CNI Publications; Weekly Plattern

Weekly summary

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Editorial

Fear is more so market will not fall. Pick your stocks. In A gr RIL HDFC and TAMO showing enough strength.

In B gr I suggest to Add WINSOME TEXTILES and SHIPL Gruver's. Winsome is debt free and Fund acquired at around 90 so stock will starts it journey from 90 onwards.

More details will be shared.

Nifty trend in bullish. Lot of astro news are spread intentionally to create fear ignore that.

On scale of buying we are giving every day something or other which are becoming super hit and stocks are rising. We have given many multi bagger stocks as promised. GULF from 41 to now 63 and heading for 150. GE PIL once cross 197 will be fastest 350 and then 1000. GIPCL MUKUL just entered means story just started.

Now biggest story I am unveiling is LAHOTI Overseas. A Singapore based in INVESTOR (S A) is adding 1 mn shares in Fund account. IT will be BAAP of all stocks and loved by HNI and Funds because of its liquidity. You can get 2 to 3 lac shares easily and that is the beauty. S A buying this as co is expanding capacities from 50000 spindle 75000 spindles and 1 spindle cost Rs 50000 means co is invested 250 crs and the market value become Rs 750 775 crs. And we add power should be 900 crs. As against this the fund is getting at Rs 125 crs the whole co. This is why are buying big. Those who have capacity to add must add really big.

This stock will turn out to be a super story. (Disc I have vested interest in the co as I have personally bought good qty.) Plus they have also 250 looms and knitting machine taken on job works which will add to value. Govt announced PLI scheme for textiles which will help lift the profits.

Change of the week

	20-Oct-23	Rise /Gain
Sensex	65397	876 ↓
Nifty	19542	207 ↓

Net Investments (` Cr)

	FII	DII
16-October-2023	(392.8)	1184.2
17-October-2023	590.5	112.5
18-October-2023	(1989)	1469.5
19-October-2023	(951.9)	736.1
20-October-2023	456.2	8.53
	(2286)	3509

Turnover (` Cr)

	FII	DII	Combined
20-Oct-23	1,00876	67,518	1,68,394

20-Oct-23	Advances	Declines	Ratio
BSE	1312	2402	0.54

Co is almost debt free interest cost is less than 50 lacs per quarter. I was told the operating profits will rise from 4.5 crs to 7 crs in this Q means 28 crs profit for the year one equity of 5.85 crs face value is rs 2 hence there massive scope vertical rise in this stock. Buy this at Rs 45 and hold with EPS rising 2.50 to 3 stock mat cross 75 in short run. Current PE is just 8 for such a beautiful dividend paying co.

This could turn out to be one of the best identification from CNI team hence can suggest to add more aggressively at 45 + Entry of big investors is a positive sign in LAHOTI.

We gave buy in FAZE3 AUTO only because in parent co ASHISH KACHOLIA hold 6% stake. Co supplies to Mahindra and big AUTO companies and also promoters hold 91% stake means dilution will come through QIP at Rs 112 +.

Book profit in Eimco Elecon and move the same money in Investment and Precision. We gave Eimco at 600 now 1600 in less than 4 months what more returns you want..? Yes Eimco eventually may become Rs 20000 for sure. But you need funds also for fresh investments and hence invest in Investment and Precision. Today's volume is just 35000 shares and stock can become 5000. This is only co in India which does casting in TITANIUM. Rekha Shah wife of NIMISH SHAH holds 10% stake in the co. Only 6 lac shares available in free float. This is early research and hence one can enter with conviction.

Next is Faze 3 Auto we gave buy call yesterday at 76 today it crossed 95. Now this is class co which supplies to likes of MAHINDRA. ASHISH LACHOLIA holds 6% stake in the parent. Promoters hold 91% stake in the co. As per regulations they will have to dilute to 74% and that should happen at premium. May be same set of investors can come or someone else. 52 week high was 112 and no dilution came means dilution will come above 140-150. Post that you know what is going to happen.

Next new bet is PTL Enterprises. It belong to APOLO TYRE Gr. Same rate where we had invested ARTIMISMED which is now 165. This stock also will take shape and rise to same levels. Can accumulate big around 43. This hit 52 week high with volumes and in Sept normal volume used to be 38 lac shares means this is fancy stock.

5 Top Gainers

Stock	20-10-2023	16-10-2023	% Gain
Newgen Software	1135.8	913.3	24.3
KIOCL	405	330	22.7
Ion Exchange	642	526.6	21.9
Suzlon Energy	32.7	26.8	21.7
Authum Investment	797	660	20.7

5 Top Losers

Stock	20-10-2023	16-10-2023	% Loss
MMTC	63.5	74.6	14.9
INDRAPRASTAN	403	472.5	14.7
HUDCO	77.3	90.1	14.1
KIRLOSKAR	607.6	671.5	9.5
BIOCON	230.9	240.5	9.2

Top 5 Picks By CNI 'A' Group

Company
BHEL LTD
SBI
TECH MAHINDRA
TATA MOTORS
HDFC BANK

Top 5 Picks By CNI 'B' Group

Company
CMS INFO
GULF PETROLEUM
DREAM FOLKS
HARSHA ENG
AKAR AUTO

As told earlier nothing to worry in market. We got to reach 20500 soon. Value midcap are going crazy on street. Lahoti overseas, Gulf petro, faze 3 auto and many many more are outperforming the street.

