

Editorial

You dreamed the prices for buying and here they are but surely you want to buy it at further 20% discount. So the desire is never ending and this is story of common man who lives under fear.

Market drivers fool you with consensus statements all round that Nifty will fall by 10% more though unanimously all of them are seen buying stocks at will.

Nifty is though at 15800 price wise it is at 10000 hence it will be better off you stay away from 8 stocks which constitute 52% of Nifty and focus on stock buying. That too only B gr underpriced stocks. In A gr power infra real estate Auto and metal will do well. The 8 stocks which have 52% weightage are RIL INFY TCS HDFC twins ICICI ITC and Kotak Bank. So selling can come in these stocks. Even when we see FPI ownership it is 70 % in few sectors only. Hence other sectors they cannot sell more.

WILD trade do it and try your LUCK. BUY 17000 call at Rs 18 loss of just Rs 1350 which can give you Rs 15000 if my call on Nifty goes right. Wrong is always factored in as I am advising call. Now why..? After 14th June FED rate hike Dow will make U turn as RSI is 34. On 17th JUNE we see Q W and with such a huge shorts Dow should rise 1000 1500 points and that's it Nifty have space. Rest is your call. When media gives target 14000 I have last laugh.

AANCHAL Ispat stabilized near Rs 13 hence could be in BUY zone. ALPINE SOLIMAC and METAL COATING rising every day as there seems big demand. TRIVENI GLASS always seen big buyers at cmp means someone is GA GA On UP Story. These are the stocks where you can make your life. A P have a FUND and they have acquired 3% stake in the co that explains everything. A P is part of bug HNI racket which makes stocks life.

Others are RDB VIPUL RR ARTEFACT etc where you can continue to add.

Vol -1, No-I, 18 June 22, 09 pages
Change of the week

	18-June-22	Rise /Gain
Sensex	54326	2783 ↓
Nifty	16266	857 ↓

Net Investments (` Cr)

	FII	DII
13-06-2022	(3566)	2814.5
14-06-2022	(4312)	3807.6
15-06-2022	(3358)	2588
16-06-2022	(3122)	1929.1
17-06-2022	(7818)	6086.9
Total	22,176	11,824

Turnover (` Cr)

	FII	DII	Combined
17-June-22	77,590	54,602	1,32,192

17-June-22	Advances	Declines	Ratio
BSE	999	2330	0.42

I really fail to understand when everyone is issuing OIL target report of 140 150 160 and now someone said even 200 \$ then why the hell shipping assets are not moving up. If this is true then GLOBAL OFFSHORE should have become Rs 250 buy now. Well after rate revision no one will get chance that is for sure.

If you want to succeed in capital market then do not decide your buying based on NIFTY. As told it is 10000 now in real terms. So decide the value of the stocks. Buy when no one buys and you will be tons of wealth.

I bet on TATA Gr as CHANDRA said TATA will be 1 tr \$ gr by 2030. If this has to happen then only TAMO and TAPO has to contribute at least 10x and this will also come through value unlocking. We will see de mergers in TAMO and TAPO also. Tata Communications also need to cross 10x. TTML has to become another TATA ELXSI. TISCO need to become Rs 8 lac crs (10 bn \$) co. Then only we can expect this gr to be 1 tr \$ co. I trust CHANDA as I worked with the Group for 10 years. Now my simple call is that if TATA to become 1 tr \$ by 2030 then INDIA has to be 12 tr \$ economy and if India become 12 tr \$ economy then Nifty has to be 80000 hence my call of 37800 has to see the light of the day.

If Tata to become 1 tr \$ group then even RIL and ADANI will become 1 tr \$ each. So leave it to you what you have to expect. Sell seeing corrections or buy seeing long term vision. My identified micro caps then has to be 50x 100x in course of time not all but at least few. So if you take bet on 10 stocks at least 2 to 4 will fall in this grade and it means you average returns will be much higher. In any case, all my recommended stocks (under owned) are in massive plus.

