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DIGITIAN CAPITAL

Future focus

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 Sir John M Templeton 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, JOHN TEMPLETON and his relevance in Today's Market.

Sir John Marsh Templeton(1912-2008) is a successful American-born British Investor and the founder of Templeton Growth Fund. He is a student of Benjamin Graham and believed only in Value Investing Strategy, However, he picked most of his successful stocks during troubled times. As a result, he came to be known as **"Father of Contrarian Investing". Contrarian investing is an investment style in which investors purposefully go against prevailing market trends by selling when others are buying and buying when most investors are selling.** ***He identified value stocks regardless of overall trends in a market. He purposefully sought out stocks that had*** . *been abandoned or overlooked by investors. Templeton saw a troubled business as an opportunity for growth.*

***I*n 1939, at the start of the world war II he purchased 104 shares of each NYSE-listed company which was then selling for less than $1 a share which became multi fold by the end of the War. He followed "avoiding the herd" and "buy when there's blood in the streets" philosophy to take advantage of market turmoil.** This is the same style of another stalwart **Warren Buffet**

Investment in Emerging Markets

Due to his extensive travel worldwide from the young age, Templeton **believed that overseas markets offered as much opportunity as the U.S. markets. In 1954 he floated his mutual fund - Templeton Growth fund** - he saw the benefits of diversifying outside of America. **Templeton preferred nations with fewer regulatory obstacles and low inflation. He invested majorly in Japanese Market.**

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MARKET WATCH

Equity Indices	Monthly Open	Monthly Close	Monthly Change %	2022%	2021%
S & P	3811	4210	10.5%	-20.0%	26.9%
Nasdaq	11100	12854	15.8%	-29.0%	21.4%
FTSE 100	7171	7507	4.7%	-3.3%	14.8%
Shanghai Compsite	3384	3278	-3.1%	-7.0%	4.8%
NIFTY	15787	17660	11.9%	-9.1%	16.4%
Nairobi SE 20	1632	1744	6.9%	-14.1%	1.7%
Egypt SE 30	9008	9965	10.6%	-24.6%	10.2%
Tanzania All Shares	1883	1920	2.0%	-0.8%	4.5%
Nigeria SE 30	1888	1800	-4.7%	9.7%	4.9%
Morrocco All Shares	11617	11989	3.2%	-13.0%	18.3%
Bangladesh DSE 30	2291	2237	-2.4%	-9.5%	21.7%

Commodity	Monthly Open	Monthly Close	Monthly Change %	2022%	2021 %
Gold	1796	1801	0.3%	-1.53%	-3.8%
Crude Oil	111.5	97.34	-12.7%	25.62%	49.8%
WTI Oil	108.60	91.81	-15.5%	21.59%	56.2%
Copper	3.62	3.66	1.1%	-17.19%	25.6%
Irone Ore	113.9	109.63	-3.7%	-2.55%	-27.8%
Aluminium	2443	2497	2.2%	-10.85%	41.5%

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he became billionaire by **pioneering the use of globally diversified mutual funds,** However, he strictly followed his principles and rotated out of Japanese stocks as they became more fashionable in the 1970s and turned to US stocks when they were at historic lows. This is the best examples of riding different market cycles at different markets. **We follow this**.

He is very educated and holder CFA charter and developed early financial indicators and models (along with his colleagues developed sophisticated quantitative finance methods such as the Shiller P/E, rebalancing and Tobin's q etc. But still preferred fundamental Analysis.
This is the reason Money magazine in 1999 called him **"arguably the greatest global stock picker of the century"** ***His fund over a period of 38 years (when he retired in 1992) provided a return of 13.9% CAGR which implies an investment of 10,000 in 1954 will become over $2 million in 1992(>200 times)***

His **fundamental ideas** are captured in the following 10 points:

1. He focused on buying stocks which according to him was **substantially undervalued**, holding them until when their price rose to fair market value or above.

