

Editorial

Vol -1, No-I, 13 July 24, 08 pages

Textiles is my sector now and if you like Textiles then I have three companies AK SPINTEX, RIBA and LAHOTI. But I have to choose one then my finger is on LAHOTI why read in R I section note. Stock is near 52 week high and on break out. All week hands exited. First target is 95. We are buying LAHOIT in bad business cycle at 8 PE you decide what will happen in good cycle. Whenever we buy a good stock in bad cycle it become multi bagger. .

Market will not fall so fear is unwarranted. Rest is your call.

Textiles remained CNI focus all along whether it was Century at Rs 400 or B Dyeing at Rs 56 or Arvind Mills at Rs 10 or Raymonds at Rs 140. Now we are in LAHOTI RIBA and AK Spintext and trust me these names are now much known to street and that is why we want to bet big.

Reason there is no risk losing capital and making it multi bagger. Our team is company today. We will though suggest go aggressive as two HNI are out to buy 5% stake in the co. One of them hold 10 lac Raymonds.



Nifty will move up as Budget is good. Our internals suggest More reliefs will be given in Textiles and with cotton prices crashed by 50% the largest beneficiary will be YARN Companies as cloth is made from yarn and yarn is made from cotton. Hence we recommend BIG BIG BIG LAHOTI which is there in YARN. With Rs 500 crs size even 10% addition to IBITDA could mean Rs 50 crs additional profit. Rest is your call.

I do not see Nifty indicators in overbought state. Next three months that is till Diwali do not see big corrections though smaller dips always possible ahead of expiry.

We are in tricky situation as Budget is on 23rd and expiry is on 25th. So when should market correct ahead of Budget or after the Budget. Rolls has to happen but when ?

For this precise reason we are not increasing buy calls in street call. At the same time we can't afford to lose the opportunities in cash market. After cni issued report balmer touched 306 even though entire street had its own doubt on this co. Budget is pro balmer for tourism as well warehousing and cold storage.i see balmer at 500+ in short run and above 3000 in long run.

Change of the week

	13-July-24	Rise /Gain
Sensex	80519	523 
Nifty	24502	178 

Net Investments (` Cr)

	FII	DII
08-02-2024	161.6	2866.7
09-07-2024	1528.1	1416.4
10-07-2024	2183.9	1082.4
11-07-2024	346.9	1676.4
12-07-2024	4021.6	(1651.4)
Total	8239.6	5389

Turnover (` Cr)

	FII	DII	Combined
12-July-24	1,56,230	1,41,516	2,97,746

12-July-24	Advances	Declines	Ratio
BSE	1624	2325	0.69

How many of you remember us for Research report on BEML at Rs 300 or RVNL research note at Rs 29..? Now BEML 5400 5500 (including B Lal) and RVNL 525 . Former almost 17 bagger and later 18 bagger.

Balmer Eil tirupati Starch AK spintex gtv engg (trade to trade not drstructure, you yourself destrctuting as does not have holding capqcity) lahoti D H India are going to make the club of 10x +. The bigger is the supply the bigger is the story because someone buying big and certainly not for 1x.

Blackbuck filed IPO prospectus....valued at over \$1 bn. Shetron having similar biz will get investors attention. Immediately after the news of ipo, Shetron moved from 113 to 123 yesterday and heading for 52 week high of 156. One can buy aggressively as valuation is compelling and business is ultra class. Another potential 10 bagger.

We will be sending note on SHETRON to HNI DII FPI explaining the co. If cross 156 add more.

Yesterday's 800 points fall and then 400 recovery was another periodic ghost. When markets are at peak even small sneeze give feeling that all is over. Here the machinery is unimaginable where every second person start creating fear. We have been seeing this from Nifty 8000 and reached 24500 and this will continue till 47000. Small correction will be touch and go but will kill traders. Hence cni has defensive positional call strategy where if followed well can deliver good profits which is the case of 164 months in last 14 years. 24520 should come today or tomorrow. New innings will start. Dow up 500 and Nasdaq up 300 and CNI was accurate on these two also.

