



**DIGITIAN
CAPITAL**



FUTURE FOCUS

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WINGS to Freedom DIGITIAN VIEW!

June 2019 was a very profitable month for investors in most of the markets especially USA, China, Bangladesh(see side Tables). In a dramatic fashion with the resumption of trade talks, **most of the tracked markets registered a remarkable recovery except India, Kenya and Ghana. This shows again the fundamental Market Hedge concept of DIGITIAN is so powerful and effective.**

In DIGITIAN Capital we always endeavor for mid value investors to take advantage of this multi market hedging opportunity or remain happy with one home market. **We also provide them an opportunity to select their own stock out of our researched diamonds**

At times, people ask us How you select multi bagger stock ?

As I explained in my earlier newsletter, we try to select "Diamond Stocks" when it is uncut and try to avoid 'Sarvoski Crystal' as early as possible.

The process of selection of diamond stocks are four stages starting with Filters DIGITIAN Quantum Filter which helps us to find out best available stocks in particular market.

On the basis of four parameters

- Consistent Performance
- Effective Capital Utilization
- Continuously compounding
- Reasonable Market Valuation

“Chinese Bamboo Tree’ takes time to grow from seeds but then quickly rises to 80 feet. The eponymous value investing philosophy alludes to this property of the tree..”

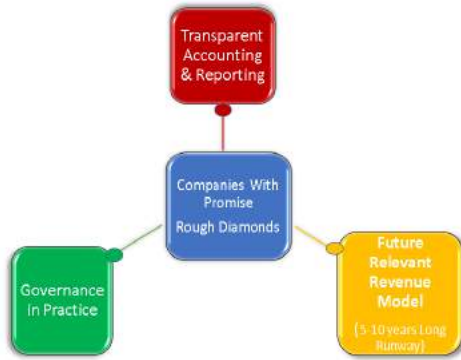
MARKET WATCH

Equity Indices	Monthly Open	Monthly Close	Monthly Change %	2019 YTD %	2018 %
S & P	2759	2942	6.6%	17.4%	-11%
Nasdaq 100	7128	7671	7.6%	15.6%	-10%
FTSE 100	7162	7426	3.7%	10.4%	-12.9%
Shanghai Composite	2898	3042	5.0%	22.0%	-26.5%
NIFTY	11922	11788	-1.1%	8.5%	2.9%
Nairobi SE 20	2677	2633	-1.6%	-7.1%	-23.7%
Egypt SE 30	13771	14101	2.4%	8.2%	-11.8%
Tanzania All Shares	1889	1892	0.2%	-7.3%	-14.6%
Ghana Composite	2461	2368	-3.8%	-7.9%	-3.7%
Nigeria SE 30	1302	1256	-3.5%	-11.4%	-20.8%
Morocco All Shares	10999	11287	2.6%	-0.7%	-9.4%
Bangladesh DSE 30	1877	1929	2.8%	2.6%	-18.0%

Commodity	Monthly Open	Monthly Close	Monthly Change %	2019 YTD %	2018 %
Gold	1305	1395	6.9%	8.7%	-1.5%
Crude Oil	61.69	66.11	7.2%	22.1%	-19.1%
WTI Oil	53.37	59.67	11.8%	30.3%	-29.1%
Copper	2.945	2.748	-6.7%	4.4%	-19.7%
Iron Ore	98.72	108.72	10.1%	57.2%	-2.9%
Aluminium	1794	1803	0.5%	-20.1%	23.7%



Once the stocks are selected which are around 10% of the stocks traded in the market. We apply our Qualitative filters 'Transparently Governed Future Relevant companies'(TGF). We believe before we go into deep cut we need to rule out companies which are not future relevant, not publishing their results transparently, and has Governance issues in the management.



This leaves us with the companies where our analysts can devote time generating the rating under **WINGS to Freedom**. The algorithm for the model takes into account our actual experience in running/assessing various industries which gives us almost 91% accuracy at 95% confidence level.

Under wings to freedom, we assess each TGF company, for 5 investment ideas -

- Winning Right
- Investment Fundamental
- Notional Adjusted Valuation
- Growth Drivers
- Skin in the game

We change our parameters depending upon Industry and also on Market Capitalisation.



The last stage before Investment is **Deep Dive**, we verify all our qualitative assumptions, do scuttle butt, attend Investors presentation. If we find no negative evidence then we gradually build our exposure.

