

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

Nifty volatility and rise and fall is normal and well accepted as traders play in options which is mainstream income of market operators including FPI which are in the game.

Only way to protect your capital is divert options money to micro-cap stocks. Micro caps have given 100 to 500% returns whereas large caps negative in last 12 months. This trend may continue.

We focus on micro caps in 2022. Stocks to add GTV ENGG SUNIL AGRO METAL COATING and AANCHAL ISPAT. A A has come long way from Rs 10 to 16 and is all set to cross ATH. In previous column I had suggested switch from SUZLON and YES Bank. SUZLON was Rs 7 YES 16 and AANCHAL Rs 15. After 3 months we will take stock about price of SUZLON YES and AANCHAL and let us see who is winner.

Similar switch can be done in mid-caps and small caps too.

Nifty 17400 will come do not panic. Every dip is buy even for traders.

Recession Recession Recession and fear fear and fear. Whenever this happen markets knows it and rise as extreme shorts are built. Even ownership is skewed as all hate stocks.

This is the time a NEW BULL market gets born. Yes, we are heading for 20000 21000.

METAL COATING stock reconciling done and seems heading for big innings. Add at will minimum 10000 shares each. Hold for 200 250 for selling 50%. It is next USHA MARTIN into making. USHA was CNI call and you all have made big money. Now this stock. Let sellers sell at cmp as they do not know the worth of this co. What do you get at 35 crs market cap..? we buy stocks at 35000 and 350000 crs CMC why not try one at 35 crs CMC. Read the quote below which is perfect for METAL COATING.

Change of the week

	22-Oct-22	Rise /Gain
Sensex	59307	1417 ↑
Nifty	17576	398 ↑

Net Investments (` Cr)

	FII	DII
17-10-2022	(184.0)	1582.2
18-10-2022	858.0	2084.7
19-10-2022	(380.6)	908.4
20-10-2022	1687.3	(868)
21-10-2022	438.8	(119)
Total	2419	3587

Turnover (` Cr)

	FII	DII	Combined
21-Oct-22	1,00,847	50,170	1,51,017

21-Oct-22	Advances	Declines	Ratio
BSE	1357	2061	0.65

Bears spreading 17000 news as expected ahead of weekly expiry which is most unlikely. From 17000 to 17600 was the sweet spot and I cannot see market in overbought conditions as of now. So we have to go by news and there is US elections in Nov. Precisely Nov 8 and hence Dow will not fall till that time. Above 31000 major short covering will start which will take Dow past 32000 32500. So also Nifty will go past 18000.

Yet we should focus on wealth creation. Yesterday I had attended one small M F seminar and learn that in last one year their AUM grown from Rs 20000 crs to 30000 crs and Gujarat is major contribution. Now if this is happened a smallest MF then think what could be the status of big M F. Also spoke to 23 NRI all are ready to plunge INDIAN terrain with millions of \$.

Thus the retail will be able stall any FPI action for sure.

I am sensing this as good opportunity for CNI members. Add micro caps. Metal coating will be my new BET and if you add today you will be largest beneficiary. If you add at Rs 150 again you will write we what to do..? e g I received yesterday 2 what's up message what to do in SUNIL AGRO as stock hit lower. Nothing to worry. Someone sold among us in desperation as stock is going in trade to trade. In 2 3 days cct will open stock will start rising again. At Rs 170 one should add it again. And those who sold should also add it.

Think again if you are a businessman can you get a co with Rs 200 crs size at Rs 40 crs..? Co is growing and having good biz no debt and massive plant and hence for me it's just BUY in good quantity. I repeat in micro cap companies there will be sellers who do not understand biz and bought at low price hence they will exit. See what happened in AANCHAL there was no confidence at Rs 11 and now 19. In next few days will cross Rs 25. Same thing will happen in METAL COATING. Sellers does not know why to hold buy buyer knows why to buy hence we should buy aggressively. Same stock will become VIP CERA when biggies enter. AANCHAL will turn out to be biggest DARK HORSE just wait for next 3 months. I feel something big is happening in the co. The whole scenario could change overnight. This is why I had suggested swtich from Yes Bank of Suzlon. Someone bought 1 cr rights of SUZLON but how will he make profit out of it. It could be even a parking trade. Because seeing big name many idiots fall in the trap.

My job is to take you beyond fear and explain why to buy. Rest is your call. Happy and good DIWALI to all of you as all have Green portfolio which I can see from comments sent to me by various CNI members.

