

Editorial
Vol -1, No-I, 13 March, 2021, 07 pages

1.9 tr stimulus cleared on late FRIDAY and markets should have opened big gap up. But there was attack on the SAUDI oil wells which took OIL to 71 which gave good reason to bears to short a fresh. But there were no casualties and hence the shock will erode and markets will rise.

I will focus again on TATA MOTORS now. There are 900+ cars per 1000 people in the US. There are 800+ cars per 1000 people in Europe. In India, there are just 20 cars per 1000 people. Most of the above are Petrol and Diesel cars. So India has the biggest advantage in the world to jump straight to the Electrical Vehicle segment, like it skipped the wired phone revolution and jumped straight to cell phones. Just the EV battery market alone could be \$300 billion in India in ten years. We are entering a decade of massive changes in vehicle buying. If you are looking for investing or business, carefully observe the passenger vehicle market of India from now. EV + Battery + chemicals + raw materials for E V all will work in future.

HDFC has been named as the most valuable bank in the world. We must take a leaf from it and invest in PVT Banks. KVB sounds good. It has investor like RJ. It has fair value of Rs 87 as per many analysts and I feel stock will cross Rs 100 easily on given day on strong working. In long term this can be 1000 Rs stock and a jackpot.

In PSB I will stock with BOB now. Great value the fact that 4500 crs shares were sold easily in QIP suggest it all. First target is Rs 125.

NMDC is set for big innings as they have raised prices again in FEB and even production is up so March Q will be superb. The short (in P NOTE) factor will make wonders once stock cross Rs 150 as the sellers have deep pocket and thick skin.

ITC is another MNC stock which is really surprising me how can it trade below 8 9 pe ...? When other MNC stocks trade at 100 pe I think one must buy and wait the aberration will get corrected provided you have confidence. Again this is ALOK NATH of capital market where everyone cracks joke. But to my mind it is due for a big innings. May be it will surprise the street by announcing de merger of FMCG. My guts is we will see ITC at Rs 600 700 in 12 to 24 months.

Change of the week

	13-Mar-21	Rise /Gain
Sensex	50792	391 ↑
Nifty	15031	93 ↑

Net Investments (` Cr)

	FII	DII
08-Mar-21	(1202.2)	483.6
09-Mar-21	2670.7	1250.2
10-Mar-21	677.8	447.6
12-Mar-21	(163.8)	(163.8)
Total	1981	2017.6

Turnover (` Cr)

	FII	DII	Combined
12-Mar-21	56,492	35,788	92,280

12-Mar-21	Advances	Declines	Ratio
	1301	1714	0.75

GAIL has surprised street now. At 157 and no one was expecting this kind move except CNI which chased GAIL madly from Rs 67 levels. Same thing will happen with NMDC and ITC wait and watch. We are very much confident on these 2 stocks. BPCL HPCL ONGC and IOC too falls in that category.

RIL touched 2222 and all set to cross Rs 2500. From this you can imagine Nifty.

Nifty fell on FRIDAY which always happen and rise on Monday. Now I will not be surprised if it cross 15500 on this THURSDAY.

Volatility is managed with the help of OIL. Now OIL is back to 68 and Nifty is going up.

TATA COFFEE is ready for a bog move. Last week RKD added 3 cr shares at 135 and now stock is at 128. Same RKD when added BPCL I wrote and stock fell only to rise to 470. Similarly TC will rise to 200 non stock. As such stock is at very low PE. Global coffee prices rising.

BPCL reported 7% stake at 435 but that happened in a bloc deal. Stock back to 450. Now dividend of Rs 50 can come easily. My target 550 is still intact. In fact, with all these moves we are reaching near to final date of BPCL divestment.

There is good amount of buying in LIC Housing.

Tata Motors will remain ever shining stock in 2021.

