



Editorial

Vol -1, No-I, 27 Mar, 2021, 08 pages

Nifty recovered from day's low of 14600 to 14760 to close in green. Operators have shorted Nifty again today with stop loss of 14900. Friday we had seen smart move in Nifty and even today in last 30 minutes Nifty came in green.

They have also added PSB shares.

I suggest hold long with conviction if you trust my track record. I feel we will see 15100 15300 in March only. FPI will be buying for NAV whereas operators will get fresh funds in April. Lat 20 years record suggest markets always move higher in APRIL.

There is no change of view.

Add quality good stocks in chemicals as Govt has announced spending Rs 10 lac crs in chemicals sector. Camline Fine Oriental Aromatics Vinati and Vipul are the best bets. Vipul is an upcoming co with just 30% capacity utilisation. Many big names are enquiring this stock. Rs 188 is the resistance if cross then it will be new orbit.

Nifty made range of 14600 14900 and once it cross 14900 I believe it will rally till 15300 all in MARCH.

Current nifty at 14717 is much above the 14780 levels where heavy shorts were seen. Even today morning some shorts were initiated till 14730. If till 2 pm we sustain above 14800 then for sure will see 14900 plus closing today. In that case next 2 days will be very exciting.

Talks of 13600 have started as again this is just ahead of expiry which is a normal feature. I get excited when here such talks which are not backed by nos. FPI sold 786 crs yesterday but it is not major. These talks again clearly suggest that it is diversion. People should not buy so that operators could get to buy after 2 nd april when funding is released back.

Next 3 sessions will be guided by NAV. And I see many stocks will respond to NAV.

Change of the week

| | 27-Mar-21 | Rise /Gain |
|--------|-----------|------------|
| Sensex | 49008 | 833 ↓ |
| Nifty | 14507 | 233 ↓ |

Net Investments (` Cr)

| | FII | DII |
|--------------|-----------------|---------------|
| 22-Mar -21 | 276.5 | 542.7 |
| 23-Mar-21 | (29.46) | (529.6) |
| 24-Mar-21 | (1609.7) | 612.8 |
| 25-Mar-21 | (2887.7) | 2267.6 |
| 26-Mar-21 | (50.1) | 1703.1 |
| Total | (4300.4) | 4596.6 |

Turnover (` Cr)

| | FII | DII | Combined |
|------------------|---------------|---------------|-----------------|
| 26-Mar-21 | 71,901 | 52,645 | 1,24,546 |

| 26-Mar-21 | Advances | Declines | Ratio |
|-----------|----------|----------|-------|
| BSE | 1620 | 1340 | 1.20 |

I have a belief that Nifty will test 15900 first and then 16600. Only hiccup is earnings. Generally markets do not rise on earnings. After IT result on 18th by leading I T co IT stocks have started moving. This will continue till results in INDIA. That means one should avoid buying IT stocks on results.

Earnings calendar we see opposite reaction on stocks. If results are good stocks correct and vice a versa because 99 pc traders try to follow the announcements and media recommendations without understanding that there could be front running.

ITC reacted to demerger whereas earlier it was always a short candidate. Tata motors corrected on CEO resignation which itself is a good reason for the stock to go up.

Today there is SC judgement in interest deferment case which could have positive impact on PSB.

3 days back Tisco corrected below 700 and now it is 747 and this kind of move you will see in many stocks.

Now it is time to focus on ALOK as VENGAUD was found buyer in the FTSE bloc deals.

SPIC will see improved profitability after it got natural gas stream. The cost will go down. Stock trading at decent PE of 16 suggest there is good scope upside. The last resistance is Rs 35 which was 52 week high.

There could be a surprised move in Zee and I B housing on upside. Focus on these stocks.

The way funds are buying ITC it is certain that de merger will come and stock can head to 270 290.

Volatility is coming to an end by tomorrow. I think Nifty range in 14700 and 15100. OI at 58 lacs in APRIL and 57 lac in MARCH suggest market is there is left for unwinding in march and everything there to add in APRIL which also means Nifty has to go up. Now March 57 lacs net is after 50 lac shares which either to get rolled to APRIL or end tomorrow. If end tomorrow then market is very light. With PC ratio at .82 I do not think there is much scope of lower scene. Yet as usual ahead of expiry talks of 13600 has come in circulation. This we have been seeing for last 10 years. We will see heavy bounce in the second half above 14800 and may see 14900 also. We have nothing to do with global markets and bond yields.

