



FUTURE FOCUS

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“..In the midst of Pandemic markets of USA and India are behaving like mad houses, devoid of the strong economic disasters, a correction may be around the corner ... Investors need to focus on good Value stocks ”

Second Covid Waive is on : How to invest?

DIGITIAN VIEW!

Last Month we discussed about the growing gap between value stocks and growth stocks. Given the circular movement in the stock markets during COVID-19, markets showing finally appetite for value stock, some senses are back, Tech market/growth stocks continued correction. As I mentioned last month the volatility will continue, there will be more preference for value stocks, given the high valuation of Growth Stocks, due to the second surge of pandemic world over.

As suggested for the last 2 months(Aug & Sept 2020), go for medium term holding of identified value stock. Use Product like Surrogate Investor for 20-30% of the portfolio which can earn you 40%-60% a year.

Let us again look back - the markets like USA and India are behaving like mad houses, devoid of the strong economic disasters both the countries facing which USA and India both are managing through pushing liquidity printing their currencies and flooding the market with liquidity. Unprecedented but building into another recipe for hard crash, especially, India.

Read our Monthly Dossier on Coronavirus (Click)

OUR USA RETURN in 2020 (31st October 2020):

18% vs S&P 500 YTD 1.2% (2019 32% vs S&P 500 28%)

The pandemic surge is back, the cost of operations have gone up, huge cost addition in customer facing businesses, normal people are

MARKET WATCH

Equity Indices	Monthly Open	Monthly Close	Monthly Change %	2020 YTD %	2019 %
S & P	3348	3269	-2.4%	1.2%	28.9%
Nasdaq	11075	10911	-1.5%	21.6%	35.2%
FTSE 100	5902	5577	-5.5%	-26.1%	12.1%
Shanghai Composite	3218	3227	0.3%	5.8%	22.3%
NIFTY	11417	11621	1.8%	-4.6%	12.2%
Nairobi SE 20	1852	1783	-3.7%	-32.8%	-6.3%
Egypt SE 30	11051	10458	-5.4%	-25.1%	7.1%
Tanzania All Shares	1825	1782	-2.4%	-13.5%	0.9%
Nigeria SE 30	1148	1319	14.9%	12.0%	-16.9%
Morocco All Shares	10012	10460	4.5%	-14.1%	7.1%
Bangladesh DSE 30	1710	1704	-0.4%	13.4%	-20.1%

Commodity	Monthly Open	Monthly Close	Monthly Change %	2020 %	2019 %
Gold	1819	1883	3.5%	23.9%	18.5%
Crude Oil	39.13	36.59	-6.5%	-44.6%	22.0%
WTI Oil	37	34.37	-7.1%	-43.8%	33.6%
Copper	2.98	3.05	2.3%	9.0%	6.3%
Iron Ore	121.4	120.19	-1.0%	31.3%	32.4%
Aluminium	1760	1845	4.8%	2.3%	-20.1%

tired of this lock down situation. They want to get back their freedom, so psychological pressure is at extreme. In our monthly Covid dossier we maintained **that Health Crises will be followed by Economic crises and the same will be followed by Social Crises.** The first two already commenced and the signs of social crises looming as mentioned --- **now the issue is that all these will be concurrent --** that is a big effect.

Pfizer, Eli Lilly and Moderna (& many other vaccine candidate) have published results of their last stage vaccine trials with 92-95% efficacy, which created hope for sure but it has also thrown the challenges of logistics for distribution. **We think it will be at least Q3 2021 for a meaningful solution to COVID.**

Goldman Sachs' David Kostin predicted market to reach 4,300 by 2021 (+18.6%); and 4,600 by 2022 (+26.8%) (which is followed by Morgan Stanley, JPMorgan Chase & others). This shows Wall street big money is riding on this bet. This created the FOMO among market participants. **We at DIGITIAN believe that investors need to be very cautious while selecting stocks at this juncture and volatility will continue.**

As we write, the **presidential election has been won by Mr Joe Biden** (Democrat) over Donald Trump (Republican), market jumped on the news but remained range bound with Trump rejecting to concede, which created further uncertainties. On the other hand, the earlier projection of a major recovery during Q3 is also getting threatened due to possible lock-downs during the holidays season in USA and Western world.

