

**Editorial**
**Vol -1, No-I, 29 June 24, 9 pages**

Quadruple witching ended with Dow ending in green. Fresh positions building will start from Monday. Whereas we have left with just 4 sessions for rollover which has impacted prices as expected.

From Tuesday market will start rising. Budget expectations are pro market and hence there is no reason to fear that market will fall. Though 99% investors want market to correct as they missed 4th June.

NIFTY eps for March 24 is 1063. At 23500 price earnings ratio is 22.1 but this is for year already ended and we are complet8nv 1 quarter of 24-25. We expect EPS of Rs 1205 and for this eps at 22.10 pe Nifty has to be 26630. This is way above my estimate of 25800. Therefore all those saying markers are expensive are probably misguiding you.

At 25 pe Nifty has to be 30000 + so I do not see any big correction in near future expect rollover pain. We saw Sensex falling 600 points on Friday again coming in green and again falling 650 points and again coming in green and finally again falling 400 points. It means Friday's volatility was almost 3000 points and there is was 15.33 BN \$ volume took place as against 15.22 BN \$ on 4th June 2024.

In other words the rollover process has created volatility. We will see two more volatile sessions but markets will rise in the end to test 23800 as market is short.

Fpi are short, retail is short, hni are short but the best part is investors have sold all cash Holdings and sitting on piles of cash. They are desiring to have one more 4th June but there is no chance.

On Thursday Friday there was conference in Delhi and many psu participated. Raitel gave good guidance and stock was up 11%. Bhel also gave good guidance. Many other psu also gave good picture. 150 analysts and fund managers were present and the consensus is that PSU not yet over. The story is on.

Govt is enforcing plastic ban strictly and hence all plastic manufacturers have dumped 50% of the plastic material and now buying Starch as Starch has been new source of packaging as Govt announced corn starch as new substitute. Already I have explained it as source of

hydrogen and ethanol. Tirupati Starch is my biggest find and I will not be surprised if it become 5 digit in 3 to 5 years.

**Change of the week**

	28-June-24	Rise /Gain
Sensex	79032	1865 ↑
Nifty	24010	521 ↑

**Net Investments ( ` Cr)**

	FII	DII
24-June-2024	860.4	(820.4)
25-June-2024	2464.9	(149.4)
26-June-2024	1513.2	5103.6
27-June-2024	7757.9	(3605.9)
28-June-2024	(23.09)	6658.3
<b>Total</b>	<b>12,573.5</b>	<b>7187</b>

**Turnover ( ` Cr)**

	FII	DII	Combined
<b>28-June-24</b>	<b>2,00,484</b>	<b>1,74,757</b>	<b>3,75,241</b>

28-June-24	Advances	Declines	Ratio
BSE	2133	1768	1.20

Gtv Engineering has reached 600 and it is not too far to see this in 4 digit.

Mafatlal Industries have already reached 192 yet market cap is just 400 crs minus of 800 crs nocil. Whereas de merger of hygiene and real estate arm where 200 acres land bank is there. Sotp valuation suggest it could be 50 to 100 bagger in a decade.

I visited TIRA yesterday and was shocked to see the range of Moroccan oil. Those who have shares of M K Exim should visit to Tira, Lakme, Trent, Alfa, Zee Novelties or foe that any cosmetic shop l'm India you will find excellent range of Moroccan oil and they are priced higher than global brands like CLINIQ, Estel lauder or any other brand. My conviction rose 100 times on M K EXIM. It has to be 100 bagger.

Forbes is another story with 200 acres land bank.

Vipul as explained is new specialty chemical co with R and D is focus. Global investors like R and D companies.

Govt announced 8000 crs support to wind energy. As of now obky three companies are in this space with possibility of seeing 2 more can enter. Sci bpcl and global Offshore are the three. Expected two though not in this biz but due to vessels can enter and they are seamec and great.

Sebi raid on Quant (as per media reports) could see some redemption pressure today for sure but will never affect a fund of 82000 crs. Quant was known for bold unwarranted statements. Quant's latest acquisition ohm Infra was a dubious case. Earlier Porinju too got trapped only when he bought ohm Infra. Promoter's integrity is questionable. This came ahead of expiry. After expiry everything will be alright.

SBI is my strong bet why?

Govt hold 58% stake in SBI and also LIC hold 9%

Sbi announced to open 400 new branches this year.

Sbi may announce bonus soon and special dividend.

Fpi limits in SBI may go up from 20 to 30 or 20 to 49%

Across the board FPI may full the additional limit.

Sbi may announce superb numbers in q1 as some provisions made debts have seen full recovery in this quarter.

