



**DIGITIAN  
CAPITAL**

# DIGITIAN VIEW

A Monthly Investment outlook



## 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 ”

### Technical Analysis to enter into a position ! (Part 5)

# DIGITIAN VIEW!

## MARKET WATCH

This is a series on technical analysis (TA) of stocks - how it helps to enter into a long term position in that stock. It will also cover the very important aspect of exit from the stock at the right time.

### 21-week SMA (Continued) :

3. Process of selecting the purchase point
  - a. The low is not only above the 21-week moving average, but also above the 21-day moving average.
  2. The 21-week moving average and the 21-day moving average must be upward trends.

### Formula for buying point:

- A. If you are a **high risk tolerance**: the maximum price at the buying point is not higher than **the 21-week line price \* 1.11**
- b. If you are **cautious and conservative**: the best size of the buying point is **the 21-week line price +0.03 to 0.05**

### Various Selling Opportunities :

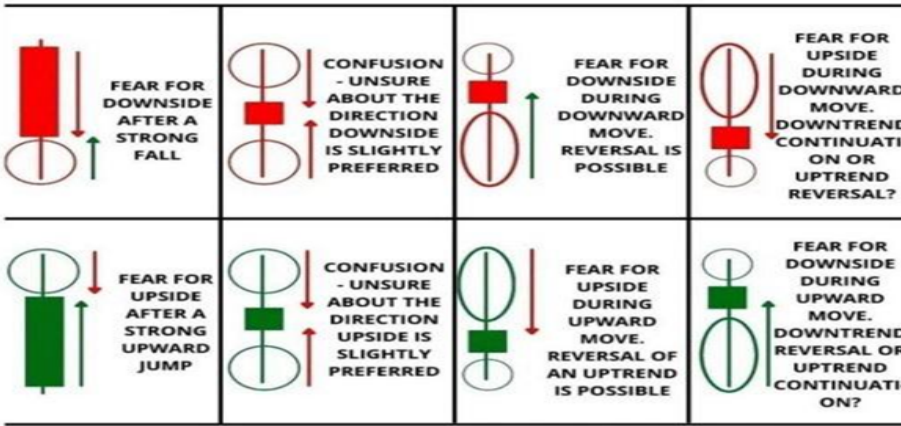
I am a long term investor so the following selling guidelines should only be followed if the investment for the stock is fulfilled or there is an incident and the next 4 quarters are very clear/favourable for the stock. Then and then only look for signals:

- i) If the **21-week line** shows a **downward U-turn trend**, and **rebounds to the 21-week line** in the future, it is an opportunity to clear or reduce positions.
- ii) If the stock price **jumps above the 55-week line** due to extremely favorable news, it is a good opportunity to sell.
- iii) The stock price fell below **the 21-week line for two consecutive days**, and the 21-week line turned downward. It is recommended to **sell immediately at the opening of the market on the third day.**

Equity Indices	Monthly Close	Monthly Change %	2024%	2023%
S & P	5460	3.4%	15.1%	23.5%
Nasdaq	17723	5.9%	20.0%	41.1%
FTSE 100	8202	-0.9%	9.5%	0.5%
Shanghai CompSITE	2995	-3.0%	1.3%	-4.3%
NIFTY	24531	8.9%	13.7%	18.9%
Nairobi SE 20	1656	-3.9%	9.7%	-10.0%
Egypt SE 30	28037	4.1%	10.1%	73.9%
Tanzania All Shares	2017	-2.1%	-3.5%	11.2%
Nigeria SE 30	3710	0.9%	30.7%	54.1%
Morocco All Shares	13332	0.2%	9.8%	12.1%
Bangladesh DSE 30	1923	2.6%	-8.1%	-4.7%

Commodity	Monthly Close	Monthly Change %	2024%	2023%
Gold	2335	-0.5%	12.7%	13.2%
Crude Oil	85.61	5.2%	13.7%	-12.4%
WTI Oil	82.18	6.5%	16.9%	-12.3%
Copper	4.40	-5.0%	13.7%	1.0%
Iron Ore	106.51	-9.4%	-21.9%	22.6%
Aluminium	2539	-4.0%	9.8%	-2.8%

# CANDLES MOOD



## Timing to add positions :

In an upward trend, if the stock price quickly falls back to the **21-week moving average** or falls below the **21-week moving average**, while the 21-week moving average is still in an **upward trend**, this is the **best time to add positions**

This is further explained with the chart 2, the **size of body of the candle with almost no wick/tail** will show the trend clearly while a **small Body** and a long tail/wick will also show the trend. The same is true for **Bullish green candle**.