The fact OIL fell to 58 usd has to appeal INDIAN markets and not bond yields.

Why would FPI not exit INDIA...? Though we have tried explain in our last Saturday note I will try to explain once again.

| 5 Top Gainers | | | |
|----------------------|-------------------|-------------------|---------------|
| Stock | 26-03-2021 | 22-03-2021 | % Gain |
| Privi Speciality | 868.6 | 646.0 | 34.4 |
| Adani Total | 906.0 | 737.3 | 22.8 |
| Hinduja Global | 1461.6 | 1209.2 | 20.8 |
| Birla Corporation | 911 | 790.5 | 15.2 |
| Praj Industries | 186.9 | 163.4 | 14.4 |

| 5 Top Losers | | | |
|---------------------|-------------------|-------------------|---------------|
| Stock | 26-03-2021 | 22-03-2021 | % Loss |
| Future Life style | 54.1 | 64.8 | 16.5 |
| EDELWEISS Fin | 70.3 | 84.1 | 16.4 |
| UCO Bank | 10.9 | 13 | 15.6 |
| Future Retail L | 47.2 | 55.8 | 15.4 |
| Dixon Technologies | 3624.6 | 4269 | 14.4 |

| Top 5 Picks By CNI 'A' Group | |
|-------------------------------------|--|
| Company | |
| RIL | |
| INFO EDGE | |
| TATA STEEL | |
| HERO HONDA | |
| BRITANNIA | |

| Top 5 Picks By CNI 'B' Group | |
|-------------------------------------|--|
| Company | |
| SYNGENE INT | |
| ZYDUS WELLNESS | |
| POLY CAB CABLE | |
| IEX | |
| BURGER KING | |

Tisco Bull run started from Rs 200 when we first gave buy call. Since then FPI and operators combine are long in TISCO and do not shy to add even at Rs 700. The volatility of Rs 100 really does not affect their average cost. Now see this carefully..... when the stock trade at Rs 720 there are calls active till 850 than means at least 20 calls series and 20 put series. They make this as chess board. And we play the chess. End of the day who wins you all know.... So taking 20 plus 20 neutrals and average of Rs 20 per call which means Rs 400 per series. So they earn Rs 400 from TISCO Bull run started from Rs 200 when we first gave buy call. Since then FPI and operators combine are long in TISCO and do not shy to add even at Rs 700. The volatility of Rs 100 really does not affect their average cost. Now see this carefully..... when the stock trade at Rs 720 there are calls active till 850 than means at least 20 calls series and 20 put series. They make this as chess board. And we play the chess. End of the day who wins you all know.... So taking 20 plus 20 neutrals and average of Rs 20 per call which means Rs 400 per series. So they earn Rs 400 from TISCO calls and puts. So they earn almost 50% of the stock price. Chances of going wrong in almost nil as they hold equal qty in futures and hence they earn there also. Effectively they earn 500 pc in a year. Now if this kind of earnings is there then will they shift money to US bonds for 1.75% yield...? They have to take Tisco to 1500 come what it may hence even Rs 100 volatility will add to their profit. We have seen same case with TATA MOTORS and the run from Rs 60 to 350 and will cross Rs 2000 for sure in next 3 years. So for them keep pocketing the calls of all series and for that they control the price.

Indian markets will never die.

Very investor has taken entry in VIPUL ORGANICS which makes me believe that now my target of rs 1500 will come in 2 years. These are the same set of people who had entered in VINATI and many big stocks at early stage. Without these investors stock cannot rise. Earlier I had told that Numero Uno had accumulated and now a new investor who follows Numero Uno. Promoters had infused equity for expansion which is very positive. Wait for MARCH results. I feel there has to be 30% growth in march quarter. If this comes share will blast. Co is doing all this at 30 35 pc capacity utilisation and there is no dearth of orders. The infrastructure is preventing rapid exports.

