

**Editorial**
**Vol -1, No-I, 13 August 22, 11 pages**

When world is divided it is good for market. 25% have now become bullish and started buying above 17000 which is reflected in Rs 14000 crs plus figures. 75% are still bearish with 16800 and 16000 target. Thanks God now 14500 14000 no one is talking. 16000 those who are holding are all from the batch which missed the rally.

Well I am for 18650 from day one. At 18300 Only I gave sell call and at 15200 told you that 15206 is bottom done. Only CNI members have minted.

RBI raised 50 BPS and that's is market accepted. Fed will do 50 or 75 but this is last and market will accept it. With Dow weekly RSI below 50 I am sure there massive upside still left. We will see 35000 36000 soon.

17600 is bears tipping point. These are same bears which had shorted at 15200. At every rise they sell and cut it at loss. Now Last 3 days they were sellers due to TAINWAN RBI and FED and they are caught short. Now above 17600 they will start cutting their short which will take Nifty to 18100 18300.

Now see amazing calculations. Rs 2.80 lac crs selling from 18650 till 15200 and largely the aggressive selling was below 16000. As against this just 14000 crs buying and Nifty is at 17600. Mind it another 14000 crs buying will take Nifty to 18700.

Means Rs 2.8 lac crs selling and just Rs 28 k buying with same Nifty. Who gained buyer or seller? If know the answer you will know you are in a BULL market.

Anyways... you will appreciate this only when Nifty cross 19000.

My big buy calls GTV ENGG, RDB RASAYAN, SOLIMAC Triveni Glass Global OFFSHORE and ALPINE Housing. New addition is CAMLINE FINE as co is turned around. Camline target is Rs 280.

**Change of the week**

	12-Aug-22	Rise /Gain
Sensex	59462	1094 ↑
Nifty	17698	306 ↑

**Net Investments ( ` Cr)**

	FII	DII
08-Aug-2022	1573.5	(140.7)
10-Aug-2022	2454.9	(768.4)
11-Aug-2022	2248.8	(729.5)
12-Aug-2022	3040.4	(839.4)
	9315	(2477)

**Turnover ( ` Cr)**

	FII	DII	Combined
12-Aug-22	67,423	61,697	1,29,120

12-Aug-22	Advances	Declines	Ratio
BSE	1760	1628	1.08

Dow hit **33k +** before coming back below 33K but surely the decks are open as seen from RSI of Dow. We have been bullish from 30000 levels and hold that DOW will cross 35000 and 36000 soon.

So long as market is divided among themselves holding that this is a bear rally and not bull rally I am happy. Bear rallies are more powerful than bull market rallies. I personally though believe that we are still in long bull market. 25% of the global funds have become bullish and started buying which is reflected in FPI buy nos that is Rs 41000 crs in just 18 days. 75% still either short or on cash which they cannot sit for long time as it is public money and they have to show performance. I am waiting for that day when these 75% also agree with me and start buying. After all, **they are still sitting on Rs 232000 crs( 30 bn\$) cash.**

Summary FPI buying were 38 bn \$ in 2020 21 followed by selling of 35 bn \$ and now so far buying of 5.25 bn \$ which may see addition of another 22 bn \$ in 2022 itself. This also means we may see peak buying of 10 12 bn \$ in a month going forward the same way which we saw in 2021 in few months.

ONLY CNI had reported in JUNE 2022 that second half will see massive buying from FPI the selling figure of Rs 237858 crs will get diluted by big nos at the end of the year. We may see at least Rs 1.7 lac crs more buying in next 4 months which will take the net selling to just Rs 25000 to 30000 crs which is the trend for last 31 years.

We had also reported that Banking and IT stocks will show the trend and our assessment is so far correct. Infosys after hitting low of Rs 1400 now trading at Rs 1620. If FPI buying continues Infosys should cross 1800 2000 also and same is with banking stocks like SBI ICICI AXIS INDUS HDFC and KOTAK. The reason being 53% of the FPI exposure is in IT and Banks and their AUC will rise only if these 2 sectors see uptrend through buying. The AUC value is Rs 44 lac crs as of now and if buying propels IT and banking then AUC will rise will to Rs 50 52 lac crs again which was ATH.