5 Top Gainers			
Stock	12-03-2021	08-03-2021	% Gain
IFCI	15.61	11.74	32.9
JINDAL POLY	855.7	657.1	30.2
SAREGAMA	1591.6	1231.5	29.2
REL INFRA	39.75	32.55	22.1
MOREPEN LAB	35.65	29.3	21.6

5 Top Losers			
Stock	12-03-2021	08-03-2021	% Loss
MAJESCO	81.75	100.3	18.4
INBULL REAL	104.1	119.9	13.2
INDO COUNT	124.7	138.4	9.9
GABRIEL	115.8	127	8.7
SUNDARAM CLAY	3336.8	3648.3	8.5

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

Top 5 Picks By CNI 'B' Group	
Company	
HAPPIEST MIND	
ZYDUS WELLNESS	
BURGER KING	
SFL	
IEX	

TATA CHEMICAL 100% looking safe for Rs 1000. End target is Rs 2500. Tata chemical single largest stakeholders in Rallis India. mcap 2500 cr. Tata chemical owns 2.5% in Tata sons which is equivalent to 20,000 crore alone. Tata Chemicals Ltd is likely to soon start building a manufacturing facility for lithium-ion cells in Gujarat. The Tata group company is likely to seek incentives under the PLI scheme and may also export cells from India, Dholera. The production-linked incentive (PLI) scheme announced by the Union government could spur TATA CHEMICAL to start local manufacturing of lithium-ion cells in the next couple of years, to take advantage of ₹18,000 crore worth of government subsidies announced in budget. The company has the largest salt works in Asia, and is the third largest soda ash manufacturer and the sixth largest sodium bicarbonate manufacturer in the world. The company has a strong position in the crop protection business through its subsidiary company Rallis India. Tata chemical has a global footprint with operations in India, Kenya, UK, EUROPE, ASIA. TATA CHEMICAL is leading investors in Indo Maroc Phosphore (IMACID). Why I am writing about Tata Chemicals so much so that you can understand the importance of Salt. Why would Tata chemicals buy SABOO...? is general question. The drive to grow will make them buy SALT brands...? Why did TATA bought HIMALAYA WATER...? These questions are silly but when happen you have no way to catch these stocks. So better take risk add small quantity and wait. Max I feel if the deal has to go through then it will be before 5th APRIL hence the waiting time is less than 30 days.

I will write more about Tata Coffee and Tinplate in days to come. Big news will come in TINPLATE very soon.

Nifty crossed 15200 which I had told you. If we close today above 15300 the deck is cleared. In fact, we will close. 15700 15900 is my target in MARCH 2021.

Tata Coffee is ready for a big break out. Big peoples have entered. My first target is Rs 200 and then 400 500.

KARUR VAISHYA Bank as per insiders who know ADIA says it is worth Rs 500 and ADIA is known for value creation. ADIA made HDFC Bank big. This PVT bank will beat all. ADIA is one of the biggest investor from GULF.

Now CLSA has come out with buy report on INDUS IND with target 1350. I have been telling this from Rs 250. My target is 1750 and then 3500.

Yaarii I had asked to book some profits at Rs 184 and now suggesting to add more as it has corrected. Next target is 260 280. It is one of the biggest player in DIGITAL story.

Zee and I B Housing will rock in next few weeks on change of management. RIL will rise to Rs 2500 by APRIL end.

Alok volumes have started. I think Co will announce QIP and after that one way rally will start. My target is Rs 45.

TINPLATE and TATA METALIKS will merge in TISCO to allow promoters raise stake to 41 to 42 pc from current 34 pc level. When is a question mark..?

Tinplate reported Rs 3.14 eps for q3 on sales of 567 crs. B v is 73. Stock trading at 2.36 times b v is cheap considering it is Tata gr co and Tisco subsidiary.

Equity is Rs 104 cr out of which Tisco hold 75 pc thus free float is 2.55 cr shares only. Market cap for this tata gr co is just 1800 crs.

Co has 60 pc market share including business users which puts it in almost monopolistic position. Its exports is at 17 pc. Its plants are located at Jamshedpur where tisco is based. Co has been striving to expand capacities. Import substitutions of specific tinplate grade was accepted well by the customers. Company's efforts to move closer to the edible oil brands by way of supplying branded oil can - PAXEL through its Service & Solution Partners (SSPs) improved its footprints in Western and Southern markets. With commissioning of SSP2 in South and expansion of capacity in SSP1 at West, PAXEL sales increased substantially to 89 Lacs cans compared to 22 Lacs cans in the previous year. Printed tinplate sales also increased by 24% over the previous year from 4,346 MT to 5,390 MT. Commissioning of the 2nd Printing Line at the Company's Works in Q2 FY 2019-20 helped in scaling up .

