

Editorial
Vol -1, No-I, 11 Nov 23, 09 pages

In Bull market I do not have to write anything except I will reiterate all our buy calls in our DIWALI report.

I am once again saying History of Nifty is to rise 11 to 36% pre elections and this time not less than 16% expected. This is why we saw a fall in Oct settlement and FPI are short trapped in Nifty.

Keep in mind my target 40700 and go long in Nifty.

Add SHILP Gruver's for next 3 days. Add Hitech Corporation not because it belong to ASIAN PAINTS but because it has insurance arm.

After a three-day strong Nifty rally, it is likely to take a breather for two days before resuming its upward momentum on the expiry day, which is Thursday. The level of 19,350 should serve as a strong support, making it an attractive entry point for long positions, if desired.

This is recent trend. Every Monday they pull Nifty and Tuesday kill Nifty for FIN NIFTY expiry. Thursday again pull Nifty as FPI are short over 1.60 lac contracts. FPI have gone short as they can't short shares. Selling shares is not allowed. Hence for hedge the only option is Nifty.

As previously mentioned, Nifty is expected to test the 22,000 level before April 2024. Therefore, it is advisable to consider buying on dips rather than shorting the market.

Two states are going for polls today. So anxiety over elections will get over soon.

We hold a bullish outlook on the following stocks: BHEL, TAMO, TAPO, TACO, INDUSIND Bank. These stocks have been included in our DIWALI A-grade picks.

We have also categorized Diwali picks in B gr, turnaround cases and Penny stock category which may help our followers to decide which stocks to hold add or remove. End of the day call us yours.

Change of the week

	11-Nov-23	Rise /Gain
Sensex	64904	545 
Nifty	19425	196 

Net Investments (` Cr)

	FII	DII
06-11-2023	359.8	595.7
07-11-2023	(312.4)	700.2
08-11-2023	(893.0)	524.4
09-11-2023	(1462.3)	1512.1
10-11-2023	(261.8)	822.6
Total	(2569)	4153

Turnover (` Cr)

	FII	DII	Combined
11-Nov-23	76,180	73,081	1,49,261

11-Nov-23	Advances	Declines	Ratio
BSE	1841	1847	0.99

Also we have not given targets and co briefs as they were shared with you from time to time and the duration keep on changing as per market movement. We are the most dynamic site in the world and does not have rigid methodology.

But each and every stock recommended is after strong home work.

ANMOL India and SHILP GRUVERS are very hot on fundamentals. Anmol holds 175 crs cash which is a rare sign and Shilp Gruvers have literal monopoly in gruvvers.

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5 Top Gainers			
Stock	10-11-2023	06-11-2023	% Gain
Neuland Lab	5394.6	3864.7	39.5
Car trade Tech	867.3	690.6	25.5
JP Venture	14.2	11.4	23.9
Techno Electric	600.9	490.1	22.6
KPI Green energy	1057.4	867.2	21.9

5 Top Losers			
Stock	10-11-2023	06-11-2023	% Loss
Navneet Education	135.1	151.5	10.8
Pricol	320.1	357.8	10.5
MTAR Technology	2218.0	2475.1	10.3
Mishra Dhatu Nig	357.5	397.8	10.1
Zee	248.9	275.4	9.6

Top 5 Picks By CNI 'A' Group
Company
GMDC
SAIL
HDFC BANK
ADANI PORT
TATA MOTORS

Top 5 Picks By CNI 'B' Group
Company
SHILP GRA
UNIQUE ORGANIC
PATANJALI
HITECH CORPORATION
GTV ENGINEERING

Most of the CNI covered companies such have announced super results e g Hercules, Mafatlal, Riba, Loyal, Inspirisys, M K etc and other companies too will announce good results. If not Q2 Q3 and Q4 will be super dooper.

Micro cap stories have its own way to grow. When we recommended USHA martin at 28 no one was even heard or liking this co and today every broker including NOMURA has coverage to the co at Rs 300.

This clearly suggest all micro-cap companies grow HNI FII DII all will come and also coverage will start this we call acceptance of market.

