

**Editorial**
**Vol -1, No-I, 29 Oct 22, 08 pages**

Expiry will have its say. But we close above 17400 by end of the day 17900 will come soon.

Looking at this extreme volatility and major ups and downs in A gr shares I had advised to buy micro caps. Sunil agro around 155 could be great buy. It seems either someone is trapped or someone is distorting by taking massive losses. For us value matters.



Metal coating will remain my super bet in given context. Does matter who sells what.

Aanchal Aspat will cross 25. I will reveal exact details what is happening. What I understand this will become a Rs 700 crs co in 2 years with NP of Rs 20 crs. Rest you calculate. According to me fair market cap for 700 crs co could be Rs 400 to 500 crs current market cap is just less Rs 20 crs. So you decide how many baggers this co could be. I repeat my job is to show you path not force you to take your decisions but fact remains risk can be taken on such stocks and not on INFY RIL SBI etc.

GTV ENGG forestation Is clearly seen as someone sells 100 shares to print lower price. If he is so desperate he should sell like SUNIL Agro. Sunil Agro all selling will be absorbed around 155 and stock will again cross 212. Wealth can be created only by future predictions and taking risk.

We follow **MANGAL YAAN**. South Indian Bank classical example where R J had bought stake at 22 23 and whole world was looking at 10x story and I reality stock crashed to Rs 10. This is what happen when you buy a stock seeing big name. This is why we focus on micro caps where we do not have seen this kind of wealth destructions.

**Change of the week**

	29-Oct-22	Rise /Gain
Sensex	17786	213 
Nifty	59958	659 

**Net Investments ( ` Cr)**

	FII	DII
24-Oct-2022	(153)	80.1
25-Oct-2022	(247.0)	872.8
27-Oct-2022	2818.4	(1580)
28-Oct-2022	1568.7	(613.3)
	<b>3986</b>	<b>(1241)</b>

**Turnover ( ` Cr)**

	FII	DII	Combined
<b>28-Oct-22</b>	<b>92,297</b>	<b>42,177</b>	<b>1,34,474</b>

28-Oct-22	Advances	Declines	Ratio
BSE	1456	1996	0.72

Some stocks like R R Metals are laggard's thanks GSM category 2. We know there are some vested interest and they do not allow the price to go up. What matters? Those who believe in short can accumulate at cmp cashing the corrected price. No stock will remain in GSM more than 6 months. And since there is value Stock will bounce once is out of GSM. SELLER is loser not buyer. Promoters acquired 11 lac shares thru warrant conversion and that is massive. If there is no value why would promoters buy 11 lac shares?

And we saw value coming from nowhere. Wait to see similar value in R R metals. In 1 q co had reported Rs 8 crs profit which explains their capability.

We have sustained in a fragile market from Sept 21 to Oct 22 with superb gains in micro caps and round tripping in Nifty. Now trust me we will see ATH in 2022 itself. U S is very close to topping the rate hike cycle and buyers are aware of this. On the contrary India is a standout story at 17.7 pe as against average pe of 25. History suggest we were traded at 25 even in the worst times and hence 30% rise in Nifty is clearly seen. Good people and Fpi heads are slowly building long in Nifty. The monthly AUM flows are now Rs 13000 crs a month which may cross Rs 20000 crs in next 12 months due to NRI interest, retail with massive cash in Gujarat and North India.

We have to beat to operator's psychology and they will get beaten when time comes. We had seen this in HIMADRI and AMD. Even in BHEL we have seen this. In UPL now PE putting 500 mn \$ and we had identified this at Rs 400. Thus we continue with early identification and that is the only MANTRA of success. Keep adding GTV SUNIL METAL COATING and ALPINE HOUSING. Here too those who bought at 95 sold till 68 and hence stock bounce to 95 though the news is delayed. Buy in TONS.

Tata Technology announced IPO and the largest value unlocking will be in TAMO. Also festive sales will be reflected in Dec Q nos. Stock will cross 500 560 come what it may. Many stocks in A gr I can point out which have tripled after our selection. The only point which I want to make is that go by self-conviction and not borrowed logic. Does matter stock price correct 20% after you buy? Because even in A gr stocks are crashing 30 40% after good results then why fear in MICRO CAPS. I have many friend on INDIAN border and they have learnt not to fear even if Nifty fall by 1000 points. Now they are enjoying and buy when God gives opportunity.