5 Top Gainers			
Stock	21/10/2022	17/10/2022	% Gain
SUZLON ENERGY	8.68	6.7	29.55
J&K BANK	33.8	28.4	19.0
CANARA BANK	268.6	226.6	18.5
INDIAN BANK	226.1	192.2	17.6
ELGI EQUIPMENT	490.9	421.8	16.3

5 Top Losers			
Stock	21/10/2022	17/10/2022	% Loss
PN FINTECH	378.5	441.5	14.2
TATA ELXSI	7260.2	8455	14.1
AARTI	678	780.2	13.1
BCG	35.65	40.45	11.8
JOHNSON	1217.7	1372.1	11.2

Top 5 Picks By CNI 'A' Group	
Company	
RIL	
ICICI BANK	
ORACLE	
SAIL	
TATA POWER	

Top 5 Picks By CNI 'B' Group	
Company	
MK EXIM	
BOMBAY DYEING	
INTEGRA ENG	
PATANJALI FOOD	
SOLTAIRE MACHINE	

Expiry will have its say. But we close above 17400 by end of the day 17900 will come soon.

Looking at this extreme volatility and major ups and downs in A gr shares I had advised to buy micro caps. Sunil agro around 155 could be great buy. It seems either someone is trapped or someone is distorting by taking massive losses. For us value matters.

Metal coating will remain my super bet in given context. Does matter who sells what.

Aanchal Aspat will cross 25. I will reveal exact details what is happening. What I understand this will become a Rs 700 crs co in 2 years with NP of Rs 20 crs. Rest you calculate. According to me fair market cap for 700 crs co could be Rs 400 to 500 crs current market cap is just less Rs 20 crs. So you decide how many baggers this co could be. I repeat my job is to show you path not force you to take your decisions but fact remains risk can be taken on such stocks and not on INFY RIL SBI etc.

GTV ENGG forestation is clearly seen as someone sells 100 shares to print lower price. If he is so desperate he should sell like SUNIL Agro. Sunil Agro all selling will be absorbed around 155 and stock will again cross 212. Wealth can be created only by future predictions and taking risk.

We follow MANGAL YAAN. South Indian Bank classical example where R J had bought stake at 22 23 and whole world was looking at 10x story and I reality stock crashed to Rs 10. This is what happen when you buy a stock seeing big name. This is why we focus on micro caps where we do not have seen this kind of wealth destructions.

Amd Industries we saw value coming from nowhere. Wait to see similar value in R R metals. In 1 q co had reported Rs 8 crs profit which explains their capability.

We have sustained in a fragile market from Sept 21 to Oct 22 with superb gains in micro caps and round tripping in Nifty. Now trust me we will see ATH in 2022 itself. U S is very close to topping the rate hike cycle and buyers are aware of this. On the contrary India is a standout story at 17.7 pe as against average pe of 25. History suggest we were traded at 25 even in the worst times and hence 30% rise in Nifty is clearly seen. Good people and Fpi heads are slowly building long in Nifty. The monthly AUM flows are now Rs 13000 crs a month which may cross Rs 20000 crs in next 12 months due to NRI interest, retail with massive cash in Gujarat and North India.

We have to beat to operator's psychology and they will get beaten when time comes. We had seen this in HIMADRI and AMD. Even in BHEL we have seen this. In UPL now PE putting 500 mn \$ and we had identified this at Rs 400. Thus we continue with early identification and that is the only MANTRA of success. Keep adding GTV SUNIL METAL COATING and ALPINE HOUSING. Here too those who bought at 95 sold till 68 and hence stock bounce to 95 though the news is delayed. Buy in TONS.

Tata Technology announced IPO and the largest value unlocking will be in TAMO. Also festive sales will be reflected in Dec Q nos. Stock will cross 500 560 come what it may. Many stocks in A gr I can point out which have tripled after our selection. The only point which I want to make is that go by self-conviction and not borrowed logic. Does matter stock price correct 20% after you buy? Because even in A gr stocks are crashing 30 40% after good results then why fear in MICRO CAPS. I have many friend on INDIAN border and they have learnt not to fear even if Nifty fall by 1000 points. Now they are enjoying and buy when God gives opportunity.

I am explaining this ahead of Diwali to suggest that use 10 micro cap stocks given in Diwali picks for wealth creation. We have explained rationale in 2 lines but can explain in detail also. Last few months they are hammering cash stocks to create frustration among retail investors so that they sell their shares in losses. Trust me if my reading is correct in next 2 months A gr shares will blast 20% and retail will sell cash stocks and move to A gr and then they will sell A gr and pull cash stocks. We at CNI will stick with same approach. Our stocks will blast sooner than later as all stocks are trading at 80 90 % discount hence no need to fear.

