

Editorial
Vol -1, No-I, 09 Sep 23, 09 pages

Mafatlal industries at upper circuit. We had initiated our buy at 116. Some story is cooking in the company. Keep watch.

Metal has started performing. Hold sail for 200 plus, Nalco for 150 and tata steel for 175.

Renuka sugar looks good above 55 we may see 70 soon.

Rattan enterprise is ready to blast.

MK exim next level of journey started.

Market will stay bullish. Its time to mint money. Stay invested this is just the beginning.

Harsha engineering stock to study for long term.

Why is SUNIL AGRO on the rise without capturing the market's attention? It is ascending due to its very attractive valuation in comparison to its production capacity. As mentioned previously, the company boasts a capacity of 3.5 lac tons of RAVA processing. At Rs 30 per kg, this translates to potential revenue of 1050 crores, whereas the current revenue stands at Rs 220 crores. In other words, the company is currently operating at only 21% of its capacity. Some investors have recognized this and are steadily buying shares every day. So, why do we still lack confidence? Perhaps we are accustomed to buying only when volumes reach millions, even though we know that volume can be misleading. I might consider refraining from recommending the stock once its trading volume increases. For example, AANCHAL ISPAT saw a sudden spike in volume to 2 million shares, prompting my recommendation to exit. For this counter, even a volume of 10,000 is remarkable.

I suggest revisiting RAILTEL as a potential investment, with target prices of 350, 450, 600, and 700. Despite RAILTEL Corp having only a Rs 20 crore business, the merger with RATATEL Corp, which possesses DRDO registration and anti-drone technology, seems to be driven by the need to leverage complementary strengths.

Change of the week

	09-Sep-23	Rise /Gain
Sensex	66598	1232 ↑
Nifty	19819	398 ↑

Net Investments (` Cr)

	FII	DII
04-09-2023	(2375.6)	2563.4
05-09-2023	(1311.5)	1077.8
06-09-2023	(2832.8)	(247.4)
07-09-2023	(719.1)	28.1
08-09-2023	(224)	1150.1
Total	(7461)	4571

Turnover (` Cr)

	FII	DII	Combined
09-Sep-23	97,513	84,968	1,82,481

09-Sep-23	Advances	Declines	Ratio
BSE	1983	1711	1.15

The market has experienced a sharp run-up, with both strong and weaker stocks seeing gains. Now is the time to focus primarily on stronger stocks, and you may need clearer guidance in this regard. If you hold many penny stocks, it might be wise to exit and concentrate on fundamentally sound, undervalued stocks.

At this juncture, I would advise caution, as stocks may correct by 5% to 10%. My top recommendations include TATA POWER, BHEL, RAILTEL, ASHAPURA, LOYAL, BETEX, SUNIL, and GTV, among others. VIPUL appears to have settled, and significant investors are scheduled to meet with management on the 8th, indicating potential for substantial buying activity in this stock. RDB Rasayan has shifted to trade-to-trade, but it remains a strong buy

Remember when CCD reached Rs 32 and the numerous queries that followed? Surprisingly, queries have dwindled now that it's at 54. Although you may consider exiting, I anticipate that it will surpass its 52-week high soon. The same holds true for RENUKA, which is benefitting from Brazil's crop failure, rising sugar prices, and 100% ethanol production, with the fourth trigger being ADANI's involvement.

Now is not the time to exit Mafatlal; the game has just begun. An analyst meet is scheduled for the 8th, and I believe the stock has the potential to be a 10-bagger. However, impatient investors can exit, having already secured a 30% profit."

MAFATLAL seems to have secured defense military dress orders, which directly benefits the company. This connection with the defense sector is significant for MAFATLAL's growth prospects. In particular, the first quarter (Q1) growth is emphasized as crucial, as it may be a key indicator of the company's financial health. With a reported revenue of 585 crores, showing a 75% increase, and a profit of 27 crores, the stock is suggested to be one of the cheapest textile shares. Additionally, MAFATLAL operates in multiple verticals, including FMCG, Defense, and Education, enhancing its diversification.

