

Editorial
Vol -1, No-I, 15 Oct 22, 08 pages

There is no need to panic as Dow again is at 36 RSI at the most can fall another 200 300 points where RSI will come again near 30 and Dow will rise 1000 1300 points.

As regards Nifty same is true but with Dow volatility Nifty too will be volatile and rejoice fir traders who love to trade in Nifty though it is never part of wealth creation process.

Oct month is result calendar which will make highly volatile. At cni we always avoid result play as it works contrary due to front running. Good results stocks will correct and bad results stocks will rise.

We have given list of stocks in YMV. Follow honestly if want to make wealth. A gr shares will not 50 to 100 % returns though you may feel there is margin of safety. Micro caps though there is no margin of safety there are no damages either and when some hni enter price will be 5x. Your job done. Rest is your call.

Nifty will bounce. Bank Nifty will bounce. Balancing is part of market game.

Dow is getting consolidated at the bottom and ready for 3000 points rally soon. India too all set for biggest blast.

We have selected 15 20 stocks in our DIWALI picks which comprise large caps for DIVIDEND, midcaps for steady returns and small caps for good returns and micro caps for multi baggers.

Select your bets. SUNIL AGRO and GTV comes in micro cap multi baggers and rationale is explained. Now it is up to you when do you buy when the report is released or now? In both these companies 2 big groups are interested as per our information. GTV will be 700 and SUNIL 325 very soon. Let us see.

Change of the week

	15-Oct-22	Rise /Gain
Sensex	57919	272 ↓
Nifty	17185	127 ↓

Net Investments (` Cr)

	FII	DII
10-Oct-2022	(765.0)	2137.4
11-Oct-2022	(3761.1)	2430.7
12-Oct-2022	(357.2)	85.3
13-Oct-2022	(1106.6)	753.2
14-Oct-2022	(1011)	1624.1
	(7000)	7029

Turnover (` Cr)

	FII	DII	Combined
14-Oct-22	87,013	51,816	1,38,829

14-Oct-22	Advances	Declines	Ratio
BSE	1743	1711	1.01

Last year DIWALI many picks have doubled like ITC, TATA Investments, AMD and many more. Now turn of other scrip's.

DISH though not in this report will do well. SITINETWORK though missing will do well. CNI believes in ENTRY point and not exit point whereas the world starts with exit point where retail enter which we call as distribution.

Dow recovered almost 400 points and fell again but closed in green and RSI now stands at 36. This may keep on happening and giving excellent opportunity of buying. Yes if your buy A gr shares pain will always be there but margin of safety will be very high. E g TCS fell after superb results. Now some one yesterday asked me about ARVIND Ltd cmp Rs 96 post many de mergers. Mind it we at CNI entered at Rs 8 hence how can we recommend this stock howsoever good it is. Same thing goes with VISHNU VIP Sandur SHIVALIC etc which are excluded category for us.

We focus on new breed. SUNIL AGRO is our best pick. Let sellers sell we will continue to accumulate. Profit does not matter. Fact remains co expanded RAVA capacity from 1 lac tons to 3 lac tons. And also remember co doing Rs 200 crs biz on just equity of rs 3 crs. Ratio of 66 times of equity. Can we find any other co in such fantastic efficiency? Stock in accumulation zone till it does not cross Rs 207. Will suggest to buy and hold 5000 shares of this co and see whether you make money like 4 stocks mentioned above.

A big shark has the tendency to gobble up the small fishes in the sea. Well, that is what is expected to happen again in the Indian FMCG space soon. Rumour has it that a business group which is looking to grow its FMCG business is targeting a firm that supplies wheat derivatives to prominent players in the FMCG space and has beefed up its capacity recently. Remains to be seen if the firm on the prowl pays a premium for an outright purchase or a significant stake."

