
investment guide

Release 1.0.0

jj

Jan 29, 2022

CONTENTS

CHAPTER ONE

ABOUT

Investing in emerging markets is not as straightforward as one might think. The only way is up? Not really...

Emerging markets can be compared to America before 1900. (idea : Mark Faber)

A lot of boom and bust, and signs of globalisation. English investors withdrawing money for other purposes.

After reading quite a few books on investing, I have become convinced that the stock exchange can generate a return, but not all the time.

I think there are seasons. So you seed and harvest, but in the correct season.

Most small time investors like myself end up in losing money,

This book is automatically generated from Jupyter notebooks that capture realtime (up to date) data from the internet.

The purpose is not a weatherforecast but a season-detection, which could support investment decisions.

EM INDONESIA

2.1 relationship between currency rate - inflation - stockexchange

an attempt to use free available data sources, and to investigate if there is any predictive aspect to this

- The parameter that is lacking, is politics. (howto to quantify this?)
- Currency as a parameter is examined
- futures in the bond market, currency default swaps, spread

$$\alpha\beta\gamma\Delta\Gamma$$

2022-01-05

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<Response [200]>
https://sdw-wsrest.ecb.europa.eu/service/data/EXR/D.IDR.EUR.SP00.A?startPeriod=2015-
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↪europa.eu:443/vocabulary/sdmx/2_1/SDMXCommon.xsd http://www.sdmx.org/resources/
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Hmmm, the response is in XML. Not impossible, but also not the easiest format to work within Pandas. Fortunately, the ECB's API lets us get the data in CSV format by specifying it in the header of the request.

```
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```

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'KEY,FREQ,CURRENCY,CURRENCY_DENOM,EXR_TYPE,EXR_SUFFIX,TIME_PERIOD,OBS_VALUE,
↪OBS_STATUS,OBS_CONF,OBS_PRE_BREAK,OBS_COM,TIME_FORMAT,BREAKS,COLLECTION,
↪COMPILING_ORG,DISS_ORG,DOM_SER_IDS,PUBL_ECB,PUBL_MU,PUBL_PUBLIC,UNIT_INDEX_
```

```

→BASE,COMPILATION,COVERAGE,DECIMALS,NAT_TITLE,SOURCE_AGENCY,SOURCE_PUB,
→TITLE,TITLE_COMPL,UNIT,UNIT_MULTrnEXR.D.IDR.EUR.SP00.A,D,IDR,EUR,SP00,A,
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→"ECB reference exchange rate, Indonesian rupiah/Euro, 2:15 pm (C.E.T.)",
→IDR,0rnEXR.D.IDR.EUR.SP00.A,D,IDR,EUR,SP00,A,2015-12-02,14646.1,A,,,P1D,
→,A,,,,,,,,,2,,DE2,,Indonesian rupiah/Euro,"ECB reference exchange rate,
→Indonesian rupiah/Euro, 2:15 pm (C.E.T.)",IDR,0rnEXR.D.IDR.EUR.SP00.A,D,
→IDR,EUR,SP00,A,2015-12-03,14733.44,A,,,P1D,,A,,,,,,,,,2,,DE2,,Indonesian
→rupiah/Euro,"ECB reference exchange rate, Indonesian rupiah/Euro, 2:15 pm
→(C.E.T.)",IDR,0rnEXR.D.IDR.EUR.SP00.A,D,IDR,EUR,SP00,A,2015-12-04,15094.88,
→A,,,P1D,,A,,,,,,,,,2,,DE2,,Indonesian rupiah/Eur'

```

The columns we need are 'TIME_PERIOD' for the dates and 'OBS_VALUE' for the prices. Let's also do a sanity check on the prices in 'OBS_VALUE'.

