



DIGITIAN CAPITAL

We Completed 2 Years !!!



FUTURE FOCUS

Saugata Banerjee
saugatab@mydigitian.com

“.. It is a great opportunity to get access to the long term Investors' investment book with a research capsule, buy/sell real time guidance, and get a return of 20%-60% in 3-9 months - this is the unique offer Surrogate Investor brings ”

Will the bull madness continue in 2021?

DIGITIAN VIEW!

December 2020 saw a crescendo in bull run all across the Globe starting from USA and moved across the emerging markets mainly India, and South Asian markets seen a never before seen bull run. (refer to side Table). **In contrast a world is seriously affected by pandemic, there are little chances of any normal recovery.** At the start of 2020, consensus projection was 3450 for S&P500 and it touched 3756 !!! Given the lowest bond yield, all Institutional money flowed into stock markets while individuals being stuck at home took this as the best opportunity to make money.

As usual we took advantage of this abnormal situation and our portfolio did perform superbly in India and USA while Africa portfolio made good return and will be doing great as it revives in 2021.

Liquidity - Liquidity - Liquidity : at a zero cost can create never ending false realm of bull run with speculation and volatility. This spilled on to all speculative assets (like Bitcoin).

Commodity Prices - Iron Ore, Copper, Gold and Aluminum, all gone up in an unprecedented manner in the shortest possible time when manufacturing Index across the globe is at all time low.

Energy Industry both Crude and WTI recovered greatly during December 2020 due to positive hope created by vaccine launch but still the only assets more than 20% down.

Thus the Question is whether this Bull run will continue in 2021. As of now, it seems that this trend will continue till the liquidity tap is on. (read Fed decision) There will be superficial correction and uncertainty but the market will bounce back and indices will continue to go higher. **There will be cyclical movement within sectors but the Volatility will be higher;**

MARKET WATCH

Equity Indices	Monthly Open	Monthly Close	Monthly Change%	2020 YTD %	2019 %	2018 %
S & P	3269	3756	14.9%	16.2%	28.9%	-11%
Nasdaq	10911	12888	18.1%	43.6%	35.2%	-10%
FTSE 100	5577	6460	15.8%	-14.3%	12.1%	-12.8%
Shanghai Composite	3227	3473	7.6%	13.9%	22.3%	-26.5%
NIFTY	11621	14919	28.4%	22.5%	12.2%	2.9%
Nairobi SE 20	1783	1888	4.8%	-29.6%	-6.3%	-20.7%
Egypt SE 30	10458	10845	3.7%	-22.3%	7.1%	-11.8%
Tanzania All Shares	1782	1817	2.0%	-11.8%	0.9%	-11.0%
Nigeria SE 30	1319	1319	0.0%	12.0%	-16.9%	-20.8%
Morocco All Shares	10460	11288	7.9%	-7.3%	7.1%	-9.4%
Bangladesh DSE 30	1704	2079	22.0%	38.4%	-20.1%	-10.3%

Commodity	Monthly Open	Monthly Close	Monthly Change%	2020 %	2019 %	2018 %
Gold	1883	1901	1.0%	25.1%	18.5%	-1.5%
Crude Oil	36.59	51.72	41.4%	-21.7%	22.0%	-19.1%
WTI Oil	34.37	48.34	40.6%	-21.0%	33.6%	-29.1%
Copper	3.05	3.52	15.4%	25.3%	6.3%	-19.7%
Iron Ore	120.19	155.84	29.7%	70.3%	32.4%	-2.9%
Aluminium	1845	1980	7.3%	9.8%	-20.1%	23.7%

Market is a Zero sum game if someone is making money then some other is losing money as well in a medium period of time.

And always keep reminding what goes up fast will come down fast as well. When? How much? we do not know, but there will be wild swing and if you are not holding quality share you will never see that price for the share again in a long time. So play with caution and get professional advise like **surrogate Investor**.

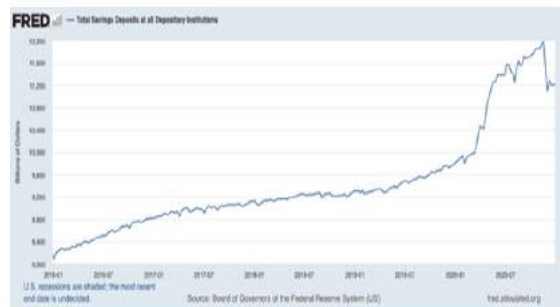
One famous investment research firm in USA ...**"In the 27 years that The Motley Fool has been in business, we've never experienced a market like the one we've been riding"**.