Continuous Monitoring

Our Team monitors every day regarding sales data to re-validate sum of parts method, Industry trend, Economic trend and Review of driving assumptions again after each Quarterly financial results. Attending AGM conference and Investor Presentation.

Always remember, Value investing is like '**Chinese Bamboo Tree**' that **takes time to grow from seeds but then quickly rises to 80 feet**. The eponymous investing philosophy alludes to this property of the tree.

We also try to keep our focus on small cap stock which can become medium cap and eventually large cap by following **SMILE** refers to **Small in size, Medium in experience, Large in aspiration and Extra-large market potential**.

Only invest yourself If you can do all these things. God Bless you.

COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2019 %	Inflation %
USA	18570	29898	3.0%	1.8%
China	12238	6119	6.2%	2.7%
India	2260	2305	6.7%	2.9%
Egypt	331	53	5.1%	14.20%
Kenya	71	18	6.0%	4.4%
Tanzania	54	10	4.0%	3.1%
Ghana	43	20	6.0%	9.3%
Nigeria	405	101	2.40%	13.0%
Morocco	101	59	2.8%	1.0%
Bangladesh	221	40	7.9%	5.55%

Forex	Monthly Open	Monthly Close	Monthly Change %	2019 YTD %	2018 %
EUR USD	1.118	1.135	1.5%	-1.0%	-4.4%
GBP USD	1.264	1.269	0.4%	-0.8%	-1.0%
USD INR	69.576	68.925	0.9%	1.2%	-8.1%
USD KES	101.250	102.350	-1.1%	-0.4%	1.3%
USD EG POUND	16.740	16.700	0.2%	7.2%	-0.73%
USD TZS	2298.000	2300.000	-0.1%	0.0%	-2.6%
USD CEDI	5.429	5.430	0.0%	-10.2%	-6.9%
USD NAIRA	360.000	362.500	-0.7%	0.5%	-16.1%
USD TAKA	84.410	84.490	-0.1%	-1.3%	-0.7%



New Service : Surrogate Investment

Digitian has launched a new service "Surrogate Investment". We have come across many of our readers who may not have USD 100,000 or equivalent to join the club and make their investment fortune. Further, we understand **TRUST & BELIEF** are two big factors confronting the small investors. The service is designed to address this issue while creating a family of DIGITIAN investors :

The features of Surrogate Investment (SI) :

1. Invest your own Money through your own custodian account (so no money transfer)
2. Only two markets : India and USA
3. Atleast investable funds of USD 20,000 or AED 10,000 or INR 10,00,000
4. Digitian Capital would give you names of only 1(one) share (on the basis of our model **WINGS to freedom**)
5. You will invest yourself on the basis of that Tips on that share
6. Digitian will advice you to sell the the shares at right point in time.
7. You transfer 20% of the profit you generated out of the sale of shares. (Say you invested USD 20000/-

in Apple and you sold it at USD 24000 then you will pay DC USD 800 (20% of gain of USD 4000)
8. On receipt of USD 800 DC will provide you another name of shares where you will invest again USD 20000 or more

So it is **SIMPLE .. SIMPLE**

Why you should avail this service?

- you do not have time like us so you are getting a professional specific advise
- Your money is in your own account. You can sell whenever you want
- Digitian capital is doing all the hard work, Selecting the share, monitoring the performance of the company, attending AGM and Investors Conference, advising you the buy and sell time with entry and exit price.

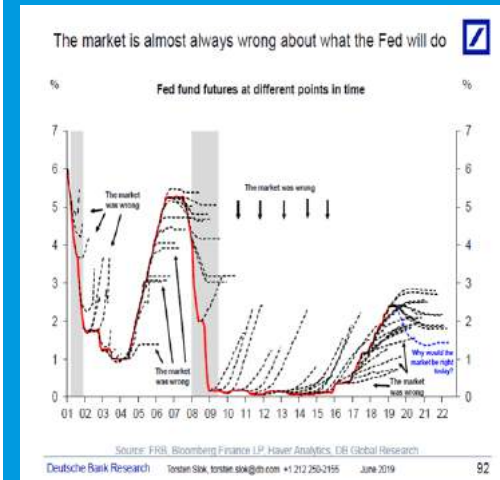
Fees for the Service :

- a) ZERO UPFRONT Fees
- b) Upside Fees of 20% of the profit **only on realisation** of the profit (So Zero risk)

Process :