For over the last 6 years, the surge in Growth stocks trumped that of Value stocks.

Russell 3000 Value vs. Growth



Similarly from 2004-2008 growth in value stocks are higher than that in Growth Stocks;

Russell 3000 Value vs. Growth



While traditional value is cheaper than ever and more attractive today, I expect we'll see a steep bear market before it starts beating growth again. Unfortunately, **Downside risk in the stock market today is greater than it has ever been in history.**

It might not be today, tomorrow, or even next year. But at some point, the bubble will pop... and everything will come crashing down. So, It is time to **prepare and not predict**, and to go for quality value stocks with a long runway path and sustainable future value.

Tobias Carlisle in his book, **The Acquirer's Multiple**, showed traditional value metrics performed very well in Japan during its two-decade bear market from 1990 to 2011. US market may see same for a medium period

At this juncture, professional support is required in identification of stocks; which calls for Surrogate Investor like product

Happy Investing!!

COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2020 %	Inflation %
USA	21729	26689	-3.6%	0.6%
China	12238	10290	1.6%	-2.0%
India	2260	2305	-3.2%	4.2%
Egypt	331	53	1.6%	6.00%
Kenya	71	18	1.5%	5.1%
Tanzania	54	10	2.1%	3.7%
Ghana	43	20	2.5%	9.7%
Nigeria	405	101	1.00%	6.0%
Morocco	101	59	0.5%	1.0%
Bangladesh	221	40	1.0%	4.00%

Forex	Monthly Open	Monthly Close	Monthly Change %	2020 YTD %	2019 %
EUR USD	1.172	1.160	-0.98%	3.5%	-2.3%
GBP USD	1.294	1.290	-0.31%	-2.6%	-10%
USD INR	73.300	74.280	-1.32%	-4.1%	-2.1%
USD KES	108.500	108.850	-0.32%	-5.7%	-0.7%
USD EG POUND	15.750	15.710	0.25%	2.1%	11.60%
USD TZS	2320	2319	0.04%	-0.8%	0.0%
USD NAIRA	381.100	381.200	-0.03%	-4.9%	0.5%
USD TAKA	84.830	84.790	0.05%	0.1%	-1.8%



Be a millionaire Start Surrogate Investment ?

World First digital surrogate investor platform is now ready and for the first 6 months registration is **FREE**

Surrogate Investment refers to getting the benefits of Investment in stock like a professional without the pain of tracking the stock, studying the market trend and the time it takes to do the same. **REAL TIME**

Why it is a success:

- **Skin in the game:** the fund managers picked up these shares and invested in themselves basis proprietary Research
- **Time to market :** They are keeping daily watch on the stock/market behaviour and that of the global trend
- **Regular Profit booking :** They make profit and you make too in the short run

- **Professional Expertise & Performance Track:** Fund managers are super Qualified Professional Experts with their Return CAGR varies between 35%- 48% over last 10 years

What you have to do ?

- Have your trading account for full control of your money
- Act fast when Buy and Sell advice is given and make Huge Profit
- Only pay Back if you made money

Success returns :

Surrogate Investors are making 100%+ to 450% annualised return from each trade

New Service : Surrogate Investment

Digitian Capital (DC) 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 medium value investors. The service is designed to address these issues 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.

If you have a loss from a tip it will be adjusted first from subsequent gain, before upside kicks in.

So it is SIMPLE .. SIMPLE

Why You should avail this service?