2. He did not attempt to predict future stock price movements, but paid **close attention to valuation.** *"Focus on value because most investors focus on outlooks and trends"*

3. As per his value investing funda (which is slightly different from others who prefers to hold stocks forever) his **average holding period was about four years**. ***"Remember, no investment is forever."***

4. Always be on the lookout f**or bargain-priced stocks** and try to avoid overvalued stocks. He rejected technical analysis for stock trading, preferring instead to use **fundamental analysis.**

5. Single market is not sufficient to be successful in investment all the time. You have **to participate in different markets, since all markets do not follow same trade cycles;**

6. You need to follow "avoiding the herd" especially **when a stock is above its fair market value. It is the time for sale.** ***"the time of the maximum pessimism is the best time to buy and the time of maximum optimism is the best time to sell."***

7. ***In another way, "the only reason to sell a stock now is to buy other, better attractive stocks. If you do not find better attractive stocks hold on to what you have"***

8. **"Bull markets are born on Pessimisms, grown on skepticism, mature on optimisms and die on euphoria"**

9. **"To buy when others are despondently selling and selling when others are greedily buying, requires the greatest fortitude, and pays the greatest reward"**

10. To be successful in the Investment field, you need to have the a**bility to maintain an elevated mood, avoid anxiety and stay disciplined**

The wise investor recognizes that success is a process of continually seeking answers to new questions. An Investor who has all the answers does not even understand all the questions. A cocksure approach to investing will lead, probably sooner than later, to disappointment if not outright disaster. And remember, **If you want to do better performance than the crowd, you must do things differently from the crowd.** It is better not to utter the misnomer **" this time it's different".**

Finally, Forgive yourself for your errors, Do not become discouraged and certainly do not try to recoup your losses by taking bigger risks.

Thus, Sir John Templeton has shared lot of his wisdoms for investors which are certainly improve your overall investment psychology.

Happy Investing

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	1.044	1.080	3.45%	-4.59%	-6.7%
GBP USD	1.217	1.219	0.16%	-9.97%	-1.0%
USD INR	78.900	79.430	-0.67%	-6.23%	-1.9%
USD KES	117.800	119.200	-1.17%	-5.08%	-3.0%
USD EG POUND	18.800	19.130	-1.73%	-17.88%	0.8%
USD TZS	2327	2332	-0.21%	-1.16%	0.6%
USD NAIRA	415.000	418.000	-0.72%	-1.62%	-7.3%
USD TAKA	93.400	95.000	-1.68%	-9.77%	-0.8%

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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 andthe 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 realistion** of the profit (So Zero risk)

Process :

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

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BEST CHART OF THE MONTH

The chart shows the movement of India in terms of GDP to 5th Place in 2022 from 10th Place in 2012.

This was long projected but now actually happened. Given the sheer size of the economy and huge middle income segment which are growing, it is a matter of time (by 2030) India should become the third largest economy in the world.

This creates a momentum in terms of growth in standard of living, consumption demand and more policy effort in the right direction. India's growth will be slower than China but it is a steady one since 1991, through successive Governments. Hopefully with same policy vigour and socio -political stabilty, India would earn its right place.

VALUE INVESTING

Debashish Neogi

> **"Indian stock market is showing the resilience than all other major stock markets - it is because of the sheer possibility of the economy and the change in geo trade and sourcing plus positive Government Policies, digitisation, expanding middle income group and pent up consumption"**

India - The rising Star - a bull story

First time in last 15 years after 2007,the bear market is USA is lasting for more than 6 months

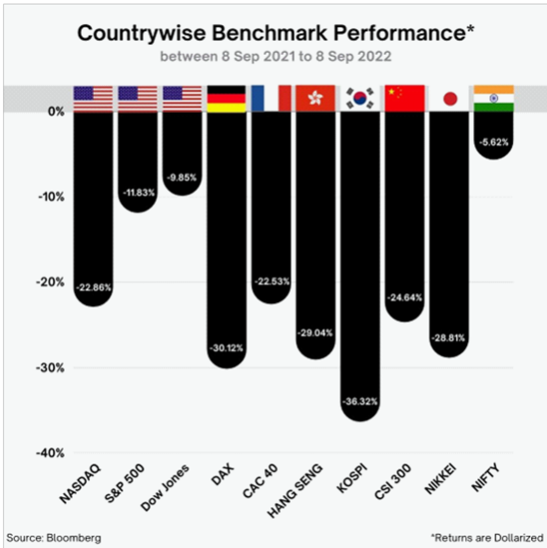
Bull markets			Bear markets		
Bull begin date	Bull return	Duration (months)	Market peak	Bear return*	Duration (months)*
Jul 1926	152%	37	Sep 1929	-86%	32
Mar 1935	129%	23	Mar 1937	-60%	61
Apr 1942	158%	49	May 1946	-30%	36
Jun 1949	267%	85	Aug 1956	-22%	14
Oct 1960	39%	13	Dec 1961	-28%	6
Oct 1962	76%	39	Feb 1966	-22%	7
Oct 1966	48%	25	Nov 1968	-36%	17
May 1970	74%	31	Jan 1973	-48%	20
Mar 1978	62%	32	Nov 1980	-27%	20
Aug 1982	229%	60	Aug 1987	-34%	3
Oct 1990	417%	113	Mar 2000	-49%	30
Oct 2002	101%	60	Oct 2007	-57%	17
Mar 2009	401%	131	Feb 2020	-34%	1
Mar 2020	114%	21	Jan. 2022**	-24%	5
Averages	**162%**	**51**	**-**	**-41%**	**20**

In 2007, it lasted for 17 months due to international financial crises and in 2000 (Internet bust) it lasted for 30 months --- if above looks scary, then see next chart.