WEALTH is crated betting on stocks like SUNIL GTV and METAL COATING TRIVENI etc and many members who wrote me have wiped of their 8 years losses by adding CNI recommended stocks. Many members also wrote me that they have portfolio in green even in the most troubled time from Sept 21 to Sep 22 as against the large cap bets which are still in massive red.

This is why I had mentioned that so long as recession PUNGI is on we should be really focused only micro caps and switching could yield more results. Who stops up from entering large caps again once things stabilizes.

5 Top Gainers			
Stock	14-10-2022	10-10-2022	% Gain
Garden Reach Ship	464.5	392.3	18.4
Rajesh Export	689.3	605.8	13.7
Camlin Fine	130.3	115.1	13.2
Astec Life	2119	1872.0	13.2
Paisalo Digital	75.8	67.3	12.6

5 Top Losers			
Stock	14-10-2022	10-10-2022	% Loss
India Cement	230.3	274.7	16.1
Suzlon Energy	6.7	7.6	12.5
Welspun Corp	241.9	273	11.3
Vakrangee	34.4	38.8	11.3
Zomato	61.9	69.6	11.0

Top 5 Picks By CNI 'A' Group
Company
SAIL
TATA MOTORS
PATANJALI
RELIANCE
HERO HONDA

Top 5 Picks By CNI 'B' Group
Company
DISH TV
METAL COATING
MK EXIM
HCC
ON MOBILE

Let me be clearer today. I had clear indication that markets will be range bound from last 6 months but I cannot speak that which could spoiled your sentiments. So I was inclined to suggest all along that use MICRO caps space to make money. I am should real rally in large cannot start unless Nifty cross 18650 hence till that time use this route.

GTV ENGG after hitting Rs 299 is consolidating and news of power biz sell to ADANI will come any day which will take stock SKY HIGH level. Some strong HNI have been adding constantly and free float is dried. May be they are waiting stock to come out of ASM.

AANCHAL ISPAT hearing doing some business restructuring with which co will not only become debt free but also we can see massive top line through restructuring. The group has more than 1000 crs biz in the same line of activity. I do not know when this will happen but sources says that very soon. So let us wait and watch. Again this co with Rs 200 crs revenue in AANCHAL ISPAT alone fits in my theory of efficiency as the ratio of sales to equity is 10 which very few can manage particularly in small caps and micro caps. Hence this has to become MULTI BAGGER come what it may...Now compare to SUZLON has 22 lac shareholders and most of them have been averaging for last 10 years. Every shareholder must be having more than 2 lac shares in his D MAT with an average cost of Rs 15 to 20 and waiting for their time to exit. Promoters with 14% stake can never cross 25% without open offer. Now rights at Rs 5 and those who subscribe will stand for selling at Rs 7 8 9 etc. because it gives 50 60 70% returns. Means in short SUSLON has no future. Also the money raised is not going in biz but for Rs 900 crs debt reduction. Eq rising from 1800 crs to 2100 2200 which is difficult to service. Might well if investors switch from SUZLON to AANCHAL may be 6 months to 12 months their buying cost of SUZLON can be seen. This is how switching works.

Yes Bank has the largest retail shareholder 4.5 crs where can you see the future..? 128 crs shares lock in will open in MARCH 22 means 128 crs shares can come for selling. Where do see the future. This could be another perfect switch to AANCHAL ISPAT. Free float in AANCHAL ISPAT is less than 10 lac shares which clearly suggest that co will get good valuations in course of time. Smart thinking can change your life... Else we have to take a print of D MAT where SUZLON and YES BANK are loaded and keep in front of GODDESS LAKSHMI and pray every day that they should double..

Anyways, risk is always there in equity and reward is also there. At the same time money has opportunity cost also.

Therefore you decide which stocks you should bet. TATA MOTORS corrected from Rs 500 to 390 event though it is the No 1 E V stock In INDIA whereas SUNIL AGRO gone up 50% in the same time. SUNIL has free float of less than 20000 shares now and once that is cornered you can see 4 digit also. Who stops..? End of the day it is demand Vs supply.

