

Editorial
Vol -1, No-I, 05 Jan, 2019, 08 pages

Hold with conviction. 2019 will bless with tons of returns this is what the only message I can post today.

Valuations are attractive whereas some deadline is expiring today for FPI which means FPI money in tons will pour in from tom.

CNI followers will be rewarded. Many stocks have given 25 to 50 pc returns in last 30 days on CNI recommendations.

Happy New Year to all CNI members.

Nifty 11400 is certain and hence not writing too much.

Invest in best idea.

One more idea for those who have lost hard earned capital in the market in stocks like R COM SUZLON and many more where chances of recovery is very low. My advise will be to change this stock and switch to MANGAL CREDIT where I believe it could be 10 bagger story in 3 years. This will re coup your losses.

Now whether to believe me or not is your call. Also do due diligence.

The fact remains that when entire street collapsed like a pack of card from FEB 2018 to Dec 18 this stock withheld the price of Rs 5 now rs 50 post consolidation into rs 10. Why is re consolidation...? Generally this is done with some purpose. This cannot be termed as penny stock now as trades at Rs 53 54.

For traders I put my bet on banking. SBI PNB BOB Canara Yes could be great choices. Metal corrections seems over. This sector can again bounce back sharply.

In cash segment RDB rasayan could be a dark horse.

CNI did commendable job to protect the capital of CNI members as it rose to the occasion and generated few fabulous calls even in bad times. Salute to our S C team.

Once again happy new year to all you..

Change of the week

	05-Jan-19	Rise /Gain
Sensex	35695	392 ↓
Nifty	10727	128 ↓

Net Investments (` Cr)

	FII	DII
31-Dec-18	(1001.8)	321.9
01-Jan-19	471.6	142.5
02-Jan-19	(435.2)	(226.18)
03-Jan-19	(1057.7)	34.5
04-Jan-19	(157.5)	240.6
Total	(2176.4)	513.32

Turnover (` Cr)

	FII	DII	
04-Jan-19	28,250	24773	53,023

04-Jan-19	Advances	Declines	Ratio
BSE	1288	1319	0.97

How petty is the mentality of the investors. They had golden opportunity to make money and they missed because they act on MEDIA BUZZ. Elections time gave you the best opportunity where you could have got SBI at Rs 265 PNB at Rs 62 and ICICI at 230 and see all these stocks. Thus the traders if just become contrarian they will earn more.

In B gr stocks CMI rose from Rs 114 to 184 in less than 15 days NUTRAPLUS run has just started as it has crossed 3 months high and hence can now be star performer. Stock at Rs 60 crs market cap which does not appeal investors whereas many stocks which are really fraud and trade at 5000 to 50000 market cap where investors buy blindly. So who is to be blamed...? SEBI gives warning one should buy only after proper study. But investors follow bogus volumes and distribution pattern. Do you think Rs 32 crs sales in Q2 is a small achievement for a small co where the market cap is just Rs 60 crs. ...? These are stocks where money can be made if you build conviction.

There are many stocks. I had written about MANGAL CREDIT yesterday. With 2000 crs assets under bet stock is at Rs 100 crs market cap and hence there is clear scope of this stock to become 20 bagger for sure in course of time hence one should use current opportunity to convert all your loss making stocks into this stock to come into profit. I think investor should even try and make an attempt to meet the management team as they are investors friendly. Recently their subsidiary has entered in at least 10 big real estate projects in PARLE east and west considering which stock is at pea nut price. Rest is your call. The supply is coming from PREF issue and once dried the price impact could be seen. Investor are called smart only if they buy when supply is there. If supply dries then price has to rise.

Nifty could try and fox you all suggesting 11000 is a big barrier but it will surprise street one fine morning by opening gap up.

