

Editorial
Vol -1, No-I, 19 Oct, 2019, 10 pages

End of expiry means end of pain for the time being. FPI continue to remain in sell mode like 2014 to 2019 then it was really no sense for them to buy 12000 crs stuff when tax cuts were announced. If they were smart enough they should have used this opportunity and vacated the 30000 40000 crs stuff in the market as there were buyers.

This means the intention is not go out of INDIA but try to control the INDIAN markets as they were trying in the past. Till 2014 only FPI were controlling markets. Now it is not possible as DII inflow is still continue in a big way. They can at the most can sell 12000 crs a month for next 2 to 3 months and then get tired.

The big question for you should be why FPI is selling...? FPI will keep on selling if the money is not FPI and the real owner is in trouble and want to withdraw the money at any cost. And even for that there must be some equations with North bloc.

Their approach is very simple. Attack India, sell India and corner big chunks.

For retail investors following them is not correct strategy. In INDIA retail is defined as the one who is happy with 5% profit and stands with 90 pc losses. They are destined to buy only in rally and sell in fall. Hence retail have always lost in INDIA. Those who make money are smart HNI investors and not retail. Smart investor buy when things are not good and wait patiently for change in circumstances which happen always with passage of time.

CHINA trade war factor is huge plus for INDIA. 3 big JAPENESE stores are in INDIA now. India will get 150 bn usd shift from CHINA in manufacturing.

With heavy tax cuts India will return to growth for sure. Export oriented companies like VIPUL ORGACNIS (51 countries) will get added advantage of exports. OAL which exports to P and G USA could be another great pick. RDB Rasayan is expanding in Kolkata and KHARAGPUR with no borrowings as Rs 70 crs lying in the B S could be again a growth story.

Contrary to this when you pick up stock like VAKRANGEE MANPASAND QUALITY etc where heavy FPI and operator action is seen you can imagine what is at stake. All these stories get sold in bull market. The

Change of the week

	19-Oct-19	Rise /Gain
Sensex	39298	432 ↑
Nifty	11661	361 ↑

Net Investments (Cr)

	FII	DII
14-Oct-19	6153.2	(425.1)
15-Oct-19	2169.5	929.3
16-Oct-19	896.6	1576.7
17-Oct-19	1274.3	(511.7)
18-Oct-19	36.5	586.8
Total	10528	2155

Turnover (Cr)

	FII	DII	Combined
19-Oct-19	53,259	40,849	94,108

19-Oct-19	Advances	Declines	Ratio
BSE	1606	930	1.72

The real test in bear market. Whatever is the price, if the stock scales through bad time scratch free then it will bounce back. In fact weak investors exit and strong accumulate and wait for good times. Same thing is witnessing in the stocks above.

Current market throws enormous OPPORTUNITIES for acquiring good stock. Please avoid the craze of F and O stocks. One day exchange will throw them out of F and O stock will become junk. See what happened to Srie and Jain Irrigation...? Jain was considered good stock and see what happened. So better focus on stocks where damagers that is FPI are not present. When market turn bullish.

Expiry is hovering in the mind of traders and FPI and Thursday could be that driver. However the direction of market will remain up.

Yes Bank sold Rs 660 crs worth Fortis Healthcare which is good for the stock. Can Yes Bank do QIP (at rs 50) or Pref issue at Rs 150 as per the SEBI formula price or there could be a better option of merger. In my opinion merger seems is straight forward solution. Minority shareholders could bloc as per the messages in circulation the move of merger if any if they were not given good valuations.

Technically I B Housing showing 140 possible hence traders are shorting this stock at every rise. However, there is strong possibility of seeing Rs 300 first due to short covering and any announcement in this stock. They have asked SEBI opinion on buyback and dividend as appeared in the pink paper. This means they may announce buyback and if this is done then for sure stock may blast once. Be careful and trade with stop loss on either side.

TCS is a great co and will keep on rising. There is every possibility of merger of tata elaxi with TCS to create a single entity and then dilute as TATA's may need more funds to support Tisco and Telco.

You will see the clear indicators of change in the economy in Q3 and by that time you will be seeing lot of consolidation.

