



Editorial

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BPCL going ex-bonus on 21st JUNE must buy.

OCCL going ex de merger on 1st July must buy.

SGX Nifty 23566 another achievement of CNI in Nifty prediction. From 4th June low of 21285 Nifty has moved almost 2200 points proving all sell on rally guys wrong. Who was biggest seller on 4th June? Soros, political parties and leading corporate who is part of market marker.

Do you know who guys are there? If he is class chartist he will know where market is heading will never give you sell call. These guys are hired one but market drivers like anchors and TV analysts who are paid to give sell calls.

Why would a leading anchor say in March sell everything and go away? Is it his business? No. They are here to create false market so that investors can sell delivery, traders can short etc. Once shorting done it is pulling Nifty and stocks where they can earn premium in put and call.

Cni on the contrary has given always correct view and proved right. Some members though keep writing negative seems are from the polit7ical parties need to be ignored.

Let us focus on Budget

Textiles

Pli in textiles is certain. All textiles stocks should blast. Our picks A K Spintex, Riba ,A shnoor and Lahoti. We do not believe in matured stocks now even though they are our research at some point in time e g Arvind Mills was our call at Rs 10. CENTURY was our call at 400 and Raymond's was our call at Rs 140. These three stocks we are holding in free account but no more in buy recommendation. Let the ocean players play in this.

Change of the week

	21-June-24	Rise /Gain
Sensex	77209	216 ↑
Nifty	23501	35 ↑

Net Investments (` Cr)

	FII	DII
18-06-2024	1576.3	1555.7
19-06-2024	9175.5	7107.8
20-06-2024	1247.6	(325.8)
21-06-2024	(1790)	1237.2
Total	10,208	9574

Turnover (` Cr)

	FII	DII	Combined
21-June-24	2,00,408	1,25,765	3,26,173

21-June-24	Advances	Declines	Ratio
BSE	1784	2086	0.84

Railways

Rvnl, Railtel and Integra are only three bets in railway. Integra Swiss MNC is major player in rolling stock though maximum investors know Integra only for railway signaling. Please read annual report. At Rs 3000 we will leave this stock for the ocean investors. Rvnl with 25000 crs balance sheet is still going cheap and Railtel is one of the biggest DATA Center story. Should be at least 2000. Last year Rs 35000 crs was provided in Budget for rolling stock which will rise further to 50000 to 60000 crs and Integra will be the only beneficiary.

Ethanol

Govt has announced to reach ethanol % at 25 by 2025. That means our oil imports will be open by 25%. Though sugar is favour of the market for ethanol we are focused in Starch. Starch is the biggest source of ethanol. We have three listed companies Gael, Sukhjit Starch and Tirupati Stach all three are our under coverage. We believe Tirupati is class apart as payback is less than 2 years. 1200 CA's appreciated the identification of Tirupati and vouched for the fundamentals. With capacity doubling co could be soon 1000 crs at least.

India has spent Rs 10 lac crs capex in 23_24. Again they have kept aside Rs 11 lac crs in Budget 24_25. This does not include railway and defense allocation. Railway have started giving orders to SAIL. NAVY also gave orders to SAIL. I feel 10% of the Infra spending goes in steel as it is the key component for projects. Whether you build power plants, railway bridges, road Bridges tunnels or sea bridges steel is major component.

Technology in road construction is changing very fast. Like building slabs even roads are now using ready steel structure inside and with India doubling road building steel consumption will rise many fold. Also buildings are made from ready structures now where steel is used.

With Govt orders to all PSU to buy steel from SAIL , SAIL will have order book of over Rs 3 lac crs. Defense

Many companies have 5 to 10 years order book. It's good. They are matured enough and will have steady earnings for 5 to 10 years but that is in price. Where Govt would get faster executions? They are looking for young and new suppliers sp that it can grow at much faster rate as desired by P M. So I feel there will be big orders flowing to Investment Precision, Shivam Autotech, Tata Technology and Tata Communications and Inspirisys as AI will be used in defense.