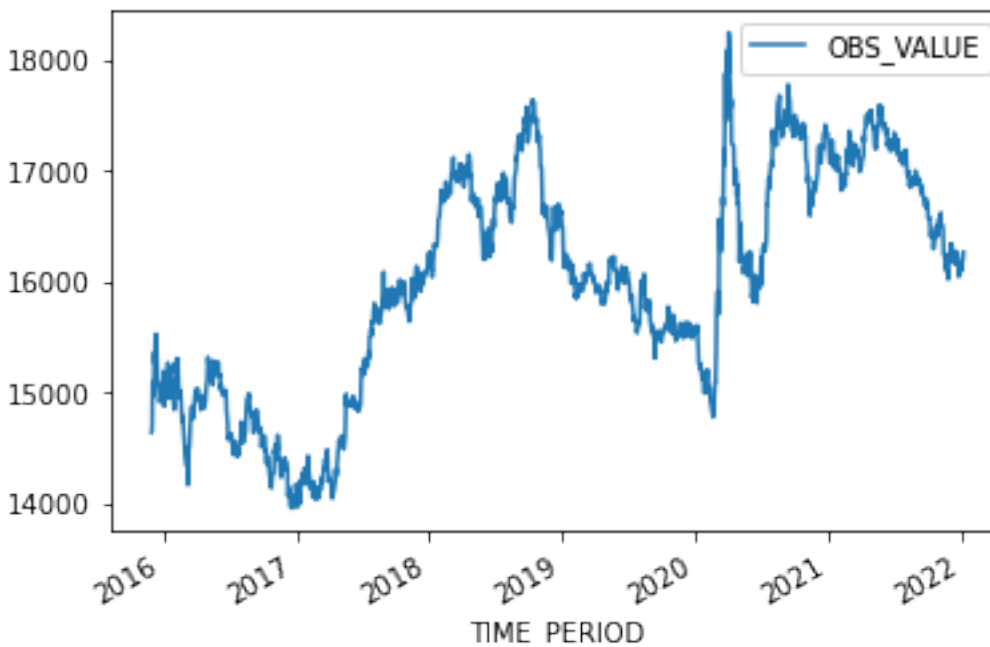
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min         13959.270000
25%         15147.605000
50%         16040.725000
75%         16875.982500
max         18239.610000
Name: OBS_VALUE, dtype: float64

```

the spike is the FX - market is 2021-12-20 where you get 20.0434 Lira for 1 Euro.