It is said that if USA sneezes India gets cold. Its true but this times its different. The impact in India is far lesser than the rest of the world !

Why it is so ?

India is positioned uniquely. Look at demographics. India should cross China's working age population soon. India has many other demographic and geo positional advantages.



Work from Home should open large opportunities for India. In not too distant future lot of R&D, accounting, back office etc jobs will come to India. Wage inflation in IT sector is happening after 20 years. No other country offers as much skilled workforce for services. Fast transition towards work from home will work to our advantage. Large global companies are setting up captive capacity here or outsourcing to India.

What has changed is due to fast inflation in China, our cost competitiveness has improved.

On the margin India is improving it's competitiveness. **It needs to be understood, India is moving from low base, we should be able to incrementally improve.** Geopolitically also we are well positioned. due to Government foreign policy initiatives and vast Indian diaspora.

In China, large infrastructure came from MNCs while China gave them low cost and skilled labour.

It's imperative that the same will happen in India too. Indian Government is quite supportive through so many PLI schemes . By and large India's manufacturing should improve on a low base.

In this regard, it is worthwhile to observe what is happening in Europe - Europe still makes high end products. But with this massive energy inflation, it will render large parts of European manufacturing uncompetitive. It should shift not just from China but from Europe also.

Most emerging markets have moved to mid or high income through exports. So twin opportunity of higher exports from services and manufacturing should set the base for faster economic growth.

GST has stabilized.India is clocking regularly GST collections of over 1.4 la crore. Digitization and financialisation of savings is adding fuel to the fire !In last 2 decades years or so the household savings have increased from 1.3%

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in 2000 to 5.3% in 2020 and a long way to go. Demat account is 10cr + from 4.1 cr in 2020 !!

- Also look at startups have evolved over the last few years. India is at the forefront of digital adoption in the world. Large flow of capital to entrepreneurs and a very large number of budding entrepreneurs are being created.

- The fact that FIIs sold yet DIIs absorbed all the selling is a cause of celebration. Equities have become a growing asset class and this is a very important shift and this should reduce the volatility Indian markets have experienced in the past.

- India is expensive in terms of stock valuation but we also need to bear in mind how it is positioned. US is grappling with much higher structural inflation, China has its own problems but India in a relative sense is extremely well placed. If foreign flows are to come back, that could sustain this momentum. Long term markets look good and if you see longer run, you should be okay paying a higher price.

- Like **Ridham Desai said** *when it comes to Consumption - think about India. Per capita income is extremely low. Bulk of income is spent in basic stuff. Saving culture is good though. Nominal GDP Will grow by 10% and real GDP will be 7% so on a real basis we will add $300 to per capita income. So this excess growth due to 10% growth will bring 40% increase in discretionary spending. Pandemic was a problem for all of us - but something happened which was hugely beneficial to India.*

Typical ceo realised that there's not much difference between work from home and office. So not much difference from work from office and work from India. India's share of global services is growing. We didn't gain share of global trade in last 7 years but now there is extreme focus on gaining global trade share. Go back 7-8 years, center of global consumption was US and production was China. It was a bipolar world. Now it's a multi polar world - production gets more distributed. India is unique because it can attract production and consumption. Samsung phones and iPhones are going to be made into India. MNCs are in India's favour. All boards are discussing how much and where to invest in this country.

Pent up consumption *- last 12 months we sold as many cars as sold 12 years ago. So a pent up demand that we are underestimating is coming that is going to be very large. Hopefully I've convinced you that you need to buy more stocks.*

However some risks:

China-Taiwan War (?), in 2024 is a risk factor and so the election (Vajpayee lost and market tanked 17%), there is a US recession, etc. Ideally we donot want a current account deficit because that means lower investment vis a vis savings. However if terms of trade (price of exports/imports - earlier was driven by oil) become favorable, then it's good for the economy.

Happy Invetsing!

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

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