

Editorial
Vol -1, No-I, 02 Mar, 2019, 06 pages

GST relief is huge plus for real estate consumers though it will not directly benefit the real estate co's. It will be sentimentally plus and push the demand which is much required in the segment hence real estate stocks will react positively.

Metal prices are sky rocketing hence steel co's iron ore co's and pallet co's will do well for some time.

The new act on unregulated deposit scheme though prima facie applies only to unregulated deposit schemes launched through ad advertisement, there is ambiguity and we should wait for clarity. If happens it will create chaos as genuine loans also will be stopped.

As regards market we need to wait and watch for signals. Midcaps and small caps are recovering for sure. The broader rally will start only if Nifty close above 11100 and sustain.

Election dates could be announced on 8th March when code of conduct will come in force hence any announcement from Govt will have to come only ahead of 8th March 19.

SBI PNB and BOB will get huge benefit going forward and hence these stocks will do well. In metal tisco JSPL Jindal Saw Godavari will do well. Tata Motors will continues it march and change gear only above 220.

In cash everything looks good as time gap is narrowing down. We are left with 3 sessions of Feb and 20 March. Post March 31 there will be mad buying in midcaps and small caps.

Change of the week

	02-Mar-19	Rise /Gain
Sensex	36063	180 ↑
Nifty	10863	30 ↑

Net Investments (` Cr)

	FII	DII
25-Feb-19	1801.6	(1746.4)
26-Feb-19	1662.5	(720.2)
27-Feb-19	(415.7)	66.81
28-Feb-19	864.5	(5240.6)
01-Mar-19	198.5	117.05
Total	4113	(7522.2)

Turnover (` Cr)

	FII	DII	
01-Mar-19	72,000	46,937	1.18937

01-Mar-19	Advances	Declines	Ratio
BSE	1900	681	2.79

Why attack on PAK is good for the market....?

First of all panic selling takes place for squaring off long as well creating shorts...

FPI becomes positive on such event

DII gets order to support market

Strike will change the sentiment of election and uncertainty will reduce... Now BJP will eye 350 plus for sure.

Strikes will create volatility hence when you buy dips even book profits and reduce cost of buying.

Volatility will rise and you will get more opportunities to trade

But the bias will be UP and UP

Hence shorting will be at risk and bulls will take control. Now next target could be new high for short covering.

Select your stock and stay invested.

BJP advantage is huge plus for market. Yesterdays correction was used for rollover. 45% rolls happened. You can't help for weekly settlement. There will be one more attack on PAK in MARCH post declaration of election dates. The fire will be kept alive and will not allowed to lie low.

If you get opportunity to buy dip you must cash it.

Market has to rally. I have a conviction. Rest is up to you.

My best pick is pallet iron ore and metal sectors at the moment. Tata motors see after downgrade had moved up by 22% may be short covering is the reason. So watch tomorrow's expiry.

5 Top Gainers			
Stock	01-Mar-19	25-Feb-19	% Gain
ADANI POWER	48.65	39.85	21.33
SADBHAV ENG	209.4	173.4	20.76
CG POWER	36.6	31.2	17.31
SWAN ENERGY	144.05	97.4	17.09
LINDE	500.65	427.85	17.02

5 Top Losers			
Stock	01-Mar-19	25-Feb-19	% Loss
MAX INDIA	70.3	78.65	10.62
DHFL	128.7	139.25	7.58
MOTILAL OSWAL	566	612.3	7.56
BHARTI INFRATEL	293.5	315	6.83
REL INFRA	125.3	133.3	6

Top 5 Picks By CNI 'A' Group
Company
REC
PFC
YES BANK
KOTAK BANK
REL INFRA

Top 5 Picks By CNI 'B' Group
Company
KESORAM
L&T HOLDING
ACRYSIL
REL NIPPON
VISAKA

Bottom is formed. Few important things to note...

One ATTACK has provided much required trigger for the market to bottom as such events goes to provide trigger in falling market world over.

Second is PAK admission that they are not in state of WAR is noticeable.

Three Nifty valuation will change even on record sake in May 16.

Fourth post expiry always there could be upside. many midcaps and stabilised like Dr Reddy Maruti Mannapuram Tisco Vedanta Tata Motors which suggest everything.

Finally before retail jumps in for buying in APRIL action will be seen in small caps and mid caps.

Stay invested stay safe. More action from Indian Army is not ruled out but that will be to eliminate terror camps only. Hence chances of escalation of WAR is not seen.

By March end all midcaps will be at 30 pc higher. All worst factors are over. I expect Nifty to cross 11200 in MARCH.

NAMO indicated one more attack on PAK which was clearly mentioned by me yesterday.

US intervened and said that there will be good news. UN will ban MASOOD for sure. All set to see favourable grounds for INDIA.

Now the consolidation has crossed 13 months with mid caps reeling hence there cannot be more pain for sure. If SAIL can rise from Rs 44 to 52 and JAIN from 49 to 59 there is enough indication of mid cap rally.

We expect SBI to cross 300 L and T FIN to 160 B Dyeing to 130 140 Tisco 600 tata motors 250 PNB 130 BOB 160 and so on....

YOU DECIDE what you want..?

Global Story

Nifty closed above 10900 with many mid caps and small caps rising finally. Does it mean that worst is over or some more pain left..? Bear camp still maintain that all is not well and market will underperform for another 12 months. We do not know what is the basis for such assertion but for us we do not see much downside.

Nifty has defied all logic and expectation of breaching 10000 time and again. We do not discuss valuations as the same has been discussed in our earlier write ups no of time based on which Nifty has potential to test 14000 easily.