```
<AxesSubplot: xlabel='TIME_PERIOD'>
```



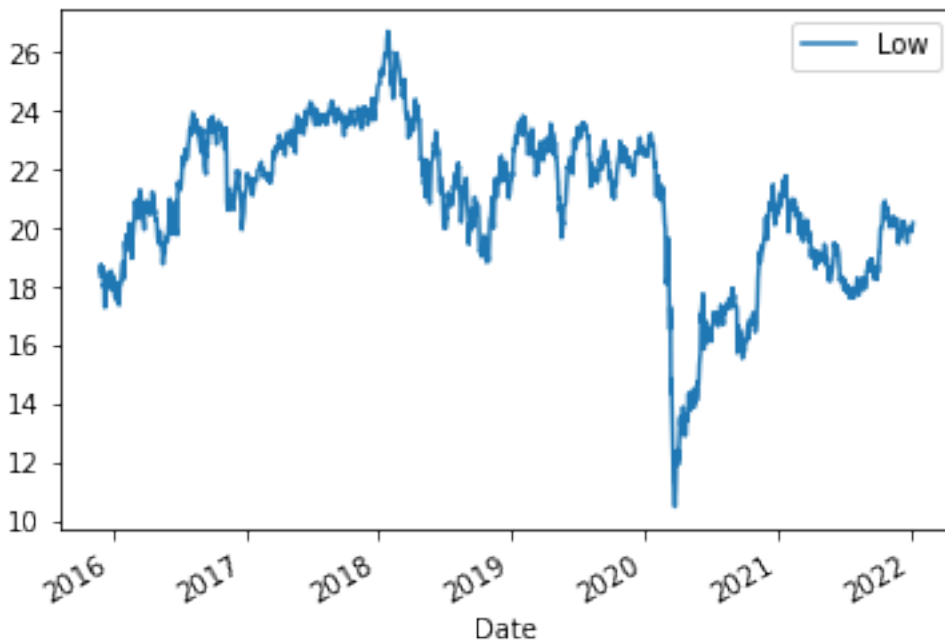
Indonesian Rupiah against EURO - data taken from ECB

watch the 2020 spike in exchange ratio, which I think is an outflow of capital to US/Europe

Now we import data from the Indonesian stock exchange, IDX - VanEck Vectors Indonesia Index ETF

[*****100%*****] 1 of 1 completed

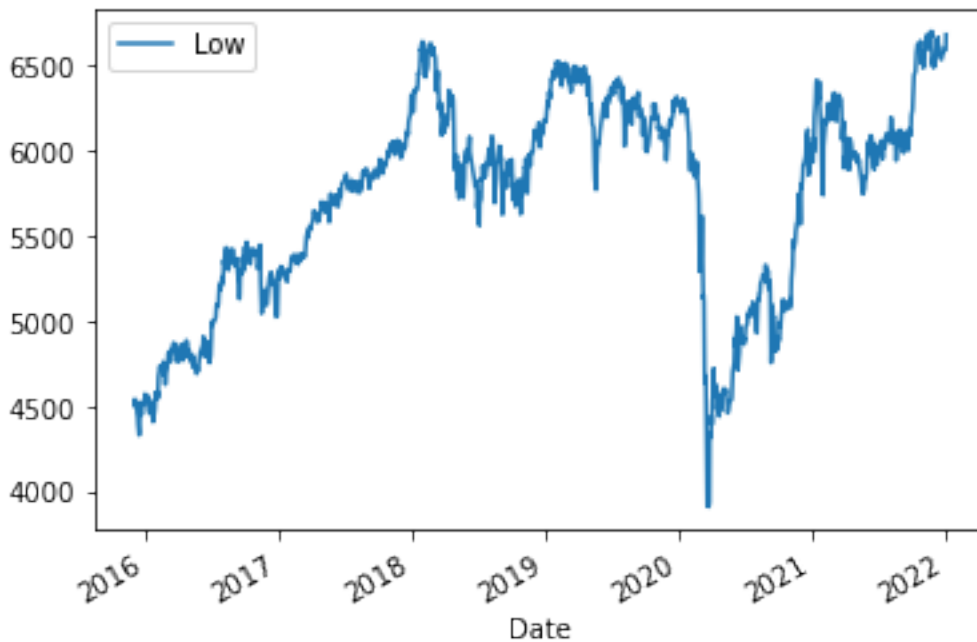
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graph is IDX - VanEck Vectors Indonesia Index ETF