How F and O kills traders...? Classical example is that many of our own customers whom we spoke sold quality good stocks in B gr at huge losses only to pay the mark to market in f and o. Today one of the investor has put for selling a strong API co at lower circuit only because he has to cough up margin. This is why I had been telling you that avoid F and O. Another customer has paid Rs 1.5 crs plus only in TATA Motors margin. Why do F and O then..? Instead this Rs 1.5 crs could have given today stocks worth Rs 6 crs at least as everything is at 75 pc discount.

Still there is time avoid F and O, use your judiciously and invest where you feel there is no risk.

5 Top Gainers			
Stock	18-Oct-19	14-Oct-19	% Gain
The New India ASS	143.65	97.2	47.7
GIC	278.9	210.65	32.4
YES BANK	51.4	39.6	29.8
HIND COPPER	38.65	29.9	29.05
EDELWEISS	89.9	70.3	27.8

5 Top Losers			
Stock	18-Oct-19	14-Oct-19	% Loss
REL CAPITAL	13.45	17.5	23.1
JAIN IRRIGATION	11.25	14.6	22.9
LVB	19	24.4	22.1
INDIA BULLS INT	71	90.6	21.6
VA TECH WABAG	192.65	239.7	19.6

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

Germany cross all time high yesterday and so also Dow is due for the same. A common sense suggest that if global economies are heading for recession then Germany and US could not have been driven by markets. These markets being more matured should have cracked first. So we are over reacting for sure. I am sure Nifty will cross 13000 before March 2020. Next destination will be 15000. So now it is ideal stage where you start building portfolio as market has consolidated for 2 years with valuations at all time low. e g TATA ELXSI which was trailing at rs 2300 once now is at Rs 660 and could be a multi bagger. The hurdle of TCS and ELAXI merge is now done with. Tisco and Telco requires fund infusion and TATA require to dilute merged TCS so that they can raise funds.

Now I believe following steps Govt is taking to beat slowdown and raise new streams of revenue as per my dialogue with some people in the North bloc.

First step is privatization. They expect at least Rs 1.2 lac crores from BPCL alone and RIL and SUADI ARMACO both have shown interest. PMO now agreed with my suggestion that disinvestment will create more destruction whereas privatisation could give fair valuations. This will be followed by another 3 companies which will help Govt to raise another Rs 1 lac crores. UK then PM in 1965 had turned British Economy. We have budgetary support of over Rs 2 lac crores every year to PSU and privatisation will not only save this but will create revenues to exchequer e g MARUTI, VSNL, Hindustan ZINC, Balco etc

Step 2 they will re start the auction of coal bloc which will help Govt to raise Rs 5 lac crores in the first trench.

Step 3 Make the personal income tax at 20% max. This is a clear rationale that individual taxes cannot exceed corporate taxes.

Step 4 Remove Dividend Distribution tax. Rationale is to allow co's to announce higher dividend and increase the disposable cash in the hands of people which will spur heavy demand.

Step 5 Remove all old labour laws so that MNC can come and function in INDIA.

Step 6 NEVER thought off..... THIS is much bigger than ARTICEL 370 and only NARENDRA MODIJI can do it. Govt is deciding to sell PSU lands to all new incoming MNC's to by-pass the route of acquisition of land from farmers. Bad test of POSCO MITTAL and TATA will not be repeated. This is a master stroke as Govt turns seller of BIG land and this will generate unprecedented flows to Govt through PSU's or directly.

Imagine if Govt start getting money for barren land then question of taxing people of the country does not arise.

Now even all these possibilities if you talk about GDP and recession and short INDIAN markets. Be liberal, trust NARENDRA MODI and invest in INDIA. My same sources says GOI has received FIPB applications for more than 150 bn usd and they expect this no to cross 1 tr USD in next 2 years. Cudos to NAMO....

Rest is left to you... What I speak happens though I might take years. Physical settlement and privatization 2 issues you have witness and you will be witness of what I am saying now.

SUNIL Mittal denied any interest in Yes Bank. Well, Sebi regulations do not permit any one to confirm ahead of event. In any case, RANA has no say in the bank having reduced to .8% stake. This is a professional bank now and new promoters has to come in through either take over which cannot happen below Rs 150 as of now. Therefore logically people will eye 5 to 10% stakes which are permissible by RBI regulations. 5 pc stake too will not giving voting control and hence part accumulation has to happen on floor. Here my assessment that earlier what the pledgor has done seem sold shares on floor to a willing buyer and the average price works out to current market price hence any new hand coming will be at some premium. I therefore feel that Yes Bank has to move up to Rs 55 60 in due course of time and Rs 100 post new management.

