

Editorial
Vol -1, No-I, 31 Dec 22, 09 pages

When a swimmer swims against the tide he is called the best swimmer. This because it is difficult to swim against the tide. Same way when investor buy against the sentiment he is winner. I suggest CNI family should add following shares at cmp as the bottom is already done. No more margin selling coming. China and covid not an event. Newspapers are owned by street makers.

ALPINE Housing

METAL COATING

RDB Rasayan

GTV Engg

SUNIL AGRO

Triveni Glass

Aanchal Ispat

Global Offshore

Vipul Organics

MK EXIM

Integra

Inspirisys

JAYA NECO

Swiss Military

TAMo TAPO INDUS TAMO MNMF.

These are the super stocks and if you add you will make money that is what I can say. Read QOUTE BELOW.

We will try to explain more when Nifty again cross new high.

Change of the week

	31-Dec-22	Rise /Gain
Sensex	60840	1000 ↑
Nifty	18105	304 ↑

Net Investments (` Cr)

	FII	DII
26-12-2022	236.6	1285.7
27-12-2022	161.5	621.8
28-12-2022	(427.7)	372.8
29-12-2022	468.8	515.8
30-12-2022	(2950)	2266.2
Total	(2512)	5059

Turnover (` Cr)

	FII	DII	Combined
30-Dec-22	35,028	53,833	88,861

30-Oct-22	Advances	Declines	Ratio
BSE	2190	1350	1.59

15200 was the last correction point from where we saw a rally of 3800 points and this time the correction lasted till 17800 which was near 20 EMA of 17778 hence the damage required to be done is done. Unless we see tsunami re construction is not possible. First we saw this at 15200 and now at 17800. Though this 1200 points correction was mid correction 6 to 7% but it was massive in terms of destruction of wealth and this happened only because after 18600 every once became bullish.

Now from 17800, I see 21600 first that is again 3800 points which works in the ratio of 3 is to 1. Mid-caps will rally. Large caps too will rally but charm will remain in micro caps and small caps. Why..?

In Oct 2017 after SEBI passed circular on large mid-caps holding the small caps crashed all time low where a stock like JAIN Irrigation collapsed from 135 to Rs 3 and this was state for almost 90% of the stocks. This shock took almost 4 years to bring small caps on par now though they have underperformed to Sensex and Nifty. Therefore next 4 years they will over perform. In these 4 years the love to large caps has increased many fold. Also there was entry of ROBIN HOOD in market. These 2 factors have diverted 95% retail to options and F and O stocks. Today, even though we may incur losses the test of F and O and Options has become the order of the day. And my call is what public likes does not happen. Public lost all life Savings in small caps in 2018 and now they are losing every in Nifty F and O and options. Take my word that you will not make money in large caps in 2023 also as FPI and operators who are getting 500% 1000% returns in options will not move F and O stock prices. And why should they..?

As against this micros caps we are seeing solid consolidation in few large hands. They will make this as running horse pitch and make stocks 10x kind which we have seen in many stocks from 2018 onwards. ELAXI from 600 (where I had recommended we saw 10000+ also) Now mark my words for following stocks

Alpine Housing, Metal Coating, MK EXIM, RDB, INTEGRA, INSPIRISYS, TRIVENI GLASS, GTV, SUNIL AGRO, SWISS MILITARY, VIPUL, AANCHAL Ispat, ARTEFACT, AKAR AUTO, GLOBAL OFFSHORE etc etc will become 5x to 10x and you will be helplessly stuck in large caps. We know TATA MOTORS is class co but see it crashing form 560 to 370 and may be another 12 months will take to cross 560 so better buy once cross 560. Same is true for Tata Power last six months it is struggling to corner all calls and puts and should buy only above Rs 280. Purvankara and tainted B Dyeing should be converted to clear ALPINE HOUSING and I think every CNI member should have at least 10000 shares of ALPINE and METAL COATING to make life easy.

