



Editorial

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What was the biggest concern of street post elections in India. It was whether co will be able to push through reforms. If this concern is dealt with we can see over 5 lac crs inflow from fpi. Now please see following announcement to decide whether Govt is able to push reforms ...

Modi Govt set to overhaul tax system with real-time monitoring and simplified GST slabs.

These days Finance Ministry is busy to revamp key revenue sources; Direct Taxes & Indirect Taxes.

On 1st February 2025; Govt is likely to introduce a new Income Tax Act along with major changes and a new framework, also aiming to monitor sources of income in real time basis on all spectrum.

In the second phase of game-changing rollout; Govt could monitor the actual (Personal & Corporate) tax liabilities in real time basis across all taxpayers.

On 1st July 2025; Modi Govt likely to relax GST slabs from FOUR to THREE tiers, planning to merge 12% & 18% slabs into one.

Govt also considering changing GST rates in some particular items / services without affecting revenue to the treasury.

If all goes well; both upgraded revenue sources (Direct & Indirect Taxes) will be announced as per schedule on 1st Feb & 1st July 2025. It is learnt.

This will be the biggest ever reform ever since 1947. Consider this along with Waqf reforms getting introduced. Massive land bank gone to Waqf will return to Govt of India.

Change of the week

	05-Oct-24	Rise /Gain
Sensex	81688	3708 ↓
Nifty	25014	1113 ↓

Net Investments (Cr)

	FII	DII
30-Sep-2024	(6426.8)	1002.7
01-Oct-2024	(5208.5)	4609.5
03-Oct-2024	(15506.7)	12913.9
04-Oct-2024	(9896.9)	8905
Total	37,036	27,429

Turnover (Cr)

	FII	DII	Combined
04-Oct-24	1,19645	93,601	2,13,246

04-Oct-24	Advances	Declines	Ratio
BSE	1458	2496	0.58

This is why Mark Mobius one of the most respected Fund Manager of Templeton said that Sensex will cross 1 lac soon. I am re posting the link for your quick reading and you will have decide how quickly this will happen. The basis of Mark is not only the reforms but also the various achievements of this Govt.

https://www.cnbctv18.com/market/sensex-may-hit-1-lakh-by-end-of-the-year-says-mark-mobius-china-em-flows-sector-bets-19484713.htm?utm_medium=social&utm_source=what_sapp&utm_campaign=regular-editorial.

My observations on Govt achievements and also failures which preventing us to become 10 % Gdp county beating all analysts.

Achievements:

Govt succeeded in cleaning up Govt Balance Sheet I last 10 years and with debt at its lowest it is the best Balance Sheet ever any Govt has created

Highest ever foreign exchange reserves.

Biggest recovery of NPA over Rs 13 lacs making PSB strongest ever

Created Psu market cap of over Rs 63 lac crs from mere Rs 8 lac crs in 2014

Handled covid without printing currency and brought back the economy on trail in the quickest possible time

22 lac crs capex budgeted creating the right platform to create revenue stream for coming years

Failures which stalled unprecedented growth

Failed to boost exports. Merely desiring to achieve 835 bn \$ exports by 2030 is impossible to achieve without taking bold measures

They should bring back 80 HHC even though the apprehension of fake export billings loom large. Fix the issues through control mechanism.

5 Top Gainers			
Stock	04-10-2024	30-09-2024	% Gain
ITD CEMEN	645.8	543.7	18.7
BASF	8215.9	7315	12.3
VIJAYA DIA	989	881	12.2
V-MART	4475	3991	12.1
GLENMARK	1150	1031	11.5

5 Top Losers			
Stock	04-10-2024	30-09-2024	% Loss
STERLING	547.1	649.6	15.7
EDEWEISS	121.3	140.2	13.4
NAVA L	1040	1180.2	11.8
RITES LTD	317.4	358.4	11.4
PHEONIX MILL	1671.6	1884.7	11.3

Top 5 Picks By CNI 'A' Group
Company
TATA POWER
SAIL
NALCO
TATA COMMUNICATION
HDFC BANK

Top 5 Picks By CNI 'B' Group
Company
CMS INFO
SHETRON
NILE
CTE
PATANJALI FOOD

The efforts of cleaning up Balance Sheet will fail to yield appropriate results if Govt fail to leverage the slim and trim Balance Sheet to create growth.

