

Editorial
Vol -1, No-I, 04 May, 2019, 06 pages

New settlement starts with small negatives. The range will be 11700 and 11900 for the next 5 days.

Some sectors and stocks are disappointing whereas some will create good upside. Yes Bank may see more dips towards 130 140 in times to come whereas metal will see fresh buying. I had said that ETHIAD does not have money to take over JET. There were rumours spread in street that SPICE will buy JET. Do not follow rumours. Stock has to test new low. Seems these distribution gimmicks.

High volume is always a fishy game. As of now I still fail to understand HOW did GOS buy MERCATORS...? Only high volumes could be the reason or something else...?

OIL fell steeply which has to be factored in as some correction was assigned to rising oil. At the end of the day the election fever is riding in the minds of the traders and investors too.

As of now I am pretty sure of 272 in favour of BJP stand alone. There are some circles talking that even MAYA may support DNA post election ditching SP which by and large clearly suggesting the SP BSP combine is not doing well and they may not get as much seats projected by media. I had anticipated 41 seats to BJP in UP which may now rise to 52 to 55 seats. West Bengal Orissa North East will match the losses of UP whereas RAJSTHAN MP will retail their hold. BIHAR will be huge plus for the NDA whereas TN will be a state where we need to see the performance. AP will join NDA again post elections if special status is granted to AP which may not be a big deal in politics.

The CHINA bowing down is big win for INDIA.

I would put my neck in only in CHEMICAL stocks. CHINA effect is clearly visible. Another blast made CHINA shut 29 chemical parks out of 50. Though only large companies will survive in CHINA 200 MNC's have decided to shift the production facilities from CHINA to INDIA. These include ENGG and chemical plants in INDIA.

The demand for chemicals will rise from INDIA with rising prices. I therefore feel this sector will be the largest beneficiary and will give returns like anything. Stocks I leave it to you. Now the gap is only 13 sessions and post which we can see mid cap rally.

On flip side be prepared for Nifty 11000 if NDA fails to form the Govt.

Change of the week

	4-May-19	Rise /Gain
Sensex	38963	233 ↓
Nifty	11712	50 ↓

Net Investments (` Cr)

	FII	DII
30-04-2019	(912.3)	730.02
02-May-2019	545.03	(791.6)
03-May-2019	(400.5)	57.07
Total	(767)	-4

Turnover (` Cr)

	FII	DII	
04-May-19	37,184	21,000	58,184

04-May-19	Advances	Declines	Ratio
BSE	1019	1497	0.68

India diplomacy worked at global level as CHINA had to bent and declare AZHAR MASOOD as global terrorist. This is a big win for NARENDRA MODI as he has raised INDIA bar on global level.

Fed did not raise rates and on positive news stock reaction is always the case and hence accordingly DOW corrected. But for sure DOW will bounce back.

Indian markets had reacted to Yes bank nos and NBFC issue on Tuesday though by the end most of the lost grounds were recovered.

Today is expiry and I believe it should be between 11700 and 11800. If 11800 is crossed then smart rally will start.

Very soon mid caps should start catching fire. Read on Saturdays note which sector will do well and where should fresh money go. As of now FPI money is travelling to only Indices stocks and there is good amount of selling from DII and HNI's. The money cashed cannot be kept long in books and hence it has to travel to value buying. Generally HNI are known to make killing only in midcaps and small caps hence I am quite bullish on the sector. A leading broker has opined that FY 20 will be led by financials. I hold that FY 20 will be for midcaps and small caps.

There was another blast in CHINA on 24th APRIL (see google) post which 29 chemical parks were ordered shut down which was as per the plan announced on 8th APRIL. Out of 50 29 are shut down which means 80% capacity is killed. This is helping INDIAN CHEMICAL co's. 2 co's have learnt raised prices by 40 to 50% which will be reflected in June Q results.

The trading gap is less than 17 sessions whereas there is enough short position in the market as far as nifty is concerned. Hence will show you new colour.