5 Top Gainers			
Stock	30/12/2022	26/12/2022	% Gain
National fertilizer	77.2	58.6	31.6
RCF	134.5	107	25.6
Poonawall	308.2	246.1	25.2
Hikal	410.2	333.8	22.9
Naval	246.0	200.85	22.5

5 Top Losers			
Stock	30/12/2022	26/12/2022	% Loss
Morepan lab	46.0	85.4	11.2
IOL chemical	37.8	42.6	8.9
Eclerx services	372.7	409.2	6.5
Kaveri seed	1279.5	1368.6	5.3
Amara raja	518	547.4	5.2

Top 5 Picks By CNI 'A' Group	
Company	
RIL	
ICICI BANK	
ADANI WILMAR	
SAIL	
VEDANTA	

Top 5 Picks By CNI 'B' Group	
Company	
MK EXIM	
RCF	
INTEGRA ENG	
PATANJALI FOOD	
BF UTILITY	

CNI has proved Nifty targets for last 13 years and this time cannot be exception. CHINA is opened and they are living with COVID so where is now COVID reaction..? It was planted ghost. FII and DII are buyers as they know India earnings is growing at 18% and 21 PE is not reflecting March 23 earnings. In short the PE is now 17.80 and if you take 1 year forward it is 15 which means 18000 has replaced 15200 and 31 years average PE of 25 if taken as right base then we can see Nifty 30000 in March 25 hence I am still convinced with my target 37800 in 2026. Nifty will come there for sure but not sure of Nifty component stocks as many may get re shuffled. HDFC, TCS, INFOSYS, ITC and RELAINCE will remain the key of Nifty for sure others I do not know.

In Housing Now I have only ALPINE, In Metal I have choice, In Engg and IT have only INTEGRA and INSPIRISYS rest all are as above. Strategy is clear consolidate your holdings where you are in profits and not losses. This is how big investors make it big by betting more on winners. Real estate boom is just started with Rs 20000 crs investment from FPI in this segment. In parle alone we have seen 6 new projects and 80% are sold out even before stone laying. Survey 134 students in Bangalore that they are not getting property at the prices prevalent and have to offer 30% higher rentals for flats.

See Tata Communications it was hammered to 1170 to trigger stop losses and now at 1270 though it had crossed 1370 also. It will cross 1670 also and that time I will repeat my comments again. It is like MNM FIN going to 130 and then 240 and MNM itself going to 700 and then 1300. Alpine MGT is delaying news as someone is accumulating stock in big way. The news flow comes only when stock double and all retail is out.

CHINA opened and metal is on fire. We corrected on COVID and CHINA living with covid. Hence my assessment was right that is it was another ghost.

I spoke to some US fund house and I was told that they are extremely short on US markets and expect US markets to crash in JAN. Well, this we heard at 29000 also. Everyone said that US market is entering recession in 2023. 2023 have 12 months. And In JAN how can they say recession is coming when there are no signs of recession. It means they are short trapped from 29 K 30 K levels and wish correction should come.

Correction never come when desired. See our tweeter handle we have tweeted the 15200 target tweet of some bear again seems short trapped case. Whenever someone give statement in media it should be understood that they have positions. That is why even after media chasing CNI for last 13 years CNI team avoided media interviews as there is nothing that we want to sell through media.

On the other hand when spoke to some HNI which are drivers of markets they said from 6th JAN there will be mad rally in micro and small cap stocks. I do not the relevance of 6th date. US funds says from 6th markets will crash Indian HNI operators says from 6th markets will blast.

My opinion do not listen to either. Valuations at 18000 is just 15 PE one year forward which cannot be base of any correction. In 1991 when INDIA pledged gold we traded at 11.7 PE, when LEHAMN happened we saw PE of 13.40 on low side, when COVID burst happened we saw 13.8 PE on low side and every time PE recovered to 31 years average of 25 in less than 6 months. In JULY 2022 when we hit 15200 PE was 18 (1 year forward 16) and recovered to 22 in less than 3 months. Now we have pe 21 (15 1 year forward) which I feel is more or less bottom and hence leave the expert commentators aside and keep buying micro caps.

Cash does not earn anything. Bank rate is still 7% which you can earn in 1 single day. Hence equity is the only option and I will suggest invest fully after 1 months when Nifty will be 18800 every one will have cash and invest at 20% higher which mistake you too have been doing for years. So better use cash now and sell it after 1 months you will get 20% returns for sure. And for this strategy I have only 2 stocks to suggest for addition and both these are winners in current market. **Metal Coating due to metal rally and ALPINE Housing due to 14 years highest house sell figures.**

Tomorrow is expiry and everyone is short. If Nifty cross 18200 today we can expect 18300 18400 18500 before FRIDAY as NAV exercise will be seen on FIRDAY with at least 6000 crs buying in next 3 days from DII.

DATA reveals that apart from ROBIN HOOD investors now house ladies are entering stock market with smaller investments of Rs 1 to 2 lacs per lady which will massive for micro-cap stocks.

