



**DIGITIAN
CAPITAL**



FUTURE FOCUS

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“..It is a great opportunity to get access to the long term Investors' investment book with a research capsule, buy/hold/sell real time guidance, and get a return of 20%-60% in 6-12 months - this is the unique offer Surrogate Investor brings ”

Relevance of Thomas Rowe Price Jr in Today's market

DIGITIAN VIEW!

I hope you are enjoying this small capsules of stalwart Investors and brushing up your investment funda. In my Investor Guru Series, I will discuss the philosophies of another Guru Investor, Thomas Rowe Price Jr and his relevance in Today's Market.

Thomas Rowe Price Jr. (1898-1983) is a successful American Stock Trader Investor and the founder of T Rowe Price Investment Firm a publicly owned firm in S&P 500. He is known as **"Father of Growth Stock Investing"**. He is a proponent of growth Investing Strategy along with Phillip A Fischer. He believed that investors could earn superior returns by investing in well-managed companies in fertile fields whose earnings and dividends could be expected to grow faster than inflation and the overall economy. The core of Price's approach, proprietary research to guide investment selection and diversification to reduce risk. Secondly, instead of charging a commission, as others in the business did

at the time, Price charged a fee based on the assets under management, which binds the success of the investment firm to the success of the portfolio and stocks invested in.

“growth stocks can be defined as shares in business enterprises which have demonstrated favorable underlying long-term growth in earnings and which, after careful research study, give indications of continued secular growth in the future.”

Price preached investing in Growth Stocks. His fundamental ideas are captured in Five Steps :

1. **Form an Investment objective** : All investors should have an objective and if investors objective is **"Capital Growth"** then **Growth stock investing strategy** would be best fit
2. **Life cycle theory of Investing**

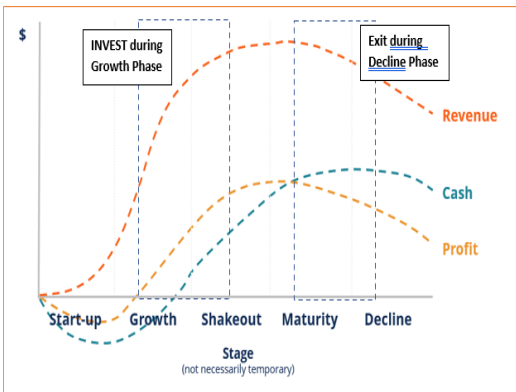
It is a well known fact that all corporates follow a particular life cycle of growth, maturity and decline. Price advised always invest when the corporate in its growth

MARKET WATCH

Equity Indices	Monthly Open	Monthly Close	Monthly Change %	2022%	2021%
S & P	4158	3811	-8.3%	-12.8%	26.9%
Nasdaq	12131	11100	-8.5%	-22.4%	21.4%
FTSE 100	7600	7171	-5.6%	2.4%	14.8%
Shanghai Composite	3176	3384	6.5%	-12.7%	4.8%
NIFTY	16653	15787	-5.2%	-4.1%	16.4%
Nairobi SE 20	1688	1632	-3.3%	-11.1%	1.7%
Egypt SE 30	10112	9008	-10.9%	-15.4%	10.2%
Tanzania All Shares	1898	1883	-0.8%	0.0%	4.5%
Nigeria SE 30	1965	1888	-3.9%	14.2%	4.9%
Morocco All Shares	12321	11617	-5.7%	-7.7%	18.3%
Bangladesh DSE 30	2355	2291	-2.7%	-7.0%	21.7%

Commodity	Monthly Open	Monthly Close	Monthly Change %	2022%	2021 %
Gold	1855	1796	-3.2%	-1.80%	-3.8%
Crude Oil	119.33	111.5	-6.6%	43.89%	49.8%
WTI Oil	118.65	108.60	-8.5%	43.82%	56.2%
Copper	4.35	3.62	-16.8%	-18.10%	25.6%
Iron Ore	133.17	113.9	-14.5%	1.24%	-27.8%
Aluminium	2887	2443	-15.4%	-12.78%	41.5%

phase, since it offers **high chance of profit in comparison to low risk of capital**. The curve shows the entry and exit phase :



One .. can be reasonably successful by selecting the best-managed companies in fertile fields of growth, **buying their shares and retaining them until it becomes obvious that they no longer meet the definition of a growth stock,**"

It is a very simple and known analogy but his unique application make it worthy of remembering.

3. Identifying Growth stocks :

The most difficult area is to identify these growth stocks. Price distinguished growth stocks mainly of two types - as **Stable and Cyclical**.

