

Editorial
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IRCTC hit Rs 3900 lower circuit and I believe still the stock is very expansive. I had warned all of you from 4500 to 6000 that this is just hype and stock is not worth. It had to crash. A detailed note was explained in YMV on Saturday on this. As against this there is another stock which is in lower cct that is RVNL which I believe is GOLD. With s 16000 crs revenue Rs 1200 crs plus IBITDA and PE just 7 we can't lose anything in this stock. A detailed note released to make you understand what this stock is all about.

Nifty made a triple bottom completing the correction of over 650 points and reversed. I still believe that we will see 18600 18800 19000 19200 very fast.

I had told that Bank Nifty will become 43000 and we have reached 41600. After 43000 my next target will be 50000 and 60000.

Accumulate ARTEFACT, SUNIL AGRO, AMD, MK , Integra, AANCHAL ISPAT, GLOBAL OFFSHORE, RVNL for big upside. Please note that our strategy to buy more QTY is smaller stocks where FPI are not present and earn good money. As against this when you buy stocks like IRCTC the risk of 50% collapse is there also but chances of getting stuck is much higher. And blockage of capital.

I will not chase big people. I will never try to be what I am not.

We will be releasing our DIWALI PICKS very soon.

Change of the week

	30-Oct-21	Rise /Gain
Sensex	59306	1476 ↓
Nifty	17671	432 ↓

Net Investments (` Cr)

	FII	DII
25-Oct-21	(1898.61)	2390.2
26-Oct-21	(2280.3)	1385.4
27-Oct-21	(1818.6)	472.4
28-Oct-21	(2436.1)	836.6
29-Oct-21	(5142.6)	4342.5
Total	(13,576)	9425

Turnover (` Cr)

	FII	DII	Combined
29-Oct-21	93,675	81,861	1,75,536

22-Oct-21	Advances	Declines	Ratio
BSE	1347	1902	0.70

F O trading is an art. If you follow simple steps you will succeed else you will always be under the pressure of margin. Keep simple rules in mind..

No exposure to more than 3 scripts at a time.

The exposure should not be more than 10% of your portfolio.

20% downside shall be presumed at the time of trade.

Split trade in at least 3 times.

Average only when stock fall 10%

Second average at 20%

Generally no stock fall beyond 20% without something very bad news.

Every stock reverse. On reversal use the same trick. On 10% rise sell fist lower lot. On another 10 rise sell next lot. Now see you are left with only 1 lot you are in 20% profit. Carry the trade for 2 months you will be 40 to 50% profit.

B gr stock picking tips...

Divide your portfolio in 3 parts. A gr stocks 50% B gr strong steady stocks 30% and 20% in multi bagger penny stocks.

You do need much brain in picking 50% A gr stocks as huge research is available everywhere.

B gr strong steady stocks can be picked reading the nos.

Keep following factors in mind in stock picking.

Promoters should be good

Promoters must not have sold shares means he has faith in his co

Business model is good

Business model is scalable means if additional funds infused it can grow at much faster pace

Co generate cash

Co gives consistent dividend

PE ratios is below 10 15

Stock trades max 2.5 times of B V

5 Top Gainers			
Stock	29-10-2021	25-10-2021	% Gain
ASAHI INDIA	429.3	356.2	20.5
MINDA CORP	156.05	130	20.0
ASTRA MICRO	229	191.2	19.7
HIKAL LTD	571.5	485	17.8
TTK PRESTIGE	10966	9476	15.7

5 Top Losers			
Stock	29-10-2021	25-10-2021	% Loss
IRCTC(SPLIT)	845.6	4621.8	81.7
IRB INFRA	225.7	293.1	22.9
RVNL	35.3	43.0	18
VAIBHAV GLOBAL	574.8	698.3	17.6
MSTC	389.4	456.2	14.6

Top 5 Picks By CNI 'A' Group	
Company	
RIL	
SBI	
ICICI BANK	
VEDANTA	
SAIL	

Top 5 Picks By CNI 'B' Group	
Company	
ARTIFACT	
ZYDUS WELLNESS	
IEX	
SFL	
PRAVEG COMMUNICATION	

Sales to EQ ratio is above 5-6

Check promoters holdings

DO not bother who is investor in the co Makes no difference if co is good

Keep following factors while picking multi bagger penny stocks.