In this sense I always advocated ownership concept which should be really clear to you after reading my comments on SUZLON and YES Bank. I wish I prove wrong in these stocks. Idea could be third one.

Metal coating free float of 56000 shares now to be precise which will be cornered after that again SKY is the limit.

Read CNI DIWALI picks to gain insight of wealth creation. We have reduced weight from large caps and increased on micro caps. Also read YMV tomorrow to know why micro caps will save your Balance Sheet.

Volatility is motivated and 18000 18650 is the destination. Shorts getting built and very soon market will become immune to recession the way we became to Russia Ukraine War. Market has to move and at 17 PE if you expect we to crash to 15000 you are living in fool's paradise. At 25 PE which is fair Nifty can become 25000 and we are talking of 20000 21000.

Micro caps will see new buyers at new ATH Nifty hence invest in micro caps irrespective of the fact that operators are trying to control the prices.

Nothing more to add. Choice is your buy A and keep your portfolio bleeding every day or buy micro caps and be safe with no downside. My top 3 picks right now are GTV SUNIL and METAL COATING. Each has some trigger and when it comes to fore stocks will be 5x.

Dow rose 1300 points from the low and that was expected thanks to RSI reading. Inflation cannot come under control by monetary policy alone as the liquidity infused (printed) is too high. They have to work on supply economy. Eg There is big shortage of chips and come 2023 there will surplus chips which will benefit none other than Tata motors. Today there is a big shortage power in EUROPE, come 2024 there will be excess power.

Even though no one speaks loudly on supply economies they work silently which can see from last 100 years history and those react largely are not real economists.

Inspirisys saw a JAPENESE Chairman now. Even the management team is changed and stock too has come in 0GSM hence stock will start going up. In next few quarters JAPENESE parent co start giving big orders which will reflect in profits. I had mentioned when MALCOM resigned that JAPENESE is coming. Now same thing will happen in GTV and SUNIL and news will come out soon.

Keep adding SUNIL AGRO GTV ENGG for super gains. AANCHAL ISPAT is new game now. Wait and watch for a straight run till ATH. Metal coating accumulation is on. Very soon should cross 3 digit. After that it will be another GTV ENGG. We started GTV at Rs 70 and now 270 same way METAL COATING. Wait and watch. Read the below quote to understand why SUNIL GTV METAL COATING will make it big.

Special feature

This week was extension of 17100 consolidation as markets were up and down below 17000 and above 17100 for number of time though closed above 17200. Dow too getting consolidated at 29000 though showing extremely oversold signs hence even after bad inflation nos crossed 30000 as expected. Every day, we find some statement from U S that they are going in recession in next 9 months or so. Last 6 months we have heard recession recession and recession but fact remains the economies are buoyant, employment is not slowing, even after 300 BPS rate hike the hope of recession is shifting from early 2023 to 9 months means in the second half of 2023. We are just 2 months away from 2023 and still hearing recession 9 months away. This is a perfect stage of next Bull Run as excessive pessimism is seen everywhere. The statements issued probably indicate how big short position are there in Dow. And yes, it is reflected in RSI. I can't buy recession logic simply because Dollar rate is not cracking. The rise of \$ against yen and Euro clearly suggest that something is missing. If country is going to hit by recession, even their currency has to fall which is defying the logic of recession. Someone rightly explained to me that US is shifting their inflation to other countries by pegging \$ high. It seems its US Vs Rest of the WORLD and US is known for playing such dirty tricks time and again. Alternatively, I see the impact of liquidity injected is not slowing down even after rate is hiked by 300 bps. Monetary policy alone cannot control inflation as per old school of economics.

I am happy to see all who are investing and trading have started understanding economics. Every day morning they share recession news in what's up group and their expert opinion. Current phase, I am seeing no one investing but only chatting. Those who buy 100 calls give a bull call and those buy 100 put give sell call and desire that market should travel in the direction of their trade. Though both the factions are not yielding anything from options trades as they are not writers and markets are range bound and when they are in a range time factor eats their premium. This option factor is the key of current trading and the result is even after good results stocks will fall and after bad will rise due to demand and supply equation.