5 Top Gainers			
Stock	12-08-2022	08-08-2022	% Gain
BEML	1748	1419.3	23.1
FAIRCHEM	1921.5	1570	22.3
TATA CHEMICAL	1119.7	948	18.1
KIRLOSKAR FERR	247	210	17.5
B.F. UTILITIES	376.9	330.7	13.9

5 Top Losers			
Stock	12-08-2022	08-08-2022	% Loss
EVEREST KANTO	118.8	179.6	33.8
SEQUENT	106.9	125.3	14.6
NATCO PHARMA	646.2	750	13.9
GLOBUS SPIRIT	910	1040	12.5
SUBEX LTD	38.6	43.9	12.0

Top 5 Picks By CNI 'A' Group
Company
RIL
TATA STEEL
TATA MOTORS
CDSL
ICICI

Top 5 Picks By CNI 'B' Group
Company
INTEGRA ENGINEERING
RAIL TEL
SOLITAIRE MACHINE
ZYDUS WELLNESS
AKAR AUTO

What investors should do..

Keep eye IT and banking, if they are rising you focus on small caps and mid-caps which will rise by default. MICRO caps always moves late but becomes multi baggers and cannot be compared with daily rise of indices.

My best picks in A gr

RIL, TATA MOTORS, TATA POWER, INDUS, ICICI, INFOSYS, FPC, MNM Fin, NMDC, BHEL, SAIL, Tisco, Vedanta, Hindalco, Nalco BPCL ITC and Tata Communications.

In B gr

BSE, Aceelya, Oriental Carbon, PayTM, Tinline, Akar Auto, Vipul Organics, Rdb Rasayan, Alpine Housing, Artefact, Ashapura Minchem, GTV Engg, Hercules, Inox Wind, Inspirisys, Camline Fine, Integra Engg, M K Exim, Aanchal Ispat. Global Offshore, Metal coating, Sunil Agro, MSTC, Orient cement, Sagar Cement, Railtail, Resonance, R R Metals, RVNL, Renuka Sugar, Solitaire, SPIC, Subex, Swiss Military, Triveni glass, Windsor Machines, Yaarii Digital TTML and TRF.

These include many probable multi baggers which cannot be seen from current working of the co but depends on future working which we have done detailed research work. In most of the companies we have released research notes.

US consumer nos are going to come today which will be better than expected hence Dow will rise 500 points. Nifty 17400 is big support as detailed analysis shared with you all yesterday. TAKE rise and carry Nifty in the end and if US consumer's nos come at 5.8% DOW and Nifty both will blast with massive short in both. We had shared detailed on RSI, PFI investments and 200 DMA in yesterday's Chakry comments which will definitely guide you all.

GTV ENGG is our best pick among all the stock which have already outperformed entire market. Now we have come to know through our detailed research that the co is expanding in power is a very big way. You can study on your own and if need request we can share on one to one as the information is not in public domain.

This is only listed entity of the gr where they have companies from Rs 20 crs to 170 crs paid up capitals and all are in power.

Such small EQ cannot work anywhere. NSE listing looks certain though co has not made any official announcements yet. For raising equity only 2 options are there PEF issue or bonus. With high promoter holding pref issue is ruled out. There has to be bonus. Third option is merger with any of the gr company. In all 3 options investors will benefit. Pref issue has to be as per SEBI formulae, Merger will be in favour smaller Eq co and bonus if at all it has to be liberal to take EQ to past Rs 10 crs.

You can study on your own about ROURA Non-conventional Energy P Ltd a gr company in which 12% stake was acquired by GTV Engg. This can be done by ordering Balance Sheet of this co from ROC by paying fees. In our routine research we do this thing regularly to know about the gr companies. Your conviction can come only when you do own research as you will never trust professional research.

THIS IS A MULTI BAGGER. POWER too big to understand, FOOD too good to please investors, ENGG too good for customers as they pay advance.

We do this in each and every co in order to derive the real value of any co. Plain reading and results never help. Co is in formation stage and results as and when come will be massive. How nos came in Vishnu chemicals and you all are now appreciating though we had identified at Rs 70.

HCC concall was superb and this is the last muted Quarter. Hence watch this stock from next quarter onwards. Co will become debt free in next 2 quarters. 3 big groups have already entered till Rs 20 and they generally enter for 10x means price if you hold for 3 years will be Rs 200.

Micro-cap companies never trade on results so stop analyzing results. Also keep in mind they have nothing to do with market. Subex rose 65% in 3 days it was nothing to do with market. Stop sending queries to me as I have expressed that SUBEX will cross 108 in next 12 months. If have patience hold else exit.