Add Sunil Agro around 155 160 in lower cct. The concentrated effort to suppress will fail as there is value at 155 160 I see massive buying coming it at that price. This is a special DIWALI for all of you to show courage, strength, conviction and decisiveness as India is a story to for next decade. I have personally added INSPIRISY good quantity as I believe a Japanese fellow will do all good for the sake Japanese partner and sooner than later we will see big dividends from this co to take money off to JAPAN.

Special feature

Nothing changed on the front of inflation or rate hikes yet Nifty made a smart move along with Dow Jones. This had to happen as markets were extremely oversold. Employment numbers nowhere suggest slowdown in US and another rate high of 75 bps is well accepted by street. This is done by changing the upper cap limit of rate hike to accommodate another rate hike. Market is though waiting for pause which will come sooner than later.

US elections in Nov is the current driving force for Dow whereas DIWALI consideration is for India. Q2 earnings, by and large, were better than expected and there were no signs of slowdown in INDIA. Nifty closed above 17500 on weekly expiry day which was much above threshold support of 17400. Nifty PE too is now seen at 21 as per NSE site which in my opinion is 17.70 leaving much headroom for upper movement.

For years I have been advocating avoid trading on the basis of quarterly numbers as all numbers are leaked and street is fully aware. Insiders trading even though on paper seems strongly regulated but in reality it cannot stop and that is reason we always see stock correcting after super numbers and stocks rise on bad numbers as these are factored in. Life of trader is always HANGING and in times where trend is not clear to street players, you will see stern actions from bears and bulls. Underestimating bears is the biggest error we commit. Traders is the community which has become integral support system of FPI and HNI who run the market. Options income is much higher than the actual returns on investments or dividend. And trust me every chartist believe that he is the only one who understand charts and bet on options. In this world of gambling the probability of making money in options is less than 2%. And if make it once, you will be inclined to trade more and end results you all know.

Yes, after robust inflow of Rs 80000 crs we have seen outflow of Rs 20000 crs yet the net inflow is there of Rs 60000 crs from FPI. However, the AUM of M F industry is growing leaps and bound and reached Rs 38.5 tr and rising month after month. We have visited some MF which have grown 50% in last 12 months. On an average Rs 12000 crs is seen coming in every month in Mutual Funds. Lot of NRI are now looking at India investment option after seeing India is the only country which is growing at 7% in the world. We have now D Mat accounts of 10.5 crs (8% of the population) as of Sept and growing at rapid speed. This explain the new age people entering in stock market. The only problem is that they will be paying huge cost to become a matured investors as they are lured by options market as of now. In 2000, I used to do options and F and O and learnt the trade by writing cheque for losses.

As wrote in my previous report, 17100 is now a decider for accumulation and 18200 became profit booking center and 17000 a buying point. Market has not gone down below 16800 of late hence we will see massive buying around 17000 if it goes for any reason. If market cross 18000, major shorting will start and above 18200 if sustain for even 39 minutes 18650 is not ruled out. As against this, consider the following:

US interest rate is getting capped and hence very soon (may be maximum 2 hikes) rate hike will pause. Market knows it and Nifty will bounce 10% on the event. Positions are built when bears are active. 2014, 2020 and 2022 all are classical examples.

US and Indian markets are extremely oversold.

Recession air will be cleared.

US may do another QE as they cannot afford to allow their economy to go in recession.

USD seems topped out and fall in USD will bring in more flows in INDIA.

Logically there is no reason for Re depreciation as India is growing at 7% but this is output of speculation and once shorts get squeezed the trades will be in reverse direction.

Indian Q2 earnings beat expectations.

No slowdown in India.

No recession in India.

Excellent monsoon is good for agri sector and rural economy.

Reflected in good festive demand in hospitality, travelling, housing, consumer goods, electronics and automobiles. Seen divergence from textiles and gold this festive season. Indicate improvement in living standard across the board.

MF AUM flows are rising month after month hence it is counter force to FPI selling.

Investors lost heavily in IPO hence turning back to secondary market.

Investors did not make money in A gr and got frustrated hence changing path to micro caps.

No leveraging possible in micro caps which is a SAFETY NET by itself.

Ownership is the key. Short term swings in stocks like Suzlon are fishing nets.