Lahoti Overseas 55.55

Almost debt free

Dividend paying

.85 price to book

P E 8.5

Textiles power and a surprise mining product

On radar of big house

15% equity cornered

On break out 57.75 last resistance

5 Top Gainers			
Stock	12-07-2024	08-7-2024	% Gain
SCI	346.55	269.5	28.5
RVNL	626.55	491.4	27.4
OIL INDIA	617.65	489.5	26.1
POWER MECH	5780	4934.5	17.1
IRFC	217.35	188.3	15.4

5 Top Losers			
Stock	12-07-2024	08-7-2024	% Loss
SCHAEFFLER	4000	4588.5	12.8
UNO MINDA	1020.1	1164.5	12.4
HITACHI ENERGY	12352.6	14017.5	11.8
KIRLOSKAR BROS	2285	2590.6	11.8
PATEL ENG	61.2	69.9	11.3

Top 5 Picks By CNI 'A' Group
Company
SAIL
TATA MOTORS
HCL TECHNOLOGY
TECH MAHINDRA
SBI

Top 5 Picks By CNI 'B' Group
Company
DH INDIA
EMS
MULTI BASE LTD
MINDTECK
HARSHA ENGINEERING

Watch its move after checking chart and technical as I see 1st target 95 after volume getting dried and price sustaining near 52 week high.

Once again I repeat only those stocks will become multi baggers where there are big sellers. Because unless buyer get desired quantity he will not run the show. So lahoti falls in high volume category and to my knowledge more than 17 lac shares once acquired by strong hands

Yesterday mentioned about SHETRON and volume started rising. One of the finest company I have ever seen. Another co where payback is just 2 years. Eq 9 Crs reserves 41 Crs means combined equity is 50 Crs and cash profit is Rs 26 Crs and what is most important is revenue size of Rs 250 Crs as against market cap of Rs 110 Crs. My call stock must be bought in bulk.

This is third successful story on payback consideration. 1st one was A K second was Tirupati and now third is SHETRON. Stock had corrected to 120 after testing Rs 153 and this usual practice. If you are smart than operators beat them. Last 2 days volumes were 80000 + another 2 lac shares buying and stock will be high flier.

Why market fell yesterday is explained in detail in YMV and in my opinion it is clear in favour of BSE and investors in cash market. Big money will shift from F and O margins to cash. This will affect at most nse and hence bse price should have gone up which was not the case means there is not truth and we should wait for final outcome before reacting.

After Balmer and EIL my focus is now on GMDC GIPCL and NLC. These three mining stocks will sky rocket soon. I will write about these stocks sometime in next week. Please keep these stocks on radar. Gepil do not even think to sell single share before Rs 2000 cmp close to Rs 600.

Market mood is good. TCS results beat street. In fact, media had projected bad numbers hence many were short in TCS Infosys etc which will start cutting shorts. FPI cut longs over 1 lac contracts and now are long 3 lac contract and we could not see major impact. So FPI will cut another 1 lac contracts and there will not be any impact on Nifty as DII are buyers.

As suggested no margin from 1st Aug in 1000 scripts is good as the money will flow in smaller stocks. In the past such move saw markets rise 50% and even this time we may see market rising.

Small caps are the best ones as there is no funding and they are not in any approved list. Only operators can control these stocks. There is no dearth of money to operators.

Trade to trade and ESM 2 though street believes in exiting I see an opportunity. E g Inspirisys has moved from 100 to 135 in trade to trade AND now coming in normal. By the time it will become 20% price will be Rs 200 + and by the time we see FY 25 numbers it will be Rs 500 + so we lost opportunity. Co have over 600 IT professionals and hiring 500 more. Current revenue is Rs 450 crs which will rise to Rs 600 crs. Profits in my opinion should rise to Rs 45 crs in FY 25. So even the equity of Rs 40 crs the EPS will be Rs 11 and being MNC PE has to be 40 hence 440 to 500 is my take. CAC may make another open offer at Rs 300 once share price cross Rs 241 the last price agreed by the minority shareholders.

It is crystal clear that some HNI want to buy 10% stake and bloc the open offer forever and he knows he will get 10% at Rs 241 so before CAC acts he will step in. CAC will regret for the life time and share price will become Rs 5000. This is what happen with every MNC.

Therefore use trade to trade for accumulation as these measures are harsh punishment to the companies for short term. Those who does not have vision cry and exit. I am happy. Those follow me should not exit and trust on the fundamentals of the co as trade to trade is not a permanent status. We cannot satisfy all 23000 who have different attitude and mentality at the same time. So faith is important.

