

Editorial
Vol -1, No-I, 24 Feb 23, 08 pages

We had told to stay away from pharma, Defense and IRCTC. All three have not performed. We now tell you to add

Railway expect IRCTC

Food (GLOBAL MILLET CRISIS)

Real estate (only HOUSING)

Metals (TISCO MD says STEEL will be equal to INDIA GDP and

Cosmetics (never ever seen recession)

These five sectors will rock like anything and make your life. STOCK will not repeat as you all know.

We have many other stocks in research but since market has not performed for last 12 months and mid-caps corrected where investors are stuck and also lack of cash there is no point in releasing more research idea's.

Why and how I have explained many times. No need to elaborate again and again. I have not changed my perception about micro caps rather it is giving more support. JPM and DSP issued report to exit from mid-caps. Well I do not believe in their reports fact remains they or any fund cannot distort micro caps. Current distortion is nothing but a ploy to make you exit and they buy.

One common logic you all must register in your mind to become a successful investors is that you can win over operators only if you keep adding on your conviction instead of seeing screen and volumes. Volumes is always a trap. Screen is always positive when there are no big trading. Eg GTV SUNIL and RR.

Change of the week

	24-Feb-23	Rise /Gain
Sensex	59463	1500 ↓
Nifty	17465	466 ↓

Net Investments (` Cr)

	FII	DII
20-Feb-2023	(158.9)	86.2
21-Feb-2023	525.8	(235.2)
22-Feb-2023	(579.8)	371.5
23-Feb-2023	(1417)	1586
24-Feb-2023	(1470)	1400
	(3099)	3208.7

Turnover (` Cr)

	FII	DII	Combined
24-Feb-23	66,242	54,578	1,20,820

24-Feb-23	Advances	Declines	Ratio
BSE	1423	2035	0.69

Metal coating with Rs 12 crs operating profits will become KING of METALS. Please see what TISCO M D says about steel sector. We have tweeted. If this becomes your conviction you can take the price to any price. Best example every day someone buys 20000 GLOBAL OFFSHORE yet try to bring the price down by selling 200 100 shares why..? If is so keen to sell he can sell 50000 shares at one go which is not happening means the seller does not want to sell but keen to bring down the price and you all get panicked for which I cannot help it. We have added GLOBAL OFFSHORE sizable QTY in this Q which you can check from SHP but it is your individual call to hold buy or exit as we believe that the loss announced is one time capital loss which is not understood by street.

Finally TTML now bottomed out. Our target of Rs 1000 is intact.

Nothing can stop India from becoming super power now. We should be 3 tr \$ economy by 2025 itself. Now with 5 tr \$ economy market cap if remains 3 tr \$ that is 18000 Nifty then the ratio of market cap to GDP will fall to .6 which could be 35 years low which is just not possible. 10 years average MC to GDP ratio is .88 whereas we are trading at 1 ratio.2008 was 1.49 and all time low was.69.Therefore if we presume 1 is fair ratio then market cap also has to be 5 trillion \$ in 2 years which means Nifty should be 30000. Rest is upto you whether want to remain a blood sucking F and O trader, trading on both side to lose hard earn capital or join the process of wealth creation. Hereto you have option of picking A gr where growth stock can deliver 20 % returns but any negative will suck 40% capital whereas VALUE stocks which have been sheltered from downside can give 500% to 1000% upside.

I consider current markets are difficult but not impossible. Add stocks at will and hold till major trigger does not come. 364 days you can fail but the one day belong to your stock. Wait for that day.

I repeat HOSUING REAL ESTATE, METAL, RAILWAYS, COSMETIC and FOOD are the five sectors which will stocks of the decade in view of the changing equations globally of central banks and Govt's and also continued support to lift the global economies for next whole decade.

Dow fall yesterday suggest Dow is not indifferent than Nifty. Managers are common. Hence the rally whenever begin will be simultaneous. No threat to only sector is MICRO caps. Rest can suffer any time with or without reason.

