

Editorial
Vol -1, No-I, 10 Feb 24, 09 pages

Add following shares

ZEEL

PAYTM

RDB RASAYAN

VIPUL ORGANICS

SHIVAM AUTO

TRIVENI GLASS

SWISS MILITARY

SAIL BHEL

TIRUPATI STARCH

GLOBAL OFFSHORE

Market will remain good. 24000 possible before elections.

Avoid over owned stocks. Vipul Organics may see new beginning, margin expansion and drop in PE ratio. Two companies are eyeing stake. Let us see whether they take it or if yes then at what price.

Will add commentary as and when required. As of today I do not think to you require any commentary from me.

Change of the week

	10-Feb-24	Rise /Gain
Sensex	71595	486 ↓
Nifty	21782	71 ↓

Net Investments (` Cr)

	FII	DII
05-02-2023	762.8	(1188.6)
06-02-2023	(472.7)	1096.2
07-02-2023	(1601.3)	327.7
08-02-2023	(4044.8)	5512.3
09-02-2024	141.95	(421.8)
Total	(5214.1)	5325.5

Turnover (` Cr)

	FII	DII	Combined
09-Feb-24	1.57,769	1,28,000	4,14,610

09-Feb-24	Advances	Declines	Ratio
BSE	1770	2573	0.68

China cannot be a cause of worry for India. Rather fall in CHINA will move another 10 bn \$ to India. Apart from CHINA As per data JAPANESE retail investors are buying in India in a big way.

SIP in DII has crossed 17000 crs and all set to cross 25000 crs in a year once investors number grow to 25 crs and that is not an end. India is wishing to have investors of at least 70 crs that is 50% which is higher than US at 48%. Once this done SIP inflow will be 50000 crs and that is massive. Now see the difference and then decide where India is heading. Blackrock No 1 in US have 9800 bn \$ under their belt whereas SBI MF just 86 bn \$ No 1 in India. So there is no chance of 9800 becoming 20000 bn \$ whereas 86 bn \$ can at least 860 bn \$.

As per sources ALPINE will run DLF way and that is why some operators are trying to control the stock. It was managed to send in trade to trade segment to break the rally and they succeeded. Now stock is out of trade to trade and yesterday M K bought good quantity. As per source from the co management is willing to give stake not below Rs 500 big quantity so we may see volumes rising once it cross Rs 500. At present at 180 it is no brainer and buy.

We always underestimate the power of real estate companies. Here they have generated 20 crs cash and yet hold maximum flats under inventory. Undisputedly ALPINE will be my only and top pick in real estate and will remain till the time management come in the open and tell world about their 92 acre holding and probability of generating 4000 to 6000 crs cash from these projects.

It is rightly said that investors always give attention to promoter's commentary including PSU which does not convert it to cash flows. Here I see cash flow generation.

SAIL had three perspective:

SAIL will save Rs 2500 crs (Rs 700 per ton and 35 mn tons ore)

SAIL will show Rs 2500 crs more profit (7000 crs divided by three) out of no theft

SAIL will be able to sell at least 5 mn ton ore to others (as per new permission) this could translate into Rs 13000 crs additional profit (44% profit assumed)

5 Top Gainers			
Stock	09/02/2024	05/02/2024	% Gain
YES BANK	31.37	23.7	32.3
SCHNEIDER ELE	589.6	462.8	27.4
INDIAN OVERSEAS	71.3	56.1	26.9
TRIVENI TURBINE	463	367.1	26.1
INDIABULLS REAL	126.2	100.6	25.4

5 Top Losers			
Stock	09/02/2024	05/02/2024	% Loss
APTECH	227.9	273.2	16.5
BEST AGRO	630	744.8	15.4
BEML LTD	3248	3831.3	15.2
PAYTYM	419.8	487.0	13.8
UPL	459.9	533.5	13.7

Top 5 Picks By CNI 'A' Group	
Company	
RIL	
HDFC BANK	
TATA MOTORS	
BAJAJ AUTO	
TATA POWER	

Top 5 Picks By CNI 'B' Group	
Company	
SHIVAM AUTO	
J&K BANK	
INDAG RUBBER	
PATANJALI FOOD	
CAPACITE INFRA	

Thus to my mind SAIL may report Rs 25000 to 30000 crs IBITDA on equity of 4000 crs which should take SAIL price to Rs 290.