In short I do not subscribe with Nifty 14000 view and hold that volatility will continue till next 45 days but Nifty will test 20000 21000 if not before DEC then by March 23. I am telling this now as I hate people who change their stand like cloths. People search PENNY stocks but let me tell you all stocks which trades at sub 10 or around are not GOLD. Only stocks backed by strong assets base are GOLD and hence buy only those penny stocks which have massive assets base. I see AANCHAL and TRIVENI and SWISS these 3 stocks in this category.

5 Top Gainers			
Stock	17-06-2022	13-06-2022	% Gain
NAVA BHARAT	204.8	135.9	50.6
WELSPUN CORP	245	178	37.6
MANGALORE	92.7	67.7	36.9
ELGI EQUIPMENT	337	257	31.1
JKLAKSHMI CEM	493.7	385.6	28.0

5 Top Losers			
Stock	17-06-2022	13-06-2022	% Loss
COSMO FILMS	1015	1695	40.1
SADBHAV ENG	15.2	21.3	28.6
RBL	81.4	113.3	28.1
MASTEK	1994.8	2595.2	23.1
MANGALORE REF	94.5	120.1	21.2

Top 5 Picks By CNI 'A' Group
Company
WIPRO
TATA STEEL
RENUKA SUGAR
ADANI ORT
TATA MOTORS

Top 5 Picks By CNI 'B' Group
Company
METAL COATING
TRIVENI GLASS
SOLTAIRE MACHINE
RUCHI SOYA
BOMBAY BYEING

Hike is discounted as you can see from following expectations.

Fed Rate Hike Estimates

Barclays +75bps

Deutsche Bank +75bps

CapEcon +75bps

Goldman +75bps

JPMorgan +75bps

Jefferies +75bps

Nomura +75bps

SocGen +75bps

TD +75bps

Wells +75bps

BNP +50bps

BofA +50bps

Citi +50bps

Credit Suisse +50bps

HSBC +50bps

Morgan Stanley +50bps

StanChart +50bps

Fed is not clean and so the U S financial markets. Fed meeting is kept just ahead of Q W. Fed will decide on 15th and Q W on 17th where 1.38 tr \$ options will expire. Dow is already down 10% in June hence on 17th I see only recovery.

On 18th Accenture will announce results. DOW RSI below 30 and Nifty RSI around 30 and 16700 strong buying seen though there is consensus that Nifty will go to 14000. 1.22 lac contracts FPI short is higher than March 20 1.12 lac contracts and every time when shorts cross 1 lac contract Nifty rises 10%. I hold my view.

Let media and world say 14000 I will buy now. If 14000 comes I will buy more. I will Beg Borrow and Buy at 14000 because we will be at Nifty PE <13 x FY13 and <10 x FY 24 which means we will be below 1991 which means we have factored in 10 years recession.

India has done all what they should have done for OIL. Read this

“ INSTC Map for trade between India and Russia via Iran

Key points, it cut the transport duration from 40 days to just 20

30% reduction of cost

But the most strategic point is that it doesn't pass from Europe and Middle east. Means any future blockade by these countries not possible. Which also means US influence is ruled out to block trade between India and Russia

Now we have 2 trade routes with Russia. One is INSTC connecting West coast from St.Petersburg. We also have Vladivostok-Chennai trade channel passing through Mallaca strait for Eastern Coast. Covered both sides of Russia. Encircled China blocking OBOR. India played smart to back Chabahar port given to Ch!N@. People who made fun of Modi's foreign visits now have egg on their faces

Modi govt was working on it since 2017"

I do not want to subscribe the 14000 view for various reasons..

US may announce end of WAR overnight which no one can predict

If happen Nifty will rise 2000 points and Oil will crash to 90 \$

All statements of recession, OIL 175 \$ are all speculative and motived according to their own positions.