5 Top Gainers

Stock	21-06-2024	17-06-2024	% Gain
SHARDA ISPAT	590.8	343.0	72.2
WINDSOR MACH	151.5	90.4	67.6
BGIL FILMS	7.7	4.9	55.1
FACT	1133.7	778.1	45.7
LGB FORGE	14.2	9.9	44.0

5 Top Losers

Stock	21-06-2024	17-06-2024	% Loss
ZF COMMERCIAL	15555	17396	10.5
SOM DISTI	112.3	124.9	10.0
LINDE INDIA	8359.6	9263	9.7
KNR CONSTR	352	388.2	9.3
BEML LTD	4363.8	4722.2	7.5

Top 5 Picks By CNI 'A' Group

Company
SAIL
TATA MOTORS
HCL TECHNOLOGY
TECH MAHINDRA
TATA CHEMICAL

Top 5 Picks By CNI 'B' Group

Company
TIRUPATI STARCH
SULA LTD
EMS LTD
MINDTECK
HARSHA ENGINEERING

Engineering:

Why you saw Larsen outperforming after a decade? Stock price more than doubled in less than 12 months. We had initiated buy at Rs 1600 and believe it will be at least 5 digit. The reason is without Engg growth Gdp dream is not possible. Considering this one must have a look at GTV ENGG which has 16 acre land at Mandeep 4 acre at Bhopal 20 acre at HP and 80 acre ideal excess land. The second trigger is industry p e is 60 and this stock trade at less than 15 (Annulised). If you want to understand the strength of this co please open GTV engg Facebook page where skills are exhibited. They have done projects for Reliance Jamnagar Siemens and Delhi Metro. Most difficult is tunnel cutter which India imports are made by GTV ENGG which can be seen there. Anyways it is difficult to break my head before you all as you love more Vodafone Yes Bank than GTV Engg.

Engg we discussed. Food at 100% capacity will do 350 crs revenue and power and adani story appeared in media. Adani has zeroed down group power biz (450 mw spread in 16 companies). So decide power biz and food biz standalone valuations.

Budget will provide more for Infra and this co can be a jackpot.

Suitcase

Swiss Military completed the acquisition of production facilities. One million suitcase is nothing. We are 140 bn people country. 1 mn will be consumed by our politicians alone. One million suitcase sell means Rs 500 crs revenue and this 3x of current revenue. I have seen Swiss Military products particularly suitcase watches knife sabbags etc even in skandavian countries. So they have ready export market. It may not take more than 3 years to reach 10 mn size which means 5000 crs revenue anything bigger than vip and Safari. So you decide what should be market cap in three years. Stock settled at 26 28 and once cross 32 it will be in new orbit but 32 will cross only after 20% cct limit change.

Other key factors

Fiscal deficit market borrowings and Budget size we feel they will see improvements over Feb Budget and there will not be any tax tinkering hence market should move on even after Budget.

Price earnings will improve

FPI sold 35 bn \$, dii have 12 bn \$ further flows continue means large money will chase too less papers. Here thanks to the agents who have been successful I'm creating fear every day. I see Nifty should test 28000 30000 32000.

In short we repeat once again do not take short cuts which will deprive you from wealth creation.. Avoid matured stocks as they will block your capacity and also avoid listening to media and analysts on bear's calls. Keep in mind 47000 is my target and I may revise it after reaching it. I will not be able to repeat such long comments every time. That is the reason had suggested can what's up to me because I do not know out of 23000 members how many of you are for wealth creation, how many are f and o trading and how many are short term traders. Those who have annual subscription can always ping me for investment before I close this a conference had been arranged in Deli on Wed where all PSU companies could be discussed. PSU Story is not over it is just beginning.

GOVT in action. On 5th June they announced monetization of land. On 15th June they announced sell of coal blocs and very soon will announce spectrum sell where we will see Vodafone wanting as they will not be able to raise 50000 crs require for 5 G. Fact remains these three were predicted by CNI immediately after election and we are bang on once again.

Trust and belief is the key and CNI stands for TRUST and BELIEF.

Special feature

Let me start with Nifty RSI which is an indicator of overbought or oversold. According to me, market is neither overbought nor oversold but fear factor is all time high. Out of 45 people I have talked everywhere I have seen fear and correction of 10% which though gives me KICK. I always love correction buzz and I understand simple economics that is correction will never come when desired. If you too want to understand markets, please call to 25 people at different places and if all are bearish you become bullish and vice a versa.