Promoters should be good

Promoters must not have sold shares means he has faith in his co

Business model is good

Business model is scalable means if additional funds infused it can grow at much faster pace

Sales to EQ ratio is above 5-6

Check the debt amount and how promoter is dealing with debt

Check the revival scheme

Try to attend AGM and ask this question as MGT will have to share with shareholders

Stock should be trading less than 10% of the assets value

Try to find out market value of the assets from different sources as B S will always state only cost value

Post revival check whether promoters infusing funds or bringing new partner

Check whether co's biz is affected by Govt policies

Just do not bother about HIGH volumes it could be fishing net

Check the change in the prices e g shipping rates sparked from 1000\$ to 6000\$ a day speaks well for shipping.

Apply the news rates on volumes to derive the profitability.

All penny stocks cannot be revival stories. All that glitter is not GOLD. Pick only those penny stocks which fit in our above check list. There is misconception that penny stocks are landmines. If properly selected they are GOLD MINES. Many co's became penny and rising now on debt revival but strange feature is that promoters are sellers. It means promoters do not believe that the price will go up.

Nifty has crossed 18200 again third day in the row but respecting 18100 now. 18314 is the tipping point above which 18800 and 19200 are my next targets. Bank Nifty should cross 43000.

Though street is bullish on PSU banks I repeat I will spare my energy to only Bank of Maharashtra in PSU and KVB in privates apart from the big banks.

There is no reason to panic. When market falls bears try to become heavy which creates fresh short positions. At the same time traders try to square off their longs and brokers trigger margin call. This inevitable and part of the market. If you are trader then you will have to reconcile with the same. If you feel charts can save you can try going short with charts and see the results.

My view is not changed. Today's MS India downgrade comes at a time when expiry there is nothing but another GHOST for me. Market makers play with human psychology. I am buyer whereas those see these headlines are selling in PANIC.

There is nothing news in their strategy and nothing new we will follow. We had already exited from nos of calls and now in very few so we are least affected. Fall of VEDANTA ahead of result tomorrow is part of the strategy. At Rs 93 same was the situation and now at Rs 302. Stock did Rs 378 in the vallan which means all longs were stuck at higher end. They are eating all calls from Rs 400 to 300 it happens and there is no question of reaction. In Nov same Vedanta will cross Rs 370 400 let us see what happens. We are bullish and asked our members to add more.

METAL is my favorite and I will ask to hold. SAIL tomorrow should report Rs 30000 crs plus minus 5% revenue and Rs 4000 crs plus minus 5% PAT which augurs well.

Again there is no surprise in commodity not participating in the rally as CHINA rates fluctuating, stocks are over owned and bulls are still under accumulation mode. But sooner than later we will see effect like what we saw on TATA POWER and TATA MOTORS.

IRCTC hit upper circuit today as many do not dare to sell without seeing delivery in the D MAT. However, stock will start correcting from tomorrow on supply. Fact remain it is overvalued stock and we should stay away.

SINTEX news I had shared. Lot of investors want to enter now. First of all operators will not allow you to enter the stock easily as you lost the BUS. Now if you enter I mean the day you get stock due to circuit opening it will start correcting. So now there is no point in entering as they will not allow you to enter till rs 7 8. Same thing will happen when we here pref issue in AANCHAL ISPAT at Rs 15 we may stocks in 10 20 30 lacs upper circuit till Rs 20 25 and then if you try to enter I will say no point.

TTML I told you at Rs 34 and stock was oscillating at 34 to 40 what happened no one believed that time and stock became Rs 55 and now seeing 50% gains all are exiting and a new story will be seen above Rs 60. Stock has to cross 3 digit very soon.

