

Editorial
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SAIL TATA POWER announced superb nos and hence hold. TATA Motors will rise festival boom. Hold.

ENGINNERING co is getting major attraction now because the recovery in the economy has pressed the button of capacity expansion across every industry and without machinery this is impossible. Hence ENGG sector is not working at 3 shifts with tons of order. What we saw in METALS we will see in ENGG in FY 22. Hence big big money is lined up in ENGG sector. We have identified 2 companies in this sector one is RAILWAY ENGG co that INTEGRA ENGG and second is low profile DUNCAN ENGG Ltd which is specialized in pneumatic cylinder. Pneumatic is used for industrial works like filling, packing, stamping, drilling, hosting, punching, clamping, assembly system, riveting etc. Pneumatics is used extensively as a low cost automation technology to automate industrial processes in modern day factories. Factory automation is the largest sector for pneumatic technology, which is widely used for products in manufacturing, processing and packaging operations. Pneumatic applications used in industries like Manufacturing industries, Automotive industry, machine tool manufacturers and domestic and commercial appliance manufacturers.

GENERALLY we buy stock when volume is very high and get trapped in the fishing net. I suggest buy when volume is very low but p e is compelling. As seen here PE is less than 10 for ENGG co that too promoter is OCCL nothing can go wrong. WHEN OCCL become Rs 5000 you will be buying this stock at Rs 2500. So better try now.

Duncan Engg Ltd Rs 216

Eq Rs 3.7 crs Revenue Rs 42 crs Pat Rs 8 crs Co generated Rs 6.18 crs cash from operations in FY 21 Cash and equivalent in books Rs 6.89 crs B V Rs 82 Eps 21 pe x 21 just 10

Promoter of the co : ORIENTAL CARBONS LTD

Change of the week

	14-Aug-21	Rise /Gain
Sensex	55437	1186 ↑
Nifty	16529	295 ↑

Net Investments (` Cr)

	FII	DII
09-Aug -21	444.9	(716.15)
10-Aug-21	(80.15)	689
11-Aug-21	297.1	206.28
12-Aug-21	289.8	307.75
13-Aug-21	819.7	149.5
Total	5774.4	636.5

Turnover (` Cr)

	FII	DII	Combined
13-Aug-21	66,962	57,927	1,24889

13-Aug-21	Advances	Declines	Ratio
BSE	1536	1687	0.91

About the co

Originally incorporated as Schrader Scovill Duncan Ltd in 1961. Schrader Bridgeport was the majority partner in the listed Indian tyre tube valves and pneumatic products joint venture.

JP Goenka group, the junior partner, through one of its outfits Oriental Carbon & Chemicals Ltd (OCCL), has bought out the entire 50 per cent stake of Schrader Bridgeport. Duncan Engineering Ltd. (FORMERLY KNOWN AS SCHRADER DUNCAN LTD.) is a subsidiary of Oriental Carbon and Chemicals Ltd in 2012 at a price of Rs 157 per share.

Duncan Engineering Ltd is India's pioneer in the field of industrial pneumatics and off-highway tyre valves and accessories.

Duncan Engineering also has a full range of rotary actuators with torque capacity 4Nm to 4000Nm.

With a state of art, environment-friendly manufacturing plant and a dust free temperature controlled assembly facility at Ranjangaon Pune, Duncan Engineering is ideally placed to address the future of needs of industry. This facility is built around 2011 and is state of art facility. Before that co used operate from Mulund which was sold for Rs 43 crs.

Rationale to buy

Engg co's always have high profitability on low sales hence higher discounting warranted.

Duncan had Rs 62 crs revenue a year back which fell to Rs 42 crs die to lockdown and lost quarter.

Co will scale back to Rs 62 crs + in F y 22 and with cash positive stock is at huge discount.

Occl being promoter of the co 10 p e is not justified

Plant set up GERMAN so it is world class not comparable with other engg co

Lakshmi Machine Works which reports Rs 42 eps is trading at Rs 8200 per share. Many examples can be seen.