Lot of e mails received on SABOO SODIUM. I have explained the value in full. I believe it is good story. The fact that stock is cct master suggest some big operators are into it. There must be some purpose in hitting lower cct and once reverse you may not even get a chance to buy. It is as such investment call. Due diligence is always required. Bank Maharastra did not work for 1 month and then when blasted it moved from Rs 11 to 24. It is your belief that makes your rich. even after going through the value note if you feel that it is penny stock not worth taking risk you should not buy. It is only for those who believe in value stocks at dirty price. E g Sarveshawar food did not work for almost 6 months but now from rs 11 to 21 upper cct. So risk will always be there in penny stocks.

When I recommended CAMLINE FINE at Rs 70 and then at 122 stock is up and up only. I believe it has to touch Rs 250 first then 1000. Only concern is that investors believe that in the past stock did not deliver. Sometimes it happens.

I B REAL has become MNC stock and hence it has to blast. I B housing too will become MNC with Apolo taling over. Even Zee for that matter may become MNC.

Those who want to buy strong stocks ITC MNM FIN are good stocks. One can buy and hold for long term. More can be added in KARUR VAISHYA Bank which is trading at 30 pc dis to fair value and with R J A D and ADIA you cannot lose money. Conviction that matters. BOB let it cross 81 we show you where it is heading.

We have completed 24 months of lock down and Moody's raised India growth rate to 12.6 pc. Today is expiry day and obviously market is falling without much volumes. This clearly shows a point that we have a good opportunity to buy quality stocks like TATA MOTORS which you cannot get at Rs 125 PP shares. Current market price of share is Rs 287 and PP is just at Rs 125. Same stock and lower price with no voting right which hardly matters.

Similarly stocks like BPCL HPCL IOC Tisco Vedatna Hindalco all have good value.

Anyways there is no point of talking when Nifty broke 14600 before expiry and we have to face the music on expiry day even though data does not support this kind of fall. In the past whenever we have seen this kind of market we have seen heavy bounce.

Now as far as F O players are concerned if they cannot digest the volatility of 500 Nifty points they are not fit F O traders.

Investors if follow fear and greed methodology with the flows then will never make wealth for sure. Now the time is right start adding good shares. If you feel market will fall more then add in instalments.

One thing I understand that if they wanted to really sell stocks they should have opened markets higher with the global trend and made it plus created volumes and then in last 1 hour sell it off. This we saw many times. Yesterday market refused to recover even once which was unusual. Even today market straight opened 500 points down. This can trigger only winding off, fearsome selling and wait and watch.

Many few say just .10 pc of the investors step out with buying interest and these are the real hero and lions of capital market.

At the time of writing this column the OI in Nifty is 73 lacs only which is lower than March 2020. PC ratio is below 80 which is lowest in the last 12 months. March Nifty OI is 47 lacs which include 5 mn short side also and this is now in the money. To prove that those who control markets they squeeze of either side. They have pocketed all calls of March series. 14500 call was trading at Rs 500 few days back and now it is at Rs 20. Historically the call buyers are more than the put buyers as 98% people love TEZI. today most of the A gr stocks at support level and hence bounce is certain.

We have identified few more research stocks but no point in sharing as of now. Will share at appropriate time.

Those who follow me will suggest do not panic and add stocks which you like.

"US Fed Chairman Jerome Powell: 2021 should be a very strong year for #economic growth; we don't expect harmful inflation, have tools if needed" This is saying because of QE and I too believe that QE will make the difference. We have seen Rs 3.06 lac crs buying in 10 months. As per FED they will approve another 3 tr usd spending which means another 25 bn usd will be allocated to India. Mark my words. Hence the buying suggested at every fall.

It's the last day of the financial year and so we are seeing action only in F&O stock and low volume in cash stock. We at CNI hope u guys had a great year.

We promise u coming year will be great and we may see 18000- 20000 on the nifty.

Star performer will be Reliance, Tata steel, Adani port, Zydus wellness, IEX, Happiness mind, Naukari, BPCL, Sheela foam, Karur, Tata communication and Idea.