More than 50 companies have seen growth of 100% to 300% in the last 9 months with a PE of 50 to 100 times their current earning or on the basis of Future Prospect.

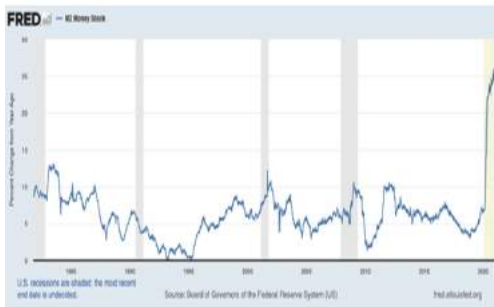
However, we believe there are still companies in the market poised to deliver incredible upside in the coming year 2021 given the volatility and liquidity.

Inflation 2021

Unlike 2008/2009 financial crises when QE money was absorbed by bank Balance sheet due to poor Capital structure which prevented hyper inflation, **2020/2021 will be different** as now the banks' balance sheet are stronger and the QE amount flowing into Assets creating a bubble. Further with **triple size** of the stimulus package and direct transfer to individual account, the savings soared like never before (See Savings Chart below)



M2 money supply is rising at an unprecedented 25% year-over-year rate, which is much faster than during the inflationary period of the 1970s (See Chart)



Given the growing second wave of Covid Pandemic, more stimulus being announced in USA which will further create savings Growth and M2 growth. So we will surely see an inflation may be at the end of 2021 as economy is also suffering significant unemployment as well. However, in all likelihood FED will not think of increasing rate in 2021. Basically 2021 will be almost similar to 2020 with more volatility but slightly predictable **This is fundamental to track.**

China's Economic Recovery : Only large economy in 2020 to grow positively @2.3%. **However, the rebound has been uneven.** China has relied heavily on exports of manufactured goods, and its fiscal and monetary stimulus focused on restarting factories and supporting businesses. rather than stimulating consumer spending and retail sales unlike USA/UK. Resulting into weak Domestic spending, and retail sales fell 3.9% in turn relatively slower stock market growth than US. In 2021, China is projected to grow more than 7%, this would see positive effect in Index.

You must play good defense, first and foremost in the given market. You will not get the return of 2020..but still you will get a good return than bonds/savings. You must diversify to more than 1 markets

Happy Investing!!

COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2021 %	Inflation %
USA	21729	50808	1.0%	2.24%
China	14340	10290	7.0%	1.9%
India	2650	2500	9.0%	4.0%
Egypt	220	42	3.2%	6.00%
Kenya	70	21	6.4%	5.4%
Tanzania	54	6.5	6.6%	3.7%
Ghana	43	11	4.8%	8.7%
Nigeria	421.12	42.00	1.90%	13.9%
Bangladesh	318	57	6.8%	5.19%

Forex	Monthly Open	Monthly Close	Monthly Change %	2020 YTD %	2019 %	2018 %
EUR USD	1.160	1.213	4.60%	8.2%	-2.3%	-4.4%
GBP USD	1.290	1.367	5.97%	3.2%	-10%	-10%
USD INR	74.280	73.090	1.63%	-2.5%	-2.1%	-8.1%
USD KES	108.850	109.740	-0.81%	-6.5%	-0.7%	1.3%
USD EG POUND	15.710	15.840	-0.82%	1.3%	11.60%	-0.73%
USD TZS	2319	2319	0.02%	-0.8%	0.0%	-2.6%
USD NAIRA	381.200	381.200	0.00%	-4.9%	0.5%	-16.1%
USD TAKA	84.790	85.069	-0.33%	-0.2%	-1.8%	-0.7%



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 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.

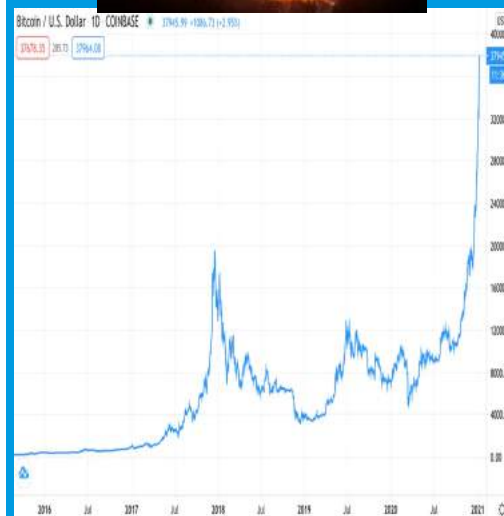
Fees for the Service :