Stable stocks performance are characterised by :

- The average of latest 5 years earnings are at least 50% higher than the average earnings of 5-10 years ago;
- The earnings of the current year are atleast 75% higher than the average earnings of 5-10 years ago;
- Principle a & b applies to Dividend as well
- Future : Able to expect with reasonable certainty that Earnings and Dividends will be growing in the coming years too;

Cyclical stocks performance are characterised by :

- If we look at the last upswing in the business cycle, the company should have been performing well;
- In period of moderate prospect

should be paying dividend

c. Future : In the coming period the company must be expecting exceeding performance

d. Favorable prospect of the dividend to increase

Stable and Cyclical Stocks can be again segregated into two :

First Grade Stocks :

- Leaders in the Industry/sector
- Established company or Track
- Financially strong

Second Grade stocks:

- Unseasoned in the Industry/sector
- Dependant on few patents /Products
- Financially weak

Focus on first grade stocks - stable or cyclical

4. Factors causing Strong Growth:

- leadership position within Industry
- Valuable patents or innovative products
- Experienced and satisfied staff
- progressive Management
- Potential to reach world markets
- maintaining profitability while increasing sales

5. Factors causing Maturity & Decline

- Adverse change in Management/ high turnover
- Saturations of Markets (stagnation)
- New innovations & obsolescence
- Adverse legislations /tariffs
- Rapidly Increasing Input cost

"It is better to be early than too late in recognizing the passing of one era, the waning of old investment favorites and the advent of a new era affording new opportunities for the investor."

Price stated "Change is the investor's only certainty." and also reminded "No one can see ahead three years, let alone five or ten. Competition, new inventions - all kinds of things - can change the situation in twelve months."

"The growth stock theory of investing requires patience, but is less stressful than trading, generally has less risk, and reduces brokerage commissions and income taxes."

And the final pearls of wisdom :
Every business in manmade.. if you want to have an understanding of any business, it is important to know the background of the people who started it and directed its past and the hopes and ambitions of those who are planning its future."

COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2022 %	Inflation %
USA	23420	48264	2.7%	6.80%
China	16000	7620	5.1%	2.2%
India	3050	3210	8.2%	6.7%
Egypt	340	49	3.8%	10.70%
Kenya	107	23	5.5%	6.2%
Tanzania	62	7	4.7%	3.7%
Morocco	122	11	1.1%	5.3%
Nigeria	445	54	3.10%	16.3%
Bangladesh	400	68	7.2%	6.20%

Forex	Monthly Open	Monthly Close	Monthly Change %	2022%	2021%
EUR USD	1.075	1.044	-2.88%	-7.77%	-6.7%
GBP USD	1.262	1.217	-3.55%	-10.12%	-1.0%
USD INR	77.660	78.900	-1.57%	-5.60%	-1.9%
USD KES	116.750	117.800	-0.89%	-3.95%	-3.0%
USD EG POUND	18.580	18.800	-1.17%	-16.44%	0.8%
USD TZS	2327	2327	0.00%	-0.95%	0.6%
USD NAIRA	415.220	415.000	0.05%	-0.91%	-7.3%
USD TAKA	89.075	93.400	-4.63%	-8.22%	-0.8%



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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

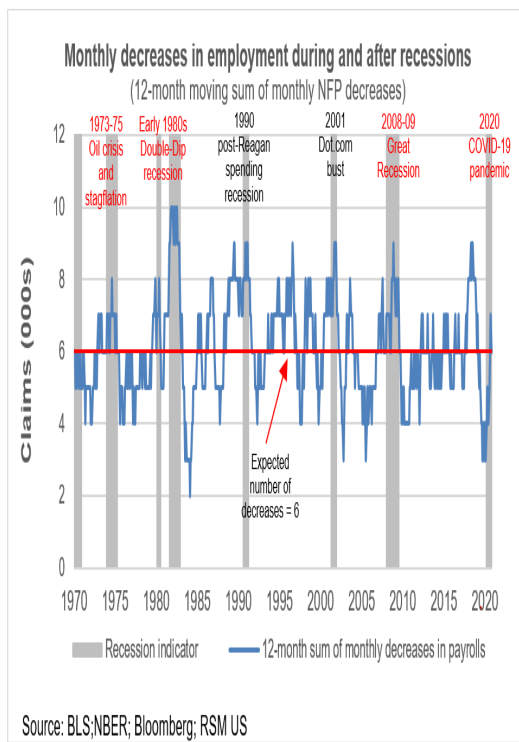
What you have to do ?

- 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

BEST CHART OF THE MONTH



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

Vj g'ej ctv'lj qy u'the unemployment «
will be higher before, during or after each recession. This is a good way to track recession.



VALUE INVESTING

Debashish Neogi

“In case of multi-bagger, the most important factor is to detect when the companies are going through a meaningful change for the long term growth, if you can detect the change and ride along with the company then only you can see a 10x +return”

Change is the only constant! Tata Elxsi/ RACL

Nokia CEO ended his speech saying this “we didn’t do anything wrong, but somehow, we lost”.

During the press conference to announce NOKIA being acquired by Microsoft, Nokia CEO ended his speech saying this “we didn’t do anything wrong, but somehow, we lost”. Upon saying that, all his management team, himself included, teared sadly.

Nokia has been a respectable company. They didn’t do anything wrong in their business, however, the world changed too fast. Their opponents were too powerful. They missed out on learning, they missed out on changing, and thus they lost the opportunity at hand to make it big. Not only did they miss the opportunity to earn big money, they lost their chance of survival.

The message of this story is, if you don’t change, you shall be removed from the competition. It’s not wrong if you don’t want to learn new things. However, if your thoughts and mindset cannot catch up with time, you will be eliminated.