There are many short in SAIL and some ADMIN have removed SAIL analysts from W U groups seeing SAIL comments as they were short.

From today till March end I will be in buy mode very selectively and as of now my bets are SAIL and BHEL in A group as both are undervalued.

This week read PM plan to counter the no bids to PSU and rise of PSU through a well-planned structures in YMV.

SAIL, BHEL, BPCL, NTPC, SCI were among top planning of PMO.

PMO now attend TOYS segment and announced 3500 crs PLI. 55 members were there in GERMANY including Archies. Archies should qualify for at least Rs 100 crs.

ABACUS heard met SHIVAM management from our sources. In any case we are bullish because it is HERO gr and Rs 85 crs IBITDA not easy to achieve. Co has track record of giving bonus and rights at Rs 18 so investor friendly. Since volume is high you can buy 10000 50000 or even 1 lac shares as of now.

Alpine has become liquid stock now as M K entered. In last 1 week more than 1 lac shares cornered and this is possible when old ones exit. Now co will announce railway slippers orders as well convert inventory in profits. This is always the case when HNI enters stock. They clear the mind of promoters, brings the orders in the co and then the game of market capitalization starts. I see ALPINE to be 10x stock now.

I had mentioned same man had bought YES Bank and it started firing. He had created value even a fraud co like AURIOUN PRO which had admitted fudged books when Soft Bank had opportunity to see that stock in 2016. May be now they are changed.

Many anchors said exit PAYTM it will become Rs 10 and I had last laugh. Well this I heard in SBI also at Rs 900 Rs 10 paid up in 2009 and SBI became Rs 6500 now. Paytm is a great business, great value and backed by SOFT BANK and there is no question that they may sleep with M A who raped the co. Soft bank can even bring in Google. With 1 bn \$ cash, and 3 bn \$ PAYPAY investment the business is free. They met RBI and assured to resolved the concerns. Before 29th Feb RBI may cancel the order cancelling license of PAYTM PAYMENT Bank. I had already told you impact is only Rs 250 crs.

B F was waiting for 20% cct limit change. Stock will go to Rs 1450 soon.

Market has to test 23444 soon may be before expiry. SAIL will cross 160. Hold SAIL for next few months and I believe it will move like BHEL till Rs 290. Eventual target is Rs 600. First time SAIL has given 10 years break out.

PMO here too gave 300 hectares to be converted in mines. Same way they had given mines to NMDC and NMDC became 3x. Now SAIL.

Market is safe add at will whatever you like. Energy story is now PM attention. TATA POWER is though not under PM control it is in the race of taking Tata to 1 tr \$ group. BPCL SCI have now become energy stocks. All starch companies too are energy stocks as starch is used for hydrogen that is green energy. You may not understand the importance now but when TIRUPATI become Rs 500 you will realize this. This has become my dreams stock now. I see revenue rising to 1000 crs and profits to Rs 200 crs in next 2 to 3 years. Even SCI and GLOBAL offshore became farm wind companies which will create energy out of wind.

Tata Communication tied up Microsoft.

TTML has come to Rs104 and my advice is convert this to SHIVAM Auto fully. Reason SHIVAM earns 85 crs IBITDA and HERO gr whereas TTML may take long time to converge into DIGITAL play.

VIPUL another stock merits attention as it has hit high of Rs 230 and came down to Rs 198 which is fair entry point. Here operator is active and any day he will start its game. The value of this co is nothing less than Rs 1500 as I have seen all the plants of the co and also SUDARSHAN. Rest is your call.

Do not panic on sell off .This is a regular feature of the market. When RBI remained non-event, they hit the market. KOTAK and S SHARMA seems shorts trapped as they issued negative reports against the all odds of PM remaining bullish. You decide want to go with S Sharma and Kotak or PM.

