About Contact Members Home Book Reviews

Why Now is a Great Time to Buy the World's Most Expensive Stocks

Plenty of opportunity left in the Indian market says fund manager

(Dubai, UAE) -- While the surging U.S. stock market commands most of the world's headlines, another bull market quietly rages. India's stock market is now the world's most expensive, according to the Shiller P/E ratio, the most common method for evaluating stock performance.

It's true. Since the end of 2012, average prices on the Indian stock market (both the Sensex and the Nifty) have cost 20% more than the S&P 500.

So, does this mean you've missed out on India's bull market? Is it too late to profit from India's dynamic economy? Not at all, says Ankur Shah, managing editor of the Value Investing India Report (VIIR) and Harvard Business School graduate.

"There's still plenty of Indian gems to be had," says Shah. "If you know what to look for, you'll be surprised by how many companies -- in all sectors -- have very strong fundamentals, often with P/E ratios below 10."

"The key qualification for identifying these companies, whether it's apparel, IT, or natural resources, is understanding intrinsic value. The generalist who invests in India because it's 'hot' will lose money -- guaranteed."

Identifying valuable public companies in India requires more than just business savvy. India's regulatory environment is an eclectic mix of long-standing political and socio-economic biases. It takes an intimate knowledge of Indian culture, as well as history, to make sense of it all.

The good news for any investor considering Indian stocks is that VIIR publishes a free monthly newsletter. Every month, Ankur Shah, the American-born son of Indian immigrants, reports first-hand on news affecting India's economy. He also makes specific recommendations for where to put your money. See for yourself here.

Value Investing India Report
(Autoresponder sequence 1-5, Free Newsletter Signup)

Background: The company offers a free and paid version of the newsletter each month. The target audience is upper middle-class Indian investors. This email sequence was designed to move free members into paid membership. According to Ankur Shah, the CEO of VIIR, it boosted conversions by 250% during its first three months.

To: Mike Devaney
Subject: Young, Dumb Doctor's Son

[The **Value Investing India Report** (premium) explains the global trends most likely to affect the Indian stock market. Only $250.00 US annually for twelve issues mailed monthly. In addition, you also get access to our stock picks going all the way back to 2010. Click here to upgrade to premium now.]

Greetings,

Growing up in America during the 1980's and 90's, I never realized how much I DIDN'T know. I've been trying to catch up ever since!

Let me explain.

I was in many ways a typical, second-generation Indian American. My parents were doctors. I was always an honor student: high school, college, and grad school (Harvard Business).

Everyone I knew **told** me I was smart.

And yet, even with all that education and personal drive, I fell for all the same clichés and mantras that every other middle-class American does:

- Go to college (to get an education)
- Buy a home (to establish equity)
- Diversify your portfolio (stocks, bonds, cash)

The problem with these clichés is obvious. America is not one homogenous entity. It's home to 300 million people, made up of every imaginable ethnicity, with completely different incomes, schooling, goals, and lifestyles!

Trite advice cannot be right for **everyone.**

Yet that's mostly what I heard in college -- even at Harvard.

I admit it's **very** hard to resist conventional economic programming. In the United States, you hear it from birth. It's promoted at every turn by powerful interests, people, and industries, all of whom benefit from the status quo. Regular, well-intentioned people repeat it because *they've* been brainwashed.

I just wish I hadn't been so...dumb! It would have saved me years of stress and frustration. I would never have worked in so many places where I didn't belong. I would have started the Value Investor India Report (VIRR) sooner.

My real education came AFTER college. It was then that I started reading articles by Jim Walker and Gary North, doing my own journalistic research, and asking a few (in hindsight) obvious questions like who? what? when? where? and why?

I've been on that road now for over a decade...climbing through the trenches of misinformation, dodging bad advice, tuning out the loudmouths on CNBC-TV18... all to find the *rarest* of companies, a good buy.

Every month, I comb through the records to scrutinize the companies NOT in the press, not showing up on broker's recommendations -- companies that are transparent, underpriced, and poised for growth.

Are you doing that now? Is your broker? Did you know that spreading your portfolio over hundreds of companies like the typical mutual fund does, is a recipe for peanuts?

At **VII**, I do extensive research for you, on ONE company each month, making your life a lot easier.

That's what I did while working for hedge funds prior to 2008. Except, often, I couldn't critique the companies I was analyzing honestly.

I was compromising what I knew was right.