5 Top Gainers			
Stock	28-10-2022	24-10-2022	% Gain
Infibeam avenue	17.36	14.35	20.9
South India Bank	13.3	11.1	19.0
Sasken Technogies	931.8	786.4	18.5
Dhani Services	57.4	49.1	16.7
Bank of India	58.65	50.5	16.1

5 Top Losers			
Stock	28-10-2022	24-10-2022	% Loss
Gland pharma	100.9	130.5	22.6
FSN E -commerce	1870	2193.2	14.7
Sharda Crop chem	983.1	1135.8	13.4
Bombay Dyeing	387.5	446.3	13.1
Thirumalai Chem	83.9	96.1	12.7

Top 5 Picks By CNI 'A' Group	
Company	
ADANI PORT	
TATA POWER	
PATANJALI	
RELIANCE	
HDFC BANK	

Top 5 Picks By CNI 'B' Group	
Company	
AKAR AUTO	
METAL COATING	
VIPUL ORGANIC	
ARTEFACT	
SUBEX	

I am explaining this ahead of Diwali to suggest that use 10 micro-cap stocks given in Diwali picks for wealth creation. We have explained rationale in 2 lines but can explain in detail also. Last few months they are hammering cash stocks to create frustration among retail investors so that they sell their shares in losses. Trust me if my reading is correct in next 2 months A gr shares will blast 20% and retail will sell cash stocks and move to A gr and then they will sell A gr and pull cash stocks. We at CNI will stick with same approach. Our stocks will blast sooner than later as all stocks are trading at 80 90 % discount hence no need to fear.

Add Sunil Agro around 155 160 in lower cct. The concentrated effort to suppress will fail as there is value at 155 160 I see massive buying coming it at that price. This is a special DIWALI for all of you to show courage, strength, conviction and decisiveness as India is a story to for next decade. I have personally added INSPIRISY good quantity as I believe a Japanese fellow will do all good for the sake Japanese partner and sooner than later we will see big dividends from this co to take money off to JAPAN.

Nifty almost up 1000 points yet no big gains to F and O traders. Major move has come from some bounce back in heavy weights and bank stocks. I do not fancy F and O trading even though I know it will cross 18650 in Dec.

Except Tata Power and Tata Motors and Infosys I am not much bullish in A gr as of now.

Meanwhile see CAMLINE Fine rose from 113 to 147 in no time this is power of small caps. In micro caps from Rs 14 to 21 50% appreciation in AANCHAL. Now watch GTV and Metal coating another 2 stocks for 50 % quick appreciation. Metal coating free float now below 1 lac shares. So 10 individual shareholders if add 10000 shares each stock price will be sky high.

A leading Chartist has issued chart on Triveni glass for Rs 66 target.

This is the space which will give 100 to 500% returns.

Rest is your call. My selection of Metal coating is on following principle.

UK raised 75 bps rate, US raising 75 bps and India will raised 35 bps rates next week yet market is not slowing down. US reported this Q 2.6% growth which defy the recession fear.

Nifty has to cross 18650 come what it may and CNI team will celebrate that zeal. ‘

We were first to give bank stocks rally call in early 2020 and entered SBI at 140 ICICI at 263 Axis at 400 Indus 310 KVB at 44 and BOB at 78. That time no one was willing to write a cheque for banks. Now we start exiting banks and leave this space for others as feel good factor has come in this sector.

We always believe to book profits when feel good factor comes. Mind it IT and banking were owned 53% by FPI and they had to pull it save their skin. They did in banking. We exit. Now they will enter I T and metals and we too divert our funds in IT and metals.

IT I have only 2 stocks to enter INFOSYS and TCS.

In METALS I will bet for NALCO being underdog and then NMDC TISCO SAIL Vedanta and Hindalco. Why please read in the weekly report. Can add 2 small caps in metals space that is ANCHAL ISPAT and METAL COATING.

I had told you once METAL COATING cross 77 sky is limit. If you do not have please add it as I see it working like GTV ENGG now. I think the last selling is done with and free float should be less than 50000 shares now that too will come from retail. Thus when you buy in bulk only 3 4 investors can absorb the selling.

Apart from IT and Metals focus on RAILWAY stocks ahead of Budget as there will be 100% expansion in railways spending. India have largest rail network in the world and hence Budget spending has to be higher on this sector. 3 stocks that merit your attention.

RVNL above 45 sky is limit it will follow like BOB pattern

RAIL TAIL above 125 same sky is limit

INTEGRA ENGG above 107 sky is limit.