I therefore feel that we will hit ATH in 2022 which I had been telling you since last 1 year. We have 2 months to go so keep these 2 months under radar for large cap stocks without which ATH in Nifty is not possible. Probably RIL, SBI, TISCO, TAMO, INFOSYS and other heavy weights will give exit to tired traders and investors.

We have released DIWALI picks which consist 26 stocks. 5 in large caps which I consider as safe heavens and will give at least 50 % returns in 2 years. 4 are from mid-caps 7 are from small caps which are as good as 7 wonders and 10 are the GEM micro caps and I can see at least 3 to 4 of them will become multi multi baggers. We have tried to explain rationale in 2 to 4 lines. We believe all that glitter is not GOLD and all that falls is also not good. Selection of stock is the key to success and to satisfy our family of 23000 members we have given this basket of 23 stocks. Some stocks are already up 35% from the date of release of this report.

From our previous DIWALI picks also many become double even though market, by and large, was range bound and A gr shares were trading negative as compared to last DIWALI.

A microcap investor's goal is to find something great when no analyst covers it and still be holding when 10th analyst initiates coverage in it. This is seen from the past recommendations also given in this DIWALI report which consist stocks like VIP, CERA, Whimplast, Vishnu and likes of Oriental Aromatics etc. Thumb rule of money making says Do Not Follow the Institutions. Invest where they are going to go and this is why CNI is special and unique and may be only agency which covers micro caps on wider scale.

In large cap stocks price destructions happen with ownership as the entry of operators is at very low level which affect only investors who enter at fancy valuation and seeing charts. In micro caps price destruction happens not because of ownership but for the fact that some stocks are put in GSM category which many consider is not worth remaining. But for me if there is value you should pay double margin and yet invest. The simple reason is that if stock is not in GSM it will command premium and trade at least 100% up. 2 stocks I can give examples. R R Metals trading at 50 (52 week high of 77) and due to GSM 2 trading at 32 that is Rs 20 crs market cap..? Promoters acquired 11 lac shares means they know the value so why can't we buy at Rs 32 and pay more margins which will be released after 3 months. When come out of GSM it will be back to 50 and that is your 50% profits. Same thing we saw in INSPIRISYS, parent trade at 2 lac crs in JAPAN and in INDIA this stock at 200 crs, and it fell from 97 to current levels only because it was put in GSM 3. Now it is in GSM 0. Very soon will be out. With Japanese Chairman and new team very soon co will be on dividend list as parent will take away money for sure. That time will you be buying at 100 150 200? Well choice is yours.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	22/10	16,211.12	-69.10	-0.42
Singapore	Straits Times	22/10	2,969.95	-52.75	-1.75
United States	NASDAQ	22/10	10,859.72	+244.88	+2.31
United States	DJIA	22/10	31,082.56	+748.97	+2.47
United States	S&P 500	22/10	3,752.75	+86.97	+2.37
Japan	Nikkei 225	22/10	26,890.58	-116.38	-0.43
United Kingdom	FTSE 100	22/10	6,969.73	+25.82	+0.37
Malaysia	KLSE Composite	22/10	1,446.42	+8.70	+0.61
Indonesia	Jakarta Composite	22/10	7,017.77	+37.12	+0.53
Thailand	SET	22/10	1,591.32	-1.41	-0.09
France	CAC 40	22/10	6,035.39	-51.51	-0.85
Germany	DAX	22/10	12,730.90	-36.51	-0.29
Argentina	MerVal	22/10	138,944.78	+2,806.00	+2.06
Brazil	Bovespa	22/10	119,928.79	+2,757.68	+2.35
Mexico	IPC	22/10	47,120.08	+804.67	+1.74
Austria	ATX	22/10	2,775.09	-20.62	-0.74
Belgium	BEL-20	22/10	3,448.63	+7.70	+0.22
Netherlands	AEX General	22/10	652.46	+0.42	+0.06
Spain	Madrid General	22/10	753.02	-8.99	-1.18
Switzerland	Swiss Market	22/10	10,418.60	-54.85	-0.52
Australia	All Ordinaries	22/10	6,869.86	-48.80	-0.71
China	Shanghai Composite	22/10	3,038.93	+3.88	+0.13
Philippines	PSE Composite	22/10	5,983.56	-72.43	-1.20
Sri Lanka	All Share	22/10	8,685.52	-51.86	-0.59
Taiwan	Taiwan Weighted	22/10	12,819.20	-126.90	-0.98
South Korei	KOSPI	22/10	2,213.12	-4.97	-0.22

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