The truth is, when you're an analyst at a hedge fund, you must do what THEY tell you to. Sure, you can study and analyze all you want, but your final report will NOT damn any of the fund's clients. Otherwise you'd cause a lot of people to lose money...and bonuses....and that will get you fired.

It's very HARD to resist the bribery.

Fortunately, I don't do that anymore. I can breathe free. At Value Investing India, we have no sticky relationships with any of the companies we scrutinize. There are no conflicts of interest. I recommend for you the same portfolio I use for myself.

We always include a buy-below price for all our stocks. That way, you never have to panic if you missed a buying opportunity. You'll never have to worry about dumping a stock quickly either because we stay away from anything that even *hints* at speculation.

If you're looking for a glamorous and flashy report that you can chat about loosely at cocktail parties, then the **Value Investment India Report** is NOT for you. Sorry. It's rather underwhelming, kind of plain with less graphics and glossy pictures than anything from... say, Fidelity or Bank of America.

Which was always my intention. Remember, slow and steady wins the race!

To activate your premium membership, CLICK HERE now.

Regards,

Ankur Shah
Managing Director
Value Investor India Report
http://www.valueinvestingindiareport.com/

To: Mike Devaney
Subject: Indian Money Grab

[Last month we suggested our subscribers take profits for Ratnamani Metals and Tubes in June 2014. The stock was up an astonishing 183% since we first recommended it back in Jan 2013. Want to get in on the next success story? Join **VIIR** (premium) now, $250 gets you 12 reports, each containing one stock pick.]

Greetings,

One of the consequences of being the son of Indian immigrants in America is the assumptions people make -- even smart ones -- about you.

Non-Indians, for example, think you always have business ties to the "mother" country. Which is kind of funny because it's only recently that expatriates even CONSIDERED India as a business opportunity.

That was certainly what my parents believed. They left India and took their money with them. The only it returned was for remittance purposes (or family vacations). Compared to India, with its soul-crushing bureaucracy, opening a business in America was light and quick work.

I was a little different though. When I graduated college in the late 1990's, India was riding the tech boom, becoming a top destination for foreign investors. I knew whatever It was I did, it would involve the Indian stock market.

Which, in hindsight, was just a hunch. Because I didn't know much about India. My experience came from what I observed while visiting my grandparents and what I heard my parents discussing with their friends. That's all.

Come to think of it, that wasn't much different from what I knew about investing in America. So, knowing little else besides academia, I ended up going back to school to get my MBA.

This was around the time when Jim O'Neill of Goldman Sachs first used the BRIC acronym. He predicted India would become one of the world's four dominant economies by 2050.

I was glad to finish business school and get started with an investment bank. Who better to study Indian developments than an Indian-American?

So, I did what they hired me to do. I dove into Indian politics. I memorized the Nifty 50. I kept running tabs on commodity prices. I attempted to figure out what effect rules and regulations would have on the companies. I always checked the Bombay Stock Exchange and the National Stock Exchange several times a day. I wrote up everything I learned in a report and made recommendations.

It was good money but was I discovering the "secret" to investing in India?
No, not at all.

The truth is, big banks and hedge funds muzzle their analysts regardless of the country or market they study.

That is, big clients dictate stock picks and recommendations. I did learn a lot about India on the job, but still, whatever I discovered bowed to powerful, financial interests.

My real education would be slow coming, over the next few years. In that time, I switched employers from an investment bank to a hedge fund. More of the same but worse -- the pressure for IMMEDIATE profit always hung in the air, like Chennai's humidity.

Now, ten years later I can say that short-term profits do not work for the average investor. Over time, the cost involved will at best be...average. It's very difficult to beat the market over the long-term without proper guidance.

The Indian stock market is now the world's most expensive. Foreign investors have poured in billions this year alone, as many are fleeing treasuries. As Elvis Presley sang years ago..."only fools rush in." Yet the Indian government is encouraging the speculation!

Curiously, "value investing" is one of the hot trends today. But real value investing smashes head- on with stampede behavior. The thing is, it's hard to see a bubble rising when you're right in the middle of it.

Nearly everybody rushing into the Indian stock market today is doing so based on what they think are good reasons; they are certainly not STUPID, but they are watching the WRONG metrics.

Here at **Value Investing India**, we see stock as **ownership** in a company. That is, no easy-in, easy-out for us. We think long and hard about every recommendation.