The multi tr \$ is at stake and if market rise there will be massacre for sure.

In short everyone has predicted downside of 14000 and I prepared for the same. No one has even in dream suggest Nifty 18000 which can happen. Expect the UNEXPECTED.

Now on facts and figures...

FPI sold 2.26 lac crs in 9 months who bought..? Retail I do not think they have such capacity. Had retail such capacity SAIL could not have been Rs 70 that is at 2.4 PE though the assets size is Rs 3 lac crs. The free float is rs 6400 crs. If retail cannot buy Rs 6400 crs SAIL then forget rs 2.26 lac crs.. Leave apart SAIL retail cant even buy 1000 shares of any penny stocks of rs 12 13 also at this point in time.

On the other hand FPI sold Infosys worth Rs 92000 crs in MAY alone who bought..?

DII too does not have that much capacity. LIC have been seen buying some shady company which you know it happens means even LIC (AUC Rs 10 lac crs) cant buy rs 2 lac crs.

It means some big corporates enjoying the status of DII and HNI have bought majority of rs 2.26 lac crs and they will rule the markets. In that sense Indian markets are controlled by some strong hands.

I believe RUSSIA has emerged the biggest winner out this war and INDIA has the maximum advantage due to commodity state. Our farm income will rise many fold and GOVT will not be buying anything at MSP even at raised MSP. It means major subsidy will be saved.

I believe SUGAR and WHEAT are the sectors to be in. I will bet on RENUKA and SUNIL and GTV.

Fed hiked 75 bips and may hike another 75 bips but for sure the commentary was good. They have said that the hikes thereafter will be slower. In fact, they have also said that in 2024 they will start rate cuts. Means they confirm indirectly that there is no chance of recession. They may even start re purchasing Bonds that is fresh QE if the economy slows down more than anticipated. EU Central bank is already is on record saying that they will start re purchasing bonds.

Screen reading is always dangerous. Many have started saying that screen shows very bad signs and hence they will go short. No one stop you from going short. Go short. But this does not alter the oversold status of the market. This does not alter that we are trading at less than 16 PE now it is 15.5. You may see NSE 19 but I see FY 23.

Under owned stocks are least affected which you can see from stock prices. Over owned stocks could get more selling from FPI. FPI have sold Rs 92 K Infy and what matters if they sell another Rs 90 K Infy. Now the AUC stands at Rs 39 lac crs and the more fall means more fall in AUC also. If AUC falls to Rs 32 lacs they will be much below DII AUC.

I am repeating once again the FPI selling of Rs 2.26 lac crs is not being absorbed by the DII in INDIA as DII do not have that much depth. The buyers are big CORPORATE and ULTRA HNI who have capacity to buy more than Rs 10 lac crs hence they may continue to buy more at every fall. I do not see the power of retail. Even the F and O long is from these quarters where they know that after some time they will be taking markets up. Where is RETAIL..? AANCHAL ISPAT operator can hot lower cct by just 10000 shares and I do not see retail buying coming. Of course at Rs 20 all will buy again that is different story. Retail always enter at TOP as they go with wrong perception of volume chasing. If retail start buying from low they will make money. But you will have to go against the flow. Buy and hold with conviction. Operator's job is to bring prices down and get the stop losses triggered.

So long as PSU trade in F and O they will be vulnerable to heavy selling by FPI and loser will be GOI. GPI should remove all PSU from the F and O and see we will get correct valuations. P Note borrowing is rampant for PSU selling. FPI should sell SAIL till Rs 10 20 and exit once for all though this will never happen as they control the prices and not here to exit.

Today is expiry and FPI are short. So they are trying to take a favorable vallon. I have no change in my views and will wait. Those who are fearsome should avoid F and O trading and buy only cash stocks at will. F and O will always remain a dangerous game. Though we try to predict the movement fact remains it is FPI + operators decide the market trend.

