"Recent data shows that more than 77 per cent of the total investments by mutual funds and insurance companies is concentrated only in India's top 50 listed companies (those in the Nifty index). Mutual funds, insurance companies and other domestic financial institutions (FIs) hold stocks worth more than Rs 20 lakh crore (nearly \$300 billion) on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), out of which the share of investment that just the top 50 companies receive could be a whopping Rs 15.5 lakh crore, data given to *BusinessLine* by a leading fund house shows. The same was between 35-38 per cent in 2016 and 2017, and just around 16-18 per cent prior to 2014. It is this reason that you see a bear market-like scenario for broader stocks, even when benchmark index Nifty and Sensex are just 5-7 per cent lower than life-time high levels. FPI investment in top 50 companies has gone up to around 63 per cent, from 35 per cent earlier."

Why MF are scary to invest in mid caps and small caps..? As per definition if a co falls in the category of mid cap where MF invests. In six monthly review if that co turns out to be small cap then where is the exit to the MF ..? Market require demand and supply from all investors say FPI, DII and retail. With the invention of this classification all new investment will go in only liquid companies say top 50 companies. If this is correct that then Nifty PE should be at least 50 in INDIA and not 20 we currently have. This is because all new DII inflows as well FPI flows will be invested only in large caps that 50 Nifty stocks where finding liquidity will become difficult. Thus for investors the safest bet at the moment could be Nifty 50 stocks which will see higher discounting due to excess liquidity chasing few stocks.

Therefore what we believe is that the Sell on Rally could be a trap. Please note when RIL was trading at Rs 1100, target of Rs 920 had come on charts. Every second person who follow charts was short on RIL counter and you have seen what happened. ARMACO news came and stock fired. It crossed life time high at Rs 1440. It may cross Rs 1600 in coming days as company will be announcing demerger of the JIO and retail. This is logical as ARMACO will have interest only in OIL assets and not JIO and retail.

However, some experts see good even in this kind of crisis. Midcaps and small caps have lost more than 90% in value yet there are no takers in the stock. However, the best part is that for a price the stock get sold. That means some insiders are at work. Why..? The grapevine says prior to 2018 it was only midcaps and small caps which gave smart returns to investors. Those who are stuck at the higher side off course will always remain sufferer like any other stock or any other time. The sell off though destructed enormous wealth on one hand has created excellent opportunity to the market makers.

A leading house today in a press interviews said that the current situation that is 2018-19 is like 2002-2003 post 2000 crash which wiped off the markets almost 2 years. This gave to birth to never before seen BULL RALLY which ended only in Dec 2007 or say JAN 2008. The 5 years bull run will get repeated as per this house. We have echoed this view from time to time and our Nifty target of 21000 to 23500 is not changed. YOU NEED to note that you do not know what is in the store..? did you know the Oct 2018 circular..? even f knew did you realise the impact..? Only OCTOPUS can tell you what is there in the store.. Therefore always follow futuristic approach and think what others cannot think. If you thinking is on the right path you will be rewarded richly.

Habits changes overnight, investors are now booking losses in mid caps and small caps on the belief that these sectors are now history and will never participate in the rally. They are now investing in large caps which were earlier accumulated by market makers. Since there will be huge expansion of PE due to higher liquidity chasing these stocks they will get cool exit with decent profits. As usual, retail is there to bell out the market makers.

Now the real opportunity lies with the market makers where they will be accumulating small caps and mid caps at distress valuations. They will be doing this for quite some time. Some mid caps will become large caps with passage of time and they will become part of the mainstream market. Result, the market makers will make 50 to 100 times returns. Who knew

TTK prestige was reporting rs 6 crs sales in 2006..? Today it is a large cap co. Who know VIP at Rs 35 (Rs 10 paid up) today is a large cap company. See the direction from Rs 34 to Rs 3000 plus in less than 10 years..

We have already released DIWALI picks and sensing the majority choice we have zero it down to only large caps which will give steady returns. For midcaps and small caps we do not think investors are yet prepared hence we will keep it for next DIWALI.

If AUTO is reversing then entire economy will reverse and will not give any chance to buy cheap. It is only conviction which gives access to stocks at compelling valuations. Yeas back we had recommended RIL at Rs 650 660 when JIO was getting conceptualised. Now JIO is matured and stock price has become Rs 2900. (Unadjusted). 400 pc returns in stock like RELIANCE. Analysts always try to raise doubts about RIL's ability to raise funds. It is the talk that RIL gr has invested more than Rs 3 lac crores in JIO alone hence it will be difficult to manage to show. But RELIANCE is RELAINCE. They have brought ARMACO on table. Now post Jio and RETAIL demerger they might bring few more biggies on the table.

Even though everything seems look gloomy around the economy Nifty has crossed 11600. This is on the back of more reforms and bold measures to be announced by the Govt. Nifty has more upside as markets are oversold. Market works on positions.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	26/10	26,667.39	-130.56	-0.49
Singapore	Straits Times	26/10	3,185.53	+16.66	+0.53
United States	NASDAQ	26/10	8,243.12	+57.32	+0.70
United States	DJIA	26/10	26,958.06	+152.53	+0.57
United States	S&P 500	26/10	3,022.55	+12.26	+0.41
Japan	Nikkei 225	26/10	22,799.81	+49.21	+0.22
United Kingdom	FTSE 100	26/10	7,324.47	-3.78	-0.05
Malaysia	KLSE Composite	26/10	1,570.00	-1.11	-0.07
Indonesia	Jakarta Composite	26/10	6,252.34	-87.30	-1.38
Thailand	SET	26/10	1,593.28	-27.69	-1.71
France	CAC 40	26/10	5,722.15	+37.82	+0.67
Germany	DAX	26/10	12,894.51	+22.41	+0.17
Argentina	MerVal	26/10	34,522.25	+1,046.09	+3.12
Brazil	Bovespa	26/10	107,363.80	+377.70	+0.35
Mexico	IPC	26/10	43,389.16	-387.44	-0.88
Austria	ATX	26/10	3,154.47	-0.21	-0.01
Belgium	BEL-20	26/10	3,752.35	-39.31	-1.04
Netherlands	AEX General	26/10	583.81	+1.44	+0.25
Spain	Madrid General	26/10	942.35	+3.44	+0.37
Switzerland	Swiss Market	26/10	10,197.09	+90.56	+0.90
Australia	All Ordinaries	26/10	6,840.98	+44.30	+0.65
China	Shanghai Composite	26/10	2,954.93	+14.01	+0.48
Philippines	PSE Composite	26/10	7,922.50	-28.48	-0.36
Sri Lanka	All Share	26/10	5,935.26	+18.98	+0.32
Taiwan	Taiwan Weighted	26/10	11,296.12	-24.02	-0.21
East Israel	TA-100	26/10	1,500.13	-4.02	-0.27

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