5 Top Gainers			
Stock	24-02-2023	20-02-2023	% Gain
EKI ENERGY	749.8	625.6	19.8
PB FINTECH	576.1	484.4	18.9
DISHMAN	119.4	102.7	16.2
EQUITAS SMALL	67.4	58.6	15.1
MAHINDRA CIE	448.6	391.4	14.6

5 Top Losers			
Stock	24-02-2023	20-02-2023	% Loss
ADANI ENTER	1314.7	1721.7	23.6
ADANI TRANS	711.9	919.8	22.6
ADANI TOTAL	753.6	973.7	22.6
ADANI GREEN	486.7	628.9	22.6
MACROTECH	719.5	898.4	19.9

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

Top 5 Picks By CNI 'B' Group
Company
RR METAL
METAL COATING
ALPINE HOSUING
ZOMATO
HFCL

I was first to tell you about the METAL, Tisco MD said later and now CITI said on metal which made headlines in CNBC. I see Tisco at 200 and then at 400 soon. Whole world will go mad on metal and I am sure all you will buy at fancy prices like what you all did in PSB. At 140 no was willing to write cheque on SBI.

I have 5 sectors on my radar and I will stick this for 2023.

Making money for self is decided on self-belief and not on borrowed conviction.

Creating artificial prices will remain job of operators who wants you to sell at lowest possible prices seeing results which is not a correct criteria of stock picking. If results are good then they will trade 50 pe which you will buy and hold and then ask me why this stock is falling?

Punjab wheat crisis made headlines today. How long you think SUNIL management will not declare good results? They are doing 150 crs revenue which clearly suggest even if they report 5% NP which they must be having PAT will be Rs 7.5 crs that is Rs 30 EPS.

NMDC rewarded with Steel co and see price became Rs 155 for us from 95. Same way ASHAPURA will reward and we will see price of Rs 250 very soon. BAUXITE and IRON Ore deadly combination. India have some iron ore but bauxite..? Even Hindalco does not have bauxite and without bauxite making aluminum is not possible. This is why ASHAPURA and NALCO are special though former management is little shady and latter is PSU.

TTML has corrected from Rs 280 to 52 week low and will be reversing from hereon. Keep accumulating from this level. I see potential multi bagger in this stock. We picked TAPO at Rs 64 and TAMO at rs 62 when everything was bad in these stocks now cut and paste TTML at Rs 56. Nos will change overnight. Schemes will come overnight and valuation will surface all of sudden. We gave first buy at Rs 34 and booked 50% at 140 and now it is our second innings. Let us see where it goes. Price is clear buy signal now. You cannot dream to get it at rs 10 again so better start accumulating. If you miss this time there is no time for you.

I do not have to write about four proven multi bagger stories that is M K EXIM, INTEGRA ENGG, INSPIRISYS and AKAR AUTO though we do not habit of buying these stocks at CMC and will wait for 10x to enter.

17450 Is close to 200 DMA and with RSI 35 I can say that market is bottomed out. Rest I have no answer to FEAR. I always love to buy in such scenario.

Everyone started talking earning downgrade which is planned move as interest hikes have not at all affected earnings so far. India rely 62% on domestic consumption which is strongest in the world. Hence the media hype is unwarranted. It can be muted not lower as far as earnings are concerned.

Assuming that it is true then which stock it will be affected large caps, mid-caps or small caps and micro caps. Answer it can affect only growth stocks which trade at 40 to 200 PE and not micro caps which trade at 5 PE.

Now everyone knows operators too need money for survival. If they can't do it A gr, mid-caps then only solution for them is micro caps where 1 to 10x is easily possible. It means if market does not give opportunity to make money in A gr they will start their focus in micro caps. Soon they will be entering this space.

Their size means stocks will start running. TTML whosoever bought last time till 250 must have bought 5 to 7 cr shares and he is not going to sell it as he knows it's a big story like ELAXSI. Then who brought it down to 53...? Yesterday there was volume of 1.8 cr shares. Now free float is 13 cr shares and I assume that someone already cornered 7 cr shares. They what is left 5 crs which can be easily absorbed seeing TATA brand. Stock has to cross new high again.

