

**Editorial**
**Vol -1, No-I, 23 March, 2019, 08 pages**

Read our SATURDAY special story where we had said that though Nifty has crossed 28 PE signalling the much awaited correction, chances of correction may look dim as the rally was not broad based and this 28 pe has come at the fag end of the year. With the change of the year pe will change. So should we say we are at 28 or 20.55..?

Well market drivers decide the trend of market. For the first time after 15 months we have seen frenzied buying from FII. MARCH alone saw Rs 20000 crs buying against Rs 33000 crs selling in 2018. I think we may see FII buying crossing 100000 crs in 2019 and if that happens Nifty will not stop till 13000 which matches my predictions.

Stock specific approach will help investors.

Stocks like MANGAL CREDIT BEL BEML KTK Bank PNB will help you to make money.

Avoid stocks like JET where media is tossing news of ETHIAD. To my mind ETHIAD does not have cash to take over JET. Their Balance sheet does not speak so. So Ethiad may not take over JET. Yet market speculations will continue for vested interest.

The shortage of API was highlighted by a research firm yesterday in their research report. Generics was mentioned. Earlier CLSA too had come out story of GENERICS. CNI is the original advocates of GENERICS. Nutraplus is the single largest co is GENERICS. Why then prices are low..? There were takeover attempts on this co and some vested interest have tried to keep price suppressed so that they can accumulated and they have succeeded. Since lot of accumulation has happened there could be price action soon. Keep watch.

NDA is now clear to get 310 seats as per satta bazaar which figure was told to you by CNI in MAY 2018. Now we feel that there is chance that NDA might cross 360 seats. Hence betting on market is on by FPI and they have invested 20000 crs. They might invest another 10000 crs before March end.

**Change of the week**

	22-Mar-19	Rise /Gain
Sensex	38164	152 
Nifty	11456	34 

**Net Investments ( ` Cr)**

	FII	DII
18-Mar-18	2502	(1268)
19-Mar-18	2189	(1253)
20-Mar-18	1350	(1323)
22-Mar-18	1374	(675)
<b>Total</b>	<b>7415</b>	<b>(4519)</b>

**Turnover ( ` Cr)**

	FII	DII	
<b>22-Mar-18</b>	<b>62,000</b>	<b>31960</b>	<b>93,960</b>

22-Mar-18	Advances	Declines	Ratio
BSE	1001	1723	0.58

Thanks to RIL TCS INFY Land T which helped Nifty management and Nifty closed at 11577 which is near high of 11581 of the recent rally.

I have proved everything and cannot write anything more on Nifty. I think there is fair chance of seeing new high before elections.

Let us once again review the political scenario as those who followed me minted money from Nifty 10000 to 11477. We have done lot of ground work which will help determine the seat positions.

In West Bengal out of 42, BJP will get not less than 15 seats upside surprise could be 22 to 25 as people of Bengal are tired of DIDI. Bengal is known for complete sweeps.

In Karnataka again BJP is leading as people are not happy with mixed Govt. Results post elections are not healthy. I expect BJP to get 18 seats out of 27 seats of KARNATAKA.

In Gujarat out of 26 seats BJP chances are 15 seats. In Kerala BJP is likely to get at least 4 seats out of 18 seats.

In Rajasthan cast politics have made people change mind in favour of BJP. As such they were not happy with MADAM not NAMO. 3 communities had backed SCHIN but GEHLOT was made CM. This may not go well and in my opinion in RAJSTHAN BJP should get at least 18 out of 23 seats.

UP and MAHARASHRA are other big states where BJP is likely to do well. In UP out of 80 seats I believe BJP should get nothing less than 48 seats. Earlier we were projecting 41 seats but now post strike and KUNBH BJP chances are improved. In MAHARASTRA BJP and SENA should get at least 38 seats even though they had 42 seats last time out of 48 seats.

<b>5 Top Gainers</b>			
<b>Stock</b>	<b>22-03-2019</b>	<b>18-03-2019</b>	<b>% Gain</b>
PRESTIGE ESTATE	267	215.1	24.13
GODREJ PROPER	844	693.5	21.69
RCOM	5.32	4.41	20.63
INTERGLOBE	1426.8	1296.8	10.03
MEGHMANI	64.2	59.1	8.63

<b>5 Top Losers</b>			
<b>Stock</b>	<b>22-03-2019</b>	<b>18-03-2019</b>	<b>% Loss</b>
NTPC	134.05	157.65	14.97
JUBILANT LIFE	752.2	872.4	13.78
TUBE INVEST	361	413.3	12.66
MOTHERSUMI	146.05	165.2	11.62
INDIA BULL INTE	293	322.5	9.16

<b>Top 5 Picks By CNI 'A' Group</b>	
<b>Company</b>	
TATA POWER	
SUN PHARMA	
ICICI BANK	
BHEL	
REL	

<b>Top 5 Picks By CNI 'B' Group</b>	
<b>Company</b>	
SAGAR CEMENT	
VIPUL ORGANIC	
CMI CABLE LTD	
RDB RASAYAN	
POKARNA	

Thus the tally in my opinion is as under...

