

**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 ”

### Technical Analysis to enter into a position ! (Part 8)

# 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 stock. It will also cover the very important aspect of exit from the stock at the right time.

Exponential, least Squares. In addition depending upon nature of trade and duration you can use several SMAs at a time - as a Double, Tripple, Multiple Ribbon, and Convergence & Divergence model However there are special version like - Hull, Arnaud Legoux etc

Now we shall move into Technical indicators which are based on statistical Analyses of market data - these are most important for BUY and SALE of a stock even in case long term Investment.

However, the most basic but important is to understand the **bullish and bearish Trend model using MAs for any trading.**

### Moving Average Trend Line

For short term trading SMA 9 and SMA 16 or SMA 14 and SMA 21 are compared with actual stock price. or Sometimes it is called MA Cross as well. In the following picture you will see **SMA 9d** line (Red ) crossing **SMA 21d** Line (Green) from UP to Down or down to UP - a cross is appearing at each cutting point.

In statistics the most important too for determination of a Time Series Trend Line is Moving Averages. **The same is applied in stock Analyses as well.**

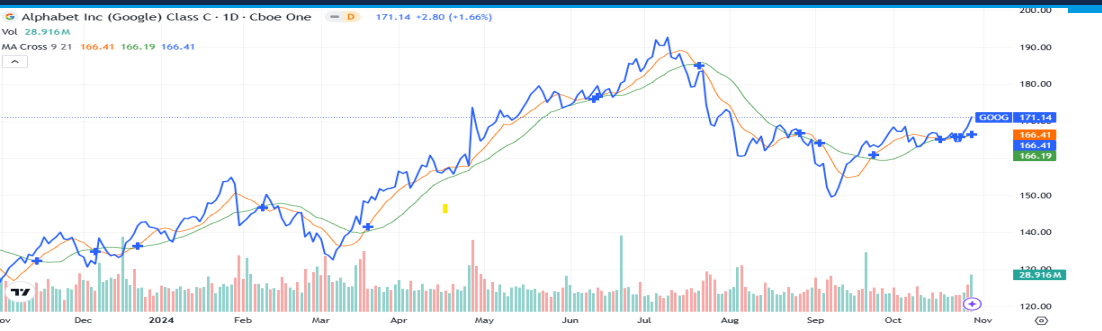
- a) **Simple Moving Average for 14 days/21 days/35 days/50days/100 days/200 days**

There are various types of Moving Averages - Simple, Weighted, Pic (a)

When SMA 9 day cutting SMA 21d line and going below this is a bearish period, during this period share price started falling from the cross point. This is a bearish trend so one can purchase only when

Equity Indices	Monthly Close	Monthly Change %	2024%	2023%
S & P	5708	1.1%	20.4%	23.5%
Nasdaq	17910	1.1%	21.3%	41.1%
FTSE 100	8276	-1.0%	10.5%	0.5%
Shanghai Compsite	3336	14.6%	12.8%	-4.3%
NIFTY	25796	2.1%	19.6%	18.9%
Nairobi SE 20	1775	6.4%	17.6%	-10.0%
Egypt SE 30	31867	3.2%	25.1%	73.9%
Tanzania All Shares	2114	0.6%	1.1%	11.2%
Nigeria SE 30	3661	1.9%	29.0%	54.1%
Morrocco All Shares	14202	1.9%	17.0%	12.1%
Bangladesh DSE 30	2053	-3.4%	-1.9%	-4.7%

Commodity	Monthly Close	Monthly Change %	2024%	2023%
Gold	2669	5.4%	28.8%	13.2%
Crude Oil	74.73	-2.7%	-0.8%	-12.4%
WTI Oil	71.08	-3.2%	1.1%	-12.3%
Copper	4.58	9.6%	18.3%	1.0%
Iron Ore	108.7	10.1%	-20.3%	22.6%
Aluminium	2643	9.3%	14.3%	-2.8%



Pic: MA cross SMA 9 days and SMA 21 days



Pic 2: SMA 50 day SMA 100 day and SMA 200 days

the SMA 9 d is in upward trend(u shape) converging to SMA21d line subject to other positive signals.

In opposite, if SMA9d line is cutting from below SMA 21d then it signifies a **bullish trend** and could be a Purchase Point as share price is expected to rise during this period.

The **selling point** will come when SMA9d will take a **downward U** turn converging to SMA21d line.

For **Long term Investors** like us, I prefer comparing SME 50 days (Green) and SMA 200 days (Red) Line. In the picture 2, SMA 50d crosses SMS200 d at point 2 which is the start of the **Bearish Period**. The **purchase point** will come when the SMA 50 d is in upward trend(u shape) converging to SMA200 line subject to other positive signals. I used SMA 100 d Line (violette) for an early signal. At point 3 where SMA 50d crossing SMA 100 d line this is the start of the purchasing point till point 4 where SMA 50d crossing SMA 200 d line and entering **bullish Zone**.