19th was holiday in US and ahead of that, Dow was recovering every day after going down to close in green. It means shorts were getting accumulated before the big event. Dow RSI was trailing below 40. 5 tn \$ options expiry was steering at DOW which will expire today and I am confident that DOW will close in Green and on Monday will rise in building fresh positions. As per my reading, Nasdaq entered in risk zone where profit booking will be seen and Dow will rise contrary to the common belief that US market is heading with some trouble. Slowdown in inflation, though has created hope of tow rate cuts, I am sure rate cut will happen by default ahead of US elections. No Govt can sustain inflation. If inflation was key in INDIAN elections, it will be there even in US elections. Grounds are being made that US Govt may force Fed to cut rates. Switzerland did cut rate by 25 bps and inflation in UK came to normal at 2% hinting US inflation will also fall below 32%. Well I am equally sure that inflation will fall further before elections.

Therefore the chances of big fall in India are ruled out though volatility for rolls will be there from 24nd June to 27th June. Use dips in this period to re build positions or buy fresh fearlessly as we at CNI, will tell you, when markets turn overbought. We are seeing signs of overbought in Nasdaq which has run from 15000 to 17800 and entered the danger zone. Here we clearly advise not to buy Nasdaq or even in India IT shares. Media and big houses are giving buy calls in IT which I feel is distribution game. Media and paid analysts have no other business. Once you get stuck your capacities will get blocked. So better focus on limited stocks going forward. HDFC Bank and SBI will remain our top picks for the time being. For PSB read later what we expect.

No one is now talking about elections, portfolio allocation any more and the focus is now shifted to Budget. On 21st or 22nd I heard there is GST meeting and wild speculation is spread that GAS will come under GST. I have my own doubts. Though intent is clear, and Govt may even announce, getting majority on the floor seems difficult. When they could not do it with 353 seats whether they can do it with 303 seats is bit questionable. If happens, I am the happiest person as Govt shed its fear and proceed with reforms. It will be the biggest reform on the Indian soil.

What is most likely where allies will also take credit and Govt will have large support from middle class voters is reduction in tax rates. Media has speculated to see tax slabs as Rs 15 lacs but I feel this will not happen at one go. She may raise tax bracket to Rs 10 lacs this year and gradually take it to Rs 15 lacs. But if done this will be biggest boost to consumables as tax saved will go in spending. In any case Govt does not lose much as what they lose in I T will be recouped in 18% GST. Therefore in my opinion this is the possible logical outcome of Budget. This is also supported by the fact that our revenues are up 22% in Q1 which suggest that we will cross overall revenues by margin. Media is many times headless. I saw one article where it says IT for f and o trades will rise. Who will tell my friend that F and O comes under business income which is charged at maximum rate only.

This is populist measure and Govt has to do this due to the fact that they lost major votes for whatever reasons which we already discussed in earlier notes. When RAGA promised Rs 1 lac to every women, Narendra Modi should have at least given Rs 5000 to every women on the lines of Shivaraj Chauhan who did this in MP and won all 29 seats.

Anyways Govt announced to build 3 cr more houses, they have announced Rs 20000 crs direct subsidy to farmers. Only thing Govt need to make it mandatory that all beneficiaries whichever is the scheme, say housing, toilet, water, electricity, insurance, medical or education etc voting is compulsory. If they are not voting then the benefits should be withdrawn. It is not important which party they vote, but they must vote. I recently saw a news where some UP minister refused to help a needy person only because he had voted to SP which is not fair. Better withdraw all strings attached and should be linked with votes. You can't eat the cake and take it home. Those who do not vote should not be eligible to Govt schemes. Also this should be mandatory to all central and stage Govt employees. This can be done with creating documentary evidence of voting at the time of claiming scheme benefit. If done, we can also plug the booth capturing largely seen in the state of Tamilnadu and West Bengal. Mind it if voting rise to 80% no one can dare to beat the HINDU party.

Textiles, Defense, Railway, Electrolyzers, Coal gasification, rolling stocks, PSU, Cosmetic, Real estate, Ethanol, AI, Cloud and Data processing will be the sectors to watch. Main thrust of Prime Minister is on exports as he is on record saying he wants to take India exports to 600 bn \$ by 2030 from current 44 bn \$. Some firung, has in fact, issued report saying India exports will cross 835 bn \$ by 2030.