5 Top Gainers			
Stock	04-Jan-18	31-Dec-18	% Gain
HCC	13.36	11.04	21.01
QUESS CORP	725.05	638.55	13.55
BALRAPR CHINI	109.5	99.8	9.72
AEGIS LOGISTIC	209.1	192.45	8.65
INOX LEISURE	261.8	241.2	8.54

5 Top Losers			
Stock	04-Jan-18	31-Dec-18	% Loss
DENA BANK	14.35	17.15	16.33
ILFS & TRANSP	12.61	14.55	13.33
EICHER MOTORS	20128	23110	12.90
FUTURE RETAIL	449	510.35	11.99
JET AIRWAYS	245.1	276.1	11.21

Top 5 Picks By CNI 'A' Group
Company
SBI
TATA MOTORS
BAJAJ AUTO
ICICI BANK
ACC

Top 5 Picks By CNI 'B' Group
Company
RDB RASAYAN
CMI CABLE LTD
TORRENT POWER
MULTI BASE
ACRYSIL LTD

NARENDA MODI in record interview of 95 minutes have clarified many issues which clearly endorse my views. I had been writing but NAMO explanations has strengthened my views. GST is the regime of low taxation though the gap of taxes is filled due to higher disciplined tax compliance. DEMO was a success as idle capital has turned into productive assets. DEMO was not a shock as AMNESTY was announced a year ahead and it was clearly told that those who do not avail amnesty will be taken for ride. Farmers are not affected as none of the ordinary farmers earn 2.5 lacs a year which is exempt under DEMO. Only farmers which earn 114 crs out of 10 acre farms were affected and they should be. I rather fail to understand why NAMO is not bringing agricultural income above Rs 1 crs for tax...? If farmer can earn Rs 1 crs he does not need waiver. This amount should be used for development of rural area by building hospitals and schools..

10770 10700 is a good buying range. Nifty will show 10968 for sure. In any case this is only to change your views and create shorts.

Buy with conviction.

Extreme fearful conditions are created in street with technical target of 10000 again. Reason for the same is the farm loan waiver by central.

I do not think so this happen. This the perfect launch for the bull orbit. I am very bullish on earnings whereas look at print media headline it says earnings of nifty stocks will be just 7% that means this is another eye wash so that shorts should get built.

Nifty OI does not suggest big fall. So be safe and stay invested. Be with the thumb rule of buy dips instead of sell on rise. Those who try to time the market on either side has to pay price.

Street players have shorted RIL SBI TCS and INFY. Let us what these stocks report the closing prices on the expiry day.

More the shorts trap more is the upside.

Keep watch on CHEMFAB ALKALIES as sources says that this co is doing extremely well and immediate candidate of bonus as its book value is over Rs 180 per share.

Global Story

The New Year again started with volatile move on the back of volatility in the U S market, the farm waiver impact on fiscal deficit and sudden drop projected in the Q 3 earnings.

U S market volatility is similar to what we had seen at 10000 levels. This is because when market fall 15 to 16 pc many unsolicited bears take birth and oath. They do not allow markets to settle easily. Mind well bears are more powerful community than bulls as they to fight in the ratio on 10: 90. Now see after fall of 600 points US rose 800 points with clear direction that US Govt doing what the street wanted. If no QE now FED has admitted that there will not be interest rate hike now. Probably US may follow CHINA in rate cut.

The people behind the fall from 26000 to 21600 have got what they wanted and the road to 26000 is resumed. May we US is now heading for 29000.

U S bond rates dropped steeply as announced on early Friday in U S that from 3.26 pc to 2.58 pc. This signifies rate cut and shift of money from U S to immerging markets. You will be remembering the fall in E M last time bond's yield rose from 2.6 pc to 3.1 pc. Now the reverse is happening. In fact china cut CRR to hold the economy. Therefore the stage is right for INDIA to cut CRR. Earlier it had cut SLR.

Market after big fall on WED and THURSDAY bounced back on FRIDAY. We still believe that 10700 is good support and if broke for any reason 10500 seems bit difficult.

The big fall on WED and THURSDAY has created good shorts with technical view of 10004 again. This is good for the health of the market. Every time Nifty comes near 10700 CNI generate buy call with confidence and yesterday after breaking 10700 for a while Nifty through extreme volatile trade bounced back to close at 10782. Now in SINGAPORE it closed at 10887 which is almost 100 points above the closing. Where would short sellers hide now..

