



DIGITIAN CAPITAL



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/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- Relative Strength Index ! (Part 10)

DIGITIAN VIEW!

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.

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.

After Bollinger Bands the next important one is RSI.

Relative Strength Index (RSI) :

The Relative Strength Index (RSI) is a momentum indicator used in technical analysis to measure the magnitude of recent price changes to assess whether a stock or other asset is **overbought or oversold**. RSI appears as an **oscillator (a line graph moving between two extremes)** with readings ranging from 0 to 100. The indicator was originally proposed by J. Welles Wilder Jr. and introduced in his seminal 1978 book "New Concepts in Technical Trading Systems";



MARKET WATCH

Equity Indices	Monthly Close	Monthly Change %	2024%	2023%
S & P	6032	5.3%	27.2%	23.5%
Nasdaq	19218	5.4%	30.2%	41.1%
FTSE 100	8287	1.3%	10.6%	0.5%
Shanghai Comp site	3361	2.7%	13.7%	-4.3%
NIFTY	24153	-0.6%	12.0%	18.9%
Nairobi SE 20	1880	-1.3%	24.6%	-10.0%
Egypt SE 30	30497	-0.5%	19.7%	73.9%
Tanzania All Shares	2167	-2.0%	3.6%	11.2%
Nigeria SE 30	3666	-0.2%	29.1%	54.1%
Morocco All Shares	14837	4.0%	22.2%	12.1%
Bangladesh DSE 30	1916	-0.5%	-8.4%	-4.7%

Commodity	Monthly Close	Monthly Change %	2024%	2023%
Gold	2645	-3.6%	27.7%	13.2%
Crude Oil	68.39	-1.5%	-9.2%	-12.4%
WTI Oil	72.26	-1.1%	2.8%	-12.3%
Copper	4.11	-5.5%	6.2%	1.0%
Iron Ore	102.44	-1.3%	-24.9%	22.6%
Aluminium	2595	-0.4%	12.2%	-2.8%

The traditional interpretation and use of the **Relative Strength Index** is that a **value of 70 or above** indicates that a security is being **overbought or overvalued** and may be due for a trend reversal or price correction. **An RSI reading of 30 or below** indicates **oversold or undervalued** conditions.

Like in the chart of Tesla stocks the above part tracks the daily share price movement during a year. The below part charts the RSI curve which is oscillating between 0 to 100 and there are **two extremes** marked by horizontal line at 70 and 30. There are **three points where the RSI line crosses Line 70 and goes above**. These are **overbought territories**. So market will try to sell the stocks and will move **towards mean as defined by Bollinger Bands(BB)**. There is only one point where **RSI drops below 30 RSI Line**. This is an **oversold territory**, so it is known that sooner or later **market will start purchasing the stock and push the price to mean as per BB**.



The Relative Strength Index (RSI) is calculated in two parts. The calculation method is as follows:

The average gain or loss used in the calculation is the average gain or loss percentage over the period under review. **This formula uses positive values as the average loss.**

The standard is to use 14 periods to calculate the initial RSI value. For example, let's say that over the past 14 days, the market has closed higher on 7 days, with an average gain of 1%. The rest of the seven-day period was lower, with an average loss of -0.8%.

The Relative strength (RS) is calculated as under :

$$RS = \text{Average Gain} / \text{Average Loss.}$$

in our example **average gain is 1% and average loss is -0.8%** So RS will be -12.5.

Momentum is the velocity and magnitude of price rise and falls. The RSI measures how robust the price momentum is currently,

The formula is $RSI = 100 - 100 / (1 + RS)$

RSI is 14.28 so in oversold territory

How to use RSI in trading strategy?

Generally if the **RSI is above 70** then it is better **to sell** the stock and when the **RSI is below 30** then it is better **to buy** the stock.



However, This is not that simple. Like any technical analyses **RSI can also signal false positives**. The use of concepts related to overbought or oversold should be **appropriate to a trend level and Trading Signals** viz., using bullish signals when the price is in a bullish trend then the stock should not be sold as it may go up post slight correction. **In our Tesla chart, the second overbought position above 70 corresponds to Bullish uptrend** in the stock price chart, so even if stock price corrects a little bit the **RSI will fall below 70** but since the **uptrend continues** it will again create position - **overbought as it did for third time**.