Let us see which sectors can take us there by 2030. IT no as it is heavily dependent of US. AI, data storage and cloud yes. In previous report I had shared J P Morgan's change of data center globally to India and this will happen with every bank and fund due to cost of management hence this will be one of the biggest export driver. Then comes textiles, farm products and commodities. We are surplus in textiles and commodities hence this will be immediate schemes to lift exports and that can come in the form of PLI. Toys is another area where India is focusing. Apart from that, farm products are also on high agenda but this will be always subject to domestic demands due to high inflation in India. Only if we have excess then we can export. Major boost and tax benefit can come logistic infrastructure companies such as transport and warehousing.

We need to improve the warehousing capabilities many fold that too like new VANDE BHARAT trains and not old FCI where we used to see millions of tons of wheat getting damaged. SILO's is a better option where quality is protected, it remains in packed conditions, it occupies less space and it is built at every village level. This will also reduce the over dependence on ADATIA who not only squeeze farmers but also know the next production as farmers take seed from him for next sowing. This becomes advance and ADATIA create market knowing the expected farm crop next season.

CERA was CNI reaseach at Rs 90 and you will recall there are more than 500 scrips where CNI initiated buy calls at entry levels including likes of SANDUR, VIP, Vishnu, Camphor, Safari etc but certainly when they become 10x CNI never chase these stocks nor recommend to members though we continue to hold them in free portfolio account. The accuracy of stock picking or information is certain though we can't bind the timing as various factors such as promoters, operators, companies come into play and we have no connectivity with them. We have many analysts with us and they work like Journalists hence they have their own sources to find out the inside stories.

Windsor machines we had told you co will change hands and on Wed we saw an announcement of open offer at Rs 100. This is reverse book building hence stock was in upper cct at Rs 130 on Wed. We had identified this with precise information at Rs 46. Now you can judge the value of CNI Research. It does not help you much because you always go with either volume perception or F and O perception. We had also mentioned similar information in ARTEMISMED which had rallied from Rs 70 to 200 and then now settled at Rs 150. After this information also when become news you will not be able to buy even 100 shares of this co.

Similar is the case with 40 MW power biz of GTV ENGG and 36K tons capacity food biz and Engg at its best. Howsoever controls are done by operators the strength of retail cannot be under estimated. Stock will cross Rs 640 soon and after that it will blast like anything. Expecting news out of moon is my expectation. Next week stock will cross Rs 640. The buyers have cornered 12% stake in the co from Rs 400 to 600 and of late volume is rising means at higher prices also buyers accumulating. This happen only when stock is set to explode. Else why would buyer give exit at life time high to all those who have bought at 400 or below. Hold this stock for 10000+

In textiles my focus is clear is on the THE PONDS babies that is LAHOTI, AK SPINTEX, AHNOOR and RIBA Textiles. Other matured stocks like B Dyeing, Raymond's, Arvind etc I leave it to THE OCEAN category investors except Mafatlal. No one would even remember that Raymond was CNI pick at Rs 140 and it is part of our free portfolio. Time will come when I will stop writing about the above four once they also move to THE RIVER category.

We have only two bets in defense and they are SHIVAM and Investment Precision. All other matured defense stocks I will leave to matured investors in the Ocean segment. Shivam as per sources are issuing shares on pref basis to big HNI's hence trying to control the market price below Rs 47. Once done the real strength will be known.

We are now turning bullish in paper industry and many shares covered by us are rising like Orient Paper, JK and Andhra etc. One stock which we have included in our research now stands out to be outperformer and that is SATIA Industries.

SATIA Industries Eq Rs 10 crs Face Value Re 1, M C Rs 1200 crs, Revenue Rs 1800 crs, Debt Rs 335 crs, B V Rs 95, Price to book just 1.33, Ibitda Rs 450 crs, E Ibitda FY 25 Rs 550 crs, MC to Ibitda 2.18 (lowest in the world in big companies) FPI holding 2%, Promoters 69%, free float just 5 mn shares. EPS is likely to improve to Rs 35 in FY 25 thus PE is 3.62.

What has changed all of sudden where CNI attention is required? They supply text book paper to 15 states. We were told by Ministry that syllabus in changing in 2025 which means all over India text books will change and that will trigger massive demand for text book papers. This is why IBITDA will jump to Rs 550 crs as per management.