Whenever loss rises TATA come out with scheme. See TATA ROBINS FRASER, now merged with Tisco rose from Rs 50 to 280. Same way TATA can turn Neu, Croma, CLIQ or something else can come in TTML for sure. They have explained this in A R of 2022.

Now UP got 33.50 lac crs investment commitment. No doubt UP will be No 1 state in India and will be 1 tr \$ before 2026 though YOGIJI says 2027. Means 8x growth in less than 4 years. Can it happen without growth in real estate prices..? Already they are up by 40% in UP. I was told it will be another 40% in next 12 months. Means where Triveni plot is there we can see Rs 10000 to 12000 psf which you should calculate on 60 65 lac SF land. Compare with MC and see where you land it. This stock never fell below Rs 20 in last 16 months market consolidation means it is the safest stock as of now.

R R metals struggled when stock was in GSM and I was telling you all along to buy at Rs 26 now stock has become Rs 33 and very soon will cross Rs 53 and then new high why .? Co which does 150 crs biz cant trade at Rs 20 crs. When you bet on penny stocks like SUZLON YES Bank why not this considering safest PENNY stock. Metal is in super rally as told by TISCO MD. RR cancelled its pharma unit only because they did not get approval from MAHA Govt. They are looking to acquire some ready facilities. And we hear this can we get this stock that you have to decide.

High interest of operator is seen in GLOBAL OFFSHORE as they sell 100 200 shares to create artificial price but every day accumulating more than 20000 25000 shares which are being sold by retail. No change is seen in all HNI holding which means they are fully aware of the rate hike and its impact. MD told before March now waiting time has cut down to 30 days and we can certainly increase our risk taking ability.

Artefact also bottomed out now. Can increase bets and reduce cost. At Rs 28 crs CMC you cannot dream have a co with Rs 8 EPS that is 5 PE what can go wrong... Must own at least 50000 shares of such co to secure future.

Dropped markets always give opportunity to buy but to only those who are willing to deploy cash.

Special feature

As usual ahead of expiry talks of 14000 resurfaced with no confidence to hold long. Biggest sufferers were all those who had leveraged positions. The survey of 15 HNI having leveraged positions of Rs 3 to 20 crs had squared off 50% of their positions fearing a big crash in MARCH. As such no fresh positions were allowed from JAN 2023 itself. Thus the pre expiry pain was visible across the board. This is happy sign though for the street as March may not see panic unwinding. Fresh funding will start in April but the best part is whatever is kept for selling by these HNI's got absorbed in less than 5 minutes. With confidence at all-time low, bears full in action, Adani rout creating havoc and making dent to 99% traders back, I feel market is truly positioned for long jump.

Game is thus set and we are ready for the biggest explosion though last 16 months were tiring for every one amidst the indices consolidation. A gr and midcaps both gave unwarranted pain except some stocks like ITC which is now out of reach from small investors. The heat is clear with 90 % investors felt stuck oh sorry badly stuck in A gr and mid-caps hence there will not be big participation even if Nifty cross 19000 in coming months. Only moment we had seen was 15200 and thereafter 18000 has become a new normal plus and minus 300 400 points. This is again a good sign.

Another angle is IPO which too has dented the confidence of investors in a big way. Why IPO matters? IPO is a set game where insiders put in big money for sizable returns through the promoters, merchant bankers and middlemen's. Having seen 50to 80% crash the net wealth of the insiders/HNI's in this game have seen major erosion and having shaken they are not ready to finance market easily because no one is there to take losses home. Participation will start when the rally is broad based which provide exit to many A gr stocks like ARBINDO BIOCON LUPIN and likes or mid-caps or finally the IPO stocks like LIC, PAYTM, NYKAA, FINO PAY, Krisnn Dignostic, DELHIVERY, Car Trade, Supriya Life science etc etc a long list of shares where they got exposed without any protection. The day we see they get exit in these stocks Nifty will be heading to 25000. This is why we at CNI exclude IPO and high valued growth stocks. Another angle of excluding IPO is that we idiots give exit to PE without understanding that PE are existing because they know stock is overvalued. Money never goes to growth so stock will not grow. We should replace these stocks with MK, INTEGRA, AKAR and Inspirisys. As against these growth stocks we had pitched NMDC at Rs 95 which got a baby NMDC steel is trading at 35 and NMDC at 120 and yet going cheap both the stocks. So already you have 63% return and yet long way to go. NMDC steel invested Rs23000 crs debt just Rs 5000 crs and eq is 293 cr shares. So minus debt also the cost of NMDC is Rs 61 so long way to go. Also NMDC mining post new mines the quality of I Ore is 62 grade which is the best in the world. Hence stock at Rs 120 is also free. If TISCO M D says India metal demand will be 3 tr \$ then just imagine where would be this GOLD stock.