In comparison Duncan Industries reported 21 eps and stock price is just Rs 213 need investors attention when we are buying stocks at 30 40 50 60 70 80 90 100 120 pe seeing the bull run.

Duncan is up just 22 % over 9 years means it has not even covered inflation hence we believe it is grossly under priced.

52 week high of Rs 234 was also in this quarter which means there will be big break out above Rs 234

5 Top Gainers

Stock	13-08-2021	09-08-2021	% Gain
NELCO	493.5	369	33.7
SHRIRAM CITY	2163.9	1811	19.4
VAKRANGEE	38.35	33.5	14.4
HIKAL	696.7	614.9	13.3
VIP IND	457.2	403.7	13.25

5 Top Losers

Stock	13-08-2021	09-08-2021	% Loss
QUICK HEAL	234.3	298.9	21.6
MANAP FINAN	165.7	207.4	20.1
GIC HOUSING	154.4	184.3	16.2
AUROBINDO	761	901	15.5
LUPIN	976.6	1150	15.1

Top 5 Picks By CNI 'A' Group

Company
RELIANCE
TATA STEEL
TATA MOTORS
INFY
ORACLE

Top 5 Picks By CNI 'B' Group

Company
SHEELA FOAM
IEX
HAPPIEST MIND
BSE
CDSL

Free float is very low taking into account 75 % promoters stake

Integrity of promoter is class 1 as Occl ranks 4 in the world in its sector.

Promoter has proven track record of scaling businesses to global scales.

With revival of auto sector this co has to be re rated .

Management in a concall said that they hiring more and adding value products aggressively.

Stock at 2.5 x b v is at compelling valuation even on different yardstick.

One must add this small cap low profile co which will become multi bagger.

New BSE rule

Suppose ABC closing on 20/08 is Rs 32 (180 days before closing was Rs 8) Rule applies only when cross
It has not gone up 6x in last 6months.

So new rule not applicable .

XYZ Ltd suppose closing is Rs 32 (180 days before closing was Rs 5) rule applies

So now,

Range from 23/08 would be

Weekly

Upper 38.4

Lower 24

Monthly

Upper 41.6

Lower 22

Quarterly

Upper 51.2

Lower 24

This is down assuming 5 pc is circuit limit and the same will double when it becomes 10% and further double when 20%.

In few days list of all such companies on whom this new rule applies would be out.

Though this was the reason for selling in small cap cos we do not believe that one should panic.

e g If I know the value of stock is Rs 400 to 500 then what matters if it is freeze at 60% in a quarter. Can you get 60% return in A gr shares..? I am referring to GLOBAL OFFSHORE which has hit lower cct only for this reason. Well many does not know this is a revival story. We have put our note in R I section. Result is on 14th. We have compared with SEAMEC with 4 vessels can do Rs 261 crs revenue then more in demand GLOBAL with 7 vessels why not rs 340 crs. We leave it you and better you should see Q1 nos and then decide. Any stock which is on revival you will get in tons. e g SUBEX at Rs 7.

Can I lose opportunity only because such rules are applied. No way. Many stocks are available at 30 40 pc lower which not really should come down and we are getting opportunity to buy.

R R Metals results today. Last Q co announced Rs 6 eps means 24 for the full year and pharma subsidiary. Promoters raised 4 pc stake. Should I lose this opportunity to add when market is down. When market recover same stock will be at Rs 100 plus.

our buy list ... NMDC SAIL TAPO TAMO in A gr avoid pharma over owned Now can add HPCL BPCL

IN B gr RDB Rasayan Vipul Organics Integra Engg Duncan Engg Usha RR Metals M K Exim HCC Shriram EPC TTML OCCL BSE Accelya CENTUM SKIPPER Global Offshore Spic Hind Copper TATA Coffee Tinplate Orient Cement Orient Paper 3 I RUBFILA International Praveg Phillips Carbon KVB MAHA BANK Hercules Tirumalai CCD Resonance speciality Ashapura Minichem

You all buy stocks like ZOMATO loss making co in IPO see what management says...