Global Story

The way market recovered on the first day of the new settlement it was clear that the fall of 1000 point nifty was for the reasons explained in our last report. Hence with yield terror continuing and corona spreading at rapid speed market should have fallen even on Friday.

The p/c ratio reached to low of .66 on Thursday. We had been telling all along that this is not sustainable. On Friday Nifty recovered and in SGX it closed at 14635. Though the put call ratio is very bad it is showing at 1.55 on OI basis as of 29th April 2021 which signals a big big rally in April 2021. At the peak the ratio was 1.58 and even now on 29th April OI it is showing at 1.55. The .66 ratio is closed to all time low of .47 in March 2020 hence selling at current level will be suicidal. .66 also suggest bears are still favoring shorting calls though this could be manipulative.

Put/Call ratio (PCR) is a popular derivative indicator, specifically designed to help traders gauge the overall sentiment (mood) of the market. The ratio is calculated either on the basis of options trading volumes or on the basis of the open interest for a particular period. If the ratio is more than 1, it means that more puts have been traded during the day and if it is less than 1, it means more calls have been traded. The PCR can be calculated for the options segment as a whole, which includes individual stocks as well as indices.

This ratio suggests more and more calls were sold. The selling so exaggerated that market is clearly in oversold zone. Of course you cannot say that this is exact bottom as aggressive bears may try to write more calls. But historically it is seen that in such scenario even if market may has some downside room but the bounce will be equally fast and furious which can be more dangerous for the short sellers. The bounce can wipe off the entire losses in just few trading sessions. E.g we generated buy in Tata Steel T 697 stock seen low of 693 and then bounced to its earlier high of 780 in just 1 day. What we have seen in Tata Steel may see in Nifty as well in other stocks.

The range of Nifty in April will be 14000 to 15500. Why 14000....? Bears will try to prove a point that markets are overvalued and short aggressively and for that they will use oscillating bond yields. We have on record that bond yield is Ghost created and has no direct or indirect influence on Indian markets except creating unwarranted fear and motivated volatility. And why 15500...? The put call ratio of 29th April 2021 suggest 1.55 which is close to 1.58 the peak Nifty of 15300 which resembles to our target of 15500. Well, the spring reaction will be seen when markets are extremely oversold.

We have already explained even if Nifty goes to 14000 none of the operators will get affected because they are long from 8000 10000 levels and only they can take it back to 15500 which means 1500 points rally to pocket it. The only class which is affected is traders who go with the wind. Even 3 to 5% fall means end of life for the traders whereas we have seen a 15% rally in no time in stocks like Tisco. Now watch BPCL BHARATI TATA MOTORS MAHINDRA MNM FIN SBI ITC ZEE etc they will rise 15 to 20% in April and no one will be able to catch it.

The axe always falls on traders. They have been taught to trade with stop losses. And histories suggest 7 out of 10 time stop losses get triggered which result in net loss to traders. On the contrary investors make a killing in such a market provided they do not try to do bottom fishing and try to time the market.

Fresh funding will start from next week, IPO flows will return to bankers investors, and NBFC will also open fresh books for retail. All these factors will make markets run like what we have been seeing since May 2020.

Now on facts and figures please note that Rs 1000 2000 Crs selling which comes from FPI sometimes is on account of round tripping and hedge funds which may be owned by few big houses globally and not from long only funds. So whenever you read FPI selling you may get foxed. Please note Rs 280000 Crs were infused by the FPI from MAY 2020 till MARCH 2021 and in MARCH alone this figure was still positive Rs 10000 Crs even when Nifty fell over 1000 points. This proves a point that FPI did not sell in INDIA and distortion came from operators and we had explained the probable reasons.

Now FED has approved 80 bn usd bond purchase every month, infusing another 3 trillion usd to safeguard the US economy which means first impact will be inflow of 6 BN USD every month in INDIA. Secondly the 3 trillion usd purse will open floodgate of another 25 bn usd to INDIA which leads to the logical figures we estimated and shared with you earlier that India will get another 50 bn usd inflow.