Fpi holding in the co is just 2 pc. The counter is controlled by a strong operator which can be seen from the top 10 shareholding in the balance sheet.

Tata metalik which is another subsidiary of Tisco where market cap is just 2481 crs. This is into pig iron where as tinplate is in tinplate biz. In Tata Metalik, Tisco holding is 60 pc whereas in tinplate it is 75 pc. There is strong case of strategic merger of Tinplate in Tata Metalik. Or both into Tisco. In Tisco, promoter have 34 pc holding and if both the co are merged with some other co in Tisco the promoter holding can rise to 41 42 pc as per calculations where

Tinplate and Metalik shareholders will gain 50 to 100 pc. RNT was on record that he wants to raise TATA stake in Tisco to 43 to 45 pc .

In any case, the annualised eps of Tinplate is 12.56 and currently stock is trading at 15 p e whereas Tata ought command higher discounting. Based on our belief and experience the ratio of merger will be 3:1 that is 1 share of Tisco for every 3 shares of tinplate. This is my personal view and hence request everyone to make due diligence before they buy the stock.

As per my theory investing in TINPLATE will help in more than one ways. One that it is growing very fast, high market share, high promoters stake, low free float and biggest plus is that no big FPI investment. The day FPI zero on this stock it will rise at least 3 to 4 times whether they merge it or not. Last 6 months average price also suggest there is big downside. Hence under the circumstance where we are above 15000 Nifty I feel TINPLATE is the safest stock. (Disc I am invested in the stock.)

My job to share analysis. Liking or not liking is your call.

ITC is kept under control for SUUTI deal. Last so many months the deal is expected but not happening. I think Govt too is waiting for the demerger of FMCG as they want to sell only CIG biz stake. It's paper division is doing extremely well and hence ITC at cmp looks steel to me.

BOB is just waiting to come out of BAN. This is now a day's become operators strongest tool to control the stock. Though I will avoid other PSB. BOB with 4500 crs in kitty is cheap in valuation now. It is controlled by EX CITI man.

IEX was up 12% in trade at 340 rupees. We were recommending this stock in our chakri comments from a long time. We believe company has strong rationale to enter 4 digit mark.

Happiest mind also was recommended in our comments at 350 level and today it's trading at 550. Same way we are extremely bullish on tata coffee, Karur and nam India.

Syngene And Zydus looks good at CMP.

Global Story

Friday seems the new day picked for and new ghost playing a major reason for correction that is US bond yields. We had a holiday on MAHA SHIVRATRI and the gap allowed Nifty to open above 15300 but certainly not before crashing it below 15000 on Friday. See the last 4 Friday's market behavior....

19th Feb - Fell 140 points
26th Feb - Fell 570 points
02nd Mar - Fell 140 points
12th Mar-Down 150

12th March is in fact down 350 points from days high which is too much.

All 4 Monday following there was gap up in Nifty. Well, this clearly implies that the volatility is created so that traders can be removed from the system and shorts can be trapped. The reason for yesterday's fall is again rise in U S bond yields.

There was Bloomberg flash during market hours which is as under' *SHARP RALLY IN US BOND YIELD AGAIN*

US 10-yr Treasury yield rises above 1.625%, up 7 bps while the US 30-yr Treasury yield rises 8 bps to over 2-week high of 2.371%. US 2-yr also rises sharply to 2week high of 0.15%.

This was enough to create spark of selling, fear of yield rising again to 2 pc as projected. Well, this is a new a new GHOST. Neither such yields will sustain these levels nor are important for the Indian markets. When U S markets not reacting why the hell Indian markets should react. For the sake of clarity we repeat once again that Warren Buffett is on record saying that one should not invest in U S bonds. Equity is the best option. If stock like MTNL can rise from Rs 7 to 24 just imagine how much returns you will get in equity stocks going forward.