Bears are in action and trying to distort the markets because they want to cover big positions. Some FPI are backing bears. Dow RSI is 67 Nasdaq RSI is 67 and Nifty RSI is just 53. This is thanks to hidden short positions. Since the gap between 81 and 53 and 35 and 81 is higher on first case there is enough scope for upside. Bhel SAIL and TATA Power will remain our top picks. Tata Power should cross Rs 600 before the announce the demerger of renewables the biggest in INDIA. We were the first to break the story of renewable valuation and stock doubled after that.

Bhel reced another order of Rs 5500. Yet NTPC order is pending. Budget shows there are four different provision of over Rs 2 lac crs and each of which has major share for BHEL hence BHEL has to be Rs 500 + soon. Please check CNI Budget we have written what helps to BHEL. I have no doubt on BHEL which has now order book of Rs 2.25 lac crs will report big positive numbers sooner than later and that will surprise street like TATA MOTORS.

Zee the attempt failed and Zee will rise to all time high and at that time you will know the value of CNI Research.

STARCH is the big source of HYDROGEN energy and very soon we may hear PM saying we will source green hydrogen from starch. SUKHJIT and TIRUPATI are my big bets in this section. ESM 2 is giving great opportunity to buy TIRUPATI.

RDB is carbon play undisputedly and hence may see HNI DII FPI buying this stock soon.

Vipul is an leader in ink pigment in the world. Even Japanese co do not have that technology and this all thanks to your research guy from the family who has done PHD and Doctorate in chemicals in US for over 8 years. Since this co is ahead of times in research a special premium is required. I met the young turk and really impressed.

Alpine after entry of big HNI is all set to be 10 bagger. I was the only person pitching DLF at Rs 70 80 and now it became Rs 830 and will cross Rs 2500 also. Considering this ALPINE is going cheap. TATA due diligence is on and if they announce something stock may be another TRF which was again a CNI find.

A French lady made 100 bn \$ out of cosmetic. MK is just Rs 343 crs MC as against Rs 47 K of Nykaa and Rs 125 K of trend. MK has potential to become Rs 34000 Crs Company in 5 to 10 years. The management has guts, they brought 5 products in INDIA all from US, and they raised the equity from Rs 8 crs to 40 crs in less than 3 years to make a big play on big screen. Finally they dealt with the concern and moved textiles biz out of the co and today what we see MK is 35% margin co only in cosmetics, hair care, and hair color segment whre thinking of a co at less than 10000 crs is just weird.

BSE will become Rs 10000 as those are trading in NSE in gray market says NSE will be Rs 25000 in 3 years. I do not know what will happen to NSE but I am sure about BSE. This is entry barrier business and only 12 exchanges are there in the world. BSE must be on 7 or 8th rank. We can't ignore this. Rs 10000 is also conservative and we will review once reach there. In 1st research note at at Rs 900 I had said Rs 5000 target people laughed at me and today at Rs 7500 they are happy and giving targets of Rs 4000 ex bonus (Rs 12000).

Finally there is no case of going short with just 22 PE on board. The earning expansion is ignored by street. One year forward is less than 18 PE and RBI now yesterday said FY 25 GDP will be 7% though CNI maintain 7.3% and this you cannot reduce your equity exposure. You will be the biggest fool if you do that.

Special feature

After robust economic activity in early 2023, China's economy has experienced a significant decline, with a slump in exports, a reduction in consumption and production, and increased unemployment. Chinese markets crashed and also spooked global markets which was one of the reason for knee jerk reaction in the Indian markets on the first day of the week. Last year saw \$68.7 billion of corporate and household capital leave China on a net basis, according to monthly data kept by China's State Administration of Foreign Exchange (SAFE). When the last annual net outflow of funds occurred in 2018, it capped four straight years of capital flight. The first is that the some of the outflow of Chinese capital to other manufacturing destinations can be described as a kind of 'geopolitical arbitrage', allowing Chinese firms to side-step tariffs, and the risk of sanctions, by going abroad.

Boards and companies are reevaluating their risks and reviewing mitigation strategies. This trend is being driven by a number of factors, including rising labor costs in China, the ongoing trade war between the United States and China, and concerns about China's political and economic stability.