If we ignore such stocks at 3.62 PE or 2.18 MC to Ibitda we are not fit for equity investments. What we are buying A gr stocks with similar revenue at 20x IBITDA and we are happy. How can you be ARJUN? You can be at the most ABHIMANYU.

Anyways CNI will be issuing report in FPI segment sooner than later. Stock is now on Funds and DII radar so expect massive rally in this stock. If you look at 52 week high and low it is 100 and 155 and cmp is Rs 127 so once cross 155 all floats will be absorbed. This week alone more than 1.5 mn shares are marked for delivery leaving only 3.5 mn shares more that is just Rs 45 crs which even 1 investor can absorb having known the fundamentals.

Sugar stocks started moving thanks to ethanol % rise from 12% to 25% by 2025. But to my mind biggest story will play out in STARCH. Apart from Ethanol they are used in hydrogen generation. Out of three listed entities I have special love to TIRUPATI for three reasons smart pay back of less than 2 years, satisfies the efficiency ratio which is very rare to see and doing capex. Apart from these three I see Tasty bite investor holding stake a major driver. He made Tasty Bite from Rs 250 to Rs 13000 and there could be repeat performance in TIRUPATI also. Rest is your call. Here is See LORD TIRUPATI in name itself.

Sources from North bloc are saying PM wants to see PSB to rise many fold from heron. That is why he has been issuing statements on PSB saying Indian PSB have done well in last 10 years. His statements are remarkable. Any hint how further valuation can be created? While discussing with North Block heard a possibility of raising FPI limits in PSB to 49% from current 20% which is overdue. Also promoter's stake could be allowed to 51% in order to many PSB getting sold at good valuations. If this come in Budget then PSB will set on fire. SBI can double overnight as 30% buying can get triggered from FPI. SBI is now Rs 8500 and I had made this story when SBI was trading at Rs 550 (Rs 10 face value or comparison) and since then SBI has gone up 16 times after my call a decade back. Even in 2020 I had second innings at Rs 140 (Re 1 paid up) and even that has given 6 x returns. Now if the above happen Bank Nifty will become 70000 in no time. Fundamentally the largest Indian bank trading at 13 PE is nothing but a skeleton of the bigger model.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	22/6	18,028.52	-306.80	-1.67
Singapore	Straits Times	22/6	3,306.02	+6.02	+0.18
United States	NASDAQ	22/6	17,689.36	-32.23	-0.18
United States	DJIA	22/6	39,150.33	+15.57	+0.04
United States	S&P 500	22/6	5,464.62	-8.55	-0.16
Japan	Nikkei 225	22/6	38,596.47	-36.55	-0.09
United Kingdom	FTSE 100	22/6	8,237.72	-34.74	-0.42
Malaysia	KLSE Composite	22/6	1,590.37	-2.32	-0.15
Indonesia	Jakarta Composite	22/6	6,879.98	+60.66	+0.89
Thailand	SET	22/6	1,306.41	+8.12	+0.63
France	CAC 40	22/6	7,628.57	-42.77	-0.56
Germany	DAX	22/6	18,163.52	-90.6	-0.50
Argentina	MerVal	22/6	1,576,462.00	+19,032.37	+1.22
Brazil	Bovespa	22/6	121,341.13	+895.22	+0.74
Mexico	IPC	22/6	52,788.50	-544.54	-1.02
Austria	ATX	22/6	3,591.60	-39.21	-1.08
Belgium	BEL-20	22/6	3,894.05	+4.70	+0.12
Netherlands	AEX General	22/6	925.23	-8.61	-0.92
Spain	Madrid General	22/6	1,088.92	-11.82	-1.07
Switzerland	Swiss Market	22/6	12,012.87	-115.29	-0.95
Australia	All Ordinaries	22/6	8,039.90	+27.78	+0.35
China	Shanghai Composite	22/6	2,998.14	-7.30	-0.24
Philippines	PSE Composite	22/6	6,158.48	-186.08	-2.93
Sri Lanka	All Share	22/6	12,249.06	+23.11	+0.19
Taiwan	Taiwan Weighted	22/6	23,253.39	-152.71	-0.65
South Korea	KOSPI	22/6	2,784.26	-23.37	-0.83

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