Need to broadbase PLI by 10 times as this is nothing but neutralising the Cost by matching equally high GST

Tourism should be made top priority and should be part of GDP. Major capex should go in tourism infrastructure. If afraid then invite mnc companies on BOT basis. This can create 25% additional Gdp.

Lift Agri economy 10 times this will resolve the farmers issue and also bring all wealthy farmers say earning above Rs 50 lacs under tax net. Else people like Sharad and Supriya will continue claiming Rs 200 to 300 crs farm income tax free every year.

Irrespective all negative I feel Sensex will cross 1.5 lac and if all negatives are addressed then we can reach even 6 lac Sensex.

I am least bothered about 1000 2000 points correction as this is part of game. Np market drivers will buy like a mad at 2000 + in new settlement and this is why I told you yesterday that metals and non Nifty based stocks mostly psu will blast.

Market accepted Vipul Organics finally and stock touched at 312.90. This is just the beginning and I hold my target of Rs 1500 intact which should come well before March 27 results.

Vipul Organics though did not meet my expectations of rights of 1 share for every 2 held they announced 1 for every 3 held which is also massive and rewarding. I expect 30 % to 50% excess allotment so it makes a clear case of buy even at this price. Swiss Military we got 67% excess even though the price difference was almost 200%. Here too price difference is 600% which makes rights more attractive.

Growth just begun. To my mind they should announce commencement of AMBARNATH plant where internal plough back was put in. Dahej is in full swing and this Rs 25 crs rights issue proceed is going in Dahej hence we may see DAHEJ going in stream before March 25. Expanded capacity will be 17500 tons. I think VIPUL has become investor friendly and proactive hence they could make all these announcements in coming days.

Interesting observation is that V K who understand chemicals at the top of the world had major stake in Sudarshan and he exited as promoters heard ditched him. I have already explained why SUDARSHAN is at big risk as chewing something beyond your capacity will make you sick. Now V K heard entered VIPUL Organics. Earlier I have learnt that he had approached VIPUL for 3 mn shares which was refused by MGT for the reasons not known. Now heard he has entered. One name I saw in bulk deal is his associate.

Time and again I have been telling to have patience in bottom up stories and market will adopt CNI research stories sooner than later. Cera was rejected by 12 funds at 130 and then West bridged liked it being domestic consumption story and price is now Rs 40000 and they are still invested. I am seeing similar days for four of my new big bets VIPUL, GLOBAL, MK EXIM and Integra Engg. I am happy that some investors are exiting unaware of the future of it hence we are getting opportunity to buy in lacs. This is our wealth creation process.

Wait for GLOBAL Pref issue names. Also wait for acquisition news. Also wait for March 25 earnings and March 26 earnings. You will realize what GEM stock you are holding. It is matter of time. Having waited for more than 2 years and earned 5x why can't we wait for another 2 years and enjoy it becoming 10x from current market price. At peak GLOBAL had 14 vessels and market cap of Rs 2200 crs and I have feeling that they will cross the peak once again.

MK EXIM is true representative of TRENT, HUL, NYKAA, and GODREJ, LOREAL etc and just at the tip of the market cap of Rs 350 crs. Market acceptance will make it another CERA for sure. Wait and watch. Such businesses at this prices are available once in a decade. Who knew Rs 12 IPO of TITAN will become such a big co ..? Those who bet and holding have made billions. RJ is one of them. You can be next RJ if you hold this stock for 10 years.

Integra is a mirror image of Siemens. We found Siemens at Rs 456 now Rs 7200 and heading for 15000. Integra cut and save this message and show me after 5 years. If does not become 50x I am not a good analyst for sure.

Few more research bets which are going on the scales of Optiemus which we found at Rs 110 and now Rs 820 and going to be 5000 soon, are Cambridge Technology, Mega Soft and Popees. We have full presentation of Popees which clearly

suggest it will be Rs 2500 crs company by 2030. Currently Rs 125 crs that too in unlisted which will soon be part of listed co and market cap just less than Rs 100 crs. This is how businesses are spotted.