Once market accept a co our role gets over. Eg BSE TATA MOTORS TATA POWER and BHEL in large caps and Integra and Hercules Tata Coffee Tata Metalics Tinplate Ashapura RAILTEL RVNL where our role ends.

GTV SUNIL UNIQUE and AKAR are ready to make entry on big screens soon and then probably you will not get opportunity. So better you keep adding if you like. More particularly SUNIL AGRO as promoters on record have refused to dilute at current market price which operator is aware that is why he has brought down the price without volumes. Of course that makes good case for accumulation. If stock had crossed 270 why will not it cross again before going to Rs 700. See the equity size which is clear indication. In my view there is huge efficiency as co does 210 crs revenue on Rs 2 crs equity. Cash rich promoter, millets in the co GST benefit numbers can change the day promoter desire and then stock could be even 2000 2500 also. Accumulate.

ANMOL exit once and re enter at 52 50 levels. Riba can go to 150 very fast keep adding. Operator trapped today as he sold 93000 shares in upper cct thinking that he can control stock in ttt category.

Look at BETEX you were not buying and not at 225 it is upper cct.

HNI scouting for 1 mn shares of AKAR means AKAR is on big set.

Archies can be added results today.

Ratan Enterprise already got DRONE approval means Defesne story started unfolding. Now watch EV tie ups and value unlocking. Major game will start once it cross 68. First coverage was at 51 and after our call it never seen 51 again. So hold 51 as stop loss and go all out. It is next MAXWELL.

In this YMV we will not be writing about any shares but only on market trend and why Nifty will test 22000 in April 2024.

Read carefully, apply your mind and if convinced make ground to pitch high and buy. Without conviction wealth is not created.

Enjoy

Five hundred brokers have issued recommendations for five hundred companies, all belonging to category A under the OCEAN classification. However, I find little allure in these stocks as they are excessively owned. While one might experience returns of 20-40% with luck, a single negative announcement from such companies could lead to a substantial 50% downside. Examples like Paytm, Zomato, Aurobindo Pharma at 1240, and Sun Pharma at 1450 illustrate this point.

On the contrary, companies such as HDFC Bank, Infosys, Wipro, Dr. Reddy's, HUL, and TCS have not yielded significant results. In contrast, several companies in our portfolio have delivered outstanding results.

According to the Chairman of Investment Precision, they excel in castings and now supply to aerospace, a feat not achievable without titanium castings. Rekha Shah holds a 10% stake in the company.

Companies like GTV, RIBA Textiles, SHILP, Archies, Lahoti, Anmol, Ratan India, Mafatlal, Loyal, Tata Power, Sagar Cement, Inspirisys (currently undergoing delisting), Atul Auto, Metal Coating, Asian Energy, Artefact, Thomas Cook, and PTL have all announced exceptional results.

Even RR Metals has reported favorable results, with the added positive development of entering the beverage sector.

Tirupati Starch did report poor results last quarter, akin to Loyal, possibly to induce selling from existing investors. However, considering the sector outlook, we believe it is the best pick.

As for Diwali picks, my recommendations include

Shilp Gruvers (targeting 300+),

RIBA Textiles (targeting 500+),

Tirupati Starch (targeting 300+),

and Unique Organics (targeting 300+),

all based on new research findings. *It's important to disclose that I personally own all these four stocks.*

Regarding Ratan, it initially secured DRDO approval to become the first drone company in India. Now, with Adani placing an order to purchase electric bikes from Ratan, the company is positioning itself as a reputable EV player. Additionally, an announcement related to the FINTECH business is expected soon. Given these developments, the stock could potentially become a multi-bagger in the large-volume game.

Therefore, if you have confidence in my recommendations, I would strongly suggest considering the addition of these four shares to your portfolio on the occasion of Diwali, in addition to any recommendations from the CNI team. These selections have been thoroughly studied by me. However, the ultimate decision on what to buy rests with you, as every investor's strategy is unique.