Our lastest recommendation PTL is also up 10%.

Betex India looks great. Study the company.

SEPC 20. Don't sell a single share. Just keep it lock and key. Our first buy was at 5 and second at 10.

GEPIL once crosses 200 than there is no stopping.

Same way optiemus. Play for 2000 rupees.

Investment precision is a replica of emico elecon. Keep watch

Due to Sat, Sunday and Tuesday holiday market is seeing some pressure on the back of isreal –palestine conflict. We believe this is the best time to accumulate quality stock. Let people discuss about war we will invest wisely.

Shriram properties today hit a high of 99. Stay long our target is 150 plus. We have recently issued report of rattan enterprise. Strong fundamentals.

BSE is on a dream run. We are the first to recommend at 900(cum bonus) in 2021 today it trading 1400 (ex-bonus) calculate the wealth creation in just 2 years

Investment precision casting stock to watch. Multi bagger in making

Special feature

It is my perspective on how geopolitical events, specifically conflicts such as the Russia-Ukraine war or the Israel-Palestine situation, impact financial markets and global economies. Let me break down and elaborate

Traders' Reaction to War:

Traders often react to geopolitical events, such as wars, because these events can have significant implications for financial markets. Uncertainty and instability can lead to market volatility.

Some traders may see such situations as opportunities, while others might choose to exit the markets due to fear and uncertainty.

Media's Role in Creating a "WAR Ghost":

Media plays a crucial role in shaping public perception and can influence market sentiment by emphasizing certain aspects of geopolitical events. The term "WAR ghost" may suggest the heightened attention or dramatization that media can bring to conflicts.

Personal Perspective on Market Response:

However I see the current situation as an opportunity rather than a threat. This suggests a belief in the resilience of global economies and a more optimistic view regarding the impact of the Israel-Palestine conflict on commodity markets compared to events like the Russia-Ukraine war.

Analysis of Oil Equation:

My assessment is that neither Israel nor Palestine has the capability to distort the oil equation suggests a view that the conflict in the region might not have a significant impact on global oil markets.

Comparison with Russia-Ukraine War:

A comparison with the Russia-Ukraine war, implying that if the global economy could absorb and digest the impact of that conflict, the Israel-Palestine situation is less likely to create commodity distortions.

It seems I am grounded in the belief that the Israel-Palestine conflict is unlikely to pose a substantial threat to global economies or create significant distortions in commodity markets, particularly in comparison to previous geopolitical events like the Russia-Ukraine war. It's important to note that market reactions can vary, and different investors may interpret and respond to geopolitical events in diverse ways based on their analysis and risk tolerance. But for me market has to go up and the destination of 40700 is intact. If only I know destination I can do cherry picking in low hanging fruits.

"We should express genuine concern about the market's valuation. During the Russia-Ukraine war, we witnessed a correction from Nifty 18,000 to 15,400. Before the conflict, we were comfortable with Nifty at 18,000. Let's consider 18,000 as the baseline and assess the impact of earnings on Nifty. Although the war had a detrimental effect on Nifty, it rebounded because there was no adverse impact on earnings in India. This occurred in February 2022, meaning that we were operating with Nifty at 18,000 based on March 2021 numbers.

After several fluctuations, Nifty has now approached 20,000. What we may overlook is that two full years and the current year's earnings should have influenced Nifty to determine whether the market at 20,000 is acceptable or if we should be living in constant fear of war. March 2022 and March 2023 reported growth rates exceeding 18%, and March 2024 should report at least a 24% growth. In other words, the compounding effect on Nifty should lead us to Nifty 30,000. However, the reality is that we are still below 20,000.

Without a doubt, India is currently the fastest-growing country. We are on track for a steady 7%+ GDP growth. Therefore, the exaggerated reaction to war is unjustified and represents a missed opportunity." When we look at India we should really look at the Debt to GDP ratio of India and all other global economies which matter for us. All those who are below 100% are good on board. Even when we evaluate companies we see what it the Debt Equity ratio.

Debt-to-GDP ratio:

Japan: 263.9%

Greece: 177.6%

Italy: 147.2%

US: 122.1%

France: 111.8%

Canada: 102.2%

Egypt: 89.2%

Brazil: 88.2%

UK: 87%

India: 83.4%

China: 76.9%

Germany: 71.1%

S Arabia: 24.8%

"Major Foreign Portfolio Investors (FPIs) in India maintain a positive outlook on the country. The occasional selling observed can be attributed to sectorial shifts. There are specific sectors where FPIs have an excessive presence, while others are relatively underrepresented. This discrepancy is a result of their historical focus, primarily on sectors such as Oil and Gas, IT, Healthcare, and Financials, which collectively accounted for nearly 70% of their exposure. Recognizing this imbalance, FPIs are now taking corrective measures by reducing their overexposure, leading to selling pressure in these sectors. This corrective action has been evident in the correction of stocks like Infosys, which declined from 1900 to 1200, and the downturn in several pharmaceutical companies.