## CANDLE MOOD

We commenced this series with discussion on trend and candle stick pattern of the stock price curve. Let's go deep in the candle stick mood before deep diving into more technical indicators. I have shown how to read candle stick and their **wick**(upper Line) & **Tails**(lower one)

In the first pair it with thick candle and small Tail/wick - Trend is easier to predict

Problem is in the **next three pairs** which show clearly confusing trend and not reliable but still wick and tail length will determine the upside and downside respective depending on the overall trend - bullish or bearish pattern.



**Demand (or Buy)** is represented by **Green Candle** and **Supply (or sell)** is represented by **Red candle**. The **strength of the up/down trend** is represented by **same colour candle** with gaps in between. if candle colours are mixed then trend is the weakest.

These are very basic fundamentals of reading charts, and always select Candle stick pattern of chart so that you can draw your own analysis.

In the next newsletter we shall see **more intricate candle stick pattern** for buy and sell.

(CONTINUED)

# COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2024p %	Inflation 2024p %
USA	27966	50781	2.1%	2.50%
China	17963	10889	4.6%	1.7%
India	3732	4330	6.6%	4.0%
Egypt	500	45	3.9%	26.20%
Kenya	115	10	5.3%	6.6%
Tanzania	79	7	5.5%	4.0%
Morocco	138	11	3.1%	2.60%
	187	54	3.50%	24.0%
Bangladesh	486	68	6.0%	7.90%

Forex	Monthly Close	Monthly Change %	2024%	2023%
EUR USD	1.077	-0.76%	-1.2%	2.0%
GBP USD	1.268	-0.47%	0.3%	4.9%
USD INR	83.424	-0.12%	-0.1%	-0.7%
USD KES	129.25	0.58%	17.8%	-21.6%
USD EG POUND	48.16	-1.87%	-55.7%	-19.9%
USD TZS	2688.00	-3.09%	-6.9%	-7.5%
USD NAIRA	1533.00	-12.95%	-73.0%	-49.5%
USD TAKA	117.54	-0.15%	-6.9%	-6.1%



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Recommendation by	Name of the Company	Date of Purchase	Entry Price	Actual Gain Published in March 2022	Actual Gain Published in June 2023	Actual Gain Published in Dec 2023
Debashish	NGL Fine Chem	13-Mar-20	302	729%	572%	631%
Debashish	Tata Elxsi	27-Apr-20	790	646%	883%	1024%
Debashish	RACL Geartech	4-Aug-20	65	897%	2085%	1817%
Debashish	Arman Financial	8-Feb-17	243	327%	826%	952%
Saugata	Shivalik Bimetal	5-Feb-21	69	697%	933%	770%
Saugata	Newgen Software	7-Apr-20	116	477%	610%	1279%
Saugata	Trident	1-Oct-20	6.55	740%	419%	648%
Saugata	Indian Bank	11-Jan-21	87	94%	287%	422%



**Debashish**



**Saugata**

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# VALUE INVESTING

Debashish Neogi

“A 100x Multi bagger will be generally in the small cap, sector agnostic, multiplies in a short time span but may be over 10 years, - a right to win is a must but you require a megatrend as tail wind”

## How to Find Multibaggers in Micro and Small Caps:

(Repeated)

*From Editor : Debashish being a super investor in Indian Market, on an invitation presented in the Flame University- professional University in India for Investment Training, a very key work on making money. This is a transcript shared by Flame University.*

Investing in micro and small-cap stocks offers the potential for substantial returns, but it comes with significant risks. Debashish Neogi's presentation on identifying multibaggers in this segment offers valuable insights for investors looking to navigate this challenging landscape. This article distills key points from Neogi's presentation, focusing on strategies and learnings that can help investors identify and capitalize on high-potential stocks.

### Background and Personal Journey

Neogi's investment journey is marked by initial mistakes and subsequent learnings:

- He made all types of mistakes early on, including buying cheap stocks, taking loans to invest, and losing money through trading.

- These experiences nearly led to bankruptcy, but he learned from his errors and became a better investor.

- Currently, he is an entrepreneur and investor, drawing on his experiences as a CFO and CEO.

### Key Insights on Multibaggers

From analyzing multibaggers over the past decade in India, Neogi highlights three critical insights:

#### 1. Market Cap:

Most multibaggers had a market cap of less than ₹500 crore in 2011, with Bajaj Finance being an exception at ₹2500 crore.

#### 2. Sector Irrelevance:

Success wasn't tied to any specific sector; the company's quality and fundamentals were more important.

#### 3. Holding Period:

80% of the share price movement occurred in less than 20% of the time over ten years, emphasizing the importance of holding stocks through ups and downs.