Since my first job with an investment bank over 10 years ago, my knowledge of India has grown exponentially. We include everything relevant in our monthly report; we also filter out the many, many UNIMPORTANT details that popular analysts use in the decision-making process.

We look for a margin of safety in all our picks. We don't close our eyes and hope for the best nor do we rely on vague assumptions floated to us by a business show. We put all our picks through a simple formula and if the numbers don't work...even if everything else is attractive...we don't buy.

We don't invest in anything we don't understand. Other investors might say the same thing but here is what we mean: If we cannot EXPLAIN a company's core product or service accurately**,** in **TWO SENTENCES OR LESS**, then we pass on them.
It is a simple rule that has protected us since we started the **Value Investing India Report**.

Why take any more chances with your future?

Become a **Value Investor India** premium member today and start building your own stealth portfolio. Every stock in the **VIIR** is vetted according to our five and ten-year outlook.

CLICK HERE to upgrade now.

I owe much of what I learned about investing to Jim Walker and Gary North. They were the only two analysts that I know of who accurately predicted the American real estate collapse in 2008.

I'll expose some of the other myths I believed as a young investor tomorrow.

Regards,

Ankur Shah
Managing Director
Value Investing India Report
http://www.valueinvestingindiareport.com/

To: Mike Devaney
Subject: You Name It, I Believed It

[The **premium** version of the **Value Investing India Report** (**VIIR**) scours the market every month to recommend a single, undervalued company. It's all there for you to read and then decide for yourself. In addition to a long form report, you'll receive access to a member's only website, a group forum where members brainstorm with each other, and market update emails. All of this for only $250.00 U.S. annually!]

Greetings,

As the chief economist for Value Investing India, I assume nearly everyone appearing on business shows is an ignoramus.

I might be wrong...they could ALL be prostitutes, but it's probably correct to call them ignorant. Why? Because many of the hosts are former journalists, actors, and academics. Their most frequent guests are also from the same pool.

It doesn't matter the channel (CNBC - TV18, FOX Business, Bloomberg, etc.), they all operate from the same framework, the same playbook. They have a deficient understanding of basic economics and marketing principles.

I recognize what I see because I was once one of them. That's right, I spoke and wrote on economic matters I knew nothing about. I was just doing what I was taught, although it's embarrassing for me to look back now.

Likewise, the TV pundits are following what they've been taught, and you don't need a whole lot of understanding to ask pre-written questions or repeat glib soundbites.

A good example is their treatment of central banking. They never pick apart the reason for a central bank. They never question the fundamental absurdity of a central bank setting interest rates. They never wonder about the relationship between central banking and the political elite.

They're perfectly content to keep the conversation acceptable and pleasing to their corporate bosses. Besides, asking intelligent questions is not why they were hired.

Sometimes, the TV hosts get part of the story right. Almost always, though, they come to the wrong conclusions. It's hard for them to UNLEARN core doctrine. It took me YEARS!

If you don't think things through and connect the dots, then you will be wrong a lot of the time. And in investment circles, conventional wisdom reigns supreme.

I'll be frank: "value" investing is all the rage these days among India's financial media.

It's a buzz word they throw around without defining it. You can see for yourself in this cover story from *Forbes*. But what does value investing really mean?

To us at **VIIR**, it means due diligence. We could not recommend anything that didn't pass our rigorous testing process. Our outlook is five to ten years in the future. Our stock analysis does not hinge on a few nominal price changes. We leave the fluff for the TV "experts" to discuss.

To enjoy the **benefits** of VIIRs premium membership, GO HERE.

Regards,

Ankur Shah
Managing Director
Value Investing India Report
http://www.valueinvestingindiareport.com/

To: Mike Devaney
Subject: Escaping the CNBC Matrix

[Did you know we recommended MCX to premium subscribers of the **Value Investing India Report** (**VIRR**) back in Sept of last year? The price of MCX has risen 62% since then and yet, it might still be a good buy! How is that possible? Upgrade to **VIIR Premium** to get the inside story, only $250 US annually.]

Greetings,

One of the *hazards* of watching Indian business shows is how quickly time flies. The shows can be fun to watch, in the same way soap operas are. The hosts tease you with promises of inside information and string you along until...the show ends.

You can spend all morning or afternoon watching CNBC - TV18, Bazaar, Profit TV, and be none the wiser. In two-minute clips, the hosts and guests making sweeping generalizations without any substance.