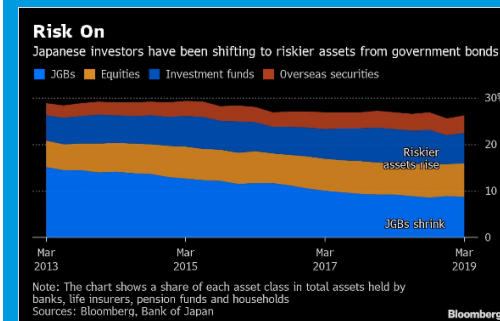
- 1) Sign up in www.digitiancapital.com
- 2) Get share Tips in the portal only

BEST CHART OF THE MONTH



Courtesy : Deutsche Bank

“Market is poised for Fed Decision in July 2019: The market is almost always wrong about what the Fed will do”



Courtesy: Bloomberg

“Japanese Investors are moving to riskier assets which will create the Bull run in developed economies like USA, UK”



In the pictures, we are with our Technology Investor-Partner Ravishekar Krishnaswamy, CEO of a midsize IT firm Phoenix, India.



VALUE INVESTING

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“Diversification is protection against ignorance. It makes little sense if you know what you are doing.”
- Warren Buffet

How to use Options Data :

Last article I have tried to simplify the terminology of options and had said in the next issue we will see how we use options data to trade or invest. Lets refresh some of the terminology again. There are four types of options:

POSITIONS	CALL	PUT
	(Short-Call)	(Short Put)
Seller	Obligation	Obligation
(Short)	To SELL	To BUY
	(Long-Call)	(Long-put)
Buyer	Right	Right
(Long)	To Buy	To Sell

Writing a call option means that you are selling a call option. If you sell a call (also know as a "short call") then you are obliged to sell stock at the strike price. Typically, a call is sold against long stock. For example, if you bought a stock when it was trading at \$100 and you sold a \$105 call for \$4.

A put is a strategy traders or investors may use to generate income, or buy stocks at a reduced price. **When writing a put**, the writer agrees to buy the underlying stock at the strike price if the contract is exercised.

Writing, in this case, means selling a put contract in order to open a position.

Hence **call option data and put option data is used to find out levels of the market.**

Call writing (means short call which means shorting the market) at particular level **gives an indication where the resistance is basis seeing number of contracts.**

Hence **maximum call written at a particular level gives an indication that traders /investors will be shorting at that particular level and hence its acts as resistance.** Please note as of today live example of Indian market data on call writing would be as under :



Call options data

Maximum Call open interest (OI) of 32.59 lakh contracts was seen at the 11,600 strike price. **It will act as a crucial resistance level in the last week of the July series.**

This is followed by 11,500 strike price, which now holds 31.43 lakh contracts in open interest, and 11,700, which has accumulated 29.89 lakh contracts in open interest.

Significant Call writing was seen at the 11,400 strike price, which added 29.42 lakh contracts. So these levels gives pain in immediate and long term where the resistance of the market lies .

Significant Call writing was seen at the 11,400 strike price, which added 2.94 million contracts. So these levels gives gain in immediate and long term where the resistance of the market lies.

Put writing (obligation to buy) at particular level gives an indication where the support is basis seeing number of contracts. Hence maximum put written at a particular level gives an indication that traders /investors will be supporting at that particular level and hence its acts as support .Please see as of today live example of Indian market data on put writing .

Put options data :

Maximum Put open interest (OI) of 3.81 million contracts was at 11,300 strike price. **It will act as a crucial support level for last week of the July series.**

This is followed by an 11,200 strike price, which now holds 2.20 million contracts in open interest and at 11,000 strike price, which has now accumulated 1.96 million contracts in open interest.

Another important data for trading or investment which should be read along with call and put data is the stock delivery % where one wants to invest.

symbol	future price	future price %	oi future	oi future %	delivery	delivery %
CONCOR	538.2	0.18%	28,47,786	4.95%	6,21,994	76.96%
ITC	265.05	-1.36%	9,32,52,000	4.75%	1,04,50,344	75.60%
INFY	786	-0.17%	6,12,26,400	-0.18%	51,82,333	69.65%
POWERGRID	204.55	-0.46%	3,44,68,000	2.11%	37,88,992	69.62%
IOC	147.95	0.75%	5,48,94,000	-3.24%	2,79,29,240	69.36%
ICICIBANK	412.85	0.66%	8,78,24,000	1.02%	1,24,07,784	66.99%
GAIL	138.45	0.33%	3,57,96,474	2.10%	53,62,961	64.66%
BOSCHLTD	15,193.80	0.11%	1,58,550	-0.88%	9,476	62.40%
MARICO	362.95	-0.59%	91,26,000	4.68%	6,51,722	61.71%
HINDUNILVR	1,685.85	-2.20%	1,15,91,400	2.80%	10,44,172	58.20%

If put option data suggest market is heading up and one wants to invest in any particular stock and that stock data suggest a high delivery % then one can expect significant upside basis these two correlations of put option data and stock delivery %.