I B housing has hit low of Rs 165 which was technically possible. Worst come could be Rs 140 on charts. But stock could bounce from here on some other premise. SEBI heard denied the buyback permission to promoter. Buyback generally done when cash in lying in the B S and promoters wan to dip into the same. Buy back will add credentials to co as the acceptance percentage is very small and stock price has to fall more. Now having seen buyback rejected promoters will have use creeping route or some other only through the floor which will result in reduced float which will allow stock price to rise.

Gambling is taking wickets of many. I have seen someone selling in many stocks as if there is no tomorrow. This can happen only when some investors have made huge losses in F and O and do not have cash to pay mark to market. Well, someone's loss is other's gain.

Media along with some bear operators are now targeting Bandhan Bank with a price target of rs 300 to 350. Let us see what happens. We all know media in INDIA is no honest and they are with the market operators. They do story for just couple of lakh Rs. Many investors fall prey to media story and get stuck unnecessarily. Instead of incurring such huge losses why do not you engage a research firm pay up little bit and get your stock researched fully. That can save millions of Rs. Historically from Harshad time the tip business is never ended in INDIA. In bull market we buy shares on PANWALA's tip and in bear market we sell hearing media...All is not well.

But as far as India is concerned all is well. I have told you what Govt is all set to do. NAMO is lion hearted and can take bold decisions. N Sitaraman clearly told today that many policy reforms will be announced before the end of financial year. Coal, Privatisation, Spectrum, Idle land sell will give access to more than rs 10 lac crores to Govt of India. When this becomes even slightly visible where would market go..? Where would fiscal deficit go..? What will be FDI inflow..? With assured licences to MNC how quickly realty market will turn..? These are the questions for thought and you keep on deliberating the same.

My advice to you to have faith and stay invested. Buy where you get value and you know that stocks. ACC announced good result and Kesoram was up 15 pc So had applied your mind your could have had 20% returns in less than 15 days. Now keep other stocks on radar and see what happens. Every small stock will give chance to earn 20pc in less than 30 days so you buy and wait for your turn.

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 MOBIUS 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.

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.

Global Story

This was BULL's week. RIL crossed all time high of Rs 1400 and closed at 1416 before the results were announced. Though results will beat the street expectation this stock has habit of beating traders. That means good results will make investor go long and stock will correct. RIL is biggest stock in INDEX management. If RIL opens gap up on TUESDAY and sustain towards 1500 then writing on the wall will be clear. Nifty will cross 11800 in OCT itself which also means the DIWALI will be good for the market. CNI had already said that DIWALI will be good but we believe that 2020 will be the game changer for the market.

When everyone knows that there is big slowdown world over and threat of recession is looming large markets will not fall. Because markets are oversold. Global markets have shown its colour. Germany hit all time high where DOW is hitting new high and close to all time high. India how can be a laggard. India till will hit new high soon.

On comparison CHINA yesterday announced 6 pc GDP so might INDIA GDP will bounce back. Asian tigers are doing well that any other part of the world.

Who will first bell the slowdown cat...? USA has announced 60 BN USD QE every month which will take care of US slowdown if any. Forget chances of recession. Goldman Sach goes on record that current situation is worse than 2008 whereas the fact remains is that GOLDMAN is the largest recruiter of people... Do not you think this is contradictory...? Is that it is old habit of G S painting negative and doing exactly opposite because whenever S G said markets to fall it has rather moved up.

Is India capable to pull out of recession..? Will India GDP rise again..? Will our fiscal slippages correct..? Will Indian markets rise again..?

Yes India is capable to pull out of slow down which they have done time and again. Post Lehman entire world was looking at this white elephant to bail them out. India is the biggest domestic consumption story. The steps taken by the GOI will revive spending for sure. First they have dealt with corporate and new MNC which are all ready to enter INDIA. Now they will be dealing with individual tax payers by reducing the tax rates which will leave enough money on table for spending. PSB's were asked to reach consumers at their home to support credit off take. The NBFC mess is getting settled. What is bad will remain bad and what is good will remain good. If I B Housing and DLHF have gone burst it is not that Govt has done but the over ambitions of the promoters have killed them. Why not Bajaj is affected...?

