

## Your Masters Voice.....

We are surprised when FPI bought Rs 8000 crs Bharati pie particularly when they are saying India valuations are very high and want to exit India. Manipulating Indian markets was remained easy cake till 2013 and dream after 2014 but they had three occasions to manipulate Indian markets in a big way and they were 2018, 2020 and 2024-25. Charity deal along with Rs 7 lac crs IPO and QIP is the clear case of no exit in India. They sold 3 lac crs and they invested 5 lac crs where is the outflow. But yes they manipulate more than anyone else. They have protection as they hold FPI status. But if we look at their past behaviors they manipulate the most and every FPI broker is partner in the crime. Why the hell these brokers issued sell report in BHARATI at Rs 380 as if the co was closed. Same brokers are now issuing report at Rs 1800 to buy. What is their integrity? Are they not sold out..? Well they are also protected as policy makers are always in search of small fishes for financial encounter.

I am not at all surprised though I failed to predict such vast intentions. Yes they did 3 times post 2014 that is 2018 when SEBI circular came in classification of Mutual funds. Next in 2020 when COVID hit. And now in 2024-25. But if I go with my understanding that 50% of the FPI are owned by INDIAN's who are also operators then things become clear. Prior to 2014 such attacks were very common as ex FM itself was found supporting to operators and bear cartels.

I hold a firm belief that markets have bottomed out though street talks of 19700 16000 14000 have not yet eroded. These fears are killing many innocent traders and investors but it is there fault also as they believe in here and say instead of valuation matrix. Once again these talks have surfaced ahead of expiry which is there on 27<sup>th</sup> hence to me it is old wine in new bottle. 26<sup>th</sup> is holiday and hence we will have only 3 sessions for rollover and with 1.75 cr shares OI how it will go I have no clue. They are happy as retail and HNI is giving safe passage. 1.89 lac contract is at all-time high and I have also no idea how FPI will cut the same. If India stands and say QUIT INDIA they will have to cut their short till 25000 also. Earlier high was in May 2024 where it reached 4.26 lac contracts ( 25 lot size). Now it is at 1.89 lac contracts ( lot size 75) means they are 5.67 lac contracts as compared to election day.

India will report 6.5% GDP in Q3 and 7% in Q4 thanks KUMBH. Rs 25 lac crs was spent. UP Govt estimates to rake in Rs 3.5 lac crs revenue and translate into addition of 3% to UP GDP. Well that will have impact on INDIA GDP also as UP has the largest share. Therefore expecting 7% is no nonsense.

On valuations. Nifty EPS is Rs 1126 for Q3. This was gives growth in earnings 13% for Q1 , 4% for Q2 , 11 % for Q3 and may be 14% in Q4 which gives an average growth of 10.5% which is superb considering the fact that markets have corrected 16% on the concerns of growth and de growth in Q2. The correction started from Q2 numbers only as they picked this spot the create correction, change the sector , change the stocks and leave those who enjoyed 4 years bull run in lurch to wipe of major gains. This is part of their strategy.

With FY 25 ending at 10.5 earning growth and FY 26 expected at 14-15 growth ( thanks to budget ) if are turning bearish and exiting markets it is good that you can move to US GERMANY FRANCE UK VIETNAM and INDINASIA for investments and earn at your will. Nifty will end at 1236 EPS for the full year according to us though the calculations of 15% growth suggest 1295. We are considering safe case scenario. At 1236 EPS and Nifty at 23000 the PE is 18.60 and for FY 26 even if we assume just 12% growth the PE works out to 16.52. This is close to multiyear low even in bad times such at 2018 2020 and so on. So it is upto you to remain invested in INDIA or see other destinations.

### **Let us have a look at other destinations:**

The US has a strong economy with a high GDP per capita, but its income inequality is relatively high. US struggled from inflation recession and now trade at PE of 29. Who knows when the recession ghost will strike back?

The EU countries have a more comprehensive public pension system and higher replacement rates. EU and UK have the lowest efficiency and productivity levels. They survive on tourism.

Indonesia and Vietnam though have less taxation there size is nowhere India size hence are not compatible. Though many MNC have shifted base there for investors there is nothing that they can beat other countries like India.

Germany and France exchanges though at all-time highs the fears of recession will hit hard to these countries first wiping out serious capital of any investors.

India has a growing economy, but its per capita income is relatively low. With high GDP of 7%+, PE at almost a decade low, with earnings trajectory of 15% intact if someone feels that this is not a market to remain in then they are free to exit. In the past also they had exited India at 10 PE and entered at 25 PE and entered CHINA at 25 PE and exited at 10 PE so no one stop doing this. At the end of the day they are also playing on public money.

To make informed investment decisions, consider factors like GDP growth rate, inflation, unemployment, and interest rates. It's essential to assess your personal financial goals, risk tolerance, and investment horizon before investing.