5 Top Gainers			
Stock	28-06-2024	24-06-2024	% Gain
GARDEN REACH	2099.5	1645.1	27.6
INDIA CEMENT	293.4	231.5	26.7
BBTC	2033.1	1683	20.8
ROUTE MOBILE	1816	1530	18.6
ORIENT CEMENT	275	232.2	18.3

5 Top Losers			
Stock	28-06-2024	24-06-2024	% Loss
SWAN ENERGY	587.7	655.2	10.3
CREDIT ACCESS	1324	1470	9.9
HAPPIEST MINDS	817.9	906.6	9.7
CAR TRADE	777.2	856.9	9.3
C.E.INFO	2301.8	2532.7	9.1

Top 5 Picks By CNI 'A' Group	
Company	
SAIL	
TATA STEEL	
HCL TECH	
TATA MOTORS	
HDFC BANK	

Top 5 Picks By CNI 'B' Group	
Company	
AK SPINTEX	
EMS	
EUREKA FORBES	
MK EXIM	
INTEGRA ENGINEERING	

Three brokers heard issuing buy report in Sbi.

Post June expiry we may expect sharp rally in SBI.

SBI may cross Rs 1000 in July.

Keep eye on SBI.

Shorts continues. As expected Nasdaq reversed and settled. Dow will also rise as it nowhere near oversold state.

Even though we are at 23700 Nifty nowhere near overbought. Next two days will see further short covering. Mind it Nifty reversed from 21285 in the same settlement and bears kept on shorting in the hope of reversing. 23667 was bears tipping point.

Corn shortage seen as 70% of Brazil crop failed. USA announced 3 lac tons corns supply to Brazil. This will make corn prices rise and all derivatives prices rise further. Extremely good news for starch companies as India have massive corn inventory. Export realization will rise by 20%.

I have written enough on global offshore. Now all big investors entered. Next QIP should happen at 80 to 100 so let us wait. If QIP happen I am sure co will add 6 new vessels. Rest you calculate. Those who do not have trust on CNI should exit as we had initiated buy at Rs 21.

GTV counter showing operator's control. He does not want to see the price goes to 1000 because once it cross 1000 it will be Rs 10000 story. Do not go on the basis of artificial markets. We are getting enquiry every day for a bloc of 3 to 6 lac shares which is 10 to 20% stake in the co.

Now action started in textiles. Watch it till Budget.

Expiry day. Bank shares will remain in limelight even after expiry as GDP is set to travel towards 8% and this is simply not possible without credit take off.

Also on 23rd July we may see FPI limit in PSB rising to either 30% or 49%. One smart investors raised a good question that why FPI are waiting for 49% limit. Well I have a counter question why FPI always buy anything and everything offered in bloc when they can buy daily in open market? They are sellers yet they buy stocks in blocs. It means even in banks if they were permitted to buy 30% of equity they will queue up for buying.

In order to see smooth transmission of OSB to private they may raise current 25% promoters holding to 51%. Well earlier the limit was 5% then raised to 10% then raised to 15% and finally to 25% admitting that there is urgent need of reforms for which privatization is held up.

How operators control can be explained by mafatlal. This stock was struggling between 140 to 120 for more than 6 months and operators must have sold over 1 to 2 mn shares. And now it is Rs 211. This stock has to and will cross 4 digit and 5 digit also yet they did not shy to sell till 115. The bottom-line is that say thank you to seller and keep buying.

This will happen with each and every stock. The day you sell it will be the last price of that stock.

Buy lahoti riba akspintex in textiles for super theme budget. Also but tirupati for three triggers hydrogen, plastic replacement and ethanol.

Avoid leverage in f and o. Sail and nalco has gone in 40% margin as 40% + f and o positions are concentrated in few hands. Yet these stocks will blast.

Biggest settlement in terms of volatility. Full details shared in YMC. Last day fpi buy figures were 7500 crs clearly indicate w vap buying and intent to pull nifty and take larger credit. Why would fpi buy when they are short. They are those fpi which are owned by Indians. Now FPI are long 3 lac contracts from 3 lacs shorts so be careful in Nifty.

I feel need to go soft in Nifty and hard in bank nifty. Banks stocks poised for further upside for reasons explained which will keep bank nifty strong. At the same time go soft in Nifty. No longs in Nifty for short term as the last leg of rally came from Reliance which was again predicted by us in time.

Have long in limited stocks and have nifty put as hedge. Sail AND Nalco both have given robust guidance on earnings. Aluminum is up 30% whereas SAIL will report Rs 2000 per ton profits this quarter.

Big game is set in Nalco and SAIL for sure as in both these stocks retail are exiting due to increased margin of 40%. As per new sebi circular any stock where 40% of the position is concentrated additional 15% margin will apply. Retail out. It is past experience that unless retail goes out major game is not set. And trust me those have capacity to keep SAIL under ban month after month would not mind even paying 100% margin here is only 40%. Damani entered in SAIL from India cement money. 6 cr shares not rolled over due to 40% margin.