[*****100%*****] 1 of 1 completed

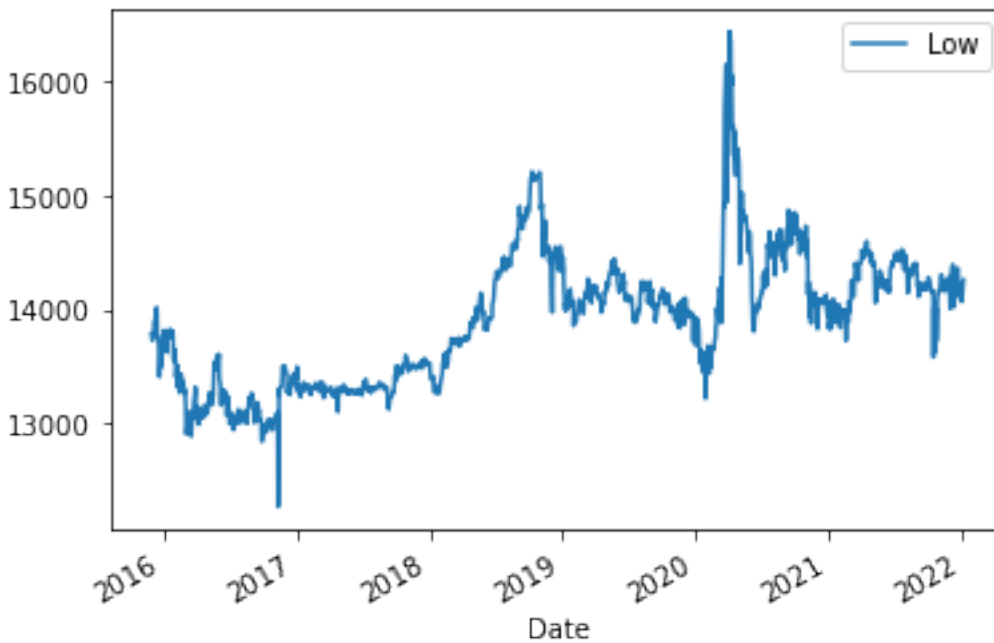
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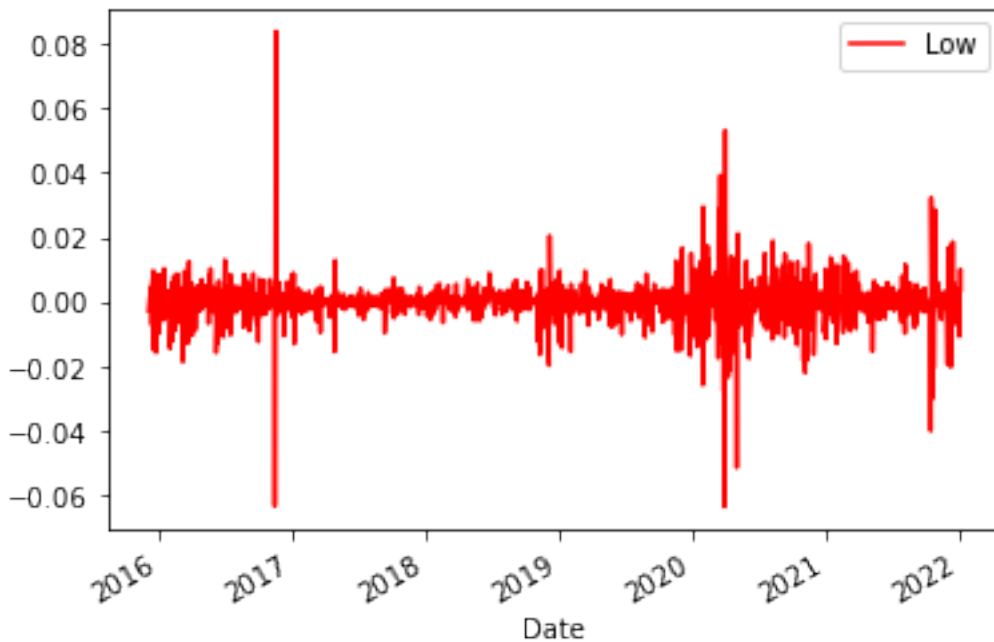
jakarta stock exchange in Rupiah

[*****100%*****] 1 of 1 completed

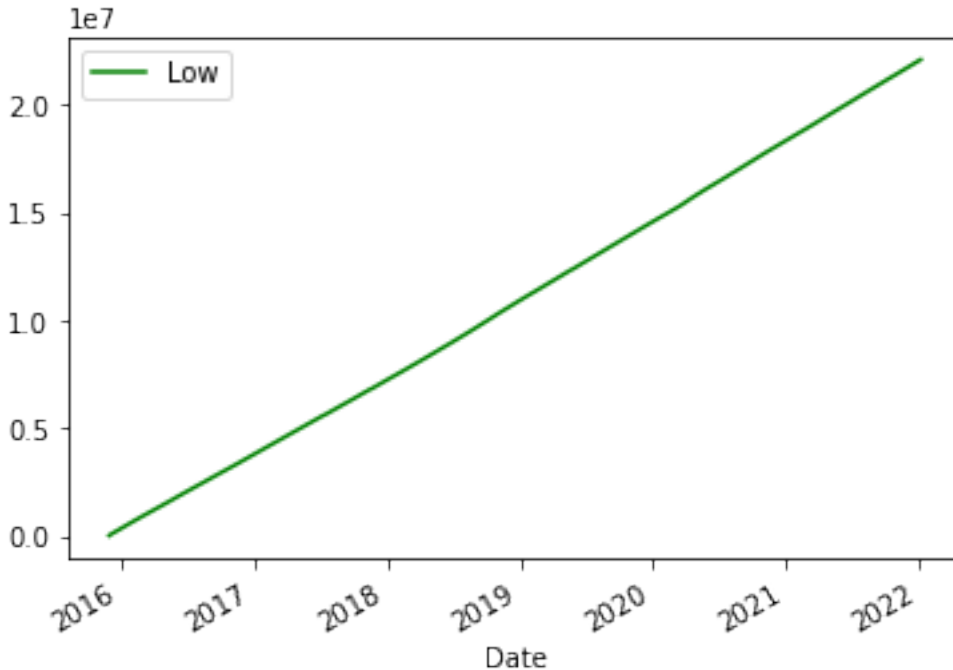
<AxesSubplot:xlabel='Date'>



this is the indonesian rupiah against the dollar



this is the indonesian rupiah against the dollar daily change percentage