- 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

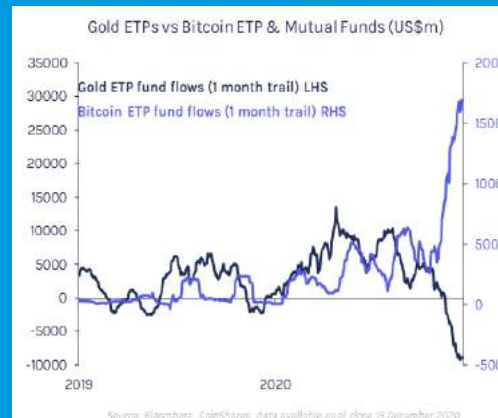
BEST CHART OF THE MONTH



The most Dramatic Rise even in the history of Stock market a standing poll,

In March 2020 it was \$4000 and in Dec 2020 - it touched \$40000 - an increase of 1000% in 9 month.

Mutual Fund/ ETF and Institution Play - Gold dumped in favour of Bitcoin.





VALUE INVESTING

Debashish Neogi

debashishn@mydigitian.com

“ Markets will always be volatile, sometimes more, sometimes less, sometimes in narrow range, sometimes in a wide band”

Have You missed the rally - so what next ? (Part II)

Equity investing is not gambling and approach it in a long term mind set. Business are created over a period of time and takes time to create value - So equity investing must be long term oriented. Prices eventually match the underlying value of the business. But price will not be close to value all the time.

Investors must have capability to stomach up and down and volatility of the market

There is nothing *safer than* equity investing . You have to really really work hard to lose money in the markets, you can make less money but it's difficult to loose money, at least if you rely on professionals. Commit on a long term basis rather than flirt with stocks.

Bharath Shah, a reputed investor for more than 3 decades rightly put – **Markets will always be volatile, sometimes more, sometimes less, sometimes in narrow range, sometimes in a wide band** - It is an intrinsic character of market. No reason to believe that market will not be volatile in future. If you are accepting the fact that volatility of 5, 10 and 15% is fairly common, and then you do not see it unusual

It is not an enemy or threat, but a friend, if you know how to benefit from it

- 20-30% kind of changes is less often, happens once in a few year
- 30-40% or higher, once in 7 - 10 years
- Once in 20 - 25 years, you will witness 50% of a more up or down in the markets. Once you accept market are volatile, you arrange affairs in such a way, rather than getting intimidated, we rather get benefited. Price is a slave of underlying worthy, which is again a slave of real profit (Real cash flow).

Ultimately value creation is a price of quality earnings.

Now the question , **Is India overvalued and overbought? Or, should a special dispensation be made, considering the once-in-a-century pandemic and abundant global liquidity?**

FII Record Inflows: Amid overwhelming consensus to not bet against the Fed, the accent is on relative valuation. India scores better compared with its EM counterparts on the relative valuation matrix. As a result, Asia's third-largest economy has received record inflows in the last three months.

Equity To Bond Spreads : The global equity valuation matrix has re-based with bond yields staying at the

record low level and inflation to remain low for an extended period of time. The spread between bond yield.and earnings yield — the inverse of the price-earnings multiple is 143 basis points, which is quite close to the historical average level of 112 basis points. Thus, equities still remain relatively attractive to bonds.

Cost of Funds & Credit Spreads: Typically, spreads above 200 basis points trigger buying. The 10-year bond yield eased 68 basis points last year. Jefferies believes that India's valuations are still manageable due to the favourable bond yield earnings yield matrix and believes that low yields are likely to stay.

The pressure on global yields can be gauged from the fact that nearly \$18 trillion of debt is trading below zero yield and this amount has doubled since 2019. Relative valuation of India has been trading close to historical averages thanks to the rally in the entire EM universe in 2020 due to declining dollar and LIBOR.

PE & PEG & Dollar Index : Nifty 50 is trading at a 41% premium to the EM index compared with its 10-year average of 39%. The net short bets by the traders linked to the Dollar index rose to the highest

level, according to CFTC data in almost a decade. The superior price-earning growth(PEG) ratio of India compared with the EM index may support (or even expand) India's valuation.

Global Market Cap : In 2020, the entire world's market capitalization soared to a record level as investor slapped up equities in chase for yield. This resulted in global market capitalization touching \$100 trillion for the first time.