Hercules announced record date and stock is up 20%. Few days back I had mentioned as and when record dates are announced stocks will start moving. You will get 1 share of new company which combined value will cross Rs 2500 else why would they make de merger.

Time has come for SUNIL AGRO as Govt of India is announcing PLI for Agri based companies and tourism as they want make these 2 sectors as GDP component. I have written my views on Govt successes and failures and I have received feedback from BABU that they are apt and Govt may act on failures part. We may see return of Section 80 HHC in next Budget. Sunil agro though failed to report numbers so far they part of Vrindavan gr and they have capacity to manufacture upto 1000 crs. I am expecting sweet surprising news soon as SUNIL Agro was case study in IIM Kolkata for its capabilities. This is enough to see massive spark in the stock.

Riba Textiles came in action yesterday. Once cross Rs 95 stock will be heading to Rs 300 very fast. Just see the website of RIBA and you will love to appreciate that this is the most undervalued and beautiful beach terry Towel Company where Walmart has interest.

Now on geo political concerns

Iran fired 400 missiles on Israel but no damage done. Earlier Palestine also had fired more than 100 missiles but no damage was done. Why. Israel is way ahead in technology to dysfunction the missiles in the air. Israel has US support. Israel knew this will happen sooner than later and they are already prepared for this. So no big impact and market correction is only a knee jerk reaction and an excellent opportunity to buy. Mind it this war will continue for next 5 years like Russia and Ukraine hence street will forget after 2 days. Oil will fall down again US has already opened the supply gates. OIL economy is controlled by US. They are the biggest buyers of OIL though they are supplying at one end. It is exactly like our markets where buyers only are sellers. They sell 5000 openly and buy 50000 secretly and this is the way of accumulation. After 2 years accumulation they will start OIL game and OIL will rise to 130 140 \$ and they will make 100% profit. This happens in stock market. We had given buy in Apolo Tyre at Rs 122 and now it is Rs 550.

Mantra for OCT

Heavy weights will not move by and large in Oct not because of Geo political reasons of FPI selling but for Q 2 results. We always play safe in result calendar. Where stocks beat expectations stock correct and where disappoint they rise as front runners know the numbers by and large. If numbers beat with wild margins then only stocks will move in the same direction and they cut the shorts and longs but this happens only in exceptional cases hence cannot become thumb rule.

Even after 1800 points correction there was no panic in the street. Effectively we have seen correction of over 3500 points after Sept expiry yet the prices are much above the 84000 levels. In cash market in fact we were seeing major buying. So please first understand why this happened..?

As expressed there was impact of geo political issues in India else Dow Nasdaq and Nikkie could not have close in green. If this impact India then it will impact globally also. So first issue is set right and have no impact on our markets.

Expiry, yes it was major consideration. Sept we ended at 26400 and street movers will never enter at life high. In Sept also they first took it to 24913 and then 26400. So they brought it down to 25300 and now will take it to 26600. Thumb rule is that they are not happy anything less than 1000 points and up and down.

They had completed down cycle. Now the up cycle. Then only they will earn 10x 50x 100x in the options market. We had seen in the past also Rs 4 call going to 474. This is why option market is always HOT where every trader believe that he is ARJUN. Sebi though said that traders lost Rs 1.92 lac crs my calculations suggest it is more than Rs 8 lacs.

Yes, expiry is a routine business and it is not affected by SEBI dictate of 15 lacs size of the futures or options. We will trade even it becomes Rs 50 lacs. E g Have people stepped trading Crypto..? So Even this is not a cause of worry. In fact, I am happy as price manipulations will become more rampant now as small traders will be off market. When there are resistances in terms of supply you can rig up price the way you want. If you can pull the price of SUN pharma from Rs 400 to 2000 you know their capability and how that retail matters is refrained. HNI yes, they will trade even at Rs 15 lacs lot size.

Another issue is one settlement in one exchange is extremely positive as you do not have to create volatility every day for some or the other expiry. Yes, street drivers will be not happy with this move as their income will get reduced but the integrity of market will improve substantially.