```

-----
TypeError                                Traceback (most recent call last)

/tmp/ipykernel_11872/3973843293.py in <module>
      9 dftcurstokfil.tail()
     10 #dfcurstock.tail()
--> 11 dftcurstokfil.plot()

~/anaconda3/lib/python3.8/site-packages/pandas/plotting/_core.py in __call__(self,
-> *args, **kwargs)
     970         data.columns = label_name
     971
--> 972         return plot_backend.plot(data, kind=kind, **kwargs)
     973
     974         __call__.__doc__ = __doc__

~/anaconda3/lib/python3.8/site-packages/pandas/plotting/_matplotlib/_init_.py in
-> plot(data, kind, **kwargs)
     69         kwargs["ax"] = getattr(ax, "left_ax", ax)
     70         plot_obj = PLOT_CLASSES[kind](data, **kwargs)
--> 71         plot_obj.generate()
     72         plot_obj.draw()
     73         return plot_obj.result

~/anaconda3/lib/python3.8/site-packages/pandas/plotting/_matplotlib/core.py in
-> generate(self)
    284     def generate(self):
    285         self._args_adjust()
--> 286         self._compute_plot_data()

```

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```
287         self._setup_subplots()
288         self._make_plot()

~/anaconda3/lib/python3.8/site-packages/pandas/plotting/_matplotlib/core.py in _
->compute_plot_data(self)
    451         # no non-numeric frames or series allowed
    452         if is_empty:
--> 453             raise TypeError("no numeric data to plot")
    454
    455         self.data = numeric_data.apply(self._convert_to_ndarray)

TypeError: no numeric data to plot
```

in this graph there is a correlation between exchange rate and stock index, this begs the question if in the case of the indonesian stock exchange, we can use a significant change in currency rate as a signal to quit?

In order to get a clear idea, let's examine the 2020 covid crisis.

EM RUSSIA

3.1 relationship between currency rate - inflation - stockexchange

an attempt to use free available data sources, and to investigate if there is any predictive aspect to this

- The parameter that is lacking, is politics. (howto to quantify this?)
- Russia has been fighting inflation

$$\alpha\beta\gamma\Delta\Gamma$$

this report **is** valid till : 2022-01-21

Russian rubel against EURO - data taken from ECB

Now we import data from the Indonesian stock exchange, IDX - VanEck Vectors Indonesia Index ETF

[*****100%*****] 1 of 1 completed

<AxesSubplot:xlabel='Date'>

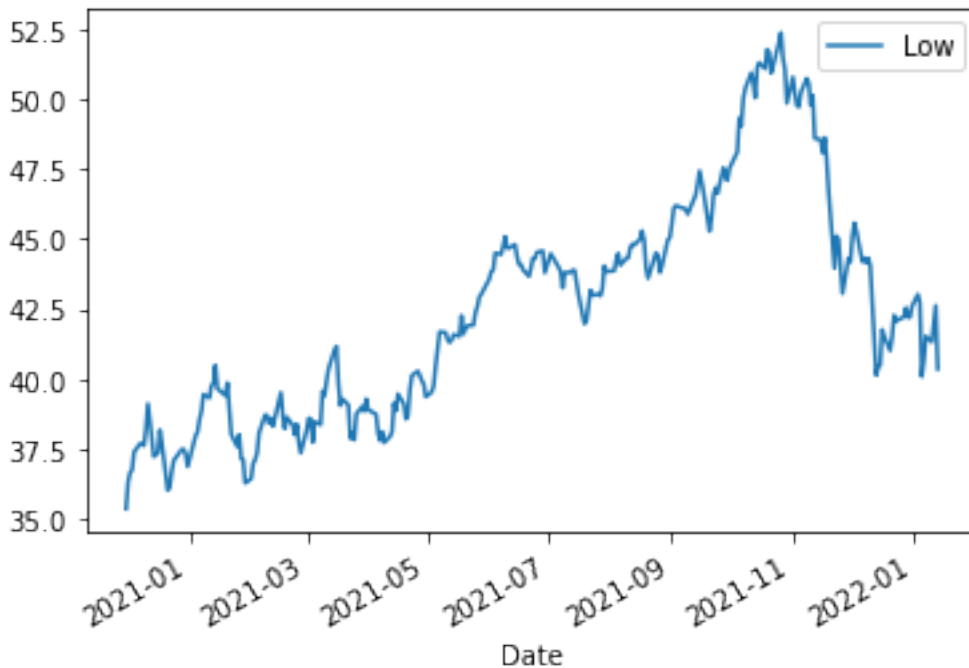


Public Joint-Stock Company Moscow Exchange MICEX-RTS (MOEX.ME) MCX - MCX Real Time Price. Currency in RUB

is there a way to get a headstart in information about currency : libor rate, cds ... ?