Metals were on fire today as CHINA imposed 15% export duty which will help India. By doing this CHINA in fact announced indirectly that their economy is not slowing down and they required their local steel for infra growth. In fact this also means they will import steel iron ore bauxite from INDIA hence metal will keep rallying in INDIA. Third reason which I had shared earlier also is that in Q4 India spending on INFRA will be highest due to Budget allocations coming to end. Therefore next 3 months METALS will blast. My loving metal stock is metal coating. Just waiting it to cross 113.

MAMAEARTH announced 1.2 bn \$ valuation and IPO. My opinion do not subscribe. 3 reasons. In Jan 22 they raised 52 mn \$ which was close to valuation of 400 500 mn \$ and in one year they raked it to 1.2\$ how all you all know. Best part is 400 mn \$ is going to investors and money is not going for growth. Means when investors lost faith in co why we should be scapegoats. Same like PAYTM and NYKAA. Third is that M K EXIM which has US brands and 100 times better than MAMAEARTH yet we are getting at 200 crs then why buy a co for 10000 crs ? Only idiots can do this and I am not. I will buy more MK and wait patiently.

I was asked by someone to throw light on SWISS MILITARY. Price is kept low as rights were issued at 4.5. Why would operators give exit at Rs 20 to those who subscribed rights at Rs 4.5 that 170% excess allotment? Means you got profit of 585% on rights. Why ..? I understand that the price will be 200 300 or even 1000 that is why the buyer afforded to give you 585% profit. On biz front as explained it is copy of BRANDS JOCKY. Third is than no MNC co will allow its name to INDIAN co unless this co itself will become MNC of MNC will take major stake. Biz growing as all consumer brands and even profits growing. Hold patiently to develop Balance Sheet. If you have no patience then avoid buying such stocks and focus on TISCO TAMO TAPO INFY etc. Micro-cap stocks takes its own time but gives CHHAPAR FAD ke.

I had recommended USHA MARTIN right at Rs 28 and now it is become growth stocks. I do not recommend any more though stock will remain good. See a comment from one of our followers...

"Your earlier recommended stock Usha Martin currently at all time high. But at certain level you stop giving buy call in Usha Martin but afterward we try to understand this company and couple of time interact with management and then we convinced and took a sizeable exposure in it around 70-80 rs and still we hold. So you rightly said that in micro and small cap there is a tremendous potential. If u can understand or reach management"

This is how I work. Usha all still holding but in free portfolio hence least bothered. I stopped AMD also for same reasons. When ALPINE cross Rs 400 500 and Metal coating 300 I will stop recommending for sure. I will not ask you buy GTV ENGG once it cross 1000 + rest markets will do. Veena GOLD is the best brand in FOOD of GTV ENGG.

Read Nifty view and data in YMV today.

Special feature

It is sad to say that No One has time to spend on analysis of market and rely heavily on gossip, media analysts (credibility always at stake), FPI brokers report (vested for broking) and finally few sketch lines which is shared in every what's up university. I do not know how many understand these sketches but my experience clearly bring out two facts about these sketchers; one that they still travel in Mumbai locals and second they do not trade on their own sketches. Another important feature of these sketchers is there are multiple matching skeletons which they themselves get confused which is the real X-Ray. These skeletons are to impress trading community and when one tipping point is flashed for a while a euphoric buying is seen on screen (may be handwork of market movers) and whole trading community falls in love to see the disastrous disappointment of real love story. Hardly .01% succeed like a real love story. The evil stop loss is the dearest friend of all these over enthused trading community with garland of losses which gives a pleasant feeling that yes I am the KING of trading and see I am saved with just small loss due to my stop loss friend.

What's the point in becoming a feed stock of Firung and their agents? Instead focus wealth creation activity. I have learnt through experience of 30+ years' and will be delighted if you learn from my experience though I very well know that you too will spend 30 years of your life to reach this conclusion. You must be thinking why the hell I am writing all this nonsense. There is a reason and I think you should know it well before I share some key data on market. Last week, when Nifty fell to 17800, I announced that bottom is done and in fact Nifty reversed to test almost 18200. Though I am convinced the street is not. One sketcher (do not know his track record), can check our tweeter handle, went to extrapolate a worst case like 2020 March and predicted three levels of Nifty 15200, still bad then 11000 and still worse then 7300. Are you out of your mind? Was my reaction. Please understand disasters happen in capital market but only when you are not prepared. Lehman was a case of global disaster which happened in 2008 whereas covid was once in 100 years kind disaster which happened in 2020 and the so-called astrologer do not know even what the PE was in 2008 and 2020. He too followed some skeletons presumably or he is extremely short in market and trying to vitiate the views of others though I will call it a clear madness. I leave it to you whom to follow as my edition started with the point that No One has time to spend for analysis. In other words mostly people have borrowed conviction.