There is no concern on valuation as discussed in previous report. Neither P E ratio valuation nor the market capitalization to Gdp pose any threat though FIRUNG reports are well timed to suggest market is due for reversal. They opted to issue exit mid-caps timing when everything is lost and there is nothing much to lose. Those who come under pressure reading these reports will throw themselves in towel. As told earlier if we stay at 18000 for next 2 years then the ratio of MC to GDP may come down to .60 against 10 years average of .88 which is not possible. Current ratio of 1 is very much conformable and I feel this will be case even in 2025 if not 1.2 + and with 1 ratio in 2025 the NIFTY should be 30000 and not 18000 which leave 66% upside which trail alongside GDP. You have already witnessed this without realizing as Nifty moved swiftly from 15000 to 18000 in new normal. If we take 3 years horizon then we have moved from 12400 pre covid high to 18000 which is almost 50% and this is thanks to re adjusting with earrings. Market is slave of earnings and all those stock which are available at throw away prices will find buyers sooner than later. E g when we identified AKAR AUTO there was no EPS and PE as co was in losses. In 4 quarters the IBTIDA is crossing Rs 20 22 crs and trailing PE has been falling steeply from negative to 25 and now 11 and with capital intensive industry any stock at 11 PE is just free. Retail though will not understand this as they have psychology of buying stocks where volumes are high that is why they fall in the trap of distribution.

At CNI we have proper safety net which exclude entry in overvalued stocks, stocks under distribution, sectors which are weak and our focus remained only in micro caps. At what level you enter is matter of your interest but not a single stock is in negative territory from the levels we had initiated buy calls. It means all the CNI family had made sizable profits whereas street is reeling under pressure of capital erosion by more than 50%. We will continue with our same strategy going forward because micro caps will become small caps and small caps will become mid-caps and few mid-caps will become large caps. If you enter same stock when it become large cap, then you will have to have a different mindset which work for large caps that is be prepared for 30% downside and 10 upside but eventually 100 % upside over 3 years.

Adani rout has created a new mindset that is short sell and earn and many traders are successful also. This is short term trend which always happen when market loses its integrity. Adani saga has in effect attached the integrity of market. Few operators with help of foreign research house though banned by SEC has made a killing of 100 off bn \$ as per media reports. In this rout a banned operator too made a killing of over 1 bn \$ as per sources. Now whenever this happen for some market become volatile. This on3 factor has negated the massive good budget, super earnings and 7% GDP growth expectations which were taken over by gloom doom pessimism and hence short selling. This new mindset is seen in discussions in every what's up university where street is busy in analyzing impact on ADANI instead of focusing market. This is where we repeat again ADANI rout is a perfect DIVERSION of street. ADANI will bounce for sure by that Time Street will lose golden opportunity to participate in the value stocks.

We are CNI is not in favour of short selling as it is against the thumb rule of BULL MARKET that is BUY DIPS. We believe that we are in still the biggest bull market and hence will continue with our strategy of buying dips. Another thought of school says market never rises ahead of election. General elections at almost 14 months away and this is too long a period to say that markets will remain muted before elections. Our thought of process suggest that BJP will be again a front runner in 2024 elections as there is no good leader who can take head with Mr Narendra Modi or can even say there is no single party which is close to BJP.