"We will do earnings/analyst calls once a year, at the end of each fiscal, where we will share a more detailed commentary on the year gone by along with key metrics. In the meanwhile, please feel free to write to us at shareholders@zomato.com if you have any questions/clarifications. We will address the most frequent/pertinent ones in our future blogs and/or quarterly shareholder letters." Do not will they ever come in profit..? As against this are getting M K EXIM doing Rs 15 EPS at Rs 77 and R R Metals at Rs 52 doing Rs 24 eps and we have conviction.

We had been warning that correction will come and you are not able to digest this because you have been buying high value shares on charts. Now 30 to 40% down so you are feeling heat. All our stocks are still at bottom prices.

Buy from above list any shares you like and hold. Allow market to settle. Nifty has to go to 16600 17500 and hence market will rally. Very soon pledged funded selling will be over and market will start rising. There are many robin hood investors and they will be buying low priced stocks. If you buy ahead of them you will gain. Rest is your call.

There is nothing I can write today as everything is reversed as expected. Those who believed and followed made money and those who did not are crying.

Can suggest ADD METAL at every price. R R METAL which has gave nominal loss thanks to due to lockdown inventory addition and manufacturing teething losses. But management gave robust guidance for next 3 quarters. Hence I believe the co which is capable to earn 8.38 crs in March Q alone on 37 crs sales can earn Rs 20 to 25 crs in next 3 quarters. On Eq of Rs 6 crs it could be Rs 40 EPS. Now once these nos are there can you get these shares...? No. Hence suggest start adding in lower cct today with at least 25% of what you want to add. If price falls to Rs 44 45 add another 25 pc though I believe all selling is gone in strong hands. I see this stock as a multi bagger and will advise you to add in small quantity to begin with. Stock generally you can get it when results are bad and after 2 days stock turn buyer. Please note Resonance crashed from Rs 150 to 120 on bad results and then rose to rs 192. Hence one should take this opportunity and start adding 500 1000 shares and once reversal happens you will not be able to add.

Steel Strips Infra has been hitting upper cct and with volumes. We had suggested at Rs 20 to have a look. We suggest book 50% profits at Rs 36 so that cost can become Rs 16. Last Q co reported Rs15 EPS this Q need to see what results they announce.

Global offshore hits upper cct. IT could be 10 x story.

Integra ENGG hits upper again. This also could be 10x story.

Duncan ENGG is a multi bagger try to catch this stock.

M K Exim is another 10x kind story.

TTML could be another 10x story.

CCD I am aware some guys from investment banking have bought at rs 47 in PA which means the deal is going on for sure.

ITC management said that they are open for de merger.

Hercules Hoist reported 445 lacs IBITA vs 229 lacs IBITDA. almost 100 pc rise. My conviction of MHE came right. Now we can buy this stock at the price where CFO bought. There could be some purpose for keeping the price in check. Stock price is controlled through ALGO. Co also announced to sell 2 acre land at MULUND which could be worth 150 200 crs. Means co have 200 crs land (cash will come in books) and Rs 600 crs investment. Very soon

we may see co announcing bonus or rights or some way to raise the capital and reward shareholders. Stock once cross Rs 179 has to test rs 400 500 come what it may.

I will not be surprised if Zee cross Rs 190 today and Rs 200 on Monday. Even after SEBI de barred 15 persons in this co for insiders trading stock did not fall which clearly indicate it was expected. It also means stock price will rise from here. Co already cleared 90 pc debt.

Asian Energy co earns Rs 24 crs profit in 1 Q. Today there was bloc deal hence came on our radar. Must buy for Rs 300 target. We will be coming a detailed note on this stock.

Top Intel chip executive Randhir Thakur joins Tata Electronics board. Please note TATA yesterday announced to start manufacturing of chips. They may tie up with BOSCH also. Tata Technology is subsidiary of TAMO. Refer our note issued earlier. We were the first to tell you that TATA will resolve the chip crisis. Now TAMO will blast. In fact TATA will imerge strongest player in CHIP. INTEL head will integrate with TAMO TATA ELECTRONICS and TATA TECHNOLOGY.