Also always look at businesses not short term category. Raymonds grew from 140 to 3200 and had to go to trade to trade also. Thus all big and good stocks have to go to trade to trade sooner than later. More particularly when they are below Rs 500 crs market cap.

Special feature

Fear is settled but another fear started as Sebi appointed committee, has recommended to raise the F and O lot size to Rs 20 to 30 lacs. First of all, we must understand that SEBI is on record that there is froth in F and O. Finance Minister too, well before election, has expressed her concern that lot of savings is getting diverted to F and O. Thus there was wild speculation that something is coming in F and O. Media and heard rumors were suggesting increase in F and O tax which I had rebutted in my previous note.

We were already taxed at maximum rate being business income so that possibility was ruled out. Disallowing set off against other business income was another option which we discussed. But now what this committee has recommended makes sense though I do not believe it will be done directly to Rs 30 lacs because if done then it will be return of BRITISH RAJ. Colonization will begin once again where Indian retail will go away from F and O and only firung, Fpi, Dii and Ultra hni will remain in F and O. I will try to explain in simple language.

Today when you buy 1 lot in F and O which is valued between Rs 5 lacs to 10 lacs (though guidelines is only for 5 lacs) you are required to pay 25% margin. Recent changes were made where stocks if concentrated positions are created then margin is 40% instead of 25%. Two stocks fall in this category that is NALCO and SAIL. Though majority of the retail made exit seeing 40% unaffordable margins, the stock prices have not fallen because the above referred categories can afford to pay 40 % margin. In KP times there were 100% margins also and market had accepted. In short margin is deterrent for retail and not biggies.

Now if the lot size is made Rs 20 lacs then it will not impact the above categories with 20 25% margin which they are wven now paying with 10 lac size and 40% margin. But the field will be clear like in 25 to 700 crs ipo size there is big vacuum which help print money only for big merchant bankers and they are hardly 5 to 6. Similarly when retail is refrained from F and O it will b2 one sided game in F and O. The new regime of Rs 1500 market wide open interest also will come handy to the above category and they will use BAN as effectively as they were using.

Yet I believe that it is a right step in right direction as retail was getting exposed to too high risk in F and O due to over commitment and diverted saving was getting annually slowly as slow poison. Once this is implemented no one will be able to give margin of Rs 5 lacs as far as retail is concerned hence they will divert ro other options available to them. One of it is options trade which in fact more dangerous than futures because of loss of time value. Imagine if SAIL lot size is raised to 14000 shares and option say trade at Rs 10 then minimum ticket size of risk will become Rs 140000 instead of current 70 k. The losses will be even bigger if we continue to trade in options. But in order to gamble on larger profits traders will continue to trade in options even though lot size become Rs 20 lacs. Vodafone current lot size is 80000 shares and price wise not less than Rs 12 lacs and traders are trading.

Another angle is that all young latest market entrants will refrain from F and O trading due to high margin on bigger lot. So they will start investing in B gr shares. But the policy makers need to remove esm2 category where brokers have artificial controls.

Brokers will not be affected in a big way even though volume will drop significantly. The lost brokerage will be compensated on higher lot size hence by and large brokers will be unaffected. Their back office work will get reduced. Thus prima facie it seems there will be concentration of F and O in few hands which in principle not healthy practice.

We must see the intent. If it us curbing f and o I am happy. Recently we delivered a seminar at Nagpur how to be successful In F and O. And if this happen it will become further easy as by default you will be restricted to only 1 stock. Alternatively you should buy F and O stocks in cash where brokers provide margin. So you have option of buying 25% of the size on cash and be regulated with brokers funding. In that sense cash markets will see higher volumes which will reduce volatility as depth will increase.

In any case we need to see what F M brings out of her hat to curb F and O froth as these are Sebi proposal. I will analyze the Budget and discuss with you all.

I had already discussed budget expectations and believe that budget will be good and not populist as widely speculated. Undoubtedly Govt will have to spend more om social schemes but this will be part of unplanned expenditure and will be met out of unplanned revenue. What is important is to see whether F M tinker with LTCG (my opinion is no) , change fiscal deficit ,

market borrowings and revenue estimates etc. If that remains unchanged then what do you expect from this Budget and how will it incorporate 3x speed of Shri Narendra Modi...?