As regards midcaps and small caps I am extremely bullish and now whether these 17 days will be used to buy or only post results has to be seen.

Fact is clear FPI wants to buy more.

3 broking houses have issues buy report on chemical sector which may catch fire any time. Our picks we had already mentioned.

Enjoy the MAY month.

5 Top Gainers			
Stock	03-05-2019	29-05-2019	% Gain
DCM SHRIRAM	463.2	420	10.3
TRENT	384	354.6	8.31
VARUN BEVE	902.1	833.3	8.25
RCOM	1.87	1.74	7.47
VINANTI	1897	1769	7.20

5 Top Losers			
Stock	03-05-2019	29-05-2019	% Loss
YES BANK	175.6	237.4	26.03
JET AIRWAYS	135.5	167.3	19.01
DILIP BUILDCON	479.8	586.55	18.19
IFCI LTD	10	11.79	15.18
REL POWER	6.48	7.39	12.31

Top 5 Picks By CNI 'A' Group
Company
REL
LUPIN
BRITANNIA LTD
SBI
BAJAJ AUTO

Top 5 Picks By CNI 'B' Group
Company
ZYDUS WELLNESS
POKARNA
MULTI BASE
ACRYSIL
RDB RASAYAN

Global Story

Satta bazaar has given a big thumps up to BJP after the first 4 rounds of voting. We had given two things on elections 2019 which clearly give our view with detailed reasoning. One that, we had given state wise conservative seat tally for NDA and the likely surprise element therein and second is, the issues which gives NDA an advantage which is really found a missing link in the biased media.

One thing is very certain that the standards of politics have dropped down to very low and taken an ugly shape where issues of economy has never been discussed by both sides and only personal attacks and religious spike has taken place. First of all, no one is allowed to question the military operations and having said that this will definitely give a major setback in the rural INDIA to the opposition party which is the true representative of MILITARY in all sense. They were banking heavily on the RURAL votes. Secondly, no one should have travelled beyond the constitution to raise the bar on the issues where PARLIAMENT has taken note of. If someone is challenging the issues cleared in the PARLIAMENT means he does not believe in DEMOCRACY and the PARLIAMNET.

Anyways, the sky is getting clearer with every round of voting. Maharastra particularly MUMBAI had seen high spirit of voting irrespective of the fact that there was long week end holiday. In fact, our analysts, which were travelling on 27th and 28th in PUNJAB and other parts of the country had made a point to reach MUMBAI on 29th just to vote and this is the spirit of MUMBAI.

Coming back to market, now only 13 sessions are left and we may not see any attempt of rollover in this settlement till 23rd May and the game is wide open for the last straw on the camel's back. Last 7 days will be DO or DIE where speculators have to book profits or losses as the case may be. Nifty is holding on the fort between 11700 to 11830 and is all set to cross 12000 before 23rd MAY in anticipation. Now what you need to see is what happens thereafter...

Meanwhile the ghost of ILFS has re surfaced when YES Bank made provisioning of Rs 1500 crs and stock crashed 30%. More downside is visible as the new CEO has given clear hint of further provisioning in Q1. The chances of front running is not ruled out as street was extremely bullish and long on the stock and only insiders were known of the provisioning. Why are we saying chances as one of the ROH has clearly started to us that he was aware of provisioning at least 7 days before. This stock may not rebound easily till next quarter and may see fresh lows. Technical experts say that stock may show 130 140 range. Few other stocks which may see the ghost impact are IB Housing Finance, DHFL and INDUS IND Bank. The impact of Indices will be minimised by getting focused on some other stocks like RIL Tisco Infosys TCS which have heavy weight on the INDICES.

After the collapse of PMS and AIF business in INDIA now a trend is rising where DELTA funds are trying to become active. They are providing the trading platform through automated trades which gives around net 12% return to traders which is most liked by the trading community of late. Of course even this have some catch as you need to provide 80% margin in the form of acceptable security and taxability angle as the same falls in highest bracket of taxation due to the definition of F and O trades as business income.