Who funds in cash stocks which also rise 100%. The policy of policymakers is always pro operator's and not in favour of retail. E.g. what was there in BSE which rose from 800 to 10000 nonstop without a single regulation whereas GTV Engineering struggled for more than 6 months to travel a journey of trade to trade to 20% and within 30% again gone in trade to trade. So same cycle will repeat again.

Finance minister on record said that big savings is diverted to F and O more particularly options. So media is busy circulating a story saying finance minister will tax more on f and o trades. How many of you know that F and O trades are taxed at maximum rate that is 33% because as per income tax act 1961 f and o trades are considered business income or loss as the case may be. Therefore it makes no sense to tax f and o at higher rate like bit coins. One must understand most of the traders say 98% lose money in f and o so how tax increase can protect them? If at all the intent is to discourage small investors from f and o trading the Hon'ble FM could disallow set off of f and o profits against other business losses.

They should make efforts to prevent retail from f and o trading and if this is the intent then they should scrap esm gsm mechanism and have only trade to trade segment as price control measure. Then only free trading buying and selling will happen in BSE shares which is now restricted due to artificial controls put by brokers at the behest of unwarranted regulations. Another stock which is in trade to trade from 17th Jan and as of date trade in trade to trade even though such company pay full listing fees. 5 and half months that 50% if yearly trading period is very unfair.

What media feels is not true what Narendra Modi Amit Shah and Nirmala Sitaraman feels is true as they are governing the country. All three are on record to allow stock markets to grow. The largest stakeholder that is Govt has seen 700% growth in PSU valuations. From mere Rs 8 lac crs it rose to Rs 60 lac crs. We are yet not even 10% of the Chinese markets where 7 bn \$ ipo gets scaled easily with every investor making money.

Another rumor spread is that Quant is facing trouble. Yes it is true that some element did not like Quant growth. Quant though in concall announced that they have more than Rs 40000 crs liquidity hence there is no issue and so far the redemption were just Rs 1500 crs. This means some vested interest is blowing out this is out of proportion.

Anyways we focus on sectors we discussed and stocks we discussed which will become multi baggers. Do not take short term view as it will restrict your profits. You will enjoy Mafatlal Forbes Investment Precision Shivam Swiss over a long period of time. You have no patience then please exit these stocks and buy Reliance as Reliance is in A grade.

## Special feature

What a settlement post elections which will remain in the memory for the long. Nifty made a low of 21285 from 23500 on 4th June and rose to 23906 on 26th June a day ahead of monthly expiry. Since I am travelling for a day I am not in a position to track the data on expiry day. That is stunning 4900 points Nifty volatility which we had never seen in our entire life. In terms of Sensex it crashed to low of 70000 from 76000 and crossed 78750 that is again a volatility of 14750 Sensex in just 22 days.

Market kept on rising only because there were massive shorts on 4th June 2024. They could not cover shorts but rather kept on shorting more on the belief that markets will crash sooner than later which did not happen. As reported by CNI early in this week that 23667 was the bear's tipping point and post that Nifty rose almost another 250 points.

During these period of two days were very important. 4th June and 21st June 2024. On 4th June attempts were made to distort markets by massive selling and the gross figures on that day were 15.39 bn \$ combined FPI and DII buy/sell figures. Again on 21st June another attempt was made where Sensex went down three times. First time 600 points and in flash of time recovered and came in green. Again second time it was 650 points crash and again in flash of time it recovered and came in green. But the veracity was strong and hence third time when market fell it was down by 450 points. Why am I drawing your attention to these figures ? You will say it is normal and nothing to suspect.

On 21st June also the gross volume was 15.22 bn \$ which is very considering the normal volumes of Indian markets. On 4th June I can understand some funds owned by Indian owners domiciled elsewhere were the sellers included SOROS but have no clue to who were the sellers on 21st June. Mr Rahul Gandhi shouting with Rs 30 lac crs losses on 4th June crash was clearly an hint on political move behind the selling. But on 21st June no such intent was seen.

21st June had some significance which CNI had reported time and again and told that markets will not fall due to QW. Yes, QW which went on smoothly to see even 5 tr \$ expiry in green as Dow was up 400 points in last 2 days. We had also reported that Nasdaq was in danger zone and Nasdaq rightly corrected. Now both Dow and Nasdaq are not in danger zone and far from overbought state. Coming back to 21st June's Mistry, I feel an attempt was made to break the breath of market with massive selling but it got absorbed fully with no major impacts on the market.

Realizing this, the rally started from the word go in this week. Before the smooth run, a big news came on one of media channels and later in new papers that SEBI raided QUANT for front running though Quant immediately retracted saying it was just an enquiry and they are cooperating to SEBI fully. Such a news in week end by media houses could be an extension of what was done on Friday. Some of employees were questioned Friday itself as per material available in public domain, then why media failed to do same story on Friday instead of Saturday. ? Anyone's guess.