In India, neither we see slow down in car sales, nor in any consumption theme. Tax collections are robust and GST is constantly above Rs 1.4 lac crs for last 7 months beating the budget estimates by miles. We will be 7%+ GDP for sure even though IMF has reduced our growth rate to 6.8%. This is the same IMF which had predicted 106 \$ oil rate throughout the year so their bias can be clearly seen which I do not give too much weightage. Extremely good monsoon had helped in rising coverage of kharip crop augurs well in agri production which will play an important role in supply economy. Indian Govt is clearly focused on supply economy but now even West is realizing the importance more particularly Russia and Ukraine are handicapped in this space. I believe our share of agri in the GDP will start rising now and that is good for our economy as India still is predominantly agri economy. Indian Govt is also including services in the GDP which is a right step as our services pmi is higher than manufacturing pmi.

Thus, I do not see a single reason to remain pessimist. Current pessimism globally has also created unwarranted fear in India too. The sleep pattern of Indian traders have changed which I can see from postings in the what's up groups till 2 am means they spend all quality sleep time in watching Dow Nasdaq. Also I have seen many debates whether Dow,Nasdaq recovery will take Nifty to ATH or Nifty ATH will take Dow Nasdaq up. My view is that no FPI is going to leave India come what it may. I have explained the options income in my previous reports. They are rotating strike like mid overs of ONE DAY MATCH around 17000 18000 and pocketing all premiums on either side. Coupling and de coupling is naive concept and it is tossed up as per desire. At times we are coupled and at time we are not.

I reiterate Nifty 17100 is an accepted valuation (pe 17) which factor in, fears of global recession. At these levels 35 bn \$ selling got absorbed in last 12 months. From hereon we have to move up to catch up 25 p e sooner than later, hence I clearly see 20% upside in Nifty and clouds of recession will get converted into new energy of next bull market very soon. It is like ITC getting consolidated at 210 for years and now 50% up. When there is extreme pessimism, new bull markets get born. U S and INDIA are not exceptions. E g see ITC it failed to move in 5 years but in last 6 months it moved 50% and now not ready to fall. Those who sold in fear time lost that stock. Same thing we are seeing in BHEL MNM FINANCE and KVB. KVB was not ready to cross 50 and now falling below 80 (all 4 CNI picks). Thus, you should hold on to quality stocks and they will move in right direction after consolidation. If you do not have patience of 2 to 3 years even large caps

cannot deliver. Considering this trend CNI has come out with new strategy of buying micro caps which will give higher returns.

We have issued DIWALI picks where we have large caps from dividend perspective, we have mid-caps but our main focus is on small caps and micro caps. Some stocks from previous Diwali picks have become small caps now from micro caps giving fantastic returns. We have 10 micro cap multi baggers ideas even in this report and I am sure by next Diwali few of them will become small caps. What is the significance of this? They will rise 100% AND as per our theory makes stocks free and we can then hold for 5 years. And we do this I can see at least few stocks becoming mid-caps like in the past we saw Cera, Vishnu Vip, Sandur, Oriental Aromatics etc a list is given in the report. The rationale of safety may not work in a large caps. We have seen Arbindo falling from 1200 to 500. If that is the risk we are ready to take then why not micro caps. At least I have not seen a single stock giving negative return from the level identified by us in this space for last 2 years. The only difference is margin trading. A gr or large caps are accepted in margin whereas no funding available in micro caps. Another risk (though I consider opportunity) is category like GSM which temporarily halts the movement but that gives opportunity to buy stock at discount also. The biggest flaw of large caps or NSE listed stocks is leveraging. Since they are accepted in margin investors take excess position on screen as well in dabba and one fine morning they have to reduce exposures and for that the brokers only do the damage by pressing sell button at market rate. This also happen as brokers change margin rules and scripts arbitrarily. Today 50% margin and after 2 weeks can make it 25% only or no margin also means 50% or 100% have to be liquidated. If investors had cash they could not have gone for margin trading. In this sense, I advocate micro caps where leveraging issue is not there. You buy only what your balance permit. Thus in my view it is safe category. Thus seeing big mark to market is not possible. And with improvement in sentiments big buying comes.