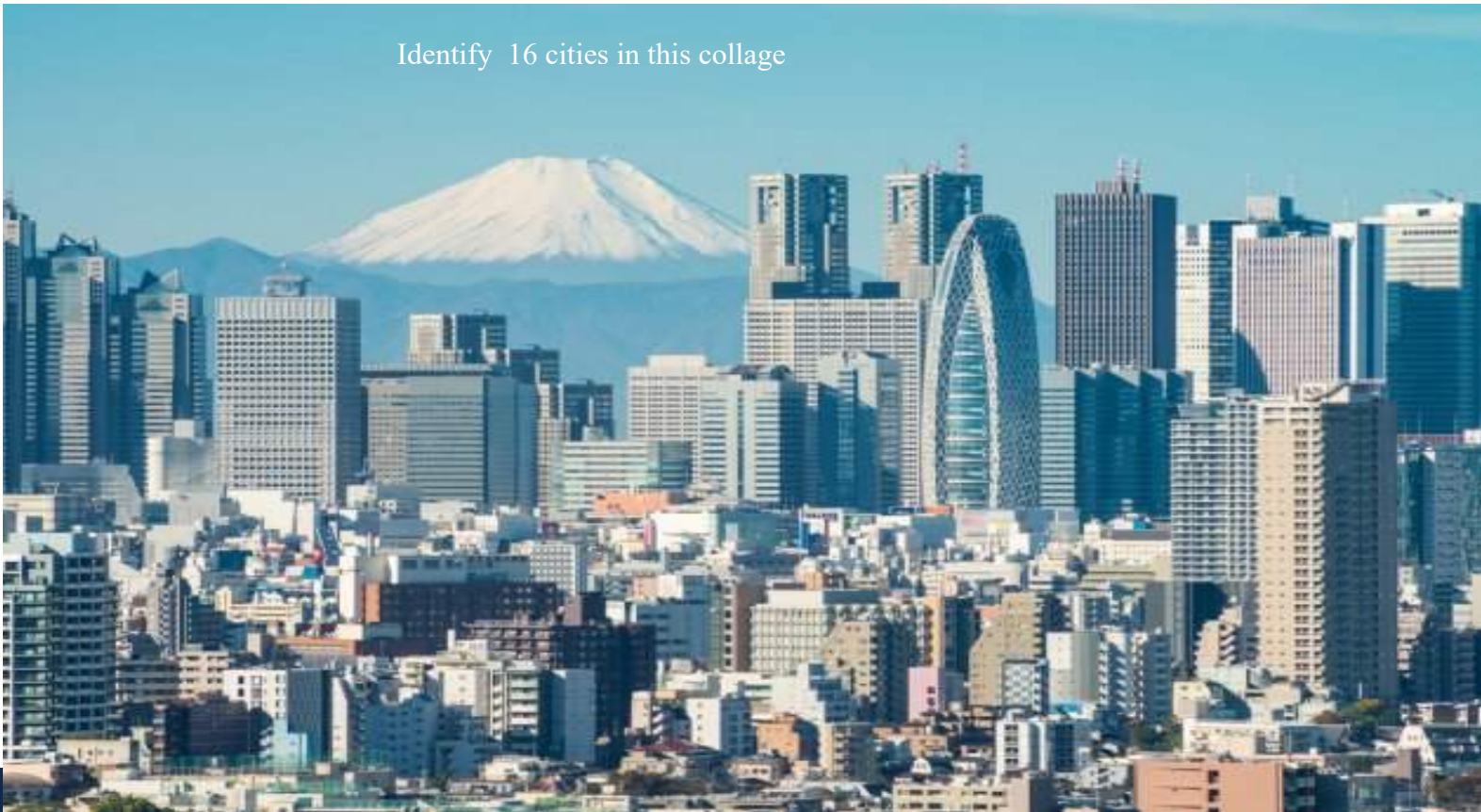
As of date above Indian data suggest one can look at following options to go long in individual stock .