NOCIL Holdings:

The mention of MAFATLAL's holding in NOCIL worth Rs 600 crores highlights the company's financial stability. Even after accounting for this holding, the value of MAFATLAL is noted to be Rs 400 crores. The text suggests that this valuation is relatively low, considering MAFATLAL's reported revenue of 5000 crores, indicating the potential for substantial future growth, potentially making it a ten-bagger stock.

5 Top Gainers			
Stock	08/09/2023	04/09/2023	% Gain
MMTC	65.5	43.7	49.8
GTL INFRA	1.03	0.7	43.0
IRFC	77.06	55.6	38.4
COCHIN SHIP	1209.3	907.1	33.3
BBTC	1276.4	978.9	30.3

5 Top Losers			
Stock	08/09/2023	04/09/2023	% Loss
GLAND PHARMA	928.9	1070.8	13.2
POLYPLEX	1366.4	1569.9	12.9
JK LAKSHMI	685	780.1	12.2
DCAL	114	129.4	11.9
GRM OVERSEAS	172	194.2	11.4

Top 5 Picks By CNI 'A' Group
Company
RIL
HDFC BANK
TATA MOTORS
BAJAJ AUTO
TATA POWER

Top 5 Picks By CNI 'B' Group
Company
HARSHA ENGINEERING
MARAL OVERSEAS
INTEGRA ENG
PATANJALI FOOD
CAPACITE INFRA

VIPUL ORGANICS and HNI Interest:

VIPUL ORGANICS is mentioned as having experienced a reversal in its stock price. High-net-worth individuals (HNIs) with connections to prominent Indian investors are reportedly entering the company. This influx of experienced investors is expected to drive the stock price above Rs 250 in the near term.

Stock Picks and Portfolio Reallocation:

Several stock picks are recommended, including BSE, TATA POWER, TATA MOTORS, BHEL, GMDC, and TATA COMMUNICATIONS. These are suggested as multi-bagger stocks, and the advice is to reallocate funds from other public sector undertakings (PSU) and pharmaceutical stocks into these seven companies.

Stock Price Predictions:

The text mentions price targets for various stocks, including GTV at Rs 1600, SUNIL AGRO as a potential high-growth food company, BSE at Rs 3000, and B F Utilities at Rs 1360. These predictions are based on chartist analysis and are seen as achievable.

Mega Soft and Wealth Accumulation:

Mega Soft is highlighted as a story of defense and power, making it a recommended accumulation for potential multi-bagger returns. The convergence of EV (Electric Vehicles), AI (Artificial Intelligence), and Defense in RTN INDIA offerings adds to its investment appeal.

Capacite Infra and Kovilpatti Lakshmi:

Capacite Infra is suggested to have the potential to reach Rs 360 after crossing the Rs 235 mark. Kovilpatti Lakshmi is a newly researched food stock, recommended for potential investment, particularly if its price dips to around Rs 150.

Investor Mindset and Trading vs. Investing:

The text emphasizes the importance of adopting a patient investor mindset rather than trading based on news. It suggests that traders often face challenges due to the volatile nature of the markets, whereas long-term investors are more focused on wealth creation.

Please note that these recommendations and predictions are based on the information provided in the text and should be considered within the context of your individual investment goals and risk tolerance. Always conduct thorough research and consider seeking advice from a financial advisor before making investment decisions

"While there seems to be ample liquidity in the market, I believe that it has not yet reached a point where significant corrections are likely. The Nifty's Relative Strength Index (RSI) is at 63, while the Dow and Nasdaq have RSI values of 42 and 43, respectively. This indicates that the Dow and Nasdaq are approaching oversold conditions, whereas the Nifty remains in a bullish phase."

"TATA Power has surpassed Rs 277 and appears poised to reach its all-time high (ATH), with potential targets of Rs 360 and Rs 460 in the near future. Eventually, it could even surpass Rs 2000. It's worth noting that I've emphasized this point repeatedly. If TATA aims to achieve its envisioned 1 trillion-dollar group status, it's likely that TATA MOTORS, TATA POWER, and TATA Communications will play a significant role in realizing that goal. For this to happen, Tata Motors might need to reach 10 lakh crores, and Tata Power Rs 4 lakh crores. Without these milestones, TATA may struggle to achieve their dream."