HCC announced rs 179 crs PAT. Our research was again first in INDIA. Now it will be a solvent co and stock price will react to earnings.

R R Metals pharma UNIT is very strong and could be a game changer. Add this stock.

Bank of MAHARASHTRA is going cheap as QIP was done at 23.6. One must add this stock. Because the QIP stock only are used to control the price. Once the QIP stock gets over then stock will blast to Rs 40 the deal price where BAJAJ want to buy this bank. Now you can understand why piecemeal QIP comes. Same thing we noticed in COAL and NMDC. It means the vested interest people use the market mechanism, acquire shares in QIP and control the prices of that co. Thus it could be prudent for Govt to put 1 year lock in case of QIP.

16500 almost done. I expect 17000 in AUG itself as heavy short is still seen.

Global Story

Nifty closed at 16529 and Sensex 55000 + which though made a day for the Team CNI we did not celebrate as this is still half way done. It was neither "Friday the 13th" for USA. We had already discussed our next target of Nifty 17500 which we should see very soon. In fact, we believe Nifty 17000 is possible in Aug and reasons were discussed in our previous report.

The series of reports started from March 2020 when market crashed due to unprecedented covid 19 and Nifty dived to 7500. Our first report set target of Nifty 10000 and since then we had been just kept on revising the Nifty target upwards and reached a new milestone of 16500+. From day one we had shared the impact of Q E and likely inflow of 90 95 bn \$ in India based on Msci India weightage. CNI members JAGRAN readers were part of this process of wealth creation though, by and large, investors lacked confidence. They enjoyed this rally in bits and pieces. At Nifty 10000 it was felt that pull back was very sharp and will not sustain. Thereafter at every 1000 points rally small correction occurred which made them believe that all is over. Even at 16500 the fear of correction is not allowing them to hold positions with confidence. This will always be there so long as you do not focus on the valuations.

At 16529 yesterday's closing NSE Nifty p e is 26.25. This is not trailing. Means if we take 1 year forward p e which, one should factor in current year's earnings, it is at 21.7 (assumed just 20 % growth). Normally, as per historical data correction has set in when nifty reach 28.7 p e. This shows that market will test 18000 before correcting. Mind it, in F Y 21 there was 24 % growth and we believe much higher nos in F Y 22. It can be 36 %+ and that need to be factored in. Hence there is very little reason to remain pessimist. Bull Run will continue.

You must have been surprised to see Nifty p e just at 26.25 even though Nifty is at all time high. More particularly, when NSE was showing p e of 40 just 6 months back. Yes, NSE changed the p e calculations w e f 1st April 2021 to consolidated earnings which is a correct method. Earlier to that, NSE always shown P E on standalone earnings. Secondly the F Y 21 earnings growth which was far better than F Y 20 brought down p e nos. In short we are in safe zone even at 16500 levels.

Well, we follow a globally accepted valuation mechanism which is much better tool than the p e valuation matrix. Warren Buffet and many big funds follow this method that is called market capitalization to gdp. Our market capitalization is 3.22 tr \$ (new listings too helping) whereas GDP is at 3.05 tr \$ setting a ratio of 1.05 times. In ordinary markets it used to be average .75 whereas in bull markets it was 1.49. In 2008 it reached 1.49 before correction set in. Even on this basis we see Nifty target of 18800 (fair 1.2 ratio assumed) which was seen on many occasions.

CNI is known for finding multi bagger stocks. It is not great technique. We search good stocks following certain criteria and some of these finds only become multi baggers. We believe even if 1, out every 10 new finds, become multi bagger you have it. Cera was found at Rs 120, Oriental Aromatics at Rs 110 VIP at Rs 34 Wimplast at Rs 100 Amar Raja Batteries at Rs 180 Stylum at Rs 26 Ceat at Rs 121 and so on. The list is too big to share here. All these finds were Rs 10 paid up though many have seen stock split and ex bonus. Most of the CNI members still own these shares as we follow simple practice of sell 50 % at 100 % rise and transfer the balance share to long portfolio account. This is a proven track record over decade.