Tax revenues have gone up in Q1, gst is robust and Govt is on way to creating unhealthy task of generating unplanned revenue. No tax rates will be tinkered. Rather there is a case of moving to only one option of second regime of taxation, there may increase in slabs, there could be reduction in personal tax , doing away with surcharge on super reach and these changes could go well with market. These are normal expectations but we need to know what new steps are taken to take the economy to next level that is 9% GDP, 835 bn \$ exports, 80 lac Crs budget size, 12 trillion \$ economy and 12 trillion \$ market capitalization in next 5 years and for that Modiji has announced in lower house that he will have five priorities.

Organics farming

Electronics

Tourism

Renewable energy

And

Semiconductor

Organic Farming

Organics farming can raise our GDP easily by 1% and for that govt may give relief to irrigation, crop insurance, easy fertilizers and generic pesticide , hybrid seeds which raise production many fold, farm finance, increases in minimum purchase prices but the biggest effort should come in storage. We are aware India losing Rs 95000 crs crops every years due to poor storage. IFC has seen wastage of massive food grains due to no proper storage. Major trust will be provided on storage logistics whether it is cold storage or silos and this will benefit only one stock that is Balmer Lawrie. This could become 10x though failed to perform in the past. This vehicle can also be used for distribution of seeds and other fine prints of organic farming. Smaller companies like Sunil Agro and Gtv can become storage vehicles due to massive infrastructure available.

Electronics.

Smart meters and energy savings will be key to success in electronics. There are many companies in these segment. But to my mind CALCOM will be the dark horse as they have both smart meters as well energy saving fans and expanding fast. It is not yet accepted by street but it will be paint stock going forward.

Tourism

There is no big ambassador than shri narendra modi himself. Size that matters. This sector is fractured though the need of the hour to lift our standard to global standards. Many benefits will flow in this Budget as this is another sector which can add 1% GDP. India is second highest spender in the world on tours and travel. Govt has been doing everything to improve domestic tours and travels. Vande Bharat Trains is part of it. Udan is also part of it. Now water Ways Sea planes getting introduced. With vast improvement in infrastructure we can expect our India tourism will go up 1000%. As such we are costliest hotels in the world as of today. So India tourism is at right spot. Again balmer lawrie is the only stock which trade at 22 p e and have 25% of business coming from tourism.

Renewable energy

This is already known sector. My bets will be on Tata Power for onshore energy and Bpcl Sci and global Offshore on offshore energy. In smaller companies Madhav infra could be a jackpot as it has started receiving big orders from PSU power companies. Global Offshore will be raising funds to acquire 4 new vessels and that could happen at 20% premium to current market price.

Semiconductor

Apart from Tata motors I see Tata Technology and Microtek could be large players in this segment.

We will analyze more only after seeing budget provisions.

Toys

One more sector where PM wants to be atmanirbhar and that is toys. Archies is my bet in this segment. Stock had gone to 40+ but esm2 action reduced it back to 28. Why are we so allergic to esm2? You should be happy because you can buy in bulk. Last week I wrote on Popees and next day it gone in esm2 but if you read the note and brand story it will be 100 bagger and it is must buy at any price. Strong hands have bought big but they hold for 2 years whereas it seems we do not have concept of wealth creation hence we buy only from trading perspective. Cantabil another brand story we unfolded at 70 Crs market cap now trading at 2200 Crs. Already 30x and you do not own it. Love esm 2 your life will become happy. 30 days ? You do not have vision of 30 days ? Then you are fit to trade in Suzlon and Yes Bank.

Textiles

Textiles which have 14% contribution to GDP is the only vehicle which can take exports to 835 bn \$ by 2030. Therefore pli will continue and the fall in cotton prices is game changer in textiles. Cotton is used in yarn and yarn in textiles and textiles in garments. If all garment companies are fancied due to brand time has come to cheer yarn companies. Lahoti and A K falls in this category. Lahoti is also in power and broke out on charts hence can be a game changers. How strange investors cry that they want liquid stocks and when you get liquid stocks they cry for illiquid stocks as illiquid rise faster than expected.