"I previously mentioned that CLSA would focus on power stocks, and indeed, they have released a report on this sector. BHEL has bounced back to Rs 142 and appears set to surpass Rs 200 in the near future, as I had predicted before December. Eventually, we might witness BHEL trading in the range of Rs 500 to Rs 1000. "

This perception of BHARAT will re rate our public sector undertakings (PSUs). It's essential to note that we currently assign a P/E ratio of 100 to MNCs and only 4-5 to PSUs, which may not be equitable. This is a significant factor driving the performance of PSUs. Therefore, I recommend stocks like BHEL, SAIL, NMDC, among others. Prime Minister NAMO has seized opportunities through the G20, representing 80% of the world, and showcased India's capabilities, as demonstrated by Chandrayaan 3. Consequently, consider adding PSUs like RAILTEL and GMDC to your portfolio with conviction. It's important to acknowledge that not all PSUs will receive the same treatment, but some could turn out to be extraordinary performers."

Always conduct thorough research and consult with financial professionals for investment decisions.

Nifty will rise to 20500 21000 so do not be hurry to exit stock. Do not listen to what other brokers say. They want business. Unless you sell they will not get brokerage. Sorry double brokerage. Because you sell one and buy another.

Special feature

I am discussing several aspects related to the stock market, investor behavior, and the role of various factors in shaping market sentiment. Let's break down and elaborate on the points:

Law of Convenience and Fear & Greed:

The "Law of Convenience" in the stock market refers to the tendency of investors to make decisions based on what is most convenient or comfortable for them. For example, they may follow popular trends or go with the crowd.

"Fear and Greed" are two powerful emotions that often drive market behavior. Fear can lead to selling during market downturns, while greed can drive buying during bullish periods.

Media's Role in Shaping Sentiment:

Media outlets, including financial news, can have a significant impact on investor sentiment. News reports can create fear (e.g., economic downturns) or greed (e.g., promising investment opportunities). Media plays a role in disseminating information and influencing investor decisions.

Reduced Exposure in Cash and F&O:

Some investors reduced their exposure to cash and financial derivatives (Futures and Options) due to concerns about factors like the Dollar Index rising and oil prices increasing. These factors are often seen by them as potential threats to the Indian economy.

Market Sentiment vs. Government Policy:

There can be a disconnect between the sentiment of market players, brokers, and media analysts and government economic policies. Investors often make decisions based on their interpretation of events and potential market impacts.

Front Running and Brokerage Income:

"Front running" refers to the practice of trading based on advance knowledge of pending orders, which can affect market prices. Brokerage firms may benefit from such activities, potentially leading to concerns about market fairness.

Analyst Predictions and Investor Reactions:

Large calls by prominent analysts, such as JMF advising a Nifty rally or MS predicting a Nifty target, can influence investor behavior otherwise and investors may choose to exit positions in response to such predictions.

Thursday Consideration:

Finally Thursday is the day of pick pocketing in options market which influence the markets in the direction in which the market drivers desire.

Overall, there is complexity of the stock market, where a multitude of factors, including emotions, media influence, analyst predictions, and market dynamics, can impact investor decisions and market performance. Investors often assess various sources of information and market indicators to make informed choices, which can lead to diverse opinions and behaviors in the financial markets.

"The hard reality stands in contrast to the prevailing sentiment. India remains a genuine growth story, and the G20 presents a unique opportunity for India to showcase its strengths. An exemplary illustration of India's technological prowess is Chandrayaan 3, demonstrating how India has often outpaced Western countries.

This situation remains consistent whether the Nifty is at 14,000, 15,600, 18,000, or its current level of 19,600, as the underlying valuation rationale remains unchanged. India has achieved a \$3.75 trillion market capitalization, congruent with its \$3.75 trillion GDP, indicating that market valuation is not overextended, given the peak ratio was 1.49. Another valuation metric, the Price-Earnings (PE) ratio, is also not exorbitant. Currently, we trade at a PE ratio of 22, which is moderate and does not necessarily indicate a need for correction. Historical data suggests that corrections tend to occur when the PE ratio reaches 28.7. Looking one year forward, the PE ratio stands at 18.60, a 26% discount to the 33-year average.