Next round of reforms are getting ready which will be a red carpet treatment to global investors. Having given 15% tax, no MAT will they come ..? Answer is difficult. So will need no DDT and all approvals at one go. They want smooth takeover of land. No one wants to see repeat of POSCO MITTAL and TATA. Hence now Govt will sell Govt/ PSU land to new companies at premium to market price as it could carry all licences to start manufacturing with the word go. This is a double strategy as one hand there will be open door policy for entry in INDIA and on the other Govt will raise cash by selling barren land. The sources close to Govt bet on Rs 5 Lac Crores raising from such assets sell. Now it is stunning. When our disinvestment policy as a matter of fact failed to generate 20 30 K Crs in the past but now land will generate such big money. In fact, land only which have made our farmers rich. Now it is turn of Govt.

Next on the bloc could be coal and privatising corporate. Only BPCL could unlock more than 10 BN USD though some consultant has said that 8 BN USD will get unlocked.

Thus the focus will remain to create more employment, real estate demand, consumption of steel, cement and other materials required in offices which will be created by new MNC's. This we had written few years back and now repeat. One WALLMART will require nothing less than 1 crs to 5crs sq ft land and that too far away from the CITY. So this land will attract other close by investors and will see equal buying of land. This will be followed by residential demand in cities where the FIRUNG will be manned. Now you have just multiply the nos and calculate... Microsoft, APPLE, Cosco, Walmart. IKEA and likes will be entering INDIA. The future is INDIA.

Coming back to market the short position in Nifty is continued. We had reported in the past that whenever shorts cross 1 Lac contract you can see mad rally for next 6 months then that will get converted to big rally. We had seen the trailer when Mrs SITARAMAN announced tax cut. Now wait for the news reforms getting unleashed the FULL MOVIE will be seen.

Trust us the stock which trade at Rs 6 and are takers will see a price of Rs 70 in next 2 years and then you will say yes this is the kind of rally we had seen in 2007.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	19/10	26,719.58	-128.91	-0.48
Singapore	Straits Times	19/10	3,114.16	-11.98	-0.38
United States	NASDAQ	19/10	8,089.54	-67.31	-0.83
United States	DJIA	19/10	26,770.20	-255.68	-0.95
United States	S&P 500	19/10	2,986.20	-11.75	-0.39
Japan	Nikkei 225	19/10	22,492.68	+40.82	+0.18
United Kingdom	FTSE 100	19/10	7,150.57	-31.75	-0.44
Malaysia	KLSE Composite	19/10	1,571.15	-3.35	-0.21
Indonesia	Jakarta Composite	19/10	6,191.95	+10.93	+0.18
Thailand	SET	19/10	1,631.43	-1.37	-0.08
France	CAC 40	19/10	5,636.25	-36.82	-0.65
Germany	DAX	19/10	12,633.60	-21.35	-0.17
Argentina	MerVal	19/10	31,968.47	-26.66	-0.08
Brazil	Bovespa	19/10	104,728.90	-286.90	-0.27
Mexico	IPC	19/10	43,178.63	-301.35	-0.69
Austria	ATX	19/10	3,048.27	+8.08	+0.27
Belgium	BEL-20	19/10	3,757.78	-18.63	-0.49
Netherlands	AEX General	19/10	572.72	-3.55	-0.62
Spain	Madrid General	19/10	930.38	-0.60	-0.06
Switzerland	Swiss Market	19/10	9,965.49	-43.45	-0.43
Australia	All Ordinaries	19/10	6,758.36	-33.16	-0.49
China	Shanghai Composite	19/10	2,938.14	-39.19	-1.32
Philippines	PSE Composite	19/10	7,885.23	-45.32	-0.57
Sri Lanka	All Share	19/10	5,863.48	+3.39	+0.06
Taiwan	Taiwan Weighted	19/10	11,180.22	-6.66	-0.06
East Israel	TA-100	19/10	1,500.13	-4.02	-0.27

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Publisher:

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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