Same thing we noticed in GLOBAL OFFSHORE. GOLDMAN now says OIL 110 \$ just imagine how much charter rate will rise by then. With I am seeing OIL at 150 \$ charter rates will rise to 30000 \$ a day and with 30000 \$ a day rate Global should report profits of Rs 250 crs in 2024. So 2 years holding can make this stock 50x minimum. Let us try our luck. This is why we included this in our DIWALI PICK.

Similarly ARTEFACT now we are recommending. Trust me with 239 km road under belt this co can be RAJNIKANT. Clean, no debt and big HNI in it means this has to be 20x. See what happens when co will announce another 400 500 km highway.

Stock identification is the only KEY.

17676 is the bottom of Nifty and we are still not worried as the same is on expected lines. 17300 will not break for sure. I feel we will close above 18000 today and 18200 on MINDAY and 18500 on DIWALI. No need to panic. The fall was engineered among some FPI for Bonds switching. MS report of INDIA downgrade was part of the carnage. Now you cannot blame then as it is their business whereas we have seen similar kind of act from RAIL MINISTRY. Today they have cancelled the circular of convenience sharing but after 30% lower circuits and 2 cr shares volumes. If Govt can do it then why not FUNDS..? Current fall is replica of Sept 2020. Also in line with my predictions.

Well, we focus back on market. There is nothing wrong. Read tomorrow's your masters voice which will tell you why 18800 19200 and then 21000.

Metal is my top pick right now. No stocks discussion today as you are frightened and not in mood to buy though I feed this is the best market to add. Monday will see smiles on your faces and will ENJOY DIWALI with great zeal. Today's market condition is exactly like the following quote.

Global Story

Nifty fell steeply on the expiry day that is almost 360 points which we saw after many months. This was followed by another 245 points on FRIDAY to make a fall of 600 points in 2 days. Well, caution was already exercised from 18300 levels and we were on sidelines. Though we did add small quantity in A gr shares the charm was in our selected B gr stocks which were scaling new highs or near new high even in falling markets like this. There was concentrated effort to short market in last few days due to spike in bond rates. At least bond chart suggest that and in past whenever this happened, it followed by very sharp rise. From the top of 18650 we have seen almost 1000 points yet my boundary of 17300 is protected. Nifty closed at 17750. The fall was 5.36% from the top which is almost done as there is no case of 10% fall.

We had straight run from 14200 to 18650 and hence some correction was anticipated. We had mentioned in our earlier reports that Nifty P E has crossed 28.5 hence correction was due. We had also mentioned that even market capitalization to GDP had crossed 1.35 which was certainly in danger zone. Over and above, there was euphoria. Every nook and corner only, buy calls were flooding. After this meaningful correction, let us see, what are the factors, which will decide market trend in Nov. Let me re affirm my views Nifty will not go below 17300 and the new range seems to be 19200 though earlier I had mentioned that Nifty will not cross 18800 till Dec. However the fall has changed my levels post bounce which will be equally sharp and in V shape.

In my earlier report I had given calculations as to why we should avoid IRCTC. Big drama happened in less than 24 hours where first Govt announced that IRCTC will have to share convenience fees with Govt. As such IRCTC has only 2200 Crs revenue pre -covid and 80% comes from this source and if 50% shared then all was over. Stock reacted, 30% lower circuit 2 Crs volumes happened and Govt reversed the decision. Timing first after-market hours and latter was during market hours. Means it was known to someone who opened the circuit. Also day before when split happened there was no credit in D MAT hence no one could sell. This should be against ethics of fair practice which allowed operators manipulate the stock. Whom should we hold responsible... the depository, co or policy makers...? Only GOD can save traders in this country where front running is done in day light and yet no actions taken. The only poor guys who get trapped are small timers which we should call as financial encounter. Anyways, I will avoid this stock forever as I do not see anything there to buy at 250 PE.