Some chartist has issued Rs 66 target in TRIVENI GLASS. GSM 0 stage has come. Very soon will be out of that once that happen stock can run one way. Will insist read Triveni report to understand how it is shaping into a M B idea. Many prefer growth stocks which are at premium and one drop in growth nos will take stock 25% down risking our investment. I prefer value where only one way is seen. On value unlocking stock can be many X.

## Special feature

It was laughing stuff when Dow was below 29000 and street was talking 27000 target. Every second person was bearish on Dow even though RSI was trailing at 32. The most common logic was they were busy analyzing the USD, recession, slowdown, negative GDP etc without trying to understand that FPI are most advanced as they know all these factors. I think we have more analysts in India tracking DOW and its reasons than US. Nifty crossed 17900 couple of times in this week either on screen or in SGX but vested interest was busy keeping it below 17800 for the obvious reasons and they wrote massive calls for that purpose. Even Sensex crossed 60K though for the same reasons closed below 60K. I had mentioned in previous reports that Dow will cross 32K and it did. Dow closing above 32 K will trigger more upside. Now I am waiting for further upside till US elections. With DOW RSI at 64 and Nifty at 61 I think the trajectory is extremely bullish. We should keep tap on RSI 81 to 89 for booking profits.

Nifty closed 17758 Sensex 59840 and Bank Nifty 41327 on the expiry day which in my opinion are good closing. Friday is monthly closing and on charts monthly closing may give more bullish signals. At the same time after seeing a rally of 900 points in the settlement, street has become extremely bearish with every second person desiring Nifty 17000 again. Well, these are biased traders hence does not matter much for the market.

Nothing has changed in last 4 weeks except Dow rose 3000 points and Nifty 900. Rate hike will come in Nov also as inflation is not coming under control. In fact UK raised 75 bps this week. Come what it may, monetary policy alone cannot control inflation for sure. They will have to control supply economies. In any case even if they do not do anything on supply side, the fact remains that after gap of certain period the disruptions gets converted into supply economy as many use the opportunity of diversification. We had seen this happening in pharma and now in chemicals. Pharma I do not see any good future for another 2 years and there could be even some defaults from some pharma companies. The suppliers are crying as payments are not coming even in 12 months which bleeding the Balance sheets of suppliers. I do not want to name these companies here. In chemicals too, the advantage is gone and most of the chemical companies are striving hard to structure at cost plus. Pharma companies had golden period of COVID 19 and they minted like anything but now they are facing troubles. So for me it will be avoid sector. In chemical I am very selective and stick with some sectors where demand is extremely high and they are technology based companies. Commodity driven chemicals will struggle through excess capacity for sure.

When Bank Nifty was hammered to 37000 street was talking 32000 so what is that we give weightage such Calls which are baseless. Operators and FPI are known for creating panic so that retail can sell then only the game starts. How many of you remember my calls on Banks SBI at 140 Indus at Rs 310 ICICIC at Rs 265 Axis at 450 BOM at Rs 11 KVB at Rs 45 and BOB at 78. All of them have given 100% plus returns and some have given 300% also. This clearly shows that we are not in bear market. Had it been the case SBI should have gone back to Rs 200 BOB Rs 50 and so on which is not happening. Rather NPA issue getting resolved, QoQ numbers are improving and credit off take is picking well on the back of 67% growth in manufacturing capacities. Next is due for rally is RBL Bank. RBL collapsed from Rs 230 to below Rs 100 when RBI appointed a nominee director on the board. I think Auditors have not found anything serious and hence RBI should remove the nominee very soon. If that happen stock will fund takers again. In any case results were good and book value is very strong. Currently stock is at .6 of the book value hence very attractive.

But except RBL Bank I will prefer to book profits in Banks. FPI own 53% in IT and Banks. They did well in banks to save their skin. Even if 12 months target of 50000 is taken in Bank Nifty it suggest 20 25 % returns which is not enough as compared to battered Metals space which can deliver such returns in less than 2 months. Now they will come to IT and metals so we should shift focus from banks to IT and metals. Why metals..? Dollar is near top and will fall now. China announced 1 tr \$ deficit and hence will have press spending button again. India with 67% rise in capex will spend higher on infra including railway infra. Finally Budget is there after 3 months and export duty tax cannot continue till Budget. This if required may re surface in Budget but before that once the export duty will go which will trigger massive rally in Metals. Select PSU could be on target though I will focus on RAILWAY PSU.