But the real cause for the fall was screwing the Hedge Funds. Hedge Funds always enter for 10 15 % quick money. So China rose 13% and with lot of stimulus getting announced H F feel that they can make quick money in CHINA hence booked profit in India and moving money to CHINA. Though in the past whenever they entered CHINA they got backfired.

India story is India story hence they will have to come back sooner than later and will be happy to see them at 30000 Nifty now.

The bottom-line is that such steep corrections does not last. This is third big correction from election date and every time market crossed new high and even this time we should cross new high on DIWALI. My target of 26600 on DIWALI is intact.

We have reached RSI of 42 which is very close to oversold levels. Hence do not expect market to correct big and even if corrects keep adding stocks. If you are in f and o you will have to digest the pain. I had explained to be successful in f and O. Watch CNI action. We raised calls only when markets fell. The real money lies in midcaps and small caps considering the India growth story.

Special feature

In Sept we saw a rally of 1500 points in Nifty that is from 24913 to 24400. This was as per the market driver's norms 1000 up or 1000 down nothing less than this. Then only the call can be 100x in one settlement. Now assess what was public loss in F and O whether Rs 1.92 lac crs or Rs 9.21 lac crs ? This can make you realise why FPI AUM rose to 72 lac crs irrespective of the fact they sold over 3 lac crs in 2021.

This is a dead end and there is no point of reversal. They are here to stay as their monthly income is over 50000 crs only from options and systems are fully supportive to them which is now admitted by the Fin-min and regulator. That is why they have returned back to one settlement in a week. I think they should return to one settlement in the month to make systems more robust, reduce volatility and safeguard Indian's money. Else the British Raj will continue. Bse announced discontinuance of weekly Sensex and bank Sensex expiry.

Well that is why CNI never advocate F and O trading irrespective of 14 years track record of no loss positionally. Trading is gambling and gambling is full filling your desire of passion. Every trader feel that he can beat the algorithm. Can you find how much the algorithm software guys make money ? My views they make money from software selling not from algorithm trading. We had mentioned number of times that you use algorithm and assume that you are intelligent but do not ever realize that the street operators use super algorithm backed by massive delivery to support their actions. You can't beat them. Many have tried and exited after substantial losses. Only way to win in F and O is positional trading with 20% downside assumed and your entry at that level instead of stop loss. And focus on only 1 script now instead of 3 because of 3x rise in contract size.

Now on geopolitical issues the Israel and Iraq War will remain perennial like Russia and Ukraine hence there is no need to react. There is no impact on our market. 2003 what was the Sensex when Gulf War happened? In 2021 what was the Sensex when Russia Ukraine war erupted? Consider this in light of the fact that Russia and Ukraine was directly linked with commodity disruptions. Europe was on the brink of collapse in winter on gas shortages but even that did not happen. Israel Iraq war has nothing to do with commodity except oil but to my mind they cannot disrupt oil because it is controlled by US. US decide when to move oil prices, when to supply and kill the oil prices and finally US makes killing of over 100% in a period of 2 to 3 years. This war will continue for next 5 7 years so market cannot discuss again and again. Better we also keep it aside and focus on market.

Now sebi guidelines on f and o lot size limit I think has no reason to cry. Earlier traders used to be long in 9bf and o stocks which they will reduce to 3. This will affect brokerage firms in short term but in long term 15 lacs will become new normal. This is not reason for market fall. Then why the market fell..?

Two reasons. First that no one wanted to build fresh positions at 26400 so correction and 1000 point correction fits in our dictionary. 25400 means 1000 done. Now from here on 1000 1200 on upside ... 26600 in sight on Diwali. Put gave tons and time to bet on calls. Let us see where we end on Muhurat day to firm up our thinking.

Second reason is moving money from India to China after China announced bold measures to open up with large stimulus. China up 13% in no time. We'll this is always the case with Hedge Funds. But surely they will fail because they are entering 13% higher. Their investment probably happen at 20% higher and that will become top there frustrated hedge funds will come back to India at 28000 Unify by exiting China 10% lower because that is what they do it.