As against outflow of 68.7 bn \$ from China, total FDI inflows in India in the FY 22-23 was \$70.97 Bn and total FDI equity inflows stands at \$46.03 Bn. Mauritius (24%), Singapore (23%), USA (9%), Netherland (7%) and Japan (6%) emerge as top 5 countries for FDI equity inflows into India FY 2022-23. Now even Germany, Australia, Norway could be making fresh investments in India and Japan will be increasing India investment many fold.

We do not understand unless our Prime Minister speaks suggesting that our brains are junked. PM had to say in the parliament that buy PSU stocks they will go up and we saw 400% rally in PSU stocks and it is not stopping at any point. Govt announced privatization of SAIL and what corporate India did to hammer sail and bring down the market cap from Rs 60000 crs to 24000 crs only because they had planned to eat Govt assets at Rs 25000 crs. Well that did not happen. Same thing we saw Govt was willing to sell BPCL at Rs 650 but our corporate world did not go beyond Rs 450 crs now regretting their decision. Attacks of PAYTM and Zee where promoters are minority were considered like attacks on JBF, Alok and Sintex which will never help as in both these cases there is massive value. Even though promoters are in minority they may not surrender so easily. Former has a supper from Parent Soft Bank which has not only great connections including (Google) but also has Japanese UPI to trigger a merger if required. The latter is also capable to fight the legal battle and he is nothing to lose and hence rightfully challenged SONY in the NCLT as there was no termination notice. If SONY comes back and agree for merger we can take it for granted that there was a foul play at the cost of retail investors.

Hon'ble Prime Minster said 1st term was clean up, 2nd term for foundation and 3rd term will be growth to make India a developed country. He is talking even 1000 years foundation. At the same time I also draw attention to stock market wizard Mr Vallabh Bhansali who in an interview said that India had first birth in 1947, second birth in 1991 and third birth in 2024 (22-01-2024) and further said that India growth chart is getting prepared with every birth and we may see few more before we become a developed nation. He was right in saying manufacturing is catching up and 15 years continuity in Govt will go long way in creating policy impacts. India is growing. Investors will jump from 16 cr to 50-60 crores creating alternate eco system to FPI with SIP levels rising to Rs 50000 crs a month.

Now let me bring some hard facts before you. US is growing 2% though recently they have done even 3.6% also. But on scale India is the largest growing country at the rate of 7% which will be propelled to 7.3% as early as 2025 and then to 8 % in next 2 years. In 2027 we may also reach 7 tr \$ GDP though we will be well below USA at 28 bn \$ and CHINA at 18 bn \$. Our Prime Minister rightly said that we will be third largest country in third term which I expect should happen in 2027 where Nifty should test 40700. I had in my earlier notes had mentioned that the Indices rise maximum when Country start rising from 2 tr to 5 tr \$ economy and we are in that phase.

Now let us see some comparative data of USA and India which should help you to frame your mind the growth of financial markets in US and in India. To come on Number 1 is easy to stay there for a while is challenging. US has not only reached there but survived the challenge also. The No 1 Fund in US is Blackrock and they have AUM of 9.8 tr \$ the second is Vanguard with size of 8.3 tr \$ and the tenth has AUM of 1.8 tr \$. Big names like Morgan Stanley, JP Morgan, Goldman Sach and Capital Group comes on 5 to 8 have 3 to 2 tr \$ size. Now as against this we have following in INDIA

SBI MF 86 bn \$ (> 1%)

ICICI Prudential MF 58 bn \$

HDFC MF 53 bn \$

And the tenth no rank is having AUM of just 12 bn \$

Now the see the gap and try to co relate with what Indian Prime Minister says and the journey forward. In 2020 a selling of 3 bn \$ dented indices by 45% whereas in 2024 selling of same amount (zee saga) did not even dent more than 3% and this has happened because of change of eco system of 16 crs investors supporting market which even Finance Minister was heard saying Indian retail saving markets.