- You do not have time like Professional Fund Managers 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 :

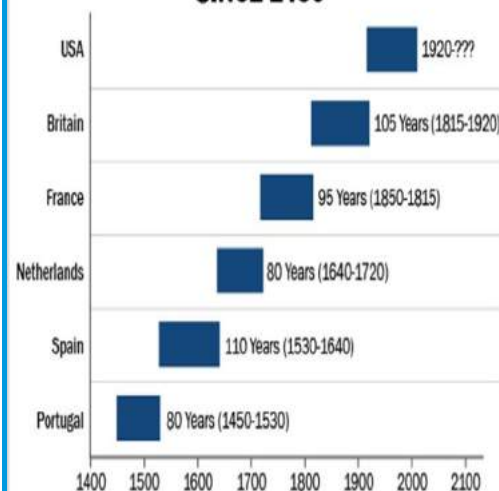
- a) ZERO UPFRONT Fees
- b) Upside of 20% of the profit **only on realisation** of the profit (So Zero risk)

Process :

- 1) Sign up : digitiancapital.com
- 2) Start Your millionaire Journey

BEST CHART OF THE MONTH

GLOBAL RESERVE CURRENCIES SINCE 1450



The dominance of Global Currency Reserves over the last 600 years mainly shows the dominance of a single currency for maximum average 94 years..... so whether there will be a major change in the Global Currency reserve post pandemic since Chinese Renminbi is also in contention or a currency baskets or crypto currencies."



VALUE INVESTING

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“Value investing doesn’t always work. The fact that the value approach doesn’t work over periods of time is precisely the reason why it continues to work over the long term”

Value Investing and Growth Investing

At the center of conventional value investing is the assumption that intrinsic value of a company mostly doesn't change.

It's about buying a stock whose intrinsic value you figure out to be Rs 100, at a discount of 30% (at least), and then sell it as soon as the stock reaches the intrinsic value.

In other words, if you identify a stock with an intrinsic value of Rs 100, then buy it at Rs 70 and sell it at Rs 100.

And then we have growth investors...

They seek out companies that offer strong earnings growth. They are not obsessive about valuations while buying growth stocks.

Both the approaches have worked in the past if you look at the history over the last few decades.

However, in the recent years, the conventional value investors have lagged behind the growth investors.

Sensex is trading at 30 times P/E (price to earnings), a valuation that would make

This brings out an interesting debate - What works: Value or growth?

I read a post some time back wherein Jack Schwager, the author of Market Wizards series, when answering a question on whether value investing works, turned to the wisdom of Joel Greenblatt, one of the foremost experts on the subject. Schwager quoted this from his interview with Greenblatt – “Value investing doesn’t always work. The market doesn’t always agree with you. Over time, value is roughly the way the market prices stocks, but over the short term, which sometimes can be as long as two or three years, there are periods when it doesn’t work. And that is a very good thing. The fact that the value approach doesn’t work over periods of time is precisely the reason why it continues to work over the long term.”

Now what should you do now ?

Before, I answer that question just go through an extract of what Morgan Housel wrote in his latest book “**The Psychology of Money: Timeless Lessons on Wealth, Greed, and Happiness**”

- But do you know what happened during this period? Where do we begin ...
- 1.3 million Americans died while fighting nine major wars.
- Roughly 99.9% of all companies that were created went out of business.



- Four U.S. presidents were assassinated;
- 675,000 Americans died in a single year from a flu pandemic.
- 30 separate natural disasters killed at least 400 Americans each.
- 33 recessions lasted a cumulative 48 years.

The number of forecasters who predicted any of those recessions rounds to zero. The stock market fell more than 10% from a recent high at least 102 times.

Stocks lost a third of their value at least 12 times. Annual inflation exceeded 7% in 20 separate years.

Stock market returns are logically your GDP growth rate % plus inflation % over long period of time.

Hence if the GDP is always $x\%$ and inflation normally always a positive number say $y\%$, your share market return % is normally higher than $(x+y)\%$.