GLOBAL OFFSHORE losses continue as expected so please do not react. Nos will change from 6 to 9 in just of matter of time once the renewal contract is signed which it any will time. Till that time it is a clear stock for accumulation.

Q1 results has to be bad for micro-cap companies particularly EU export companies due to Russia Ukraine problem. However, many companies are back on track in July hence on bad results if get a chance to buy must buy.

Stock prices rise when HNI enter. And all our stocks are pre HNI entry hence just have patience. Once HNI enter they will become like M K, Oriental Aromatics, Vishnu, Cera and VIP kind. Expecting results from TRIVENI GLASS at this point in time is foolish. And if co had declared results what I expect getting this stock at Rs 22 is also foolish. Its CHICKEN and EGG situation. I will remain investor and wait for nos to be out in next 4 quarters. Once happen there is no stopping for 10x. As such for M B ideas you need to have patience. Else you can remain invested in INFY TCS 20% annual rise will come be default. Even 20% is too good when bank rate is 5%.

Daily RSI of Dow 67 extremely bullish. Even weekly at 52 entered in bullish zone. Daily RSI of Nifty 79 still positive. Not entered in danger zone. Weekly at 59 very bullish zone. FPI Rs + 45000 crs in last 21 days shows they are in buying mode. Next trigger will surface only on 18th Sept and 20 th Sept hence there is no reason to be negative though we have to be cautious from hereon.

Nifty crossed 17600 decisively. Next level is 18100 probably it will cross before 18th Sept 2022

Nifty open interest is just 1.09 crs whereas it should be at 1.30 crs by this time which still means 20 25 lac shares shorts are hidden as the O I is always net shown.

RDB Rasayan announced life time best results. AKAR came on dividend list. AMD announced lifetime best results with dividend proving that CNI picks are class. Integra and M K will prove this in course of time. GTV Engg posted media story link no wonder will cross new highs. Where would you get Rs 360 crs cash equity invested gr. Study all 8 Balance Sheets to know how much MW power they have. Again proving the right pick by CNI team. AMD when we picked it was not visible.

Now SOLIMAC AKAR and ALPINE will prove the point shortly. GLOBAL OFFSHORE assets value I had assumed at Rs 2200 crs whereas I saw a news yesterday where even carrier is sold at 29 mn \$ which suggest that the AHTV value is not less than 50 60 mn \$ means the asset value should be more than Rs 3000 crs. A stock one must hold till rate revision comes. Keep adding.

Mind it, when the confidence crisis in street you should buy then only you will make big money. INTEGRA seller sold hitting 52 week low and this is golden opportunity to buy MNC stock. Let seller sell stock will double. What is you losing if seller is selling...? Subex blasted from Rs 24 to 48 Yarri from 18 to 47 then why not INTEGRA from 58 to 120 ? Think you will get answer. Frustrated operator try to print lower price and now afraid seeing he lost major chunk of his holding. Well, it is MNC. I had recommended ESAB at Rs 400 now 3200 and BASF at 550 now 3000 plus so this MNC also will become Rs 1000 but you need to add and wait patiently. With Rs 17 crs IBITDA nothing can go wrong with 55% MNC stock. Buy stock now and travel to SWITZERLAND in 2 years its headquarters.

## Special feature

Expect the unexpected. Street was expecting rise in consumer index in US this week and consequently firm believed 75 BPS rate hike in Sept. Only at CNI, we had told you, on WED, with a buy on Nifty that consumer index will be better than expected and Dow will blast. It did. This was followed by a detailed note on RSI of Nifty, Dow, FPI buying from 21st July 2022 till 8th AUG which was shared on 9th AUG Tuesday. Those who read it was damn sure about what we meant and they made money even in one day trade. Part of the report is re-produced for those who wish to read only on WHAT's UP.

“The relative strength index (RSI) is a momentum indicator that evaluates overbought or oversold conditions by measuring the magnitude of recent price changes for various assets.

**Nifty Daily RSI is 77**

**Nifty Weekly RSI is 58**

**Dow Daily RSI 62**

**Dow weekly RSI 50**

Traders who are looking for investment opportunities should look for RSI values that hit **30 or fall below that level**. This allows them to look for investment options that may be undervalued where the price may increase in the future. We had picked long calls whenever RSI was near 30.