Whenever you do not understand markets, better to avoid fluid stocks and focus on under owned stocks. See what happened to BRIGHTCOM which I mentioned at Rs 190. Now Rs 47 and I think can go below Rs 5 as the cost of allottee's is less than Rs 3 as co had issued 2 times bonus issues to compensate and create lock in free shares which are coming for selling. Those who bought at Rs 7 and took bonus will be in profit till Rs 7 also. Yes, game is done. Lock in free shares were distributed in market.

DOW today to see 3.2 tr \$ options expiry. If India is manipulated even US is manipulated. Post this what?

India panic is SET and all retail has now turned seller at every price. I remember one guy who was extremely bullish at bought SUBEX at Rs 55 5 lac shares had to sell yesterday at Rs 24. This is state of market everywhere and every stock.

Many stocks are near base price. Can't advise you BUY or not as it will go deaf ears.

Fact, remains, we may to sub 15000 once (psychological mark) but reversal will be in V shape. Eg Now SAIL seems bottomed out and very soon can be Rs 76 again AND then we may see Govt news that export duty is removed which will take SAIL to Rs 100 again. Mind it, SAIL largest buyers from DELHI.

RSI is 28 hence 10% 15% bounce has to come. The best way is stagger buying in 4 lots that is what best feasible though I will tell HNI who wants good lot can get it without premium now. This we are not seeing for the first time but same mistake we will be doing all the time that is buy with the flow.

It is not good practice to buy when markets rising. It is best to add when others are selling. Mind it, no one want to sell but it is the conditions that is margin require them to sell and brokers sell mercilessly. In fact, broker give margin funding only knowing this.

Those who followed by advice and bought shares which are under owned are happy and NAV is still good. They have outperform markets. When everything has crashed 70 80% your stocks are still up means you have outperformed markets. Also no need to see stock in isolation, see the entire portfolio and compare with market.

I am open to help you if you want to buy good stocks seeing this madness. Markets will bounce and Nifty will cross 20000 21000 as we are still in the biggest Bull Run and this is just a deeper correction like 2020.

Rest is your call as you are more learned than me and also it is your funds hence you only have to decide your risk appetite. Equity is all about risk and risk gives reward. Else there is debt market readily available

Special feature

Indian markets behaved as if we are US markets and when Fed raised 75 bps rates which was in line consequently Dow rose 300 points but India fell 1100 points to celebrate the already oversold markets. But Dow fell 800 points the next day and India did not fall except creating FEAR and triggered MARGIN of all retail investors. Well, this is inevitable when there is concentration of power. No wonder, we may see < 15000 or even 14500 as announced by few skins in the game before the reversal starts though I believe in unexpected things and there could be a case where 15211 could already have become BOTTOM. Let market open on MONDAY will know whether 15211 was the bottom or we are heading for more downside. Though Dow ended just 38 points lower on the Quadruple Witching day (3.2 trillion options expiry) Nasdaq was up 152 points and S and P too in green.

I can try to read between the lines and data which is of late manipulated extremely well to beat the best in the industry. e.g. On Thursday, when we opened at Nifty 15800 after seeing FED action, those who control markets, have shown 1.20 cr puts Open Interest in 15500 so that traders went long at 15600 15550 sensing that 15500 will not breach but Nifty tested low of 15300 to take the biggest expiry credits. Nifty closed lowest at 15340. On Friday, it made a low of 15211 and closed at 15349.

Fed, though clearly said, there could be another 75 bps hike soon, wasn't really hawkish as it maintained that they will cut rates once sufficient cool off in the economy is done. This means the recession fear is exaggeration. EU, too raised rates, but only 25 bps whereas JAPAN refused to raise the rates. US is known for such gimmicks whether it is WAR or managing the country, as they have clear vested interest whereas I believe we do not have any recession fears in INDIA though inflation is bit high which we are used to. High inflation does not mean de growth and we must note this. We are not as synced to bank rates as US is.