Let me share some key data if it helps you in building your confidence and conviction which cannot come from skeletons which is technique of recent years though fundamental analysis is from centuries and absolutely reliable though weighing mechanism has kept changing with passage of time. You will remember I had referred Singapore specialist who was damn bearish in AUG 2022 at Nifty 17000 on Europe winter gas crisis. What happened? Did you see Europe bursting though winter is almost coming to end? Another example last one year we have been hearing recession in US though language has changed a bit now suggesting H2 2023 which means another 12 months? When you can't digest the weekly expiry pain question of yearly labor is out of question.

The average (10 years) market capitalization to GDP has improved from 75 % few years to back to 88.56 % as against current 103%. The high was 119.85% and low of 58.11%. The 2008 high was 149% when market corrected massively though Lehman was the trigger. Market cap is 3.4 tr \$ whereas GDP reached 3.3 tr \$. Thus with 16% above the average MC GDP ratio thinking of crash is suicidal. If continue to trade at 103 + ratio for next few quarters, the average will improve reducing the chance of crash. Though I have been tracking this valuation method for many years following SIR Warren Buffet, I am now seeing few brokerage houses talking about this. I am glad the most authentic valuation method is now getting accepted in India. Coming back on track. I am comfortable with 103% current ratio and if you see my previous reports we had 106 to 115% ratio also and yet Markets were not worried. Mr Market knows it all though sketchers not.

Next method of valuation is PE ratio. PE formulae had been kept on changing from time to time and hence there is no comparable accurate data for back years. Also the historical, compounding, trailing and forward PE makes impact of PE. This time I will stick with official PE as per data and not forward PE to explain the case on ground reality. Current PE as per NSE website as on 28th Dec 2022 is 21.65. To rebut the theory of sketchers I am giving you last 5 years PE details with some important dates also.

29/12/2017 26.92
 23/04/2018 28.16
 26/10/2018 24.12
 01/02/2020 25.25
 23/03/2020 17.15 (covid crash date)
 14/10/2021 28.02 (another crash date)
 07/03/2022 20.39
 17/06/2022 18.92 (another crash date)
 01/12/2022 22.61
 23/12/2022 21.40 (another crash date)
 28/12/2022 21.65

Two things are prominent here. One the average PE (31 years) remained above 25 digesting many situations which we have seen in life like 2001, 2008, 2010, 2013, 2015, 2018, 2020 and 2022 crash on any pretext (Journey of Sensex from 7200 to 63000 in just 14 years). Crash reasons kept on changing though market valuation not. Second; corrections mostly came only when Nifty crossed 27.7 to 28 PE. And at current P E of 21.65 we are nowhere near that point. Earlier PE crossed 28 once in April and then in Oct whereas we are entering 2023 leaving just three months for the closure. If we go by the current data Nifty has potential to test 23500 (@ 28 PE) before meaningful correction which may take at least two years to reach this landmark figure of 23500. These two years earnings will make Nifty PE again @ 21 creating further room of 30% upside. This does not fit in any sketch. In fact 2020 March low PE has replaced this in two and half years which is beyond the understanding of sketcher community.

The best part is that Dow was trading at 21 PE in 2020 and now also it is trading at 20.66 PE means the PE are getting adjusted to earnings and India earnings growth is 20% + in 2023 and could cross 24 % in 2024 though while calculating I have assumed a flat 30% growth in Two years. Given the extreme pessimism and fears of recession, I had to walk extra mile to share data with you all to build your confidence and conviction. Market corrects for wrong reasons and I welcome that and always prepared for same. If you are prepared for correction and know the future you can do bottom fishing. But if you are relying on media and all heresy then you are one of the swimmer who flows with the water because it is the easiest job. To swim again flow is the toughest and only 1 out of 100 or 1000 can do this. I want you all be that one and not part of 999.

