

Editorial
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The fall is engineered. Zee gr was on target. No wonder as they acquired D2H from Videocon. Could be the reason. Dish I had mentioned avoid as Balance Sheet is beyond understanding.

Well FRIDAY was the day where fall was engineered. What happens when you do not earn by going long..? You search weak stocks, plant stories and create havoc. I always believe that there strong mechanism of spreading rumours. Media does rest of the job. Bear attacks generally do not attract investigations. Even if investigated nothing comes out as short selling is not banned.

Well this is the reason I always advocate stay invested in strong stocks and that too in delivery.

If you love A gr shares then you have to be part of perils and digest the pain. There is no point in complaining if you are doing F and O and losing money. F and O you can earn only if you are part of big people where news is known in advance.

Yes Bank dust is settled. Shorts covered and longs created. Stock will not rally now for some time so avoid this stock.

This is why look for safe heaven stocks like RDB Rasayan VIPUL ORGANICS MANGAL CREDITetc which will rise many fold once the dust is settled. These are expanding stocks with no debts practically with excellent sectors. But choice is yours as these stocks will not be with huge volumes as FII have still not entered these stocks. These are called safe heavens because FII only damage the prices of stocks most of the time. You get crushed for reason. Had anybody bought DISH at Rs 20...? No. Everyone has entered at 70 50 40 34 when falling and even the last one is left with 60% loss. This is destruction of capital.

Or you may add SBI PNB BOB at every fall and sit tight. The conditions will change after Thursday and rally will start again.

Your own thinking can give you good returns. So apply yourself. To my mind the mother of bull market is not yet began as the rally was suspended in between.

Change of the week

	01-Feb-19	Rise /Gain
Sensex	36469	437 ↑
Nifty	10893	109 ↑

Net Investments (` Cr)

	FII	DII
28-Jan-19	(77.04)	92.32
29-Jan-19	(276.3)	81.27
30-Jan-19	233.6	502
31-Jan-19	2755.6	(1634.3)
01-Feb-19	1315.5	(5.07)
Total	3950	(958)

Turnover (` Cr)

	FII	DII	
01-Feb-19	70,920	44,858	1,15778

01-Feb-19	Advances	Declines	Ratio
BSE	1178	1360	0.86

Market fell yesterday big way thanks to COBRAPOST announcement that they will do PC and announce Rs 33000 crs scam.. The only question in my mind is why did they picked up TUESDAY 3 pm time and why not MONDAY 3 pm..? Rest you all can understand.

Thursday is the expiry. Monday fall but covering needs some time. So my call is that after the event market will blast. Range of 10700 10900 holds valid.

In any case market is unlikely to fall below 10500 and at 10650 if you cant take risk then you are not fit equity players.

PALLET will be on fire thanks to VALE closure of BRAZIL.

Rest is REST.

The worry is midcap which could be star performer in FEB and MAR as the year end NAB has to be propped up for their holding. It is now 12 months that midcap and small caps have not performed. Now their turn. Though I was expecting this should happen in JAN this did not happen hence will happen in FEB and MAR. I cannot be wrong for a long time for sure.

When retail is trying to exit at every price, smart PMS guys which had suspended PMS schemes in Sept 18 have started again and selecting their stocks. many factors will work in favour now which are as under...

12 months consolidation

Appealing valuations

Year end considerations

Earnings growth

PMS re starting

DII FII sitting on piles of cash and launched now small cap funds

Cheap Nifty (consolidated PE just 17)

All these suggest the under ownership is giving a lead to some select HNI's once again. Without the entry of these HNI's midcaps and small caps will never rally.

The system has to work. It works like CHAK DE INDIA. From HNI's to FPI, to DII, then the retail etc.

I feel we will close Nifty close to 10800 tomorrow. Nifty will cross 11000 in FEB after Budget.

In any case on FY 19 earnings the NSE PE will become 22 even as per historical as well stand alone which will give immediate upside of 3000 points of Nifty.

5 Top Gainers			
Stock	01-Feb-19	28-Jan-19	% Gain
JUBILANT FOOD	1354.8	1197.6	13.1
ZEE	356.5	319.3	11.63
GATEWAY DISTR	108.2	97.7	10.75
PERSISTENT	619	561.7	10.2
CENTRUM	36.25	33.05	9.68

5 Top Losers			
Stock	01-Feb-19	28-Jan-19	% Loss
DHFL	111.45	209.2	46.73
STERLITE TEC	222.55	283.2	21.42
ILFS& TRA	7.2	9.09	20.79
LINDE INDIA	457.8	569.6	19.62
VEDANTA	162.3	194.9	16.75

Top 5 Picks By CNI 'A' Group
Company
TATA POWER
SUN PHARMA
SBI
BHEL
REL

Top 5 Picks By CNI 'B' Group
Company
SAGAR CEMENT
MULTI BASE
CMI CABLE LTD
RDB INFRA
POKARNA

Pre budget rally. Market back above 10800 level. Our top picks Jindal saw and Godavari power both up 8% in trade today. Hold both stocks.

Rupees 6000 a year (PM Kisan samman nidhi) to around 12 crs farmer. Direct transfer scheme for small farmers. This will help to increase disposable income in rural areas.