[*****100%*****] 1 of 1 completed

<AxesSubplot:xlabel='Date'>



this is an ETF on russian companies

- Gazprom PJSC GAZP 14.29%
- Sberbank of Russia PJSC SBER 13.11%
- PJSC Lukoil LKOH 11.75%
- Mining and Metallurgical Company NORILSK NICKEL PJSC GMKN 5.58%
- NOVATEK PJSC GDR NVTX 4.97%
- Yandex NV Shs Class-A- YNDX 4.74%
- TCS Group Holding PLC GDR Repr Class -A- Reg-S TCS 4.54%
- Tatneft PJSC TATN 4.10%
- Rosneft Oil Co ROSN 3.33%
- Polyus PJSC PLZL 3.06%

[*****100%*****] 1 of 1 completed

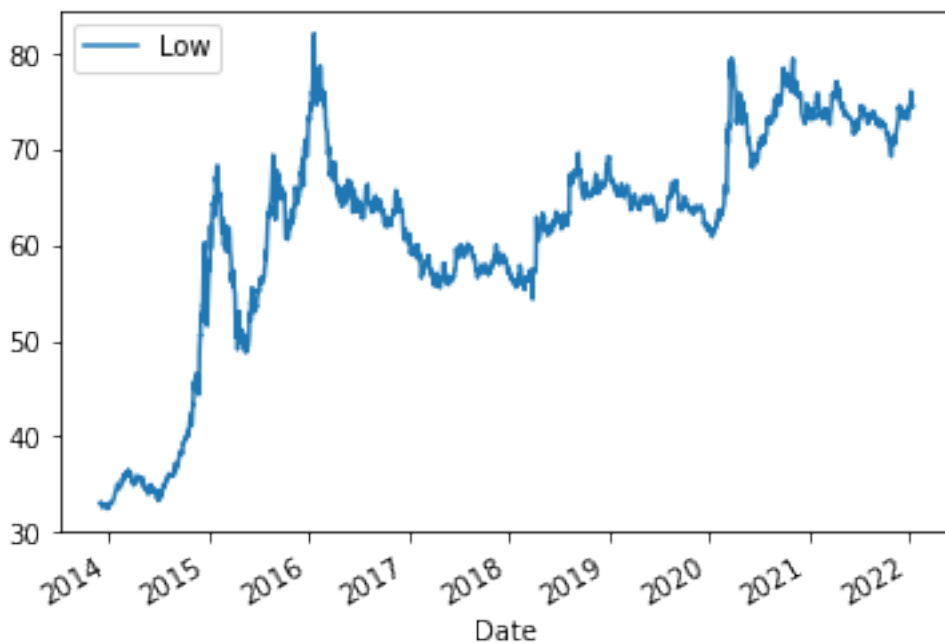
<AxesSubplot:xlabel='Date'>



this is russian rubel against the euro

[*****100%*****] 1 of 1 completed

<AxesSubplot:xlabel='Date'>



this is the russian rubel against the dollar

EM TURKEY

4.1 relationship between currency rate - bondmarket - stockex-change

Turkey is right now (22/01/22) not the place to invest, but it is really interesting because a lot is happening.

I'm particularly interested in the relation between currency (Forex) and stock market. I do not have access to detailed data, which is partly due to me pennypinching...

From september 5th (8.5) till december 19th (16.70) the Turkish Lira dropped almost half in value. An intervention of the Turkish national bank (selling of reserves) got the Lira back up till (13).

A report from EMFI predicts an inversion of the yield curve and an inflation of (70%)!! for 2022. "SELL" is the advice to bondowners

Future outlook : an inversion of the yield curve in the US is a reasonable predictor of recession. So somewhere 2022-2023 there should be a buying opportunity.

$$\beta T$$

```
2022-01-21
```

```
<Response [200]>
https://sdw-wsrest.ecb.europa.eu/service/data/EXR/D.TRY.EUR.SP00.A?startPeriod=2021-
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```

Hmmm, the response is in XML. Not impossible, but also not the easiest format to work within Pandas. Fortunately, the ECB's API lets us get the data in CSV format by specifying it in the header of the request.