The earning expectations of 6 to 7 pc found in pink paper does not hold water. The robust tax collection, rising GST, higher advance tax, rising manufacturing no's, falling OIL cannot drop the earnings to 6 pc as against 13 pc last quarter. In fact, we believe it could be 18 pc as 4 nifty component co's reporting losses will show positive nos. In India media is not fair hence relying media is out of question. You have to rely on your instinct and research. None the less traders has to be governed by the media as they are momentum players. Whatever is the cause traders who are more on short side lose Rs 3 for every Re 1 gain in shorting because they are against the natural principle of buy in dips in BULL RALLY. If they know they are bear market they will succeed by selling on rise.

This is not surprising to us. It is like what we believe about the NIFTY PE. Please see our earlier reports for more clarity.

A leading brokerage house had come out will sell report on metals last week but interestingly was found in buyers in many metal stocks. The rationale for the them could be research and broking are two different arms of the house. We though forced to interpret that sell is followed and triggered which helps in self buying. We should derive and close our conclusion if Tisco fell to Rs 300 then we are wrong and if Tisco rise to 550 600 then we are right. Time will tell us what is what....

Pink paper front page story suggest that a leading research house has set 11000 target for Dec 19. Again this is contrary to our view of 12750. We are following the Nifty PE model for valuations though we do not what model the said broking house is following. Alternatively it could be similar to METAL sell hence only DEC 19 could answer the thesis. In the past the same house had a sell report on SBI at 140 and now many turned buyers.

Earning season is starting from next week. Many stocks will move in the opposite directions of earnings. This is simply because of the front running. Results are always known to some quarters of the market. Hence we ay CNI do not advocate result based trading. Only in case of exceptional no's beating estimates direction will be parallel.

Since the expectations are very low, heavily oversold markets there is every possibility to see Nifty re testing 11000. But to take out 11400 Nifty has cross 11000 and eat out call writing. If Nifty crosses 11050 on closing basis we will surely see 11400.

Mid caps have sustained with higher prices even though Nifty fell vertically this week. This is showing typical accumulation which will continue for quite some time before making smart up move. The day is not too far where we will be delighted to see many stocks crossing FEB 2018 high.

We advise on F and O stocks through our portal www.cniresearchltd.com and also handle individual queries on stocks to help CNI members to update their knowledge about stocks besides suggesting potential multi baggers.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	04/19	25,626.03	+561.67	+2.24
Singapore	Straits Times	04/19	3,059.23	+46.35	+1.54
United States	NASDAQ	04/19	6,738.86	+275.36	+4.26
United States	DJIA	04/19	23,433.16	+746.94	+3.29
United States	S&P 500	04/19	2,531.94	+84.05	+3.43
Japan	Nikkei 225	04/19	19,561.96	-452.81	-2.26
United Kingdom	FTSE 100	04/19	6,837.42	+144.76	+2.16
Malaysia	KLSE Composite	04/19	1,669.78	-6.05	-0.36
Indonesia	Jakarta Composite	04/19	6,274.54	+53.53	+0.86
Thailand	SET	04/19	1,575.13	+15.10	+0.97
France	CAC 40	04/19	4,737.12	+125.63	+2.72
Germany	DAX	04/19	10,767.69	+351.03	+3.37
Argentina	MerVal	04/19	32,303.05	+1,237.93	+3.98
Brazil	Bovespa	04/19	91,840.81	+276.56	+0.30
Mexico	IPC	04/19	42,455.13	+410.81	+0.98
Austria	ATX	04/19	2,858.49	+87.04	+3.14
Belgium	BEL-20	04/19	3,317.05	+95.55	+2.97
Netherlands	AEX General	04/19	492.01	+11.60	+2.41
Spain	Madrid General	04/19	883.37	+21.11	+2.45
Switzerland	Swiss Market	04/19	8,608.56	+142.55	+1.68
Australia	All Ordinaries	04/19	5,676.96	-17.66	-0.31
China	Shanghai Composite	04/19	2,514.87	+50.51	+2.05
Philippines	PSE Composite	04/19	7,761.11	+80.51	+1.05
Sri Lanka	All Share	04/19	6,067.66	+9.18	+0.15
Taiwan	Taiwan Weighted	04/19	9,382.51	-109.91	-1.16
East Israel	TA-100	04/19	1,320.16	-14.04	-1.05

Name of Editor: Minit Jhaveri

Publisher:

Mr. Kishor Ostwal
120, Gokul Arcade,
Sahar Road, Vile Parle (East),
Mumbai-400057
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