State	Total seats	NDA
West Bengal	42	15
Karnataka	27	18
Gujarat	26	15
RAJ	23	18
UP	80	48
MAHA	48	38
Odisha	19	12
Bihar	38	23
Chhatisgar	10	04
Haryana	10	07
Punjab	13	03
Kerala	18	04
AP Telengana	35	00
Jharkhand	14	03
North east	24	20
M P	27	14
TN	39	24
Others	90	40
Total	583	309

The above calculations are on conservative basis and matches with our original estimate. Satta Bazaar is also giving 255 seats to BJP and 310 seats to NDA. The surprise element could come from WEST BENGAL, ODISHA, UP and BIHAR which may improve the tally further.

The FPI which have come in the BUY mode has better intelligent resources. They are betting on NDA. Opposition is lack strong leader, lack growth and development agenda, their targeting the Hon'ble PM with serious charges and questioning ARMY is most likely to backfire in villages from where the ARMY men come. For the first time we may see rural INDIA going against CONGRESS due to wrong and faulty stands taken.

Therefore I will stick with conviction going forward even though the PE has crossed 28 which according to us not even 21 and hence markets are not expensive the rally may continue barring the roll over part. As far as this settlement is concer

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In fact, I am changing my opinion now for even strong rally in APRIL too in mid caps.

Reason strong wind in favour of NDA and FPI buying. As of now in MARCH alone FPI buying has crossed 27000 crs and in 2019 37000 crs as against selling of Rs 33000 crs in 2018. The trend suggest they will buy more and this year it will cross 100000 crs.

Yesterday one of good chartist posted me DOW chart with target of 28000 and I had the last laugh. 28000 target I had posted when Dow was at 18000. Even when it fell to 21500 I said 28000.

Bank Nifty crossed my first target of 30000. I had given you target of 35000 in JUNE 18.

Buy stocks at will and hold. MANGAL CREDIT finally absorbed all selling and stock tested 55. I think now it is ready for big innings. I am keeping watch on 27th announcement of board expansion and if my guess is right it will be a big shot joining the co with a purpose and plan.

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## Global Story

Nifty closed at 11472 after hitting a high of 11595 and no sooner did the slight fall happen than the street started talking 11200 on expiry. A further fall of 400 points over the next 4 days means, every day the Nifty has to fall 100 points on an average.

Well, this is not new for us as all sort of rumours float around the street just ahead of expiry. With 4 sessions left for expiry and after having a run of 700 straight points, its but natural for bears to expect a correction of at least 350 to 400 points. If the market does not fall, where would they cut their shorts?

It was very strange that after taking Nifty to 11595, the street drivers did not take it past 11600. Chartists immediately started the strong buzz across all the Whatsapp groups with a warning to remain cautious with a reasoning that Nifty failed to cross 11600. Where were these chartists when the Nifty was trailing at 10000? At that time, their target was 9200 which never happened. Hence, even on this occasion, we believe that the Nifty will not go to 11200 for expiry.

Arguably, the Nifty rally in March 2019 was the strongest in the recent past due to heavy FPI buying. We had reported Rs 20,000 crores worth of buying by FPIs in the first 2 weeks of March 2019. This figure has now crossed Rs 27,000 crores. Therefore, there may be a common presumption that FPIs are done for now and if that's the case, the market has to correct a bit. But this is not the reason.

The market has corrected for rollover from March to April and this is a regular feature. March Nifty Open Interest has been reduced to just 1.84 crore shares now, whereas April Open Interest has crossed 56 lakh shares. Thus, Friday's weakness can be purely assigned to rolls. Though options are a weekly affair, Nifty is still a monthly issue and hence the Nifty game will continue on a month to month basis.

Stocks like BEL, which rose to Rs.97 and subsequently dipped to Rs.91, can thank the rollover. This is happening with many stocks. PNB is another example. On Wednesday, when news of the arrest of Nirav Modi broke, the stock rose from Rs.90 to 94 with huge volumes. The media then remarked that the event was a huge plus for the PNB stock. On Friday, PNB opened at 96, a recent high, where traders kept on adding or covering shorts as higher targets were circulated. This was used by people who control rollover and stock got distributed. It closed below Rs.92 at the end and in the next 4 days, may even correct to Rs 85 or below making all traders square off on the last day as mark to market will rise. This is nothing abnormal.