Alternatively, I think I am grossly underestimating the powers of India, Indian public, merchant bankers and all stakeholders. If IRCTC can trade at 350 p e and NYKAA can come out IPO at 840 PE then Nifty valuation should be 140000 (200 PE) not 18000 because there is massive p e expansion. From these 2 issues I think lawyers of the Country can take this argument to the courts that all cases of penny stocks are bogus as 840 PE is well accepted norms and approved by all legal authorities. Therefore courts should accept valuations or penny stocks of 100 200 p e which they were so far rejecting.

Now let us come to ground reality to understand why markets bottomed out and will start upward journey again...

Fpi bought net Rs 53000 Crs in calendar year 2021 so far though the Oct selling was just Rs 11000 Crs as per nsdl (some media showing Rs 20000 Crs) followed by Sept buying of Rs 13000 Crs. This is mammoth buying of Rs 274000 Crs from May 2020 (37 \$ BN). This figure is there since last few months which means FPI are churning portfolio in a big way, may be, for bonus considerations. There is nothing absurd seen in Oct selling figure. India downgrade we do not give too much weightage. It will be proved meaningless once Nifty is back to 18500.

With MS downgrade, 37 BN \$ will not see the flight of capital but surely with Q E still in place we will see more than 37 BN \$ coming in so no need to panic. However market had proved that blind chasing stock at any valuation is dangerous..

For the first time B gr was seen under owned as there was no pressure in the screen in any of the B gr stocks and yet investors are flush with cash. Even M F ownership is very low which again suggest move to B Gr shares irrespective of Indices movement

Those who play in F O stocks will have to bear with such corrections. But if you miss this correction you will be out of market for some time. For investors nothing has changed as stock prices are not much down and will rise with recovery in Nifty. Many investors sitting on cash will jump just not to miss this opportunity.

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Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	30/10	25,377.24	-178.49	-0.70
Singapore	Straits Times	30/10	3,198.17	-5.65	-0.18
United States	NASDAQ	30/10	15,498.39	+50.27	+0.33
United States	DJIA	30/10	35,819.56	+89.08	+0.25
United States	S&P 500	30/10	4,605.38	+8.96	+0.19
Japan	Nikkei 225	30/10	28,892.69	+72.60	+0.25
United Kingdom	FTSE 100	30/10	7,237.57	-11.90	-0.16
Malaysia	KLSE Composite	30/10	1,562.31	-4.55	-0.29
Indonesia	Jakarta Composite	30/10	6,591.35	+67.27	+1.03
Thailand	SET	30/10	1,623.43	-0.88	-0.05
France	CAC 40	30/10	6,830.34	+26.12	+0.38
Germany	DAX	30/10	15,688.77	-7.56	-0.05
Argentina	MerVal	30/10	83,560.94	-2,473.29	-2.87
Brazil	Bovespa	30/10	103,500.70	-2,204.30	-2.09
Mexico	IPC	30/10	51,309.84	+61.00	+0.12
Austria	ATX	30/10	3,721.19	-41.32	-1.10
Belgium	BEL-20	30/10	4,278.48	-5.33	-0.12
Netherlands	AEX General	30/10	810.91	-1.32	-0.16
Spain	Madrid General	30/10	892.98	+3.30	+0.37
Switzerland	Swiss Market	30/10	12,108.17	-44.93	-0.37
Australia	All Ordinaries	30/10	7,639.07	-100.62	-1.30
China	Shanghai Composite	30/10	3,547.34	+28.92	+0.82
Philippines	PSE Composite	30/10	7,054.70	-103.03	-1.44
Sri Lanka	All Share	30/10	10,162.93	+25.08	+0.25
Taiwan	Taiwan Weighted	30/10	16,987.41	-54.22	-0.32
South Korei	KOSPI	30/10	2,970.68	-38.87	-1.29

Name of Editor: Minit Jhaveri

Publisher:

Mr. Kishor Ostwal
120, Gokul Arcade,
Sahar Road, Vile Parle (East),
Mumbai-400057
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