Over last few years MF were giving negative returns as the exposure was varied. But post Oct 17 circular, the focus is now shifted only to INDICES stocks and the MF has been in pink of health in last 15 months. Therefore the inflow in domestic mutual funds is rising month after month. Particularly NRI and non market community is getting attracted by the MF industry. They are sitting of piles of CASH.

Nifty has enough headwind on upside on valuations as suggested in the past. Even a 14000 target does not look difficult if BJP alone gets 273 seats as the directions of reforms will take centre stage once again. If NDA fails to form the Govt then for sure we may see Nifty breaking 11000 but will it break 10000 even in that case is a difficult question and our opinion is no.

We also believe that after 23rd MAY 2019 if NDA forms Govt the retail investors will return to market will easily pay a premium of instant 10% in the mid cap stocks. Therefore it will be wise for the investors to take calculated risk and remain invested till the time market starts SECOND INNINGS. Those who are fearsome and believe that NDA will not form the Govt are selling stocks at undesirable prices. Operators who are in full control of situation are bringing down prices without volumes and eating out whatever is kept for sell as they know one thing that market will function even after 23rd MAY whosoever forms the Govt.

Which sector investors should focus now..?

Telecom, NBFC, Pharma still facing challenges. IT, Metal are doing well. Cables are doing well. Infra is struggling. Auto, OIL and GAS, Utilities are under pressure whereas cement, consumer durable Engg and capital goods are doing well. But the valuations are in line. Avoid stocks where businesses involve lot of cash handling. Bottom up approach will help under the current scenario which could protect the health of investors.

API and CHEMCALS are 2 sunrise sectors we believe will work for next 5 years. CHINA is the biggest factor where 80% capacity is getting shut due to environmental issues. India is the only country which will reap excellent reach out of it as INDIA have quality, capacity and competitiveness in the global markets. Europe, USA, North America, Latin America, Gulf are the biggest markets for chemical and API. These both sectors are technology driven sector where chemistry is involved which is difficult to copy.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	04/05	30,081.55	+137.37	+0.46
Singapore	Straits Times	04/05	3,392.29	-1.04	-0.03
United States	NASDAQ	04/05	8,164.00	+127.22	+1.58
United States	DJIA	04/05	26,504.95	+197.16	+0.75
United States	S&P 500	04/05	2,945.64	+28.12	+0.96
Japan	Nikkei 225	04/05	22,258.73	-48.85	-0.22
United Kingdom	FTSE 100	04/05	7,380.64	+29.33	+0.40
Malaysia	KLSE Composite	04/05	1,637.30	+5.06	+0.31
Indonesia	Jakarta Composite	04/05	6,319.46	-54.96	-0.86
Thailand	SET	04/05	1,679.05	-0.12	-0.01
France	CAC 40	04/05	5,548.84	+9.98	+0.18
Germany	DAX	04/05	12,412.75	+67.33	+0.55
Argentina	MerVal	04/05	32,412.27	+1,595.26	+5.18
Brazil	Bovespa	04/05	96,007.88	+480.26	+0.50
Mexico	IPC	04/05	44,277.23	-35.20	-0.08
Austria	ATX	04/05	3,174.22	-16.63	-0.52
Belgium	BEL-20	04/05	3,715.37	-2.66	-0.07
Netherlands	AEX General	04/05	568.72	+2.21	+0.39
Spain	Madrid General	04/05	949.56	-1.14	-0.12
Switzerland	Swiss Market	04/05	9,741.99	-4.07	-0.04
Australia	All Ordinaries	04/05	6,427.20	-2.82	-0.04
China	Shanghai Composite	04/05	3,078.34	+15.84	+0.52
Philippines	PSE Composite	04/05	7,967.98	-33.59	-0.42
Sri Lanka	All Share	04/05	5,438.75	-20.03	-0.37
Taiwan	Taiwan Weighted	04/05	11,096.30	+91.81	+0.83
East Israel	TA-100	04/05	1,457.44	-8.82	-0.60

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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