Stocks with a high delivery %

High delivery percentage suggests that investors are accepting delivery of the stock, which means investors are bullish on it.

Continued Page 6

Identify 16 cities in this collage



NEWS FROM FRONTIER & EMERGING MARKETS WE FOLLOW

Courtesy : DIGITIAN Global Consulting

USA	Digitian Country Rating AAA
<ul style="list-style-type: none"> » USA market remains volatile through out June 2019 mainly due to uncertainty in US-China trade but the market completely recovered and gained 6-8% from the last month dip. due to fed rate cut possibility and resumption of trade talk. It is expected that July will see some continuation of the bull run and setting of the new high with the ensuing earning seasons starting mid July » The recovery was mainly driven by FAANG stocks and tech stocks. » Oil prices continues its sharp correction after dip in month of May, further 5-7% due to over USA supply and expected slowing world demand. 	
India	Digitian Country Rating AA
<ul style="list-style-type: none"> » Post Election bull run halted in the month of June however, given the slowing economic performance, it seems the economy needs a boost from the Government and the upcoming Budget will be very important. » GDP growth has been surely slowing. Inflation slightly inched up further. However, Currency is appreciating against Dollar which may not be good for Export Sector. » NIKEI India Manufacturing PMI Up 52.7% in May while RBI has cut its policy rate by 25 basis points; 	
China	Digitian Country Rating AA
<ul style="list-style-type: none"> » China Market continued its fall for the third month with some resistance in picture. It may turnaround dramatically if the trade talk starts; » According to Chinese Government statistics, China has seen current account surplus in Q1 with growing demands for goods and it grew faster than expected at 6.4% in Q1. 	
Kenya	Digitian Country Rating B +
<ul style="list-style-type: none"> » Kenya market is in the grip of a bear run completely eroded the entire gain of the year and dropping sharply by 1.6% due to a very dismal state of affairs of the country. We are expecting further fall within a range for this month as well » After India Kenya started the process of Demonetization since May 31 by introducing new KES 1000 note . The process is expected to be completed by October 2019. So the economy will be in Turmoil during this period; » Kenya's Tshiling slided further given the announcement of demonetization. Private Sector credit growth was marginally high at 5.2% 	
Ghana	Digitian Country Rating C
<ul style="list-style-type: none"> » Ghana Stock market is oscilating with a dip in June by 3.8%; overall the market is still down around 7.9% year till date » Ghana's economy : the IMF talks of a growth rate of 8.8% in its World Economic Outlook, which would make Ghana the fastest growing economy in the world in 2019. The cedi's sharp dive against the U.S. dollar still continued for the second month; 	



Egypt	Digitian Country Rating B-
<ul style="list-style-type: none"> → Egypt EGx30 index recovered from the last month drop and registered a gain of 2.6%. while Trade deficit shrunk by 7.8% yoy; but inflation remain a problem → Egypt will get USD 9.1 Bln in investment out of Middle East package of USD 50 bln from Trump Administration. → State owned Companies selected for Initial Public Offerings will be taken in the Second phase of Divestment to commence soon; 	
Tanzania	Digitian Country Rating C
<ul style="list-style-type: none"> → The economy seemed to coming back in track in the later half of the 2019. Credit growth was robust. Moreover, exports continued to increase, for the fourth month, on the back of rising foreign sales of gold and higher travel and transport receipts → Tanzania Inflation increased to 3.5% p.a. However, the Tshiling also depreciated after few months of stability; → Tanzania Natural Gas Power Requirement increasing in 2019; Tanzania to double its rice production by 2030; 	
Nigeria	Digitian Country Rating D
<ul style="list-style-type: none"> → The volatility in the oil price and all-important energy sector, which contracted for the fourth consecutive quarter led the slowdown. → After MTN, Airtel is getting listed in the Nigerian Stock exchange → Nigerian Industrial PMI dropped to 52.9 from 55.1 but still it is better than other African countries 	
Bangladesh	Digitian Country Rating BB
<ul style="list-style-type: none"> → In June, Bangladesh market witnessed a solid growth of 2.8% which may start the bull run → The budget increases expenditures by over 13% and targets a fiscal deficit of approximately 5% of GDP, up from the expected shortfall in FY 2019 → Bangladesh planned to invest heavily on skill development programme to make its 60 million population in the 18-24 years, ready for new age industries; 	