I received message from investor who find himself stuck in BHEL futures at 140. My consistent advice is that futures and options (F&O) may not be suitable for everyone. We initiated coverage on BHEL at 41, and with the current price at 126, we anticipate further growth to 300, 400, and potentially 500. We've also shared insights not widely known about how BHEL will be involved in securing new orders.

CNI has delivered over 500 research calls, the majority of which have met expectations. In instances where a few companies may not have performed as expected, it's important to note that the CNI team will continue to work towards their success. Whether to hold, exit at a loss, or add more is ultimately your decision. Our commitment is to provide research-backed recommendations.

For our annual full-site members, we offer personalized services with well-reasoned rationales for stock selections. Those with such memberships can reach out to us for direct services. We do not offer VIP services or Portfolio Management Services (PMS), as we believe that you are your own decision-maker. Our role is to guide you, provided you have faith in our expertise. To be part of our team, gaining the captain's faith is crucial.

Read in today's YMV why Nifty should test 22000 in 2024.

Happy DHANTERAS HAPPY DIWALI Happy NEW YEAR to all CNI subscribers.

Special feature

"What a move! Going from 18880 to 19520 in swift action, once again proving that data analysis trumps traditional technical charts, which often provide false alarms. This momentum started post-October expiry with a strong undercurrent in mid-caps and small caps. Most companies have exceeded expectations with their financial results. The Nifty universe has delivered 30% earnings growth so far, surpassing my initial estimate of 24%. I'm now confident that we will close the financial year with a 25% growth rate. Given these circumstances, it's crucial to reevaluate where Nifty is headed in the near future, especially considering the state elections in five states and the central elections in 2024.

"In this dynamic market environment, it's essential to keep a close eye on emerging opportunities and adapt to changing conditions. As we navigate through the state elections, keep in mind that market sentiment can fluctuate due to political outcomes. However, it's worth noting that markets tend to adjust quickly and often rise above short-term disruptions. Be agile in your investment approach and take advantage of potential buying opportunities when they arise.

Let's begin by examining the state elections. Chhattisgarh will hold polls in two phases on November 7 and 17; Madhya Pradesh will vote on November 17, Rajasthan on November 23, Telangana on November 30, and Mizoram on November 7, with the counting on December 3. Until December 3, the election results will act as a significant factor in the market's dynamics. This also implies that significant speculative moves are unlikely until November 30, 2023, which is the expiry date for November.

Based on historical trends, it is highly likely that Rajasthan will swing to the BJP due to the prevailing anti-incumbency sentiment. Chhattisgarh also has a high probability of the BJP winning because of anti-incumbency. Telangana's outcome has limited market implications, while Madhya Pradesh might witness a potential BJP loss, and Mizoram's outcome holds little significance for the broader market. Therefore, even if the BJP loses in two states, it may not be a major shock to the market, as it seems that investors are already factoring in the loss of BJP in all five states. However, always be prepared for potential knee-jerk reactions, as we have seen in the past. Remember that the market not only recovers from such reactions but often reaches new highs. So, if the market does experience a sudden downturn, consider buying the dips without hesitation.

Looking ahead to the central elections in 2024, it's vital to monitor the evolving political landscape and its potential impact on the market. Elections can introduce uncertainty, but they also present chances for sectors and stocks to thrive based on policy changes and government priorities. Stay informed and be prepared to make informed decisions as the election season approaches.

As for the stock selection within the market segments, consider your risk tolerance and investment goals. The 'Ocean,' characterized by large-cap stocks, offers stability and reliability. The 'River,' which includes mid-cap stocks, presents opportunities for growth. Finally, the 'Ponds,' consisting of small-cap stocks, can be more volatile but offer significant growth potential. Diversifying your portfolio across these segments can help you manage risk and capitalize on different market conditions.

Remember, investing is a long-term endeavor, and it's essential to have a well-thought-out strategy. Continue to monitor market developments, adapt to changing circumstances, and remain confident in your investment decisions. In uncertain times, patience and a well-balanced portfolio can help you navigate the financial markets with resilience and success."