```
<Response [200]>
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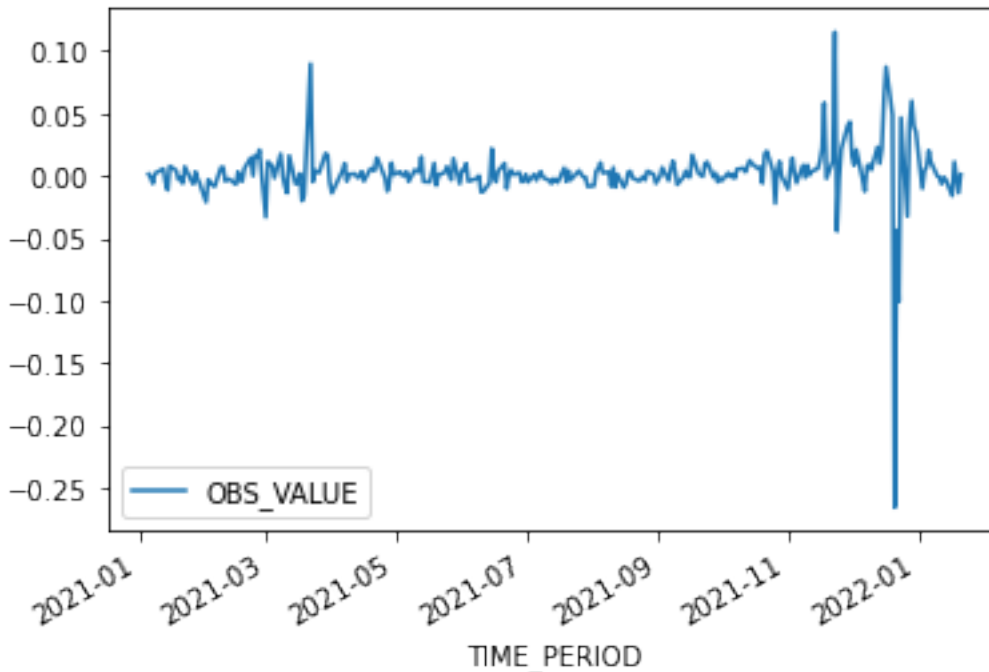
The columns we need are 'TIME_PERIOD' for the dates and 'OBS_VALUE' for the prices. Let's also do a sanity check on the prices in 'OBS_VALUE'.

```
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min        8.397500
25%        9.703800
50%       10.138500
75%       10.782100
max       20.043400
Name: OBS_VALUE, dtype: float64
```

the spike is the FX - market is 2021-12-20 where you get 20.0434 Lira for 1 Euro.

The stockmarket came down on monday 20/12.

```
<AxesSubplot: xlabel='TIME_PERIOD'>
```



OK another spike on 2021-03 what happened on stock exchange?

Turkish lira against EURO - data taken from ECB, you can see a spike at december 20th. Subsequently there is an intervention from the Turkish national bank, supporting the Turkish lira : - statement by president Erdogan - sell of foreign reserves

The new deposit scheme, called by Bloomberg a rate increase in disguise, could be short-term gain and longterm pain, as the mechanism basically transfers FX risks from the private sector to the government, with the latter guaranteeing depositor's returns by covering any losses caused by a depreciation in the lira, as long as those losses exceed the bank's interest rates. This in effect creates a liability for the government, which would come back to bite in case the lira weakens again. To make matters worse, authorities might choose to monetize the obligation, thus putting more pressure on inflation and the lira, creating a vicious cycle that could get out of

Summarizing, Turkey's outlook includes more inflation, more long-term currency depreciation and no interest rate hikes to correct these moves; on the contrary, it looks like the president will continue to blame everybody and everything else but his beliefs. Brace yourself, Turkey.

Now we import data from the turkish stock exchange, we use the iShares MSCI Turkey.

```
[*****100%*****] 1 of 1 completed
```

What is happening on 2021-12-17 ? People selling of, are well informed, but how?

graph is turkish MSCI index in dollar

```
[*****100%*****] 1 of 1 completed
```

Low

Date

2021-12-15 2145.600098

2021-12-16 2175.500000

```

2021-12-17  2071.300049
2021-12-20  1914.000000
2021-12-21  1884.699951
                High