"The rise of Domestic Institutional Investors (DIIs) has been instrumental in alleviating the risk of over ownership. With DIIs accumulating Assets Under Management (AUM) on par with Foreign Portfolio Investors (FPIs), they have become a vital force for market stability. During periods of aggressive selling by FPIs, DIIs intervene with equally robust buying, effectively restoring balance to market dynamics.

Beyond DIIs, many Mutual Funds (MFs) are experiencing growth. Roadshows are currently underway for Alternative Investment Funds (AIFs) converting into MFs. The AIFs, initially sized between $20 to $50 million, are expanding post-conversion to $250 to $1,000 million. Typically, these MFs focus on small- and mid-cap stocks, a trend evident in the ongoing market rally. Opting for a more contained strategy, they avoid becoming heavily concentrated in just a couple of stocks, ensuring they remain agile and can deliver returns to their investors.

In this context, I have consistently emphasized the importance of navigating in the ponds rather than the ocean. Our strategy has proven successful thus far, and I invite you to reflect on the benefits you have derived from it."

I am sharing another mechanism of success which may help you in long term. If you desire to invest say Rs 5 lacs in XYZ share on new research call then invest Rs 10 lacs with the word go like love at first sight. Stock definitely react positively and rise 20 30% very fast where you should reduce 50% bets so that your cost is reduced by 40 60% to create your comfort. Use the sales proceed for another stock. If you follow this you will beat the street by miles and may become smartest investor. Then follow the thumb rule of sale 50% at 100% rise.

We have recently published comprehensive notes on a diverse range of companies, including Calcom Vision, Winsome Textiles, Shilp Gruvers, GE Power, TGV Saarc, Amines and Plasticizers, HMVL, Zimlab, Rubfila International, Avantel, Lahoti Overseas, Gulf Petroleum, GTV Engg, GIPCL, GMDC, and many others. These notes aim to provide valuable insights for investors, facilitating a deeper understanding of these companies and their prospects.

Furthermore, our commitment to enhancing your investment confidence extends to the ongoing discovery of new opportunities. We are actively identifying promising companies, referred to as "GEMS," and will continue to share detailed notes on these potential gems, enriching your investment journey.

It's worth noting that our coverage isn't limited to smaller companies; we also provide insightful notes on large-cap stocks such as BSE, Tata Motors, Tata Power, Bhel, Tata Communications, NMDC, and SAIL. Many of our members have found these notes beneficial, further affirming our dedication to delivering valuable information across a spectrum of companies and market segments.

We are currently navigating through a consolidation phase in large-cap stocks, a situation that can be understandably frustrating for traders. In times like these, it's crucial to maintain a focused perspective and align our strategies with prevailing market trends. When mid-caps and small-caps exhibit positive momentum while large-caps seem stagnant, it's prudent not to tie up energy and funds in the latter, avoiding unnecessary frustration.

The performance of large-cap stocks is intricately linked with Nifty movements, and at present, the market appears to be assimilating and digesting selling pressures in large-caps amidst ongoing geopolitical developments. Anticipating a subdued October for large caps, particularly with Diwali approaching, it's essential to stay vigilant for signs of a potential upturn.

Key indicators, such as HDFC Bank and Reliance, both of which have been underperforming, may serve as bellwethers for a reversal. Notably, both stocks are finding buyers around specific price levels, with HDFC Bank around 1500 and Reliance around 2300, indicating resilience despite selling pressures. Intriguingly, the largest Domestic Institutional Investor (DII) is consistently selling Reliance shares in significant quantities, yet there's an evident counterbalance as someone is actively buying. This dynamic suggests a strategic triggering of sells by the largest DII, potentially with the aim of accumulating a substantial quantity at more favorable prices. It underscores the importance of discerning motives behind stock rallies, emphasizing the need for a catalyst to drive a significant upward movement.

The link you provided, https://www.morningstar.in/posts/75530/an-investing-lesson-from-the-hdfc-bank-stock.aspx, highlights a crucial investing lesson, particularly focusing on the CAGR growth when the time frame is reduced to 10 years, revealing that only 16 out of the 4,200 listed companies in India have demonstrated profit growth every single year. Notably, the 16th company on this list happens to be one within our coverage, specifically a specialty chemicals company that we take pride in featuring in our reports that is VIPUL ORGANICS.

It's worth emphasizing that many significant investors might not be fully aware that this company falls within the specialty chemicals sector, a topic extensively discussed in our prior reports. Considering its remarkable position as the 16th company among the vast array of 4,200, it becomes an intriguing candidate to add to one's portfolio. The company's potential for growth is particularly promising, especially post-expansion, as a massive capacity buildup is anticipated, facilitating its continued growth trajectory.

Furthermore, the geopolitical landscape, with the U.S. and U.K. restricting chemical imports from China, positions India as an emerging chemical hub. Recognizing these early signs and understanding the changing dynamics in the global chemical industry can be pivotal for informed investment decisions. Overall, this revelation underscores the significance of identifying and adding companies with consistent profit growth to one's portfolio, aligning with their potential for sustained success.

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