Since 2014 we are seeing massive expansion in Budget size which has now reached Rs 47 lac crs (566 bn \$). This was now well accepted by street that the increase in spending will do lot good for the economy. When a corporate spend Re 1 he expect to get back Rs 4 to 6 on different scales as revenue. Similarly when Govt is spending Rs 11.11 lac crs as capital expenditure they have created a room to generate taxes (their revenue) to the extent of Rs 45 to 66 lac crs in course of time AND to my mind is the biggest plus of the this Budget. That why Govt is confident to see 4.5 fiscal deficit and almost nil revenue deficit. This year the expected revenue deficit is .8% which is massive. In other words by 2027 we should be in revenue surplus and that will lead to the path of full convertibility and rise of Re.

No one can take India lightly any more. The industrialists which tried to take lightly are now feeling sad about the lost opportunity. The new brain is working behind using PSU strength. First ISRO tied up with BHEL for giving green energy technology and BHEL capitalized the same. Bhel moved from Rs 50 to 240 even though it is not a profit making company as of date. Civil Aviation, Defense, Navy, Coal and Engineering marvel was triggered by none other than PMO to make Bhel a vibrant co and eyeing market capitalization of Rs 2.5 to 3 lac crs. We should be seeing Bhel again in top hundred companies.

Before that, most under rated NALCO and Hindustan Copper were triggered for lithium requirement. They have become hot lithium source and we may see stocks going up 5x even from current prices. This is power of creating value and all done under PMO supervision.

Shipping Corporation will be used in creating wind energy through wind farming in offshore. Brainchild idea to use vessels for super production that is Green energy. Even Global Offshore in its presentation to BSE has said that they are going in wind farming which is biggest energy business. With 35 years' experience in offshore business it is easy for SCI as well Global offshore to create green energy using wind in offshore. The maximum wind forces are seen in offshore as there is obstruction. Cost wise also wind energy is the cheapest as raw material is free. The debt free Global Offshore could be star multi bagger stock in years to come. Honest, experienced promoter who has settled entire debt of the company has massive experience of 35 years in navigating offshore businesses and have connects with Shell, Total, British Gas, British Petroleum, and PETRONAS and likes globally.

Now BPCL pioneered with BARC to create water eletrocizers in biofuel where 12% dilution is done successfully. Govt is expecting to reach 20%. Also direct green energy will be produced to the extent 500 M W by BPCL. With P M seeing BPCL facilities like other PSU now BPCL will be 3x 4x quickly as it trades at just Rs 1 lac crs though assets are 8 lac crs suggesting BPCL cheap even at Rs 2000 2500. When it reach there the biggest regret will be none other than Mukesh Ambani and Anil Agarwal. Once reconciled to sell BPCL at 15 bn \$ now BPCL is investing over 20 bn \$ is a game changer now. Budget has given 3 bn \$ support to BPCL which was reported by CNI in its budget analysis. I am looking at Rs 3 to 5 lac crs market capitalization of BPCL that too in 12 months as whole world has now realized that BPCL is the big play on green energy.

In my earlier reports I had mentioned Tata landscape. I am tracking this group from 120 bn \$ which has now become 360 bn \$ and became No 1 in India. They will remain No 1 for next few years as N CHANDRA wants to take the group to 1 tr \$ by 2028. I think he will easily achieve it through Tata Motors, Tata Power, Tata Communications and Tata Technology. These four companies will be 5x from current market prices in next 2 years. So you can easily assess Tata position. Ambani is trying to reach there by eyeing some listed companies but seems they will be behind the curve as this is simply impossible to acquire valuable companies without amicable relationship with their promoters. Had Vedanta acquired BPCL their overseas Vedanta debt could have been settled but it is a missed bullet.

GOVT converted more than 300 Hectors forest into ore mines of SAIL and also gave permission to sell excess ore to other steel manufacturers. I see SAIL to produce 40 mn tons ore this year as against 35 mn ore and current price is Rs 6100 per ton rest you can read between the lines. North Bloc insider says SAIL is worth Rs 6 lac crs and market will catch

up sooner than later. Hence I believe SAIL should be Rs 300 then 600 at least. SAIL is tortoise in PSU run but sure to win the race.