Tax relief up-to rupees 5 lakh huge plus for middle class. Gratuity limit increased from 10 lakhs to 20 lakhs.

Rupees 3 lakh crores for defense. Bold decision.

No tax on notional rent. TDS on interest on post office & bank threshold limit raised upto rupees 40000.

Business with less than 5 crs annual turnover will be allowed to file quarterly return.

IT return processing in just 24 hrs.

Direct tax collection has doubled from 6.38 lakh crores to 12 lakh crores. Tax base up from Rs 3.79 Crores to 6.85 crores. GST collection has crossed 1 lakh crore mark.

Mega pension yojana to provide assured monthly pension of rupees 3000 rupees per month fro workers in unorganized sector.

Exemption on TDS on rent has been increased to Rs. 2.4 lakh. The benefit of rollover on capital gains upto Rs. 2 crore will be increased to investment on two residential houses. This benefit can be availed only once in a lifetime. Benefit under 80IBA of the I-T Act will be extended for one more year for affordable housing.

Global Story

After a populist interim budget yet again nifty failed to cross 11000 mark and closed just below 10900 mark. We believe yesterday budget was quite friendlier budget like too good to be true. But in our opinion market may see strong selling pressure. We may see a cut of 200 to 250 pts on the nifty after this over friendly budget.

Middle class, Farmer, labourer all which accounts of 70% of the population are happy with this interim budget. It was a master stroke by the modi sarkar before the general election After reviewing yesterday budget we may believe modiji may bag few more seats in the lok-sabha. Ram mandir issue is coming to an end and if results comes positive than 350 plus seats is on the cards.

Country is happy with the budget. Is FII happy? This is the important question which arises. Over fancy is dangerous. We believe next couple of days will be crucial on street. So keep a watch. Avoid over trading and stick to mid cap. RDB RASAYAN LOOKS very attractive at this level. Watch out

The government missed its FY19 fiscal deficit target (3.3% of GDP) and instead pegged it at 3.4%.Market had expected that considering the elections, that the government might overshoot the fiscal deficit by 20-30 bps. The current account deficit (CAD) is likely to be only 2.5% of GDP in F.Y. 2018-19. Average monthly GST collection is at Rs 97,100 crore per month so far this year, lower than Rs 1 Lakh crore expected by the government. On a positive note, inflation has been under control and in December 2018 was down to 2.19% only. India's Debt to GDP ratio was 46.5% in year 2017-18. The Fiscal Responsibility and Budget Management Act prescribe that the Debt to GDP ratio of the Government of India should be brought down to 40% by 2024-25.

We believe that the government focus on increasing income in the hands of middle class and farmers may be a boost for consumption sector (auto, FMCG, consumer discretionary and retail). Additionally, some tax benefits on housing is positive for large families that are aimed to generate demand in housing which will benefit real estate developers. Similar to prior years, it has rolled over some oil subsidy to the next year.

The other focus of the budget was on increasing disposable income in the hands of middle class, and initiatives like tax rebate for individuals earning up to Rs.5 lakh (3 crore beneficiaries as per Government estimates), higher standard deduction for salary income from 40,000 to 50,000, no TDS on interest earned up to Rs.40,000 per annum from savings bank account and post office savings schemes were announced.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	02/02	27,930.74	-11.73	-0.04
Singapore	Straits Times	02/02	3,188.68	-1.49	-0.05
United States	NASDAQ	02/02	7,263.87	-17.87	-0.25
United States	DJIA	02/02	25,063.89	+64.22	+0.26
United States	S&P 500	02/02	2,706.53	+2.43	+0.09
Japan	Nikkei 225	02/02	20,788.39	+14.90	+0.07
-0.03 United Kingdom	FTSE 100	02/02	7,020.22	+51.37	+0.74
Malaysia	KLSE Composite	02/02	1,683.53	-0.58	-0.03
Indonesia	Jakarta Composite	02/02	6,538.64	+5.67	+0.09
Thailand	SET	02/02	1,651.40	+9.67	+0.59
France	CAC 40	02/02	5,019.26	+26.54	+0.53
Germany	DAX	02/02	11,180.66	+7.56	+0.07
Argentina	MerVal	02/02	36,599.88	+272.96	+0.75
Brazil	Bovespa	02/02	97,861.27	+467.53	+0.48
Mexico	IPC	02/02	43,738.27	-249.67	-0.57
Austria	ATX	02/02	2,991.05	+5.60	+0.19
Belgium	BEL-20	02/02	3,507.84	+16.22	+0.46
Netherlands	AEX General	02/02	523.24	+2.61	+0.50
Spain	Madrid General	02/02	909.77	-3.84	-0.42
Switzerland	Swiss Market	02/02	8,996.36	+27.09	+0.30
Australia	All Ordinaries	02/02	5,935.30	-1.98	-0.03
China	Shanghai Composite	02/02	2,618.23	+33.66	+1.30
Philippines	PSE Composite	02/02	8,144.16	+136.68	+1.71
Sri Lanka	All Share	02/02	5,982.05	-7.85	-0.13
Taiwan	Taiwan Weighted	02/02	9,932.26	+0.67	+0.01
East Israel	TA-100	02/02	1,413.16	+9.82	+0.70

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