Global geo political issues are not major reasons for India to be worried. U S recession concerns are losing steam finally as inflation is still stronger. U S will raise rates at least 2 times. But after six months we will see start of cutting rates also. We can't forget India is now becoming 60% of the global demands hence hitting India below the belt is not possible. Though many countries will try to do many things to stop India from becoming super power. May be that is a reason some countries have backed Adani rout by withdrawing bond supports, allowing shorts etc. However, fact remain that Central Govt of many countries have given upto 100% guarantee's which they cannot allow to be exposed and hence if warranted will start with QE again which I have no doubt in my mind. No way, they will allow their counties to slip in recession and if that happen no once can afford the possible third world war and if that happen no one in fact will need any class of assets.

I would therefore suggest CNI followers, to leave the global economies to be handled by their HONCHO's and also leave INDIAN economy to be handled by N S and N M both are capable to handle any kind of situation and only if you do that you will be back to school of equity to start picking your dream stocks. There are dozen equity investors who have made life in INDIAN stocks markets and we refer those most of times and they have become big only by stock picking and not wasting time in analyzing. White collared breed has no other work than to analyze and they do for those kind of HNI's who made wealth in INDIA.

Irrespective of street operators all efforts to suppress micro caps they will fail as they can do only till stock last. E g Integra someone bought good QTY till Rs 100 and now suppressing till Rs 97 98 but how long. Max say for one quarter. Once co announce another robust nos say 30 50% higher than last quarter we may see fresh buying till even Rs 150 from Robin Hood investors alone. When Funds enter there will not be stopping till 4 digit. Similar moves possible where super results have come in M K EXIM and AKAR AUTO which now trails at less than 11 PE which is cheapest considering that it is capital intensive industry.

Finally both DOW and Nifty are at cusp of bottom though Street is under own belief which I mentioned in the first line. RSI of both is near 35 which is always a bottom sign. On the first day of new settlement if we trade at 35 RSI what more DIL MANGE.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	25/02	20,010.04	-341.31	-1.68
Singapore	Straits Times	25/02	3,282.30	+17.37	+0.53
United States	NASDAQ	25/02	11,394.94	-195.46	-1.69
United States	DJIA	25/02	32,816.92	-336.99	-1.02
United States	S&P 500	25/02	3,970.04	-42.28	-1.05
Japan	Nikkei 225	25/02	27,453.48	+349.16	+1.29
United Kingdom	FTSE 100	25/02	7,878.66	-29.06	-0.37
Malaysia	KLSE Composite	25/02	1,456.80	-0.85	-0.06
Indonesia	Jakarta Composite	25/02	6,856.58	+17.12	+0.25
Thailand	SET	25/02	1,634.02	-18.45	-1.12
France	CAC 40	25/02	7,187.27	-130.16	-1.78
Germany	DAX	25/02	15,209.74	-265.95	-1.72
Argentina	MerVal	25/02	248,324.69	+318.35	+0.13
Brazil	Bovespa	25/02	105,798.43	-1,794.44	-1.67
Mexico	IPC	25/02	52,686.23	-399.48	-0.75
Austria	ATX	25/02	3,455.75	-10.85	-0.31
Belgium	BEL-20	25/02	3,859.50	-29.02	-0.75
Netherlands	AEX General	25/02	746.41	-9.31	-1.23
Spain	Madrid General	25/02	916.58	-3.05	-0.33
Switzerland	Swiss Market	25/02	11,181.77	-65.98	-0.59
Australia	All Ordinaries	25/02	7,512.71	+20.22	+0.27
China	Shanghai Composite	25/02	3,267.16	-20.32	-0.62
Philippines	PSE Composite	25/02	6,685.90	-13.33	-0.20
Sri Lanka	All Share	25/02	9,315.87	+59.88	+0.65
Taiwan	Taiwan Weighted	25/02	15,503.79	-111.62	-0.71
South Korei	KOSPI	25/02	2,423.61	-15.48	-0.63

CNI Publications, A/120, Gokul Arcade, Sahar Road, Vile Parle (East). Mumbai- 400 057. PH. 022-4973-7861