"Four compelling factors suggest that Nifty may surge to 22,000 before the Central elections in 2024:

Historical Precedent: Over the last two decades, the markets have exhibited a historical trend of significant upward movement ahead of election results, with gains ranging from 9 % to 36%. This time, we anticipate a conservative estimate of an 11% to 16% increase, which positions us to potentially reach the 22,000 mark.

Nov 1998 to May 1999 36%+

Nov 2003 to May 2004 9%+

Nov 2008 to May 2009 31%+

Nov 2013 to May 2014 19%+

Nov 2018 to May 2019 11%+

Now Guess Nov 2023 to May 2024 16% +?

Rising SIP Investments: Systematic Investment Plans (SIPs) have been steadily on the rise, currently surpassing Rs 17,000 crores. This massive inflow of funds makes it challenging for Domestic Institutional Investors (DIIs) to remain on the sidelines with a significant cash reserve. This suggests that these funds may continue to flow into the market, further boosting equities.

Abu Dhabi's Investment: Abu Dhabi, a new and significant partner for India, has announced a substantial investment of \$50 billion. While this investment is primarily targeted at large-cap companies, the increased liquidity and investor confidence in large caps can act as a catalyst for fresh buying in mid-caps and small-caps. The ripple effect of such investments can have a positive impact on the broader market.

Conversion of AIF to MF: The conversion of Alternative Investment Funds (AIFs) to Mutual Funds (MFs) has the potential to trigger a substantial uptick in mid-cap and small-cap stocks. As this transition occurs, it may lead to increased interest and investment in these segments, potentially driving growth in a significant way.

With these factors aligning, the path to Nifty reaching 22,000 appears increasingly plausible. However, it's essential to remain vigilant, monitor market developments, and adapt to changing conditions to make the most of the potential opportunities presented by these factors."

"As we consider the looming election factor, which can sometimes act as a specter in the market, it's crucial to reevaluate valuations, especially as we approach the end of the financial year. The current Nifty Price-to-Earnings (PE) ratio stands at 20.96, with a Price to Book ratio of 3.41 and a rising dividend yield of 1.42%. In the current calendar year, we witnessed a low of 20.7 in April, which coincided with a significant market crash. As of November, the PE ratio has recovered to 20.96, but it's still below the high of 23.35 seen in July 2023. This suggests that, irrespective of the market's ups and downs, we are currently at the lower end of the PE ratio spectrum for the year, primarily due to robust earnings growth.

If we were to adjust our earnings and consider the high PE ratio of 23.35, it would imply that Nifty could comfortably trade at 22000. Further adjustments for Q3 and Q4 earnings could potentially bring the PE ratio down to 18. If we extend this adjustment into FY 24, it could project Nifty's value to reach 25,000+. Therefore, the expected target of 22,000 seems increasingly achievable.

It's worth noting that the 10-year average Nifty PE is 26.5, and the 33-year average is 25, which makes our base case estimate of 23.35 appear reasonable and within reach.

"The global valuation matrix, represented by the market capitalization to GDP ratio, currently stands below 1. This level is notably comfortable and leaves ample room for potential explosive market movements in the future. The 10 years average has crossed 90 and all time high was 1.49 and given the current state of Indian economy, continues flows in DII and fresh FDI and FPI approach clearly favour the ratio over 1.

Moreover, the Dollar Index (DXY) is displaying signs of fatigue, and the Federal Reserve has hinted at rate stabilization, although significant rate cuts are not expected until December 2023. Additionally, the stability of oil prices suggests that global factors may no longer serve as primary catalysts. Consequently, market focus is likely to shift back to corporate earnings as a driving force."