Indian business shows have borrowed a lot from the American format -- heavy on predictions, arguments, and data, light on substance. They're more infotainment than anything else but it still feels like you MUST watch them. To miss them means you might miss…something.

These shows were always playing in the background of the hedge funds and investment banks I worked at. They guided almost everything we talked about during breaks. Their influence is... impressive.

However, as the years passed, I worked hard to avoid watching or even listening to the business channels. I had always known that if millions of investors were watching the same thing as I was, the chances of discovering a breakthrough opportunity was about... zero.

But it took serious contemplation before I considered them my enemy. They were preventing me from doing my job -- research. They always promoted quick fixes. I was prone to laziness every time I watched them.

Now you might think I warn others against wasting their time by watching them. I don't. People like to escape from reality by following "experts." Besides, the more investors who follow them means the more opportunity for value investors like myself and my subscribers.

With interest rates in India as high as they are and the threat of more bank failures...do you really want to trust your investment portfolio to what you learn on TV?

At **Value Investing India**, we always keep the TV off when it comes to making decisions. If we need to check something, we read it (transcripts included). I read about a book per week. In case you're interested in knowing, EVERY ultra-smart investor is a voracious reader. Aside from calculations and reading, we also do a lot of THINKING.

Thinking is where the magic happens!

Get 12 reports per year, each with one stock recommendation. Currently our portfolio contains 16 stocks -- not dozens, or hundreds -- 16. We plan on holding each of them for years unless something fundamental changes.

CLICK HERE to upgrade your membership today!

Regards,

Ankur Shah
Managing Director
Value Investing India Report
http://www.valueinvestingindiareport.com/

To: Mike Devaney
Subject: Bend it Like Buffett

Greetings,

India's investing elite love Warren Buffett. Why not? He's wealthy beyond comprehension and seems so... regular..average... like your frumpy grandfather.

When he speaks, people listen. He could burp and all the major media outlets -- TV, newspapers, newsletters, investors, the Democrat party (U.S.) -- would report it!

He matters of course because of what he's accomplished at Berkshire Hathaway. His investment career has never depended on publicity or attracting people to his cause. It's always been about steadily buying shares in good companies and holding them until it no longer makes sense.

That could be 5, 10, 20 years, or more.

Which is where most Warren Buffett fans lose it. They want what he has without the...**waiting**.

Discipline and patience are HARD. Most investors will NEVER see the returns of Berkshire Hathaway because they want to see... SOMETHING.

Call it action? activity? movement? But sitting and doing nothing while your investment grows?

B-O-R-I-N-G!

Almost no broker, analyst, or manager would EVER admit to this but in truth, buying and selling stocks is one BIG GAME to them.

Sure, they make money on each transaction but almost as important for them is the "thrill" of trading.

It's like online gambling or a weekend in Las Vegas to them. Is that who you want managing your money?

Back to Warren Buffett...how many of his Indian fans would agree with these statements he's made?

- Derivatives are "weapons of mass destruction."
- "Avoid anyone who promises quick profits."
- "Prospective purchasers should much prefer sinking (stock) prices."

- "We've long felt that the only value of stock forecasters is to make fortune tellers look good."
- "It's optimism that is the enemy of the rational buyer."

Almost none. In fact, Indians are so fearful of losing what they have, that they almost NEVER move beyond mutual funds. But too often, while they're searching for "security" (no such thing in today's world), their fund managers are speculating based on the current market.

Amateur fund managers will NEVER provide for your retirement, at least in any MEANINGFUL way.

If you want to a track record and portfolio that begins to look like Mr. Buffett's, then you need to start thinking like him. At Value Investment India, our investment process is completely transparent, totally accountable, and easy to implement in your own portfolio.

We never time the market.

How much does VIIR resemble Berkshire Hathaway? Consider:

- We recommended closing out a stock last month up 183% since purchase
- We recommended holding a stock up 62% since purchase, also last month
- We've beaten the Nifty Index in each of the last three years

At that's just the recent news...our recommendations go back to 2012. They are fully archived. In addition, the VIIR tends to attract savvy, sharp who discuss market matters in a private forum. They ask questions, provide answers, and build community. It's a great tool for all things investments.

CLICK HERE to upgrade your membership now.

Regards,

Ankur Shah
Managing Director
Value Investing India Report
http://www.valueinvestingindiareport.com/