Common sense dictates that in a period of unprecedented growth for India, we should not shy away from offering at least the average PE ratio of 25. However, it appears that various factors are at play, discouraging investors from holding long positions at current valuations. Inflation, the Dollar Index (DXY), rising oil prices, and other factors are being used to mislead the market and create panic. It's worth noting that these forces were found wanting when oil was at \$60."

"We often overlook two essential facts: first, that the market and human nature are inherently predisposed to upward trends, and second, that the very factors causing volatility are the lifeblood of market dynamics. As mentioned earlier, it's wiser to leave the vast ocean and mighty river to their natural course and focus on the serene pond. Consider how many companies boast market capitalizations exceeding Rs 5000 crores. These entities constitute the heart of the ocean, stirring volatility. Yet, does it truly matter if Reliance falls by Rs 50, thereby lowering the Nifty by around 100 points, or if it rises by the same amount, resulting in contrasting effects? We know our stocks intimately, and we can utilize these fluctuations to our advantage. It's worth reiterating that those who attempt to play both sides often find themselves on the losing end, unless they are integral market drivers. The golden rule for prospering in a bullish market remains simple: Buy the Dip. Historically, those who have adhered to this principle have seldom gone astray.

"Stock picking is indeed an art."

Over time, we've identified more than 200 shares that have turned into multi-baggers. Take, for instance, ASHAPURA MINICHEM, which was once trading at a meager Rs 75. After a stellar Q1 performance, it soared to a new high of Rs 282. We recommended booking 50% of profits at that point. Now, with a cost basis of zero, there's potential to ride this stock into four digits. This approach allows us to create wealth while holding onto stocks simultaneously. We also identified Mafatlal Industries at Rs 115, and within a matter of week time, it surged to Rs 158. Had you been following our content at the time, you could have capitalized on this opportunity. Our content subscription is available for as little as Rs 1416 per month, which is a fraction of the brokerage fees you're compelled to pay. The key is to cultivate the habit of reading firsthand research, which we often miss out on. Currently, 23,000 people are benefiting from this service."

"GMDC and RAILTEL delivered substantial gains of 40-50% in less than 60 days, easily justifying the cost of our content. Additionally, we provided a timely breaking story on SPICE JET when it was trading at Rs 35, and the stock surged to Rs 39.50 on the same day with a trading volume of 2.5 crore shares. As a result, exclusive access to CNI members is a privilege, even though we've been generous in sharing many high-profile research notes through our weekly reports." GAEL and CAPACITE Infra also are among our top picks and we will share insight very soon on these stock. In micro caps we had already shared valuable insight on MegaSoft, Maral Overseas Ratan India and Swill Military Consumer Products which you will realize only when they become multi baggers. There are many stocks which we share only in www.cniresearchltd.com. You need to know one stock can change your life provided you know the in and out of that stock.

Strike Rate and Consistency:

One of the standout features of the CNI Research team is its remarkable strike rate. Over the past 13 years, the team has achieved an impressive track record: not a single month has seen negative returns in their A-grade Futures and Options (F&O) calls. For validation, you can easily verify this performance by visiting the "Performance" page on our website, www.cniresearchltd.com. This consistency is a testament to our commitment to delivering reliable and accurate investment guidance. We are eagerly anticipating changes in patent law guidelines that are reportedly under consideration. When these new patent laws take effect, copying content will be treated as a criminal offense, aligning with practices in the USA. Our forecasts for the Nifty, ranging from its levels at 2700 to its current position at 20,000, have been remarkably accurate and have defied all odds. Even during turbulent market conditions marked by extreme fear, CNI has steadfastly provided rock-solid guidance to support our community of 23,000 members. Our journey is far from over, and we have ambitious plans to reach our target of Nifty 37,800. It's worth noting that we've held this target steadfast since the Nifty was at 12,000, demonstrating our unwavering market perception.