Even in recent times CNI have found many stocks which will become multi baggers like Nmdc.Tisco,Vedl, Sail.Tata Elxsi, Tinsplate, Tata Coffee, Nelco, Vipul Organics Bajaj Consumers Dvl,Cesc Ventures, Tirumalai,Spic, Usha Martin, M k Exim(fmcg), Hcc, Manalasia Aluminium, Integra Engg (mnc) , Occl, Bse, Novartis, Accelya, Ineos, Ion Exchange, Shyam metallic, Orient Cement, Orient Paper, Centum, Camline Fine , Duncan Engg, Global Offshore and R R Metals. These are some of the names to mention and many of them will become multi baggers provided you hold it for 5- 7 years. Many stocks have doubled in less than 30 days. We at CNI are committed to continue with finding new stocks which fits in our bottom up approach.

Stocks like Siemens, Bharat Forge etc which we are still bullish but not suggesting now as we had covered Siemens at Rs 800 and Bharat Forge at Rs 440. So we try to eliminate high valued stocks and also believe being covered by 99 % brokers hence does not require special efforts. We will cover stocks where collecting data is very difficult. There were

none before we issued a report on BSE at Rs 900 and stock did 1400+ after our report. We believe it is a multi bagger idea with target of Rs 5000+.

We had also cautioned on some correction in mid caps and small caps recently. It came but unfortunately was assigned to BSE circular where penal price capping measures were announced. Well, even before BSE revised the circular CNI team had clarified that the circular will not hit more than 30 odd companies and in effect it is not applicable. There was opportunity of buying stocks at 30 % corrections. In any case none of CNI found stocks were hit that badly as they were all bottom up stocks. We find multi bagger stock over 5 years horizon and if get a stock which rises 600% in 6 month or 1200 % in 12 months you are super investor rather magician.

TEAM CNI

www.cniresearchltd.com

(Listed on BSE partnering with Bloomberg Rueters Dow Jones etc)

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	14/08	26,391.62	-126.20	-0.48
Singapore	Straits Times	14/08	3,165.49	-17.31	-0.54
United States	NASDAQ	14/08	14,822.90	+6.64	+0.04
United States	DJIA	14/08	35,515.38	+15.53	+0.04
United States	S&P 500	14/08	4,468.00	+7.17	+0.16
Japan	Nikkei 225	14/08	27,977.15	-37.87	-0.14
United Kingdom	FTSE 100	14/08	7,218.71	+25.48	+0.35
Malaysia	KLSE Composite	14/08	1,505.11	+3.14	+0.21
Indonesia	Jakarta Composite	14/08	6,139.49	-0.16	0.00
Thailand	SET	14/08	1,528.32	-4.39	-0.29
France	CAC 40	14/08	6,896.04	+13.57	+0.20
Germany	DAX	14/08	15,977.44	+39.93	+0.25
Argentina	MerVal	14/08	69,544.77	+52.19	+0.08
Brazil	Bovespa	14/08	121,193.80	+492.80	+0.41
Mexico	IPC	14/08	51,490.94	+441.25	+0.86
Austria	ATX	14/08	3,647.24	+12.33	+0.34
Belgium	BEL-20	14/08	4,361.97	+12.90	+0.30
Netherlands	AEX General	14/08	774.83	-0.41	-0.05
Spain	Madrid General	14/08	887.52	+1.23	+0.14
Switzerland	Swiss Market	14/08	12,464.44	+35.27	+0.28
Australia	All Ordinaries	14/08	7,897.70	+37.18	+0.47
China	Shanghai Composite	14/08	3,516.30	-8.44	-0.24
Philippines	PSE Composite	14/08	6,320.19	-236.38	-3.61
Sri Lanka	All Share	14/08	7,996.04	+15.13	+0.19
Taiwan	Taiwan Weighted	14/08	16,982.11	-237.83	-1.38
South Korei	KOSPI	14/08	3,171.29	-37.09	-1.16

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