Thus my focus will be there on BHEL, SAIL, BPCL, IOC, ONGC, OIL INDIA, HPCL, NTPC , NALCO, HINDUSTAN Copper etc but star picks will remain BHEL, SAIL and BPCL. Prime Minister reiterated in the Rajya Sabha the faith and upward bias of PSU including the LIC.

SAIL currently available at Rs 1200 per tons EV as against JINDAL at Rs 9000 and JSW at 10000 per tons EV valuation. Hence I will stick my neck in SAIL and wait for PM turn hit hat on SAIL.

Trent announced super results and market cap reached Rs 1.25 lac crs (revenue Rs 12000 crs) whereas same segment company M K EXIM reported just 80 crs revenue annualize but margins are as high as 35% and trade at just Rs 343 crs. Also compare with Nykaa which trade at Rs 50000 crs market capitalization. M K gave 2 : 1 bonus followed by 1: 2 bonus to raise the equity to Rs 40 crs. Auditors resigned means they are bringing one from top 5. This quarter they have closed their textiles biz which Street wanted. Now to a pure cosmetic co with 35% margins market cap of Rs 343 crs is not justified. I am sure one day I will see Rs 34300 crs market cap and I will wait for that day. There is famous saying when we get something free we do not value it and this is the reason CNI is not giving content free. This applies to even ALPINE Housing where we are getting 92 lac sq ft land story just at 300 crs though it should deserve 10 x 20 x valuation. But now some HNI has entered hence volumes have improved and above Rs 200 many investors will jump on this stock known the name of the HNI.

This week many big brokers and punters have gone short thinking that market has run up very sharply and there should be correction. Let me tell you big correction comes when not desired and on some event. Elections and rate cuts both are in April /May hence I do not see any big correction before that. Expiry pain of 1 % can come in 4th week of Feb. Thus the Thursday weekly expiry correction was again an opportunity to buy. With every correction 99% traders start saying "correction started market topped out" that is fair signal of the trap and further upside. As rightly said we should not look at exiting markets before a massive run post elections la 2014.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	08/09	15,746.58	-131.49	-0.83
Singapore	Straits Times	08/09	3,138.30	-4.61	-0.15
United States	NASDAQ	08/09	15,990.66	+196.94	+1.25
United States	DJIA	08/09	38,671.69	-54.64	-0.14
United States	S&P 500	08/09	5,026.61	+28.70	+0.57
Japan	Nikkei 225	08/09	36,897.42	+34.14	+0.09
United Kingdom	FTSE 100	08/09	7,572.58	-22.90	-0.30
Malaysia	KLSE Composite	08/09	1,512.28	-0.08	-0.01
Indonesia	Jakarta Composite	08/09	7,235.15	-12.26	-0.17
Thailand	SET	08/09	1,388.37	-0.23	-0.02
France	CAC 40	08/09	7,647.52	-18.11	-0.24
Germany	DAX	08/09	16,926.50	-37.33	-0.22
Argentina	MerVal	08/09	1,128,510.88	+12,603.88	+1.13
Brazil	Bovespa	08/09	128,025.70	-191.22	-0.15
Mexico	IPC	08/09	57,327.50	-434.94	-0.75
Austria	ATX	08/09	3,358.95	-10.07	-0.30
Belgium	BEL-20	08/09	3,676.59	+10.94	+0.30
Netherlands	AEX General	08/09	851.77	+8.02	+0.95
Spain	Madrid General	08/09	977.21	-0.54	-0.06
Switzerland	Swiss Market	08/09	11,091.58	-47.27	-0.42
Australia	All Ordinaries	08/09	7,884.70	+9.53	+0.12
China	Shanghai Composite	08/09	2,865.90	+36.21	+1.28
Philippines	PSE Composite	08/09	6,850.16	+20.12	+0.29
Sri Lanka	All Share	08/09	10,547.33	+19.35	+0.18
Taiwan	Taiwan Weighted	08/09	18,096.07	+36.14	+0.20
South Korea	KOSPI	08/09	2,620.32	+10.74	+0.41