First sign of large cap action is seen. Bhel has crossed 72 which once had gone to 41. There is no change of fundamentals when it was at Rs 41 and now at Rs 72 and stock will cross Rs 100 very soon. It will be another BEL into making. First call I gave in BEL was at Rs 65 and now it is above 350. Come 2022 End we should see Nifty at ATH and this will lead to massive buying in A gr. RIL TATA MOTORS TATA POWER I an extremely bullish and will remain so irrespective of its price. Now I am going long in METALS. NMDC demerger done. Lot of punters have circulated bogus calculations that NMDC Steel will list at Rs 10 which if happen buy in millions. Steel co will be mirror image of Mining. Means Steel co will have equity of Rs 293 crs. NMDC had invested Rs 23000 crs in NMDC steel. Thus per share price comes to Rs 78 then how can it trade at Rs 10. Govt will sell Steel co but at what price..? C A G will never allow Govt to sell it below Rs 23000 crs and as per my sources there are 5 ready bidders including ADANI at Rs 23000 crs due to the fact that interest cost is saved for building capacities for 3 years. Someone else could have spent 12000 crs interest

alone. NMDC mining will become Rs 130 140 again and you get NMDC steel free. If Govt sell their holding at Rs 78 per share even you will get open offer at Rs 78 per share. Thus the SOTP should be Rs 180 to 200 per share. PE is less than 4 hence sooner than later mining will also double. TATA STEEL SAIL HINDALCO NALCO have consolidated for long time. Now time to see action in metal. We will see replica of banking sector in metals. Metal coating and Aanchal Ispat will do wonders in their space.

I have nothing more to add except for the fact that even some FPI are completely confused about Indian markets. They failed to judge the M F industry strength. They have tested water by selling 35 bn \$ stuff and knows this is the market which will absorb 100 bn \$ selling in next few years and hence no option to stay invested. Second message which I want to give is please do not rush blood in stocks like SUZLON, YES Bank etc feeling these could be multi baggers. Better focus on AANCHAL ISPAT, DISH, CINEVISTA or CITINETWORK where we some value in these stocks. Suzlon promoter crossing 25% means open offer which is not possible. Yes bank 4.5 cr shareholders who will bail the cat when lock in gets open. With small equity of AANCHAL of just Rs 20 crs could be better flier. In short do not become sentimental in picking penny stocks. Pick penny stocks only if you find hidden value and ownership pattern in your favour.

## Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	29/10	14,863.06	-564.88	-3.66
Singapore	Straits Times	29/10	3,059.19	+43.95	+1.46
United States	NASDAQ	29/10	11,102.45	+309.78	+2.87
United States	DJIA	29/10	32,861.80	+828.52	+2.59
United States	S&P 500	29/10	3,901.06	+93.76	+2.46
Japan	Nikkei 225	29/10	27,105.20	-240.04	-0.88
United Kingdom	FTSE 100	29/10	7,047.67	-26.02	-0.37
Malaysia	KLSE Composite	29/10	1,447.31	-6.78	-0.47
Indonesia	Jakarta Composite	29/10	7,056.04	-35.72	-0.50
Thailand	SET	29/10	1,606.07	+3.74	+0.23
France	CAC 40	29/10	6,273.05	+29.02	+0.46
Germany	DAX	29/10	13,243.33	+32.10	+0.24
Argentina	MerVal	29/10	147,845.39	-264.22	-0.18
Brazil	Bovespa	29/10	114,539.05	-101.71	-0.09
Mexico	IPC	29/10	49,086.30	+193.74	+0.40
Austria	ATX	29/10	2,932.56	+45.24	+1.57
Belgium	BEL-20	29/10	3,553.63	+26.37	+0.75
Netherlands	AEX General	29/10	667.52	-1.88	-0.28
Spain	Madrid General	29/10	789.47	+0.84	+0.11
Switzerland	Swiss Market	29/10	10,772.37	+65.75	+0.61
Australia	All Ordinaries	29/10	6,973.52	-68.80	-0.98
China	Shanghai Composite	29/10	2,915.93	-66.98	-2.25
Philippines	PSE Composite	29/10	6,153.43	-77.15	-1.24
Sri Lanka	All Share	29/10	8,728.60	-73.63	-0.84
Taiwan	Taiwan Weighted	29/10	12,788.42	-137.95	-1.07
South Korei	KOSPI	29/10	2,268.40	-20.38	-0.89

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