Delta announced super results and we are impressed and buying at Rs 220. Do you know this is Rs 2200 and operator had entered at Rs 30 only so we are pitched at 80x 100x which CNI avoid in stock selection? It may be a great stock but not for us as we believe in another Delta which will become Rs 2300 3000 in next 5 years. Take it from me at least 2 to 3 stocks from our multi bagger ideas will become like this.

In 2012 Rs 30000 was enough for household expenses which has become Rs 60000 in 2022. Rs 3 to 5 lacs were required for higher education which now scaled to Rs 20 22 lacs and when compared with Sensex it was 17000 and now 59000. Can you extrapolate these nos to 2032 and see when would be Sensex? You have to bet on Equity come what it may for next few years and inflation should be considered good when there is rate hikes which clearly means Sensex will go up for sure even in this environment. In view of the same we at CNI advocate betting on undervalued stocks which is against 99% favored theme of going for large caps. We can't afford see major mark to market losses though those who prefer A gr shares have to marry with mark to market for the bid of earning higher profits. It is not out of contest to state that those who want to invest Rs 100 crs + must buy A gr shares because there the criteria of liquidity is first. But those who are buying 2 to 20 lacs I think better option in micro caps. We see some stocks correcting in micro caps also but that is there in A gr also. 30 40% correction in A gr in normal and we can't cry. You are manager of your own money hence which strategy to follow is your call. I reiterate Nifty will cross not only ATH but also 20000-21000 hence do not mistake of shorting markets.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	15/10	16,587.69	+198.58	+1.21
Singapore	Straits Times	15/10	3,039.61	-0.84	-0.03
United States	NASDAQ	15/10	10,321.39	-327.76	-3.08
United States	DJIA	15/10	29,634.83	-403.89	-1.34
United States	S&P 500	15/10	3,583.07	-86.84	-2.37
Japan	Nikkei 225	15/10	27,090.76	+853.34	+3.25
United Kingdom	FTSE 100	15/10	6,858.79	+8.52	+0.12
Malaysia	KLSE Composite	15/10	1,382.47	+9.11	+0.66
Indonesia	Jakarta Composite	15/10	6,814.53	-66.10	-0.96
Thailand	SET	15/10	1,560.78	-1.90	-0.12
France	CAC 40	15/10	5,931.92	+52.73	+0.90
Germany	DAX	15/10	12,437.81	+82.23	+0.67
Argentina	MerVal	15/10	137,290.73	-3,473.04	-2.47
Brazil	Bovespa	15/10	112,072.34	-2,227.75	-1.95
Mexico	IPC	15/10	45,443.35	-323.59	-0.71
Austria	ATX	15/10	2,749.82	+6.73	+0.25
Belgium	BEL-20	15/10	3,387.10	+40.30	+1.20
Netherlands	AEX General	15/10	630.58	-2.43	-0.38
Spain	Madrid General	15/10	735.77	+3.91	+0.53
Switzerland	Swiss Market	15/10	10,329.34	+101.44	+0.99
Australia	All Ordinaries	15/10	6,948.59	+114.13	+1.67
China	Shanghai Composite	15/10	3,071.99	+55.63	+1.84
Philippines	PSE Composite	15/10	5,904.75	+9.11	+0.15
Sri Lanka	All Share	15/10	9,093.37	-55.18	-0.60
Taiwan	Taiwan Weighted	15/10	13,128.12	+317.39	+2.48
South Korei	KOSPI	15/10	2,212.55	+49.68	+2.30

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