Conclusion:

1. The advantage you have yesterday, will be replaced by the trends of tomorrow. You don’t have to do anything wrong, as long as your competitors catch the wave and do it RIGHT, you can lose out and fail.

2. To change and improve yourself is giving yourself a second chance. To be forced by others to change, is like being discarded.

3.Those who refuse to learn & improve, will definitely one day become redundant & not relevant to the industry. They will learn the lesson in a hard & expensive way.

Above interview reminded me of a book I read, long back –“What Got you here wont get you there “ by Marshall Goldsmith .

Like professionals management / companies have to get their acts right to be “ future ready”. Now when you pick these traits in a company and they execute their strategies well, you surely have a multibagger .

Take the example of **Tata Elxsi** which we picked up basis the above as exactly one of the above criterion !

Past Background :

One of the biggest concerns for investors 5–10 years ago, was Tata Elxsi’s dependency on Jaguar Land Rover. The company had been working with them since 2000 and the ties only grew stronger after Tata acquired JLR. At one point, the carmaker alone contributed 25% to the company’s top line. It’s contribution started waning. But even today, JLR (is turning around)alone

contributes circa 15% to the company’s revenues.

What has changed :

And while the company has in fact laid out a plan to diversify and focus on other businesses like rail communication and aerospace stuff, their contribution is still marginal but growing . Broad-casting and communication business is booming. They expected a sudden rise in data and content generation, big broadcasters and OTT platforms are using Tata Elxsi’s expertise to stay ahead of the game. It’s growing at 20% every year and it has been the biggest revenue generator for the company in the last few quarters. Also EPD work in the health care and medical business is seeing very healthy growth .

Industry tailwinds include large and growing R&D pool across automotive (stable R&D in tier-1s), broadcast & comms and medical devices, re-factoring of R&D spend into faster growing sub-segments.

Prominent Clients now in Broadcast & Communication : Comcast, Sky, Liberty, Google etc

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 Prominent Clients now in this Medical
 & Healthcare vertical -Aesculap,
 Hitachi, Becton Dickinson, Philips etc

Just see how the company changed itself
 to be future read –and it’s in sophisticated
 tech field which can be easily disrupted !

Take another example of our multibagger
 –**Racl Geartech** –completely opposite to
 tech,a traditional auto component
 company –See how it changed and we
 picked up that change in its strategy and
 execution of its so early !

RACL Geartech ie RGL (formerly
 Raunaq Automotive Components
 Limited) was incorporated in 1983 and is
 engaged in the business of manufacturing
 of transmission gears and shafts for
 automotive and industrial applications.
 The company was initially promoted by
 the Raunaq Group. However, due to
 financial difficulties the company was
 referred to Board for Industrial and

Financial Reconstruction (BIFR) in
 2001. Post-restructuring and with a
 new management team under
 leadership of Mr Gursharan Singh
 (CMD), RGL came out of the
 BIFR purview in November 2007.
What changed :

- 1)Focus on exports more as there is more margin than domestic
- 2)getting respectable Clientele
- 3) contribute to “important component part “which may not be costly to the principle company but without it cannot go ahead
- 4)culture of “can do” spirit which is why they came out of BIFR- they have created a niche in 2 wheeler (luxury space)and tractor with good stickyness to clients

Clientele: Caters mainly to OEMs
 BMW Motorrad, Germany,Kubota
 Corporation (Japan, Thailand &
 USA), I.T. Switzerland (SAME
 Group Company) ,KTM AG
 (Austria), Schneider Electric
 (Germany), Dana (Italy & China)
 Piaggio – Italy, Vietnam, BRP
 Rotax – Austria. In the domestic
 market - Yamaha India, Piaggio
 Vehicles, SML Isuzu , TVS Motors

**Tata Elxsi has been a 12 X and
 Racl Geartech has been 10 X
 since our first purchase just 2.5
 years back .**

Look for such traits in companies
 on own or rely on Digitian
 Surrogate advisory .

**The message is loud and clear
 –“change “ and not sit idle as
 change is the only constant
 thing !**



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Performance during Covid: India

We only publish Top Multi-bagger stocks with return >100%

Name of the Company	Date of Purchase	Entry Price	Actual Gain Published in Feb2021	Actual Gain Published in Dec2021	Actual Gain Published in March 2022
NGL Fine Chem	13-Mar-20	302	352%	767%	729%
Tata Elxsi	27-Apr-20	790	263%	646%	1057%
RACL Geartech	4-Aug-20	65	204%	897%	877%
Arman Financial	8-Feb-17	243	Not in List	327%	332%
Shivalik Bimetal	5-Feb-21	69	407%	443%	697%
Vedanta	7-Apr-20	73	190%	373%	477%
Trident	1-Oct-20	6.55	123%	648%	740%
Triveni Engineering	5-Apr-21	80	New	181%	300%



Debashish



Saugata

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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
- ⌘ Cheaper Cost
- ⌘ Value Stock Pick
- ⌘ Multi-bagger return
- ⌘ Online Investment Platform
- ⌘ Open & Transparent Upside Sharing

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