Understanding Market Dynamics:

We possess an intimate understanding of the precise reasons behind market rallies, the trajectory toward becoming a \$12 trillion economy, and the private capital expenditures that will guide us on this journey. Moreover, we are acutely aware of the factors that could trigger a massive rally in oil prices, potentially reshaping the entire market landscape. At present, we do not foresee oil prices surpassing the \$100 mark. Thus, many of the reasons put forth to create volatility may be misleading. Our commitment to upholding the highest standards of research remains unwavering, and we prioritize quality above all else. We believe that by staying true to our core values, we can continue to provide valuable insights to our members and navigate the ever-evolving landscape of financial markets with precision and expertise.

Navigating the Complexity of Bull Markets:

Bull markets, while enticing with their promises of prosperity, can be treacherous waters where forward-going stories of wealth are spun. It's in these markets that even seasoned investors often find themselves ensnared, waiting for the next rally that may be years away. In the meantime, shrewd operators swiftly change their stock picks like they change clothes, leaving many investors behind. Without a well-defined strategy and access to quality stock information, you're left vulnerable. In the absence of reliable content, you might either prematurely exit a promising stock at a lower price, leading to regret, or fall prey to false or fake stocks driven by manipulated trading volumes.

At CNI, our approach is rooted in providing accurate and timely information. A prime example is our coverage of Spice Jet. While we had not previously featured Spice Jet in our reports, our diligent research team gathered crucial information and swiftly issued a buy call. This decision led to the stock hitting its upper circuit, surging by 20% on the very same day. In contrast, when information reaches you through conventional media channels, the stock may already have risen by 50%, leaving you at a significant disadvantage. In such volatile and dynamic market conditions, access to reliable content reigns supreme, earning it the well-deserved title of KING in the world of investing.

RSI indicators are not showing any weakness in Indices. QW suggest this time DOW will rise till 15th Sept hence even on that count I do not see anything to worry in market. Broad based rally has just gathered momentum which will add more fuel to fire.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	08/09	18,202.07	-247.91	-1.34
Singapore	Straits Times	08/09	3,207.75	-18.84	-0.58
United States	NASDAQ	08/09	13,761.53	+12.70	+0.09
United States	DJIA	08/09	34,576.59	+75.86	+0.22
United States	S&P 500	08/09	4,457.49	+6.35	+0.14
Japan	Nikkei 225	08/09	32,606.84	-384.24	-1.16
United Kingdom	FTSE 100	08/09	7,478.19	+36.47	+0.49
Malaysia	KLSE Composite	08/09	1,454.95	-5.12	-0.35
Indonesia	Jakarta Composite	08/09	6,924.78	-30.03	-0.43
Thailand	SET	08/09	1,547.17	-3.19	-0.21
France	CAC 40	08/09	7,240.77	+44.67	+0.62
Germany	DAX	08/09	15,740.30	+21.64	+0.14
Argentina	MerVal	08/09	532,550.38	-15,464.75	-2.82
Brazil	Bovespa	08/09	115,313.40	-671.94	-0.58
Mexico	IPC	08/09	52,505.11	+22.14	+0.04
Austria	ATX	08/09	3,143.69	+3.75	+0.12
Belgium	BEL-20	08/09	3,655.70	+10.23	+0.28
Netherlands	AEX General	08/09	739.09	-0.62	-0.08
Spain	Madrid General	08/09	928.77	+5.07	+0.55
Switzerland	Swiss Market	08/09	10,948.59	-44.84	-0.41
Australia	All Ordinaries	08/09	7,358.10	-16.79	-0.23
China	Shanghai Composite	08/09	3,116.72	-5.63	-0.18
Philippines	PSE Composite	08/09	6,222.94	+39.87	+0.64
Sri Lanka	All Share	08/09	11,466.07	+108.62	+0.96
Taiwan	Taiwan Weighted	08/09	16,576.02	-43.12	-0.26
South Korea	KOSPI	08/09	2,547.68	-0.58	-0.02

CNI Publications, A/120, Gokul Arcade, Sahar Road, Vile Parle (East). Mumbai- 400 057. PH.022- 49737861