Based on this we hold our target of 16600 and then 17500 of Nifty. NSE shows the PE at 39.15 which will change to 31.32 from 1st APRIL 2021 but do not when the effect will be given. As per Bloomberg the same is at 34.51 and as per CNI it is at 27.6 so you have to decide which PE you want to follow. Now compare this with US Dow which trades at 29.53 and normally India was trading 20 pc premium to Dow due to very high growth we believe India is still in safe zone. On that ratio even 18500 looks feasible. Given the current liquidity scenario therefore 16600 and 17500 is not far stretched

Market capitalization of India is 2.75 trillion USD as of now whereas the GDP is 2.7 trillion USD and hence the ratio has now crossed 100 and reached 101.85. We have scope to reach till 120 which again means 20% upside which takes us to 17500. In Dec 2007 we had reached a high of 149% also which cannot be ignored as we have yet to enter that kind of Bull Run in INDIA.

We therefore continue to believe every dip is a buy opportunity provided you have your own conviction. There are many multi baggers into making. Continue to follow us on www.cniresearchltd.com for daily analysis and stock advice.

Global Indices

| Country | Indices | Date | Index | Net Change | Change % |
|----------------|--------------------|-------|------------|------------|----------|
| Hong Kong | Hang Seng | 27/03 | 28,336.43 | +436.82 | +1.57 |
| Singapore | Straits Times | 27/03 | 3,157.95 | +16.24 | +0.52 |
| United States | NASDAQ | 27/03 | 13,138.73 | +161.05 | +1.24 |
| United States | DJIA | 27/03 | 33,072.88 | +453.40 | +1.39 |
| United States | S&P 500 | 27/03 | 3,974.54 | +65.02 | +1.66 |
| Japan | Nikkei 225 | 27/03 | 29,176.70 | +446.82 | +1.56 |
| United Kingdom | FTSE 100 | 27/03 | 6,740.59 | +65.76 | +0.99 |
| Malaysia | KLSE Composite | 27/03 | 1,601.42 | +3.69 | +0.23 |
| Indonesia | Jakarta Composite | 27/03 | 6,195.56 | +72.69 | +1.19 |
| Thailand | SET | 27/03 | 1,574.86 | +3.82 | +0.24 |
| France | CAC 40 | 27/03 | 5,988.81 | +36.40 | +0.61 |
| Germany | DAX | 27/03 | 14,748.94 | +127.58 | +0.87 |
| Argentina | MerVal | 27/03 | 46,440.78 | -415.63 | -0.89 |
| Brazil | Bovespa | 27/03 | 114,780.60 | +1,030.70 | +0.91 |
| Mexico | IPC | 27/03 | 47,379.19 | +366.82 | +0.78 |
| Austria | ATX | 27/03 | 3,145.61 | +43.83 | +1.41 |
| Belgium | BEL-20 | 27/03 | 3,884.77 | +38.64 | +1.00 |
| Netherlands | AEX General | 27/03 | 696.62 | +11.29 | +1.65 |
| Spain | Madrid General | 27/03 | 848.76 | +8.32 | +0.99 |
| Switzerland | Swiss Market | 27/03 | 11,116.81 | +18.00 | +0.16 |
| Australia | All Ordinaries | 27/03 | 7,063.09 | +40.47 | +0.58 |
| China | Shanghai Composite | 27/03 | 3,418.33 | +54.74 | +1.63 |
| Philippines | PSE Composite | 27/03 | 6,544.63 | -36.37 | -0.55 |
| Sri Lanka | All Share | 27/03 | 7,097.39 | -1.74 | -0.02 |
| Taiwan | Taiwan Weighted | 27/03 | 16,305.88 | +245.74 | +1.53 |
| South Korei | KOSPI | 27/03 | 3,041.01 | +32.68 | +1.09 |

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Printer:

KOKILA GRAPHICS

Printing Press Address:

Gala No-12, Gr. Floor,
Bliss Compound, Nivetia Road,
Malad (East),
Mumbai-400 097

Owner:

CNI Research Ltd

Place of Publication

A-120, Gokul Arcade,
1st Floor, opp Garware House,
Sahar Road, Vile Parle (E)
Mumbai- 400057

CNI Publications, A/120, Gokul Arcade, Sahar Road, Vile Parle (East). Mumbai- 400 057. PH.022- 28220323 / 28383889, Fax- 022-28242220