On 11 February 2000, the Sensex hit an all-time high of 6,006 points. This was in KP time and then the market crashed. The Sensex then was 2954 on 11th Sept 2001 when town towers were blasted. However market really bottomed out when SADDAM WAR was over that was on 1st MAY 2003 when Sensex was at 2966. You can see the difference of 2954 and 2966 over a period of 18 months.

Then see rise of stock market over next 3 years. It rose 400%, Major rally came immediately post the IRAQ war where market rose by over 100% in a period of 8 months only. On 31 Dec 2003 Sensex closed at 5838. That was not enough. On 20 June 2005, the Sensex crossed 7,000 for the first time. On 8 September 2005, the Sensex crossed 8,000 level. On 9 December 2005, the Sensex first closed at over 9,000 points. The Sensex closed above the 10,000 mark on 7 February 2006. On 27 March 2006, crossed 11,000 points. On 20 April 2006, the Sensex crossed 12,000.

On 11th Dec 2007 Sensex closed above 20000.

Earlier even at the time of KARGIL Sensex was 3378 on 3rd May 1999 when WAR broke out and it was at 4625 when WAR was over on 26th July 1999 and went to reach 5000 on Dec 1999 and 6000 on 11 th FEB 2000. Even that time the rise was 77 pc over a period of 10 months.

Thus it is very clear that market generally bottoms out in WAR time. The rationale is very clear. WAR allows many traders, FPI, DII go short either naked or for the sake of hedge protection. Here the thumb rule of the regulation comes handy. FPI are not allowed to sell short stocks and hence the only option to hedge is short Nifty. They have to short Nifty to certain percentage of their overall exposure in the stocks. That is the reason markets see aggressive shorts in Nifty a reason for not allowing Nifty to fall in a big way.

Now again Sensex was 22000 on 11th March 2014 just before NAMO was in the race for the PM post. Post NAMO Sensex rallied to 27000 on 2nd Sept 2014. This was a 22 pc rally over a period of 5 to 6 months.

Since then in real terms we have not seen big rally on the Sensex and at current level of 36000 the rise is just 33 pc which suggest golden consolidation. Market is really ready to break out heavily to give a similar kind of run which will take Sensex to 95000 in next few years. To be very precise even if Sensex rallies to 95000 say even in next 5 years (another NAMO era) it will be just 163% upside from the current level.

Thus the minimum rally should be 22 pc which should take Sensex to 44000 and if we take clue from the post WAR rise then it should rise 77% in 2 years which should take Sensex to 64000.

Other factors rally compliment the estimates. Rise of INDIAN economy, GDP, expansion of economy, earnings growth, overly short positions, expected changes in policies governing stock markets and excessive pessimism are the other factors which will lead to such magnificent upside on the Sensex.

Based on the FY earnings of Nifty we believe the potential of Nifty upside is 14000 which will help BSE to achieve first target of 44000.

We therefore at CNI suggest our members to hold all stocks which they have it very patiently for next few years to enjoy the bull run. Please look at the history of CNI predictions..

In 2008 post LEHMAN we predicted Sensex 21000 and it happened in Oct 2010. In 2009 we had predicted upper circuit to Nifty and it happened. In 2014 we predicted Nifty 7500 and it happened. Thereafter on every occasion whether it was DEMO, UP election, US elections CNI targets were achieved. Based on analysis we hope that our targets will be achieved even in the future.

JAI HIND VANDE MATARAM BHARAT MATA KI JAI.....

We support NARENDRA MODI as next PM. He brought INDIAN economy out of COMA for sure.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	01/03	28,812.17	+178.99	+0.63
Singapore	Straits Times	01/03	3,220.40	+7.71	+0.24
United States	NASDAQ	01/03	7,595.35	+62.82	+0.83
United States	DJIA	01/03	26,026.32	+110.32	+0.43
United States	S&P 500	01/03	2,803.69	+19.20	+0.69
Japan	Nikkei 225	01/03	21,602.69	+217.53	+1.02
United Kingdom	FTSE 100	01/03	7,106.73	+32.00	+0.45
Malaysia	KLSE Composite	01/03	1,700.76	-6.97	-0.41
Indonesia	Jakarta Composite	01/03	6,499.88	+56.54	+0.88
Thailand	SET	01/03	1,641.44	-12.04	-0.73
France	CAC 40	01/03	5,265.19	+24.66	+0.47
Germany	DAX	01/03	11,601.68	+86.04	+0.75
Argentina	MerVal	01/03	33,834.86	-650.94	-1.89
Brazil	Bovespa	01/03	94,603.75	-980.60	-1.03
Mexico	IPC	01/03	42,619.23	-204.57	-0.48
Austria	ATX	01/03	3,061.70	+20.78	+0.68
Belgium	BEL-20	01/03	3,644.14	+39.66	+1.10
Netherlands	AEX General	01/03	538.59	-2.46	-0.45
Spain	Madrid General	01/03	935.15	-1.33	-0.14
Switzerland	Swiss Market	01/03	9,412.02	+23.08	+0.25
Australia	All Ordinaries	01/03	6,273.84	+21.17	+0.34
China	Shanghai Composite	01/03	2,994.01	+53.05	+1.80
Philippines	PSE Composite	01/03	7,641.77	-63.72	-0.83
Sri Lanka	All Share	01/03	5,754.31	-61.98	-1.07
Taiwan	Taiwan Weighted	01/03	10,389.17	-2.38	-0.02
East Israel	TA-100	01/03	1,431.31	+6.10	+0.43

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