RSI 30 to 50 levels are buying zone yet not bullish.

RSI 50 to 80 are bullish signals.

**RSI 81 to 88 is overbought zone where corrections are possible.**

Now different charts have different definitions. In some charts even 70 + are considered as overbought.

Some chartist follow daily chart and some weekly. In weekly we are miles away to enter in overbought. That is why charts many times gives only **IF'S and BUT'S**.

Last time when correction came at **18650 daily RSI was 89.**”

“We have to read with DMA and EMA to decide further trends in markets.

Current **200 DMA is 16998**. Therefore so long as Nifty trade above 200 DMA it will remain bullish.

Even **200 EMA is 16588** which is miles behind.

These are just indicators. Fact remains, traders are still short and many stocks have not yet participated in the rally. We therefore believe that so long as we are above 17000 we will test AHT first.”

So long as market is firm that it is a bear rally I am happy. Bear rallies are more powerful than bull market rallies. I personally, though believe, that we are still in long bull market. 25% of the global funds have become bullish and started buying which is reflected in FPI buy numbers that is Rs 46000 crs in just 21 days. 75%, are

either still short or in cash, which they cannot sit for long time as it is public money and they have to show performance. I am waiting for that day when these 75% also agree with me and start buying. After all, they are sitting on cash of Rs 230000 crs( 30 bn\$)

FPI have started buying and this clearly explained with the help of factual numbers which are as under.

First, we see FPI selling to understand the scenario in a better way.

2021( last 3 months) – Rs 38521 crs

2022 ( first 6.5 months) -Rs 237858 crs

Today selling ( 9.5 months) Rs 273679 crs ( 35 bn \$)

This was in sharp contrast of FPI buying during PANDEMIC which was again a very bad period for India as well global economies. It was Rs 289449 crs from May 2020 to Sept 2021 (15th months) ( 38 bn \$).

What I understand is that FPI buys when everyone want to sell that is what we saw in pandemic buying. Things settled and clarity restored and even before WAR erupted FPI turned sellers from Sept 2021 till July 2022 because we idiots were buying. Adjustment period applies in both cases whether you are in BUY mode or SELL more.

On July 21st FPI turned buyers even though WAR is still there, Fed has been raising rates, RBI is raising rates, fears of recession is everywhere, in fact, 75% analysts believe stagflation also. See now buying numbers of July and Aug so far..

July 2022 + Rs 5000 crs

August 2022 + 21000 crs

Aggregate buying + Rs 26000 crs

Though these figures read Rs 26000 crs in my opinion it is Rs 46000 crs ( 6 bn \$) as first 20 days of July were – Rs 20000 crs.

Now see the math. They bought unprecedented 38 bn \$ in 15 months followed by selling stocks worth 35 bn \$ which got easily absorbed in the volatility of just 18.% fall which no one could have imagined. This is a new learning lesson for the all who are connected with stock markets in India. India has become too big now. It can absorb 35 bn \$ selling with just 18% fall which means FPI have tested water for bigger game. These figures were never seen before in history in Indian stock markets.

Rationally in any market where exit is available more money come in. We saw biggest IPO of just 3 bn \$ ( LIC ) but the same is not far where we will see IPO of 5 to 7 bn \$ also in coming years like CHINA and investment of over 100 bn \$ from FPI in a single year. All credit goes to NARENDRA MODI for creating parallel force in INDIAN market that is DII.

This also means FPI will not only invest the 30 bn \$, removed from India, but will, also invest another 30 bn \$ for sure in coming 2 years which will take Nifty to my logical destination. I will see Nifty 25000+ in next 2

years and 37800 in next 4 to 5 years. There is no option to India as it is not only fasted growing economy, but it is becoming technologically well placed which can be seen from defense exports of Rs 13000 crs.

Once again all thanks to the policy makers also who have created a robust market balancer in the form of DII which have now equal AUC on par with FPI and the day is not too far when our DII AUC will exceed FPI AUC as more and more emphasis is given to divert the direct investing through MF route now.

ONLY CNI had reported in JUNE 2022 that second half will see massive buying from FPI the selling figure of Rs 237858 crs will get diluted by big nos at the end of the year( as of yesterday it is seen at Rs 191000 crs). We may see at least Rs 1.7 lac crs more buying in next 4 months which will take the net selling to just Rs 25000 to 30000 crs which is the trend for last 31 years. Or, may be, we end the calendar year in green figures, who knows.