Nifty will not fall in immediate future

Finally market will not fall till Diwali. Can't shares reasons as of now. 25800 could see light of the day. Mind it, 25800 target was shared with before elections and after elections when we were at 21500 Nifty.

Please note that it is practice of CNI not to indulge in any stock which has become matured and trade in the ocean that is fpi dii segment. At the same time we hold those shares in free cost portfolio which is unique and has created unreliable wealth of 23000 + cni members over last 2 decades. E g you all know century Raymond's arvind were our early finds in textiles. We hold these shares but will not buy at cmp due to high risk if market corrects. We will hold until these companies keep performing. Latest cases are Niles bbtc Hercules and Forbes. Again we hold all in free account.

Today is tomorrow: patience is key

Our today's recommendations too will be tomorrow's forefront the ocean stocks hence will suggest to follow same mechanism till you reach your destination. For traders this is impossible to follow but for investors there is no better mechanism than this. I am getting feedback from hundreds of members how they succeeded and created wealth. Market and men will go up only.

Schemes Arrangements take overs change of management: next starting point

Scheme based recombination have already given super results. First we saw with Forbes Ltd. Then came OCCL. Even Ril did Jio. Earlier even Hercules announced de merger though record date is not announced pending of NCLT order. Raymond's announced. Tata Motors announced it's intention to de merge PV and NBFC and may do even EV in course of time which may lead TAMO price to Rs 6000. Tata Power may announce de merger of renewable so also GREAVES cotton could announce de merger of EV business. Mafatlal and KPT could be few more companies which may de merger biz to create value. We initiated buy in Greaves Cotton as if the E V demerger happen stock may see Rs 800 to 1000 as EV has sizable value. Even BSE may announce de merger of its Gift city unit.

Apart from demergers, merges too hold the key to success. In all cases of take overs possibility of mergers are not denied. Here we see D H India need a mention. D H India is one of the finest welding co but big orders are flowing to ESAB WENDT and ADOR. So there is chance that Wendt might acquire this company and if done that will be done at 3x of current price. Entry barrier and asset quality makes the case. D H India can be bought for 3x appreciation possibility like ARIHAND Foundation which we recommended at 70 and now 250.

Global Indices

Country	Indices	Date	Index	Net Change	Change %
Hong Kong	Hang Seng	12/07	18,293.38	+461.05	+2.59
Singapore	Straits Times	12/07	3,497.78	+22.72	+0.65
United States	NASDAQ	12/07	18,398.45	+115.04	+0.63
United States	DJIA	13/07	40,000.90	+247.15	+0.62
United States	S&P 500	13/07	5,615.35	+30.81	+0.55
Japan	Nikkei 225	13/07	41,190.68	-1,033.34	-2.45
United Kingdom	FTSE 100	13/07	8,252.91	+29.57	+0.36
Malaysia	KLSE Composite	13/07	1,619.06	-4.06	-0.25
Indonesia	Jakarta Composite	13/07	7,327.58	+27.17	+0.37
Thailand	SET	13/07	1,332.04	+2.67	+0.20
France	CAC 40	13/07	7,724.32	+97.19	+1.27
Germany	DAX	13/07	18,748.18	+213.62	+1.15
Argentina	MerVal	13/07	1,715,610.00	+9,933.50	+0.58
Brazil	Bovespa	13/07	128,896.98	+603.37	+0.47
Mexico	IPC	13/07	54,953.11	+530.52	+0.97
Austria	ATX	13/07	3,706.36	+20.72	+0.56
Belgium	BEL-20	13/07	4,040.06	+11.14	+0.28
Netherlands	AEX General	13/07	944.91	+8.85	+0.95
Spain	Madrid General	13/07	1,107.69	+7.74	+0.70
Switzerland	Swiss Market	13/07	12,365.18	+109.40	+0.89
Australia	All Ordinaries	13/07	8,206.10	+72.67	+0.89
China	Shanghai Composite	13/07	2,971.30	+0.91	+0.03
Philippines	PSE Composite	13/07	6,648.23	+38.99	+0.59
Sri Lanka	All Share	13/07	11,843.97	+41.71	+0.35
Taiwan	Taiwan Weighted	13/07	23,916.93	-473.10	-1.94
South Korea	KOSPI	13/07	2,857.00	-34.35	-1.19

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