Comparative valuation across countries involves analyzing various economic indicators. Here's a snapshot of the countries you mentioned:

United States: 2.5% year-on-year in Q4 2024

Germany: less than 1% but the EU's GDP growth rate was 1.2% in Q4 2024 ( 4.53 lac cr USD)

UK's GDP growth rate was 0.1% in Q4 2024

France GDP growth rate was 0.1% in Q4 2024 ( 3.05 lac crs USD )

Indonesia: 5.01% year-on-year in Q3 2024

Vietnam: 13.67% year-on-year in Q3 2024

India: 6.5% year-on-year in Q3 2024

So decide which is the fastest growing ECONOMY which is trailing at the lowest PE ratio of 16.52 as against 29 of Dow and all other markets are near all-time high and India at decently corrected levels.

### **Inflation Rate**

United States: 2.2% annualized rate in Q3 2024

Germany: 10.9% in December 2023

UK: 10.1% in December 2023

France: 5.9% in December 2023

Indonesia: 5.42% in December 2023

Vietnam: 3.15% in December 2023

India: 4.37% in December 2023

On this count also India stands out and inflation seems under control and there is enough leg room for rate cuts by RBI. With reducing rates there will be 2% push to corporate earnings.

## Unemployment Rate

United States: 4.2% projected by the end of 2024

Germany: 2.9% in December 2023

UK: 3.7% in December 2023

France: 7.3% in December 2023

Indonesia: 5.19% in August 2023

Vietnam: 2.28% in Q2 2023

India: 7.2% in Q2 2023

India has made strong growth to change the poverty line. Govt has provided Rs 32 lac crs for capex and we believe equal amount is expected from pvt sector. Already more than Rs 5 lac crs has come from pvt sector which will change employment scenario further. On this count also India is better considering the INDIAN population.

### **Based on factors discussed we summarize India story as under:**

GDP 7%

Earning growth 15%

PE 16.52

Fair valuation 31450

All DII sitting on cash which is far excess than 10% on average

Political stability

Smart push to consumption through KUMBH as well tax breaks

Enquires from all HNI for new companies

All this suggest worst is over and we will see New high in 2025. If you have conviction like us you can buy else stay on the side line. But selling at the bottom will be suicidal.

Now on companies

All the companies which we have coverage have announced super results.

MK EXIM promoters have added 14000 shares this week. Why just see from our earlier comments

*“MK EXIM market cap 330 crs whereas one acquisition by HUL in this space was of Rs 3000 crs. For sure this Budget will be known for consumption push. In any case female cosmetic sector will never go in recession like child baby care products. This is because world over males have to allow female spending + female income too is riding more than male income and saloon has become costliest component of cost of living. Even in marriages 1% allocations are being made to beautician. Fits in new theme of stocks.*

*This world class stock has got consolidated around Rs 90 for almost 6 months and ready for big break out. One 20% and stock will be in different orbit.*

*I wrote yesterday on this stock what CLSA feels and what industry feels. Now I have got feelers that some brand acquisitions are round the corner and this will be global for which some global funders have shown interest. I was told once this is done many MNC will get attached with this co and valuations will become 100 PE like Nykaa and Trent. So keep your fingers crossed and hold. If cross Rs 100 then Rs 134 the target*

*was already given to you long back. When markets are bad and someone is willing to sell they do not give premium or they buy at premium when things they get to know insider information.*

*Itc ibitda margin is 36% and market cap 6.06 lac crs M K Exim ibitda 35% m c is just 350 crs which suggest that re rating in PE is must in this stock. Without even earnings growth if we apply this rationale stock should become Rs 500 to 600. Mt resolution for 2025 in this stock is this much. Following quote is apt for M K EXIM the most loved company by me and I will continue to do that. There is no recession of this company's business"*

Stock corrected from 90 to 70 giving an excellent opportunity to buy more may be in lacs. Sellers will regret and we should not bother about their fate. By selling we should not allow our conviction to change.

## **CIFL**

Co filed for NSE listing. Co making some acquisition also. Rapipay value unlocking is certain. DLF hold close to 3% stake and could raise also. Co will fund Rs 60000 crs DLF DS andheri project through housing loan. Co's earnings will see change and so valuations.

In last week CIFL saw volumes of more than 8 lac shares in this kind of market. This is a new stock where operators are entering. On 24th Dec 2024 board announced NSE listing. We were told application is filed and very soon stock will be listed on NSE. You all know what happens when stock get listed on NSE. Early mover's advantage will always be there who buy now. 8 lac shares were bought by operators pre-split that is 4 mn shares at Rs 39. CMP Rs 34 is still at discount to 13% and heard another 5 mn shares bloc will happen above Rs 40 though exact details are not known to us.

We feel this could be a perfect switch from stocks like SUZLON and YES Bank. Earlier it was costly to enter at Rs 190 but now at Rs 34 it is easy to enter. We feel it can go to Rs 60 in shortest possible time with possible triggers of some acquisitions, corporate actions and value unlocking of RAPIPAY. PAYTM is worth rs 50000 crs with 30 crs subscribers (CNI pick at Rs 380) and RAPIPAY at Rs 1400 crs (with 1 cr + subscribers) and FINANCE co is free baggage.

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