"Furthermore, it's noteworthy that Foreign Portfolio Investors (FPIs) currently hold short positions in the market. Historically, it has been observed that whenever FPIs have exceeded 100,000 contracts in short selling on Nifty, the market experiences significantly accelerated movement. During the October expiry, FPIs held short positions amounting to 179,000 contracts, marking the highest level thus far. Nifty subsequently made a 500-point rally from its lows, and currently, their short positions remain at approximately 150,000 contracts, which is still notably substantial. It's important to mention that these are typically hedge shorts and are likely to be carried for the next few months, signaling a limited chance of a market downturn. FPIs are bound by regulations that prevent them from engaging in naked short selling, and as a result, they often resort to shorting Nifty as part of their hedging strategy. On the other hand, High Net worth

Individuals (HNIs) face no such restrictions, and they often take advantage of this situation, a pattern that has persisted over the past two decades."

The different factors affecting the market have been well-documented and are supported by significant data. They inject additional resources, boosting demand, and can promptly withdraw liquidity, causing market downturns. The primary elements of this system encompass treasury operations, options markets, and anchor investing, with diverse participants, including global investors. This is where the idea of the pond can be beneficial for small investors if they choose to engage directly in the market rather than through indirect routes like DIIIs. It's usually not advisable to directly compete with major players.

The author's analysis strongly indicates that there are opportunities beyond the 22000 mark, and consistently, the author has emphasized a target of 40700 by 2027. This guidance should assist investors in making informed investment decisions, bearing in mind that volatility is an inherent aspect of equity markets. In our recent DIWALI report, we have presented our top picks across different categories, including A Grade, B Grade, Turnaround cases, Micro Caps, and Penny stocks, recognizing the particular interest that retail investors have in these segments. We refrain from providing recommendations in the vast sea of information available through instant messaging platforms like WhatsApp.

As long as the market sentiment remains pessimistic and foreign portfolio investors (FPIs) maintain their short positions, I believe that the upward trend may be sustained, as outlined in the summary above. Most of the companies covered by CNI Universe have reported better than expected earnings which indicate that CNI team is rightly positioned in stock picking.

CNI has issued DIWALI picks separately and they are all early research picks and suitable to the PONDS section. There is no fun to be one among the OCEAN section as every broker is doing the same job and risk of correction with one bad trigger is not ruled out.

Wish you all Happy Dipawali in Advance

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	11/11	17,203.26	-308.03	-1.76
Singapore	Straits Times	11/11	3,106.68	-28.64	-0.91
United States	NASDAQ	11/11	13,798.11	+276.66	+2.05
United States	DJIA	11/11	34,283.10	+391.16	+1.15
United States	S&P 500	11/11	4,415.24	+67.89	+1.56
Japan	Nikkei 225	11/11	32,568.11	-78.35	-0.24
United Kingdom	FTSE 100	11/11	7,360.55	-95.12	-1.28
Malaysia	KLSE Composite	11/11	1,445.18	-7.09	-0.49
Indonesia	Jakarta Composite	11/11	6,809.26	-28.97	-0.42
Thailand	SET	11/11	1,389.57	-15.40	-1.10
France	CAC 40	11/11	7,045.04	-68.62	-0.96
Germany	DAX	11/11	15,234.39	-118.15	-0.77
Argentina	MerVal	11/11	660,274.69	+36,279.13	+5.81
Brazil	Bovespa	11/11	120,568.14	+1,534.00	+1.29
Mexico	IPC	11/11	51,258.24	+187.21	+0.37
Austria	ATX	11/11	3,203.66	+1.61	+0.05
Belgium	BEL-20	11/11	3,438.86	-40.05	-1.15
Netherlands	AEX General	11/11	746.31	-2.85	-0.38
Spain	Madrid General	11/11	929.88	-2.87	-0.31
Switzerland	Swiss Market	11/11	10,555.35	-89.64	-0.84
Australia	All Ordinaries	11/11	7,176.61	-38.50	-0.53
China	Shanghai Composite	11/11	3,038.97	-14.31	-0.47
Philippines	PSE Composite	11/11	6,161.89	-26.33	-0.43
Sri Lanka	All Share	11/11	10,872.28	-17.20	-0.16
Taiwan	Taiwan Weighted	11/11	16,682.67	-62.98	-0.38
South Korea	KOSPI	11/11	2,409.66	-17.42	-0.72

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