We are concerned with India and with P E just at 21 there is no reason to shy and ot cry on Nifty. Many times we had crossed 33 years average in past 1 decade but for last few years mostly from 2018 we did not match this average but the fundamentals have changed drastically. We had explained achievements and failures on Govt of India in our daily report that is chakry comments. Lot of information cannot be shared in weekly report particularly stock analysis. We firmly believe that 2024_25 is the year which will bridge the gap of current 21 P E and 33 years average that is 25 hence there is all probability that we will test 30000 Nifty before 31st March 2025.

From 2025 we have to move ahead with 15% Cagr as even earnings will grow at 15 % cagr. 120 bn \$ may see way in new ipo and qip but only to the extent of 23 bn \$. It means again we have a liquidity close to 100 bn \$. On Thursday fpi sold 2 bn \$ and dii bought 1.5 bn \$ mitigating the impact of massive sales. So market has become huge now.

How to see future of Indian markets? Reliance is reporting 80000 crs profit close to 9.5 bn \$ when economy is just 4 tr \$. How much should be Reliance profit when economy reach 15 tr \$ in next 10 years. Think about ITC where would it go from Rs 20000 crs? Some packaging co in US are trading at 30 bn \$ valuations and they are likely to enter India due to exponential

growth expected in FMCG sector. In India so far packaging is the most undervalued sector and bound to catch the global valuations. This is a sector which one should invest for next 10 years and we feel following stocks can do wonders:

Rdb Rasayan

Emmbi

Shetron

Hindustan Tin

National plastic technology

Do not forget Supreme Industries Wimplast and Neelkamal were early research of CNI Research but we do not recommend nos because they are matured stocks and lie only in our free cost portfolio. We will be writing a detailed note in daily chakry comments on packaging industry and how thing are shaping, which MNC companies are valued at 25 bn \$ and looking to enter India and how soon this sector will become lifeline of the street.

When you take research lightly you get deprived from the benefit. We were first to tell you about SEPC at 3.90 and it became mnc. We identified HCC at 9 , Swiss Military at 16 and Madhav at 6 and for that matter even Zee media at 5. Recently we also had identified Zenith Steel and JCT though Jct has gone in nclt. Wait to get the scheme passed the assets quality will make this a multi bagger. Now we have identified LGB Forging at Rs 10. Keep watch on this as this could be a multi bagger stock.

Fear has no answer. Fear and Greed works. We work exactly opposite. We buy aggressively when there is big fear and markets are falling like election day , budget day or Thursday. We are always scared to buy at highs unless we know everything in that stock and final destination price. E g bhel Tata Power Tata Motors sail and sbi at any price. We always avoid high priced stocks even though they are likely move further ahead because in our research we always calculate opportunity cost. E g if I buy Sudarshan at 1100 I can expect it to go to 2000 rather chances of it failing post acquiring German co is very high whereas its competition vipul organics can easily rise to 5000 crs market cap from current just 400 crs. Investors have realized potential of vipul organics only after it announced rights issue ratio of 1 share for every 3 that too at just Rs 54 per share. They also announced the receipt of approval that consent to establish its new facilities which are 3x of the current facilities. Means revenue will grow 400%. This i was shouting from 29th floor but no one was seems convinced. Now wait for further development such as dahej plant getting completed, Japan order flow starts, membrane technology adoption get announced and they become no 1 in paper INK technology in the world. The best time has just begun give the young brigade just 2 more years to prove what they are capable of.

My call is that at 100% capacity utilization Vipul revenue should be Rs 1400 to 1600 crs profit you estimate and market cap has to be Rs 4000 to 5000 crs. I will subscribe rights in big way and for that I do not mind buying stock even at Rs 350. Because even if I buy at Rs 350 and get 50% right my cost will be around Rs 225 which will protect my capital for next 10 years with assured profits.

Our conviction in M K Exim Integra Engg is getting enlarged day after day more particularly when operator are controlling the stock in the range. In other words this is clearly not a case of pump and dump and hence safest bets on the earth. Once company start announcing what I have been telling you both these stocks will be 50x stocks.