(RSI continued in February 2025

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	1.052	-2.88%	-3.5%	2.0%
GBP USD	1.269	-1.71%	0.4%	4.9%
USD INR	84.67	-0.68%	-1.6%	-0.7%
USD KES	129.75	-0.58%	17.5%	-21.6%
USD EG POUND	49.86	-1.89%	-61.2%	-19.9%
USD TZS	2650.00	1.70%	-5.4%	-7.5%
USD NAIRA	1683.00	-2.38%	-90.0%	-49.5%
USD TAKA	119.86	-0.51%	-9.0%	-6.1%



World first Digital Advisory Platform



for Stocks in USA & India
We told you

Performance Post Covid: India

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

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

Still **Missed it ?**

Surrogate Investor gains 40%+ p.a



Don't Wait
Join free /Register :

<https://www.digitiancapital.com/SurrogateInvestor/Login.aspx>

Made with PosterMyWall.com



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 (Repeated)

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.

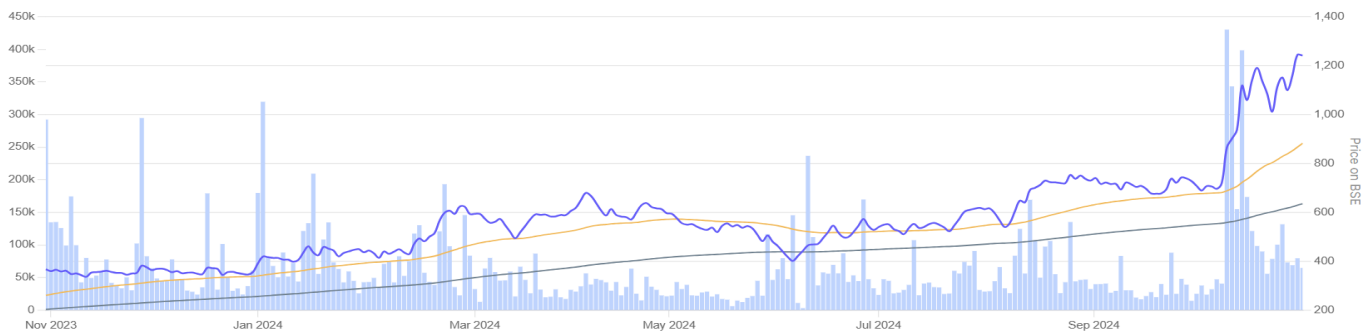
2) Skin in game -The company raised INR 235 cr (at 559/- share price)recently where Rare capital came in as strategic partner .The promoter themselves invested close to 100 cr.

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**



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

mydigitian.com

Visit our website :

- Market Vision
- [Indian Budget 2020 special](#)
- [WORLD 2020 and INDIA 2020 \(Click here\)](#)

We are looking for Virtual Analyst.

Apply at
Career@mydigitian.com



Contacts us :

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

DISCLAIMER

Disclaimer: This communication is issued by DIGITIAN Investment Inc (Digitian Capital) on a strictly confidential basis. Digitian Capital is not a regulated entity. This document must not be regarded as independent research and has been prepared by Digitian Capital for information purposes only. Digitian Capital and its directors, employees, agents and consultants shall have no liability for any statements, opinions, information or matters arising out of, contained in or derived from, or any omissions from, this information package. All recipients of this information should make their own independent evaluations, should conduct their own investigation and analysis and should check the accuracy, reliability and completeness of the information. Investments discussed in this publication may not be suitable for all investors. Advice should be sought from a professional and authorized financial adviser regarding any investment products discussed in this publication before investments are made. Where this information package summarizes the provisions of any other documents, that summary should not be relied upon and the relevant documentation must be referred to for its full effect. This document is not directed to, nor intended for distribution or use by, any person or entity in any jurisdiction or country where the publication or availability of this document or such distribution or use would be contrary to local law or regulation, including the USA. The News letter is published from RAK, UAE