DIGITIAN MOMENTS

Courtesy : DIGITIAN Global Consulting

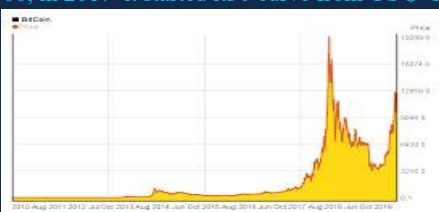
Crypto Currency (CC)

Another major trend for Millennial and DIGITIAN is Crypto Currencies. A crypto currency is a digital asset designed to work as a medium of exchange that uses strong cryptography to secure financial transactions using distributed ledger technology or Block chain. The first decentralized cryptocurrency, bitcoin, was created in 2009 by pseudonymous developer Satoshi Nakamoto. It used SHA-256, a cryptographic hash function, Soon after, in October 2011, Litecoin was released. It was the first successful cryptocurrency to use script as its hash function instead of SHA-256. Since the release of bitcoin, over 4,000 altcoins (other cryptocurrencies) have been created and some of the most famous names are Ripple, Ethereum, ZCash, Monero, Litecoin etc.

A **cryptocurrency wallet** stores the public and private "keys" or "addresses" which can be used to receive or spend the cryptocurrency. With the private key, it is possible to write in the public ledger, effectively spending the associated cryptocurrency. With the public key, others can send currency to the wallet.

Cryptocurrency exchanges allow customers to trade crypto currencies for other assets, such as conventional fiat money, or to trade between different digital currencies. An **initial coin offering (ICO)** is a controversial means of raising funds for a new cryptocurrency venture. According to PricewaterhouseCoopers, four of the 10 biggest proposed initial coin offerings have used Switzerland as a base, where they are frequently registered as non-profit foundations.

Bitcoin is the topmost crypto currency in terms of followers and speculative value. It first started going up in 2013 but for the next 3 years remains just over US \$ 1000, in 2017 it started its J curve from US \$ 1350 to US\$ 19677 in December 2018 (a growth 14.4 times in a single year) then dropped suddenly from January 2018 it dropped to as low as US \$ 3200 till May 2019 before rising again in the last 2 months to USD 12290 (4 times)



The question is why this fluctuation, which is not suitable for a reliable currency, more than its transactional value the value is driven by speculation of the future demand. Apart from that the current form of crypto currencies has the following drawback : Anonymity, Determination of value, unregulated, opaque structure, use in darknet

Legality : Most of the major countries have either directly /indirectly banned trading of CC. Even advertisement of CC in the social media is completely banned even in China and Russia (To avoid AML/ drug cartel/ terrorism funding

- Facebook recently published the intention to launch "LIBRA" a CC. The plan is for the Libra token to be backed by a basket of currencies and US Treasury securities to avoid volatility. Facebook formed a Libra Associations in Switzerland with 27 global partners payment, technology, telecom, online marketplace, venture capital and nonprofits. including Visa, Mastercard. The blockchain's distributed ledger will be used for reconciliation between service partners. This is much more palatable but still this initiative needs more regulation to be acceptable by all countries.

DIGITIAN predicts in the next 10 years there will be regulated Cryptocurrency ... Facebook started the new chapter.



DIGITIANS are those who born in or after the year 2000 and will be a dominant force through 2075. They are completely different in usage of their left brain and motor nerves. They are different from the Millennials in behaviour, thinking and action.

The world is changing superfast – media, communications, banking, currencies, education, retail channels, health & medicines, travel and tourism, consulting, manufacturing, agriculture, – every sectors facing disruptive innovations; Nano technology, internet of things, artificial intelligence and robotics will be overwhelmingly embedded. In this age, model disruption, extinction, miniaturisation, real time delivery, speed and virtualisation are neo normals.

We make you ready for them

HOW TO INVEST IN DIGITIAN CAPITAL

Presently DIGITIAN is raising money from **Equity Investor** in various classes (A, B and C) depending upon investment amount. This is a **Unique opportunity to select a Zero Tax destination to Invest money especially for diasporas.** If you need to know about Investment Opportunity. Please write to us or call us for more details at info@mydigitian.com

- Access to Frontier & Emerging Markets
- Value Stock Pick
- Online Investment Platform
- Leveraged Bonds & Notes
- Multi-bagger return
- Open & Transparent Upside Sharing

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