India's Share in World Market Cap : However, India's contribution to the global market capitalisation is still hovering at the historical average level of 2.38%. This ratio was higher than 3% in 2008, 2010 and 2018, when India reached an overheated zone.

So NOW where to invest in Indian Equities : We have identified few companies – some very under researched and some not. I am putting below some of the small caps which are very under

researched where we apply our proprietary frame work to find out multi baggers. Needless to mention that we ourselves have heavily invested in them.

1)**An auto ancillary company** –The company supplies to world's premium companies. The first 4 top clients turnover is close to USD 200 billion. This company is sole supplier for those brand/models. This company now have delivered 3X from our first purchase price in 9 months and we still haven't sold any share, infact we are averaging up on the rise .

2)**NBFC in MFI space** –This company pre covid had a ROE of 30% +, ROA of 6%+ and NPA of 0.5% ,one of the best amongst all financials ,better than Bajaj financial . This is up 4 X from our first buy 3 years back !

3)**Niche Pharma company in Animal API space** – They supply to 400 odd customers with loyalty rate of 99% .

The share price is up 3X for us in 8 months because the quarterly profits are also up 3X .

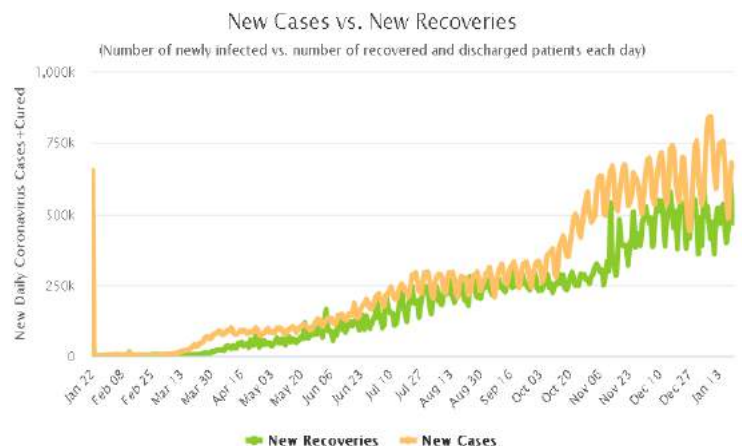
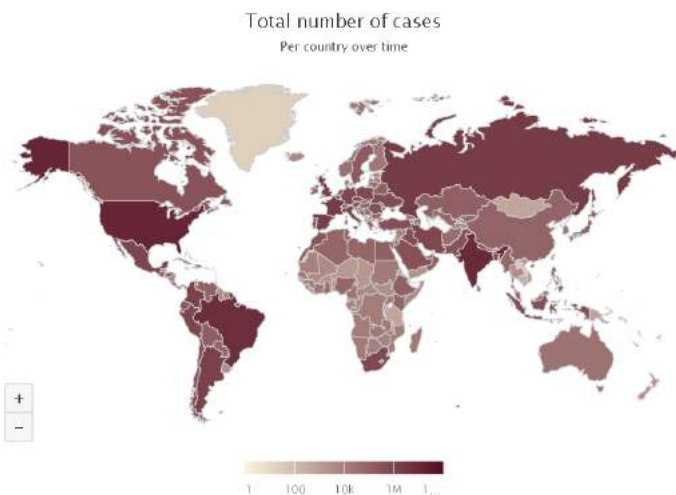
4) **Niche technology company** which belongs to a reputed group caters to a market size of USD 2trillion and this company with an operating margin of 30% +and an attrition rate of abysmally low of 6% (both best in the industry) is only USD 2 billion market cap !

We have many recommendations in pipeline, we mentioned only those where the recommendation is still open and we are still holding the shares .

Wishing our readers and their family members a very happy& prosperous new year.

All the best in investing for 2021 and years to come

COVID 19 PANDEMIC EXPLODED IN THE FOR THE LAST QUARTER FALLING ON VACCINE LAUNCH - ALL MARKETS IN UNPRECEDENTED IS LOOMING





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

- Unique Access to Frontier & Emerging Markets
- Value Stock Pick
- Online Investment Platform
- Cheaper Cost
- Multi-bagger return
- Open & Transparent Upside Sharing

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Contacts us :

info@mydigitian.com
Standard Chartered Tower
Level 5 Emaar Square
Down Town, Burj Khalifa
PO Box : 35482
Dubai UAE

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