I see the motive was to cover naked shorts during expiry which in fact was well taken by the bulls and they drive little hard this week making these issues nonevent.

Many good things have come up post NAMO assuming office. We had reported immediately after the election that Govt will announced following three things to raise resources

A Land monetization

B Coal Mines Auction

C Spectrum Sell

All three have materialized. On 5th June Govt issued a notification directing all PSU to monetize as quickly as possible. This means de mergers first. Only after de merger there is case of selling land by roping in NBCC.

Spectrum sell has opened on 25th June 2024.

Coal Auction is announced to open in July 2024.

The purpose is very well explained in our earlier note and hence I have no reason to repeat this again and again. Fact remains CNI senses what markets cannot think on given point in time hence we always say CNI is well ahead of market.

We had also shared the top Govt priority of Budget and sectors which will benefit largely. Again I will avoid to repeat this and suggest please go through earlier report to see this.

What has changed and what is changing rapidly which will give idea on stock picking going forward

Govt said that AI will grow 1200 % in next 5 years. This should benefit all AI companies including CNI which has entered into AI. Having seen all resolutions passed in the AGM I have no hesitation to say that CNI is entering in AI, Cloud, Bloc chain and data storage. CNI does not have domain expertise in these businesses. We were expecting patent regime on global standards in India but this did not happen hence we had to diversify. Since we do not have domain expertise we had enter with technology agreement with global domain experts in this field. Rest will suggest you should go through the AGM notice where every detail is there in public domain.

Shaktikanta Das has said that India is approaching 8% GDP soon. Again CNI had predicted this couple of month back when RBI had raised GDP from 6.20% to 7%. Announce less and perform more is the new MANTRA of GPI and it is good at least these brokers and firungs have stopped questioning Govt. They now clearly believe in Govt numbers. One classic example is that a firung broker has said that India will achieve 835 bn \$ exports by 2030 which is well above Govt figure of 600 bn \$ exports.

In the Q4 our trade account turned into surplus. We need to see this again and again and once our current account also turns positive we may see Re rising. In any case bold projections made on current account deficit drop from 2.78% to just .78% is promising. I would believe by beating projection we may even see this at just .2 or .4%. This is indication that our exports will be much higher this year and imports will fall. To achieve this massive efforts were put in to product green energy which will reduce oil requirement. Also efforts are made to make ethanol % to 25 by 2025 from current 12% which means corn companies will benefit the most rather than sugar as molasses as the cost of conversion and efficiency is very high in corn.

Corn starch is also used for manufacturing hydrogen energy. Govt also considering to issue a notification where all plastics will be switched to alternative packaging and corn will be the best suited for packaging. GAEL, SUKHAJIT and TIRUPATI are the companies but my best bet is TIRUPATI which I have discussed many times hence not repeating. In 10 years this could be Rs 10 K stock like Tasty Bite as the driver is the same.

Budget will pragmatic as our revenue in Q1 rose by 22% which is unprecedented. Q4 earnings were superb. This clearly suggest that we will grow at least 25% in FY 25 hence all tax revenues will exceed estimates for sure.

Nifty earning for 23-24 was 1063 hence at 23900 also we trade at 22.48 PE. One quarter gone and in next three months we will be half way. I feel we should do at least 1205 earnings in FY 24-25 if not 1300 and at 1205 the PE comes to 19.83. Hence there is long way to go.

Correction may come and go but market will keep rising towards 47000 hence hold on your positions to enjoy wealth if created. The market capitalization to GDP require major re thinking due to massive earing growth, high GDP, excess domestic liquidity, foreign liquidity and changed market scenario where India is heading for 3rd spot globally. When experts have projected India to see 60 tr \$ economy there is no reason to become negative on Indian markets. I feel even 200% ratio is also fair though we are currently at 125%.

In textiles Lahoti, Riba are the best cases for super gains ahead of Budget. Your conviction will matter not mine. I am used to hear for more than a decade now that my conviction is the best.

Also Govt announced schemes for EMS that electronics which fall under consumables. The recent deal of Bosch and whirlpool made whirlpool to rise to Rs 2000. Havel and others have stride forward in DLF fans that is energy savers. But to mymind calcom is the biggest player due to Korean technology. Also they have exposure in smart meters. Stock is under control but how long. Today we saw A K Spintex to rise to Rs 209 with massive volumes and we decided to exit at 50% profits. Very soon we will see this happening in CALCOM too as earlier vested ones have bought till Rs 200 and pref allotment was made at Rs 160 and with Nifty rising 30% this stock is still at Rs 145 giving good opportunity to buy. Do not worry it will blast like MAFATLAL. Add with conviction.