There were also media stories that thr q4 results will not be as good as q3 results. They feel the rising cost will dent the profitability. We here would like bring on record 2 issues. First that though cost is rising even selling prices are rising and whenever you see inflationary pressure sustain it is because of high demand. Therefore there will be pass on with higher margin. Second issue is that inventory adjustment. When the prices have shot up 40 to 70 pc the FIFO accounting mean the current quarter will absorb lower value inventory though the selling prices very high hence profitability will b3 higher than Q3 in Q4.

U S bonds yield though gives spike time and again will fall sharply. Therefore whenever yield rises and stock corrects this is the god gifted opportunity to buy dips.

We have no change in our target of 16600 16700 Nifty in next few quarters.

We believe there will stupendous rise in many stocks which have not participated in the rally. E g MTNL rose from Rs 7 to 24 and IFCI from 5 to 20 and now even stock like R Power gathering friction. Yes, many stocks in these categories may rise many fold but we at CNI we focus only on quality stocks such as Tata Coffee, Tinsplate Karur Vaishya bank Bajaj Consumers which are fundamentally strong. Earlier we had picked up BPCL HPCL GAIL NMDC and all these stocks had given good returns.

We will still focus on BPCL BHARTI AIRTEL HPCL IOC NMDC TISCO TATA MOTORS MNM FINANCE AND ITC ETC.

There is no reason to worry. We are in bull market which should continue till 2024 at least and Nifty has potential to test 23500. We are at 15000 and there is long way to go. Hence every dip should be used to buy quality good stocks. Immediate target of Nifty for 2021 is 16600 16700 and may even test 17500. Keeping in this mind we advise to invest in quality stocks.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	13/03	28,739.72	-645.89	-2.20
Singapore	Straits Times	13/03	3,095.22	-10.79	-0.35
United States	NASDAQ	13/03	13,319.86	-78.81	-0.59
United States	DJIA	13/03	32,778.64	+293.05	+0.90
United States	S&P 500	13/03	3,943.34	+4.00	+0.10
Japan	Nikkei 225	13/03	29,717.83	+506.19	+1.73
United Kingdom	FTSE 100	13/03	6,761.47	+24.51	+0.36
Malaysia	KLSE Composite	13/03	1,615.69	-13.72	-0.84
Indonesia	Jakarta Composite	13/03	6,358.21	+93.53	+1.49
Thailand	SET	13/03	1,568.19	-6.94	-0.44
France	CAC 40	13/03	6,046.55	+12.79	+0.21
Germany	DAX	13/03	14,502.39	-67.00	-0.46
Argentina	MerVal	13/03	49,070.98	+710.27	+1.47
Brazil	Bovespa	13/03	114,160.40	-823.40	-0.72
Mexico	IPC	13/03	47,769.87	+96.05	+0.20
Austria	ATX	13/03	3,158.36	+10.75	+0.34
Belgium	BEL-20	13/03	3,864.84	+22.41	+0.58
Netherlands	AEX General	13/03	677.41	-6.30	-0.92
Spain	Madrid General	13/03	862.98	+5.11	+0.60
Switzerland	Swiss Market	13/03	10,839.93	-43.30	-0.40
Australia	All Ordinaries	13/03	7,014.61	+61.69	+0.89
China	Shanghai Composite	13/03	3,453.08	+16.25	+0.47
Philippines	PSE Composite	13/03	6,728.55	+9.37	+0.14
Sri Lanka	All Share	13/03	7,247.48	+34.82	+0.48
Taiwan	Taiwan Weighted	13/03	16,255.18	+75.62	+0.47
South Korei	KOSPI	13/03	3,054.39	+40.69	+1.35

Name of Editor: Minit Jhaveri

Publisher:

Mr. Kishor Ostwal
120, Gokul Arcade,
Sahar Road, Vile Parle (East),
Mumbai-400057
Tel No: 022-28220323/28383889, Fax No: +91-22-28242220
E-Mail at: chamatcar@chamatcar.com

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