Hence it doesn't matter whether you are value investor or growth investor –invest what suits your style and conviction –what matters is “time “ in the market than timing the market or what type of investors you are, provided you are “long” in the market for a really long time. Then what matters is nicely summed up below by the stalwarts of the market .

At the Berkshire Hathaway shareholder meeting in 2013 Warren Buffett said **he's owned 400 to 500 stocks during his life and made most of his money on 10 of them.**

Charlie Munger followed up: **“If you remove just a few of Berkshire's top investments, its long-term track record is pretty average.”**

“It's not whether you're right or wrong that's important,” George Soros once said, “but how much money you make when you're right and how much you lose when you're wrong.” You can be wrong half the time and still make a fortune.

Now coming to the present scenario ,Emerging markets could benefit from a political environment that looks set to become “more benign” following the victory of Democratic candidate Joe Biden in the U.S. presidential election (if ultimately it happens).

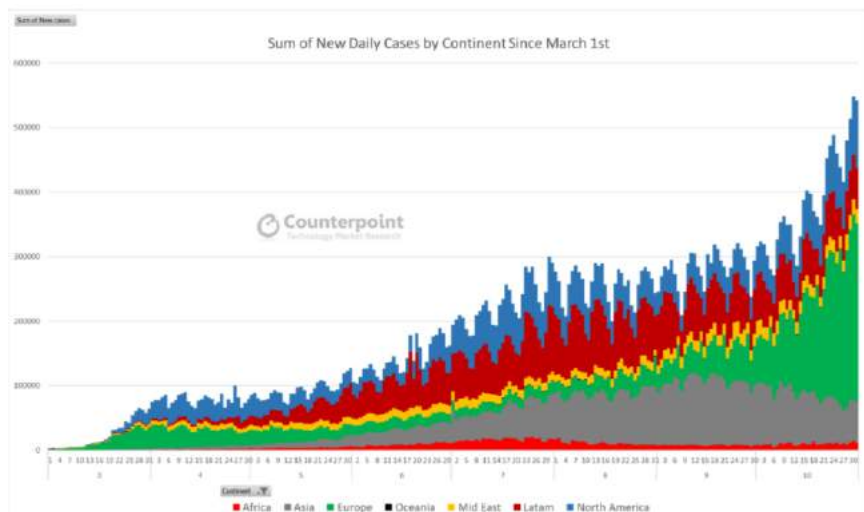
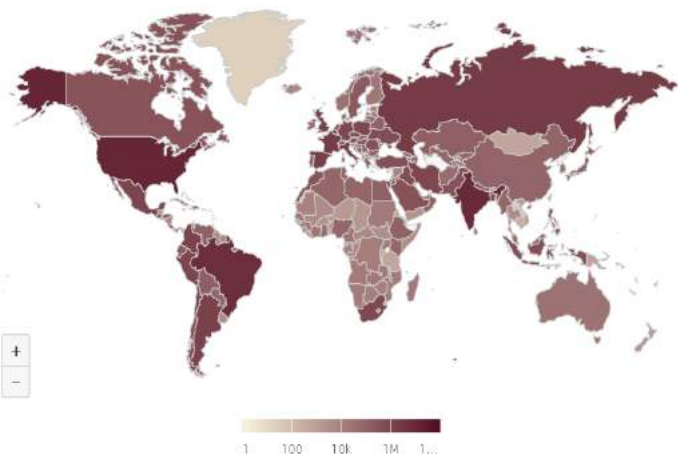
Among emerging markets, India is leading. There are huge possibilities exist in India but consistent with uncertainties - a perfect condition for significant upside. Hence India is the market to watch for

We are there what are you waiting for ? If you do not have the time use our product **Surrogate**

Happy investing !

COVID 19 PANDEMIC WILL HAVE PROLONGED EFFECT - BEAR MARKET POSSIBILITY IS LOOMING

Total number of cases
Per country over time





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 opportunities, Please write to us for more details at info@mydigitian.com

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