### Framework for Identifying Multibaggers

Neogi proposes a structured framework for identifying potential multibaggers:

#### Business Understanding

- Core Competence: Evaluate the company's core strengths and capabilities.

- **Promoter Quality:**

Assess the promoter's strategic intent, integrity, and execution capabilities.

- **Mega trend Alignment:**

Ensure the business strategy aligns with significant market trends.

- **Right to Win:**

Identify the business's unique competitive edge.

### Evaluation Criteria

- **Sustainable Growth:**

Look for sustainable and profitable growth over an extended period.

- **Risk Management:**

Knowledge to manage risk is crucial for long-term investment success.

- **Return Expectations:**

Aim for returns that consistently exceed the market benchmark, like the Nifty index.

## Case Studies of Successful Multibaggers

Neogi provides examples of companies that have successfully navigated challenges and grown significantly:

### Arman Financial

- *Provides credit to the unbanked in a cost-effective way.*
- *Led by a second-generation prudent capital allocator with a track record of excellent management during crises.*
- *Exposed to a large, addressable market in the microfinance category.*

### RACL Geartech

- *Offers solutions to the automotive industry, emphasizing problem-solving.*
- *Successfully turned around from near bankruptcy under new management.*
- *Supplies products to global OEMs, despite being a micro-cap company.*

### Tata Elxsi

- *Unique design and technology services with a culture of innovation*
- *Low attrition rates and engagement with top-tier clients in the E&RD sector.*

- Focuses on continuous improvement and transparency.

### NGL Fine-Chem

- Specializes in cost-effective solutions in complex chemistry.
- Led by a conservative promoter with a strong organizational culture.
- Excellent capital allocation and competitive return ratios in a challenging industry.

### Investment Process and Learnings

Neogi shares his investment process and key learnings:

#### Core and Seed Portfolio

- Maintain a core portfolio alongside a seed portfolio with 5-8 companies, each with a 2% allocation.
- **Buy in tranches** as conviction increases and prefer buying on rising performance over quarters.

#### Decision-Making and Behavior

- Have at least three investors to challenge your hypotheses and convictions.
- Focus on cutting noise, simplifying analysis, and honing core competencies.

- Write notes to yourself and continuously evaluate terminal value as part of the process.

### Importance of Patience

- Only a few multibaggers are needed to make a significant difference.
- Inactivity often pays off, as the best investors are right only slightly more than 50% of the time.
- Success is measured not by how often you are right but by how long you can ride your winners.

### Conclusion

Investing in micro and small-cap stocks can be highly rewarding if approached with the right mindset and strategies. Neogi's insights emphasize the importance of understanding the business, evaluating management quality, and being patient with investments. By focusing on core competencies and maintaining a disciplined investment process, investors can increase their chances of identifying and benefiting from multibaggers in the micro and small-cap segment.

**Happy Investing !!**



# Be a millionaire Start **SURROGATE INVESTMENT Platinum** ?

After the success of Surrogate Investor for small and medium value investors We have introduced **SURROGATE INVESTMENT Platinum**

Surrogate Investment **Platinum** is for High Value Clients who does not have time to monitor their Investment and they are only interested in the return in their portfolio.

## 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 medium to long term
- **Professional Expertise & Performance Track:** Fund managers are super Qualified Professional Experts with their Return CAGR varies between 35%- 48% over last 15 years

## Why it is a better structure than market Portfolio Management?

- **Full Control over your dedicated Investment Account in your own name with a 3rd Party Large Banking Brokerage :** Open an account yourself with the a large Brokerage. Our Team will buy and sell in your account depending upon shares selected by our Super Investors
- **Tax Advantage:** Since it is in your own account, you can take advantage of Long term and short gain without paying double taxation
- **Full control of your Investment Fund:** you control the bank account linked to the trading account so there is ZERO RISK and no TRUST DEFICIT.
- **ZERO FEES or UPFRONT PAYMENT :** only transfer to Digitian Capital after you earned an upside (only on realisation) All control is in your hand
- **A separate Digital Account with Digitian Capital :** This will track trading results for easy reference.

## What is the structure of **SURROGATE INVESTMENT Platinum** ?

- **Minimum Investment Requirement :** USD 500,000 or INR 3 crores
- Markets : INDIA & USA
- **Open a dedicated Brokerage Account with any Large banking Brokerage**
- **Minimum Investment : 12 months for each stock**
- **Allow Digitian Capital processors to Buy and sell shares in your account**
- **Quarterly Review of Investment performance and upside payment to Digitian Capital**



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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