RSI again dropped below 30 (29) to signal extremely oversold state of market. So is Dow (30). With Dow completing 3.2 tr \$ options expiry (**Mind it, INDIA GDP is only 3 tr \$**) on FRIDAY the 17th, there will be big respite to markets post this event. This event is much bigger than 75 rate hike event and we had already told you to wait till 17th JUNE 2022. CNI, though have pretty good success rate in A gr or F and O, **never advocate to put your skin in to it as it will always suck you from nowhere**. Whereas the strategy shared with you from time to time to buy and hold B gr under owned stocks have created wealth in the past and will create in future also. We, at CNI, are not disturbed with such big fall, as we know this happens every 2 years. **Bloomberg too has released a study (can check from our Tweeter handle) from 1954 to 2018 that is in history of 64 years 11 times out of 12 S and P has moved up during rate hikes which is a testimony that rate hikes means growing economy.**

I do not want discuss PE ratio again and again as it is meaningless in the short run as markets are moved with certain force on either direction. You can take the advantage of situation but you cannot control or change it. It will work only in favour of long term investors who wish to add good quality stocks from METAL, AUTO and POWER sector for next 2 year's horizon. **Alternatively only MICRO caps under owned stocks will be the key to success. For stocks you can always contact team CNI.**

Market capitalization has dropped significantly to 3 tr \$ even after LIC listing whereas the ratio of market capitalization to GDP has also fallen to .96 from 1.17. Arguably, there is room for more fall, to match the 10 year's average of .75, yet the earlier high of 1.49 in good markets cannot be ignored. If we cannot like PE of 15 16 there is no way we can like .75 ratio also hence we should allow FPI to sell more aggressively and bring down Nifty to 14500 14000. This could happen in just few sessions now as 500 points fall in Nifty is one day's job which we noticed on 16th June on expiry day. **If you are not prepared for 1000 points (already seen a fall of 3400 points from the top) you should become Debt market player.**

FPI AUC rose from Rs 42 lac crs to 44 lacs crs on 31st May which again fell to > Rs 40 lac crs thanks to FPI aggravated selling. They have sold Rs 92000 Crs Infosys alone in May 2022. So chances are very bright that they will sell further from IT and Banking sector where they have combined holding of 44%. They have 13% stake in OIL and GAS but it is mainly RIL where I do not think so they will sell till Rs 1800. FMCG, yes could be affected sector if price inflation fails to hold. FPI hold 6% in this sector.

Currently the fear factor is so high even DII and MF, on record, say go cautiously. Thanks to social media which spread the FEAR information much faster than anything else. It becomes WIRE in fraction of seconds. This is the fact which makes FPI more aggressive sellers. From 2014 Shri Narendra Modi was successful in creating a system which did not allow to give market control in the hands of FPI. But since 2020 the massive buying of Rs 2.80 lac crs by FPI has given the steering in their hand again at least for the time being. As against the buying of Rs 2.80 lac crs the selling from OCT 2021 till date is Rs 2.39 lac crs and still not over.

India done well on revenue front in 2022. Finance Secretary is on record that we will cross estimated revenue for FY 23 also. Divestment estimates will cross easily as LIC has done 30% of the work. 5 G which is not estimated in the Budget could drive Rs 4 lac crs as per media reports. **If this happen then we are par above excellence.** As explained, **Nifty universe, is really unaffected from the rate hike.** Also India is capable to ward off the effect of rising oil prices. In pandemic, Govt held the oil prices high as revenue was shrinking. Now when revenue is high, Govt cutting the excise on petrol and diesel which is helping them to keep the right balance. **Also Govt has successfully used IRAN to bridge the RUSSIA trade avoiding Europe route (Govt was working from 2017).**

In the past we had 10% inflation and 10- 11% bank rates also yet there was growth. So there is no reason to believe that 7-8% inflation and 8% bank rate will take us in de growth because India is the largest consumer base and our growth is coming from our consumption theme. Indian Monsoon is on track and India's farm GDP is picking at right time. **When there is global disruption of consumer based commodities, India has an upper hand.** This will go long way to bridge the GAP of OIL imports.