In contrast the **selling point** will come

when the SMA 50 d line is in **downward trend(u shape) converging to SMA200 line** subject to other negative signals. Here also SMA 100 d Line (violette) could be used for an early signal. At **point 1** where SMA 50d crossing SMA 100 d line from above, this is the must point for sale **till point 2** where SMA 50d crossing SMA 200 d line from above and entering bearish Zone.

**Tip : Generally speaking, there is no ideal situation there could be many false positives, like after reaching Point 1 or Point 2 the SMA50d Line can again diverge from SMA 200 Line and create new highs, OR after reaching Point 3 or Point 4 the SMA50d Line can again diverge from SMA 200 Line downward and create new LOWs. So for purchase or sale of a stock other corroborating signals and indicators need to be vetted.**

I have written below my investment thesis on Ceinsys tech

(CONTINUED)  
Since the risks are high when I invest in small & micro cap, I paused Page 3

## COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2024p %	Inflation 2024p %	GDP (USD Bn)
USA	28780	55253	2.8%	2.70%	27966
China	18530	10069	5.0%	1.0%	17963
India	3940	5540	7.0%	4.0%	3732
Egypt	347	43	3.0%	26.20%	340
Kenya	104	13	5.0%	5.0%	118
Tanzania	84	7	5.5%	3.0%	62
Morocco	146	64	3.1%	2.40%	122
Nigeria	374	36	3.20%	30.0%	445
Bangladesh	455	124	5.8%	10.00%	486

Forex	Monthly Close	Monthly Change %	2024%	2023%
EUR USD	1.106	0.00%	1.5%	2.0%
GBP USD	1.327	0.99%	5.0%	4.9%
USD INR	83.990	-0.08%	-0.8%	-0.7%
USD KES	129.25	-0.39%	17.8%	-21.6%
USD EG POUND	48.26	0.54%	-56.0%	-19.9%
USD TZS	2725.00	-0.18%	-8.3%	-7.5%
USD NAIRA	1670.60	-4.71%	-88.6%	-49.5%
USD TAKA	119.73	0.04%	-8.9%	-6.1%



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Recommendation by	Name of the Company	Date of Purchase	Entry Price	Actual Gain Published in June 2023	Actual Gain Published in Dec 2023	Actual Gain Published in July 2024
Debashish	NGL Fine Chem	13-Mar-20	302	572%	631%	730%
Debashish	Tata Elxsi	27-Apr-20	790	883%	1024%	831%
Debashish	RACL Geartech	4-Aug-20	65	2085%	1817%	1805%
Debashish	Arman Financial	8-Feb-17	243	826%	952%	840%
Saugata	Shivalik Bimetal	5-Feb-21	69	933%	770%	901%
Saugata	Newgen Software	7-Apr-20	116	610%	1279%	898%
Saugata	Trident	1-Oct-20	6.55	419%	648%	511%
Saugata	Indian Bank	11-Jan-21	87	287%	422%	586%



**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”**

## New Small Cap Stock Idea : Ceinsys Tech Ltd

**Editor : Debashish being a super Investor in Indian Market, off late his comment on Ceinsys Tech Ltd was viewed over 14k+ investors**

**Since the main purpose of Digitian View is to create like minded knowledgeable investors, as an editor I have decided to showcase his publicly flashed view on stocks to the readers so that you can get benefit of understanding how to pick up the potential Multi-bagger stock**

**Disclaimer : This should not be read as an Investment Advisory. All readers need to do their own diligence before investing in any stock including this one. Stocks are subject to market risk. Debashish and Digitian capital may have investment interest in the company. Our view are biased to that extent.**

Debashish picked this company, Ceinsys Tech Ltd mainly due to the following attributes :

### 1) Good management with strong execution skills & skin in the game

Sagar Meghe’s (Promoter ) political career has been marked by his involvement with multiple political parties and his efforts in both politics and business. His career has been shaped by a blend of familial influence, a strong commitment to education, entrepreneurial initiatives, and a vision for regional development.

After joining BJP in 2014, Sagar Meghe’s political career has been influenced by his family’s strategic shift and their connections within the party. The move to BJP was largely driven by the influence of Nitin Gadkari, a senior BJP leader and personal friend of the Meghe family, who played a significant role in welcoming them into the party .

Sagar Meghe does not appear to hold any active responsibilities within the BJP. After facing political setbacks, including a significant defeat in the Lok Sabha elections from Wardha, Sagar Meghe reportedly moved to Dubai with his family.

Apart from him the management team is professionally managed with diverse experience. Ex .Mr. Prashant Kamat - WTD, Vice Chairman and CEO Mr. Kamat is the Whole Time Director, Vice Chairman, and Chief Executive Officer at Ceinsys Tech. He was previously the Chief Executive Officer at AllyGrow. As a techno-commercial professional, Prashant has a progressive career of over 28 years which is characterized by significant accomplishments and increasing responsibilities. He has a proven track record in operations, finance, strategic marketing, business expansion, and new product development.