I feel our investor are matured enough to buy matured stocks, what matters, if it trades at 10x. They feel protected when they see the big names of HNI and FPI in the investors list. They are not in habit of buying stocks la start up. Only .1% investor love to buy raw mangoes and spend time to get it ripe hence they deserve to earn this 10x gains (CNI thinking). I heard in some movie that some time you have to earn something and this is class which really earn it.

We at CNI desk help every member in stock selection, deal with their queries on line so that they are not stuck in a wrong stock. Right stock, right price and right time makes your investment good investment though the volatile nature cannot be escaped. But proper due diligence, proper note before entering the stock makes your conviction strong. Sometimes some stock does not move for some reasons which is generally not understood by investors as they always wish that their stock should not be in RED. Eg Oriental Carbon and Hercules are not performing currently which is for sure only for de mergers which is in process. Corporate events always hold prices till the event happen.

Renuka Sugar changed name to Renuka Enterprises like many big groups have done in the past. Enterprises represent larger gambit beyond sugar and ethanol and may include some bigger plays like port or something else. This also has to be read with Govt announcement to free exports from ports. I do not believe here the change of name is mere gimmick as Wilmer is an MNC. Various leads can be seen from this move which one can interpret as per own convenience. For me RENUKA Enterprises will become a force to reckon with.

Yesterday I saw a news that some Chinese has acquired 13 oil bulk carriers for 376 mn %. Do not have specific details, though generally, would like to co relate with the freight rates. Bulk Carrier rates moved from 1000 \$ a day 2 years back to 6000 \$ a day before settling around 4000 \$ a day now. Point is a carrier earning 4000 \$ a day is valued at 29 mn \$ then what could be the vessel price for a specialized vessel like AHTV or PSV which command charter rate of 24000 to 30000 \$ a day. In spot market 60000 \$ a day. Occupancy rate is 92% in both vessels then why would one invest in bulk carriers than special purpose vehicles. I had last information that it could be 40 mn \$ a vessel though the charter rate gap do suggest it is much bigger figure than 40 mn \$ a vessel. Rest you all know from where I am coming from. Only 2 companies in India will benefit from this massive rise in prices of vessels that is SEAMEC and GLOBAL OFFSHORE. Losses hardly matters for Assets based co which is not comparable with asset light co.



## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	13/08	20,175.62	+93.19	+0.46
Singapore	Straits Times	13/08	3,269.27	-32.69	-0.99
United States	NASDAQ	13/08	13,047.19	+267.28	+2.09
United States	DJIA	13/08	33,761.05	+424.38	+1.27
United States	S&P 500	13/08	4,280.15	+72.88	+1.73
Japan	Nikkei 225	13/08	28,546.98	+727.65	+2.62
United Kingdom	FTSE 100	13/08	7,500.89	+34.98	+0.47
Malaysia	KLSE Composite	13/08	1,506.19	+0.63	+0.04
Indonesia	Jakarta Composite	13/08	7,129.28	-31.11	-0.43
Thailand	SET	13/08	1,622.26	+5.05	+0.31
France	CAC 40	13/08	6,553.86	+9.19	+0.14
Germany	DAX	13/08	13,795.85	+101.34	+0.74
Argentina	MerVal	13/08	125,979.56	+2,645.63	+2.15
Brazil	Bovespa	13/08	112,764.26	+3,046.32	+2.78
Mexico	IPC	13/08	48,853.37	+392.82	+0.81
Austria	ATX	13/08	3,087.54	-0.69	-0.02
Belgium	BEL-20	13/08	3,844.21	+4.25	+0.11
Netherlands	AEX General	13/08	725.76	-0.03	0.00
Spain	Madrid General	13/08	832.83	+2.46	+0.30
Switzerland	Swiss Market	13/08	11,128.24	-26.34	-0.24
Australia	All Ordinaries	13/08	7,288.80	-36.56	-0.50
China	Shanghai Composite	13/08	3,276.89	-4.78	-0.15
Philippines	PSE Composite	13/08	6,699.66	+18.98	+0.28
Sri Lanka	All Share	13/08	9,027.48	+321.31	+3.69
Taiwan	Taiwan Weighted	13/08	15,288.97	+91.12	+0.60
South Korei	KOSPI	13/08	2,527.94	+4.16	+0.16

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