Well, finally I am firm with my personal opinion that we are only in correction phase like it happen every 2 years for some reasons. Whatever and whenever bottom is done there will be sharp V turn and direction will be again 20000 21000 come what it may. This is not astrology but clearly the no game. **We have to catch the BUS of 25 PE within 6 months a journey which will be super massive.**

Make 3 rights to become successful. **Right stock, Right sector and Right time.** No one can time the market. Even if Nifty go to 14000, it is not necessary that all the stocks you desire will fall even 10% from hereon. Because Nifty is completely managed. On Thursday when Sensex fell by 1100 points the only gainer was Nestle. Out of top 10 losers, 7 were from Financials and IT (warned no of time) and rest were not to be counted from commodity as they were part of sentiments. And on Friday, these very 7 stocks were in the list of gainers though Nifty closed flat. Losers were scattered with no trend which was again just Nifty management. **This suggest that our investment decisions need to be coupled with Nifty.**

Even today we get enquiry from retail is that what should we buy in F and O ..? This is for the fact that in mid-caps and small-caps brokers discourage them and does not give any limits. Safe inference can be drawn that only 4% population are connected with stock market and 90% of them want to trade in F and O. **The famous bets are options and here we go this becomes the bread and butter of the market operators and FPI,** no hesitation in writing the same. End of result of any CASINO is loss as you can't be one out the lack casino trader to be a winner. We sincerely advise to use the current mayhem for investment based on scientific and research based valuations which will help in wealth creation.

US markets are closed on MONDAY hence back in INDIA you have 2 days to create one sided moves. Let us see where we drive on Monday and Tuesday.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	18/06	21,075.00	+229.57	+1.10
Singapore	Straits Times	18/06	3,098.09	+0.66	+0.02
United States	NASDAQ	18/06	10,798.35	+152.25	+1.43
United States	DJIA	18/06	29,888.78	-38.29	-0.13
United States	S&P 500	18/06	3,674.84	+8.07	+0.22
Japan	Nikkei 225	18/06	25,963.00	-468.20	-1.77
United Kingdom	FTSE 100	18/06	7,016.25	-28.73	-0.41
Malaysia	KLSE Composite	18/06	1,456.74	-16.03	-1.09
Indonesia	Jakarta Composite	18/06	6,936.97	-113.36	-1.61
Thailand	SET	18/06	1,559.39	-1.71	-0.11
France	CAC 40	18/06	5,882.65	-3.59	-0.06
Germany	DAX	18/06	13,126.26	+87.77	+0.67
Argentina	MerVal	18/06	87,060.88	-1,404.67	-1.59
Brazil	Bovespa	18/06	99,824.94	-2,981.88	-2.90
Mexico	IPC	18/06	48,016.23	+457.72	+0.96
Austria	ATX	18/06	3,011.96	-2.20	-0.07
Belgium	BEL-20	18/06	3,714.34	+63.57	+1.74
Netherlands	AEX General	18/06	635.75	-2.59	-0.41
Spain	Madrid General	18/06	808.66	+6.09	+0.76
Switzerland	Swiss Market	18/06	10,451.31	-24.06	-0.23
Australia	All Ordinaries	18/06	6,663.30	-120.39	-1.77
China	Shanghai Composite	18/06	3,316.79	+31.40	+0.96
Philippines	PSE Composite	18/06	6,331.56	-61.45	-0.96
Sri Lanka	All Share	18/06	7,472.39	-232.88	-3.02
Taiwan	Taiwan Weighted	18/06	15,641.26	-197.35	-1.25
South Korei	KOSPI	18/06	2,440.93	-10.48	-0.43

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