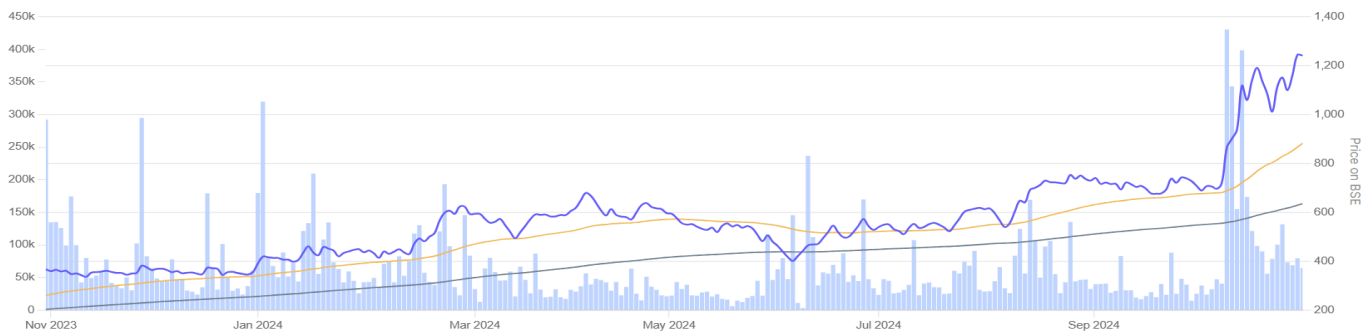
**2) Skin in game** -The company raised INR 235 cr (at 559/- share price )recently where Rare capital came in as strategic partner .The promoter themselves invested close to 100 cr.

Rare capital (main partners ) brings in Ceinsys’ data center capabilities (not physical but tech enabled , scale of Amazon & Google ).They have built a 3200 Cr revenue company in 10 years and sold it for \$217m.

**3)A company which has competitive edge /Right to win and have clear focused “strategic intent” for years. It can be sustainable profitable growth at least for next 5 years.**

Ceinsys Tech is a technology-driven organization that specializes in offering Geospatial and ER&D solutions by providing independent opinions, actionable insights, and efficient solutions across private and government enterprises across the utility, infrastructure, natural resources, and Manufacturing sectors .

**KEY INISGHTS** - At present predominantly in government tender business where their hit rate of tender to order is 90%+



**3) Good Political Connections,** first mover advantage, good team with width and depth of knowledge (well qualified team of 82 Engineers, PhD, M.Tech, MS, 18% - MBA, ITI-Diploma holder) having been there for long with VERY LOW @1% attrition rate and a very lucrative retention rate of repeat customers of 40%+.

**4) Growth Drivers :**

The company is leveraging on India's projected geospatial market growth which is expected to grow at CAGR of 13.5% by 2025.

The company is focused on capitalizing on substantial funding opportunities provided by government initiatives such as National Infrastructure Pipeline (NIP), Jal Jeevan Mission, and Namami Gange program, with a proposed budget of approximately USD15 Billion for water-related projects.

**Companies order book** is now 1000 cr + L1 bid of another circa 300 cr majorly in this area (Presently cover large Geography is Maharastra and UP, further seed geography is Jharkhand and Bihar, Rajasthan - hence growth will come from geographical reach also) Focused on tapping the growth avenues in smart water management and renewable energy sectors, as India's aims to add over 340 GW of renewable capacity by 2030.

The acquisition of Allygrow allows Ceinsys Tech to broaden its service portfolio by incorporating Allygrow's expertise in core engineering design,

development, and manufacturing engineering services. This expansion is particularly significant in the automotive and aerospace sectors, where Allygrow has established proficiency

In 2018, Grammer AG, of Germany (USD 2.5 Bn revenue company), specializing in automotive interiors and commercial vehicle seats, teamed up with AllyGrow, to form a joint venture in India (70% Ally Grow, 30% Grammer). The JV is functioning as an extension of Grammer AG's R&D Centre and providing high end engineering services to Grammer global locations.

Establishment of a new **vertical MEG-Next** which focuses on innovative product development activities related to Metaverse, Ed-Tech, Gaming (although not right strategic fitment) and Mobility

**5) Company should have pricing power given its value enhancing product**

Operating margin beyond 15% + with increasing sales according to me is a good sign of pricing power.

**6) Reasonable Valuation for entry.**

Its not cheap but reasonably valued through reverse DCF method. If we expect 20% share price CAGR return for next 10 years the implied PAT growth is 24% CAGR, which is

achievable given sales growth would be above 15% CAGR because of sector tailwind hence operating leverage would play in and PAT growth would be above 25% CAGR (see past track record below for 5 years, sales growth 7%, PAT growth 59%). It could be like Tata Elxsi in Geo Spatial sector!

**Compounded Profit Growth**

10 Years:	18%
5 Years:	59%
3 Years:	161%
TTM:	14%

**5) Risks:**

- Political risk
- Cultural integration (not sure of Organization structure)
- Debtors risk in Govt outstanding

**Key things to watch out for :**

- Top line growth is expected to be above 25% pa for next 3 years with improved Operating margin %
- Mix of revenue split between Govt. & Private orders (expect to be 50:50 over 2-3 years)
- Geo spatial and ER&D revenue mix (would be 50:50)
- Geographical penetration beyond Maharashtra and UP
- Data Centre revenue

**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**



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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.

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