What is important is to know what the FPIs will do in the next week. Having bought over Rs 27000 crores in March so far, it is very unlikely that they will stop buying next week. They are more methodological than domestic players. They have triggered their buying in anticipation of an NDA government taking charge in May. Therefore, unless something drastic happens, whereby the prospects of the NDA diminish significantly, the buying will continue. They do not want to lose the early mover advantage.

Why is this the case? Except 2014, where they had invested Rs 97000 crores, there were no major action from the FPIs. In 2018 in fact, they were negative. In 2014 too, they had to buy only at a sizable premium post the victory of Shri Narendra Modi. They might not want to repeat the mistake this time.

If the NDA fails to return to power, then the market will take a severe beating as the unwinding will come from the very FPIs. Therefore, our perception has now changed. We believe that FPIs will continue to buy ceaselessly till May 23, 2019 and will invest a sizable chunk ahead of the results.

The second reason for FPI push is that the Fed has not raised rates in 2019. There could even be a possibility of Fed cutting rates in the next meeting. Hence, we believe the Dow will hit our target of 28000 in 2019 itself. FPIs know this very well. Consequently, they also know that Nifty may hit 12000 and 13000 in 2019 itself which could give a good upside to them. Further, the USD is all set to travel to 65 and these FPI shad entered around the 70 mark which translates into a 7 to 8% gain. These are rich returns for them. In India too, the RBI may cut rates further and hence the rally will continue.

We have already spoken on valuations. An important aspect of this rally is that, again it was not broad based as mid-caps did not participate. Though Nifty has come closer to its all-time high, mid-caps stocks are still struggling at 50% of their peaks. Without a broad based rally, chances of the rally ceasing seem very remote.

Finally, murmurs of corrections roam the Street ahead of expiry every time. With the end of settlement, these theories get knocked down. Thus, in the next 4 days, if the Nifty trades between 11400 to 11600, then we will certainly see a new high in April itself.

In any case, you should always be careful in F&O with strict stop losses because F&O, in our opinion, is just to satisfy your passion and not for wealth creation.

The opportunity of wealth creation is still not lost as Nifty has a further upside according to us.

## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	23/03	29,113.36	+41.80	+0.14
Singapore	Straits Times	23/03	3,212.10	-1.55	-0.05
United States	NASDAQ	23/03	7,642.67	-196.29	-2.50
United States	DJIA	23/03	25,502.32	-460.19	-1.77
United States	S&P 500	23/03	2,800.71	-54.17	-1.90
Japan	Nikkei 225	23/03	21,627.34	+18.42	+0.09
United Kingdom	FTSE 100	23/03	7,207.59	-147.72	-2.01
Malaysia	KLSE Composite	23/03	1,666.66	+3.00	+0.18
Indonesia	Jakarta Composite	23/03	6,525.27	+23.50	+0.36
Thailand	SET	23/03	1,646.29	+12.29	+0.75
France	CAC 40	23/03	5,269.92	-108.93	-2.03
Germany	DAX	23/03	11,364.17	-185.79	-1.61
Argentina	MerVal	23/03	32,827.98	-1,358.10	-3.97
Brazil	Bovespa	23/03	93,735.13	-2,993.95	-3.10
Mexico	IPC	23/03	42,292.16	-959.03	-2.22
Austria	ATX	23/03	3,040.41	-40.11	-1.30
Belgium	BEL-20	23/03	3,588.73	-65.93	-1.80
Netherlands	AEX General	23/03	543.90	-6.49	-1.18
Spain	Madrid General	23/03	928.30	-16.33	-1.73
Switzerland	Swiss Market	23/03	9,319.42	-134.63	-1.42
Australia	All Ordinaries	23/03	6,280.87	+27.38	+0.44
China	Shanghai Composite	23/03	3,104.15	+2.69	+0.09
Philippines	PSE Composite	23/03	8,013.42	+58.70	+0.74
Sri Lanka	All Share	23/03	5,540.05	-31.25	-0.56
Taiwan	Taiwan Weighted	23/03	10,639.07	+29.52	+0.28
East Israel	TA-100	23/03	1,419.08	-5.38	-0.38

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**Publisher:**

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E-Mail at: [chamatcar@chamatcar.com](mailto:chamatcar@chamatcar.com)

**Printer:**

**KOKILA GRAPHICS**

**Printing Press Address:**

Gala No-12, Gr. Floor,  
Bliss Compound, Nivetia Road,  
Malad (East),  
Mumbai-400 097

**Owner:**

**CNI Research Ltd**

**Place of Publication**

A-120, Gokul Arcade,  
1<sup>st</sup> Floor, opp Garware House,  
Sahar Road, Vile Parle (E)  
Mumbai- 400057

CNI Publications, A/120, Gokul Arcade, Sahar Road, Vile Parle (East). Mumbai- 400 057. PH.022- 28220323 / 28383889, Fax- 022-28242220