Now let us look at FII action in last 12 months

Jan to March 2022 (110018 crs)

April to June 2022 (107340 crs)

July to Sept 2022 48569 crs

Oct to Dec 2022 47309 crs

The scene is very clear. The calendar year figures are minus Rs 121480 crs down from Rs 256000 crs till July 22. The financial year of course is just minus Rs 11462 crs and three months more to go. The figures are real jumble between calendar and financial year every time. Thus from July 21 ,2022 the FII buying is Rs 117000 crs which is massive and trend decider which again does not fit in any sketch. Irrespective of my prejudice against lines and sketches, there are few who are too good and I just salute them. But I have realized this only after seeing their performance consistently for past 3-4 years hence they know what is the real sketch for sure. I do cross check with these standout sketchers and for sure they are not traders hence are trustworthy.

Even if we apply RSI of both Dow and Nifty both are trailing near 44-45 levels, though Nifty on 23rd Dec had reached in oversold zone at 32. That means even if Nifty fall just 300 points, it will reach near RSI 32 again an oversold state. In other words, Nifty/Dow always rally 10% from RSI 30-32 levels and this time also it should not be different. Do not forget Friday 30th is NAV say. FPI selling in last 3-4 days is V Wap selling, whereas DII buying is NAV exercise. China/covid is new GHOST which is not going to affect any economies but at the most will create massive shorts as I believe bears are powerful animals creating impact but always gets trapped as we are still in long bull market. I would love to repeat there cannot be temporary bear markets and long term bull markets though we label every correction as bear market.

Let us come back to sectors and stocks. Last one year I have been very bullish on real estate sector. You all want proof of everything and today there was fact story that flat sales crossed 14 years high figure. Also there is no inventory everywhere. Alpine Housing and Triveni Glass our two spotless research findings; should perform on this scale as both Bangalore as well Uttar Pradesh stand out on real estate race. Former is at all-time high and later could just be part of the race. Next is metals; again I was the only contrarian analyst to bet on and proving right again. Railway was my third biggest bet and Railtail RVNL and INTEGRA all three are key beneficiaries. Just waiting to see magic bond to work in M K EXIM the largest and safest consumers bet with launch of many new products as announced by U S principals. The more efforts are made to suppress the price by selling few thousand shares at 3.29 pm the more conviction I am getting on this stock for simple reason. Beggars have no choice. If sellers is so keen to exit he can hit lower circuit and sell all his holding and I promise it will get absorbed. For long term investors it is greatest opportunity to invest in FUTURE exclusive sector co which is now available at 13 PE as against industry PE ratio of 100+.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	31/12	19,781.41	+40.27	+0.20
Singapore	Straits Times	31/12	3,251.32	+2.08	+0.06
United States	NASDAQ	31/12	10,466.48	-11.61	-0.11
United States	DJIA	31/12	33,147.25	-73.55	-0.22
United States	S&P 500	31/12	3,839.50	-9.78	-0.25
Japan	Nikkei 225	31/12	26,094.50	+0.83	0.00
United Kingdom	FTSE 100	31/12	7,451.74	-60.98	-0.81
Malaysia	KLSE Composite	31/12	1,495.49	+3.86	+0.26
Indonesia	Jakarta Composite	31/12	6,850.62	-9.46	-0.14
Thailand	SET	31/12	1,668.66	+7.46	+0.45
France	CAC 40	31/12	6,473.76	-99.71	-1.52
Germany	DAX	31/12	13,923.59	-148.13	-1.05
Argentina	MerVal	31/12	202,085.13	+2,724.47	+1.37
Brazil	Bovespa	31/12	109,734.60	-502.11	-0.46
Mexico	IPC	31/12	48,463.86	-1,054.00	-2.13
Austria	ATX	31/12	3,126.39	-10.23	-0.33
Belgium	BEL-20	31/12	3,701.17	-44.51	-1.19
Netherlands	AEX General	31/12	689.01	-12.00	-1.71
Spain	Madrid General	31/12	820.21	-8.66	-1.04
Switzerland	Swiss Market	31/12	10,729.40	-127.95	-1.18
Australia	All Ordinaries	31/12	7,221.69	+24.37	+0.34
China	Shanghai Composite	31/12	3,089.26	+15.56	+0.51
Philippines	PSE Composite	31/12	6,566.39	-0.15	0.00
Sri Lanka	All Share	31/12	8,489.66	+57.69	+0.68
Taiwan	Taiwan Weighted	31/12	14,137.69	+52.67	+0.37
South Korei	KOSPI	31/12	2,236.40	-44.05	-1.93

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