```

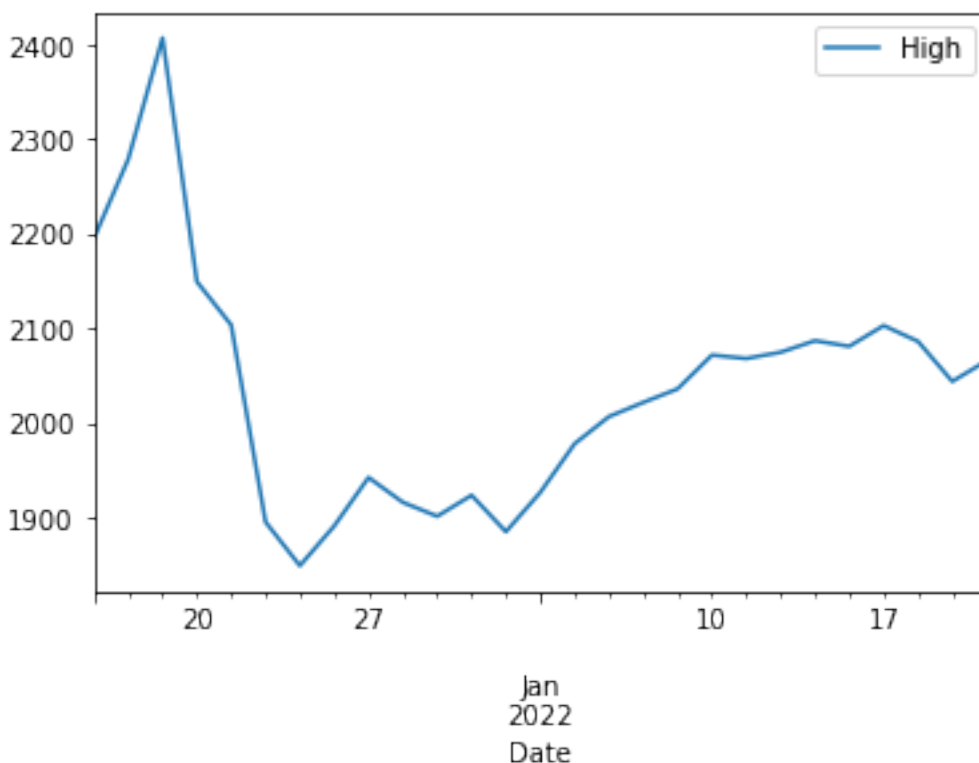
```
Date
```

```

2021-12-15  2195.100098
2021-12-16  2278.600098
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2021-12-21  2103.600098

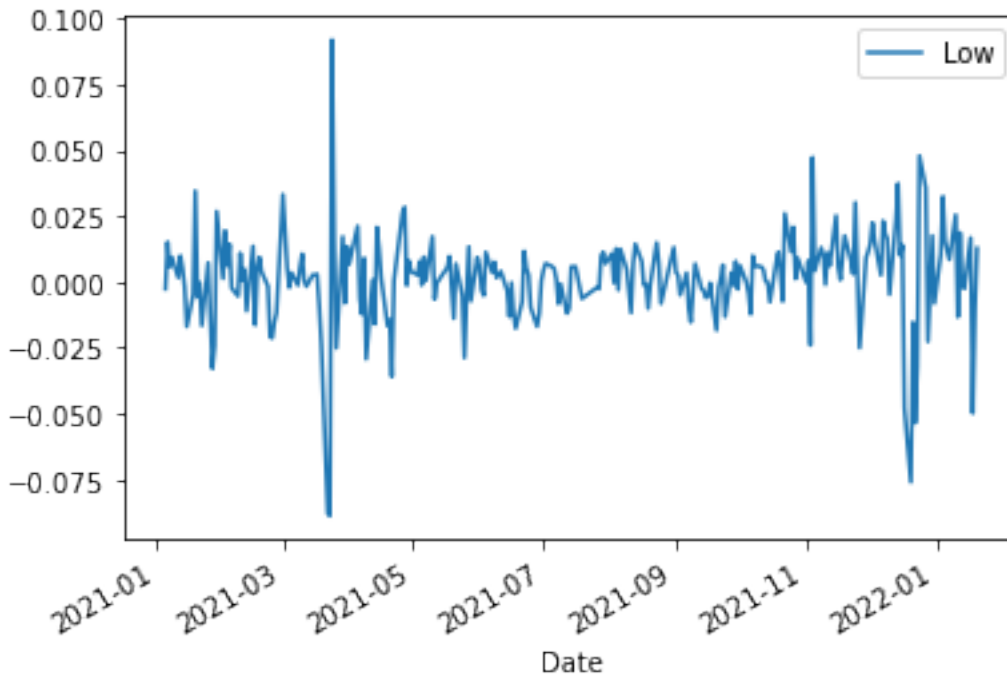
```

```
<AxesSubplot:xlabel='Date'>
```



```
[*****100%*****] 1 of 1 completed
```

```
<AxesSubplot:xlabel='Date'>
```



daily spread of : 13 %

The big question is : could the exchange-rate rise be a warning? monday 2021-12-14 16.2092 tuesday 2021-12-15 16.5612 wednesday 2021-12-16 17.5824

6.1662198391420935

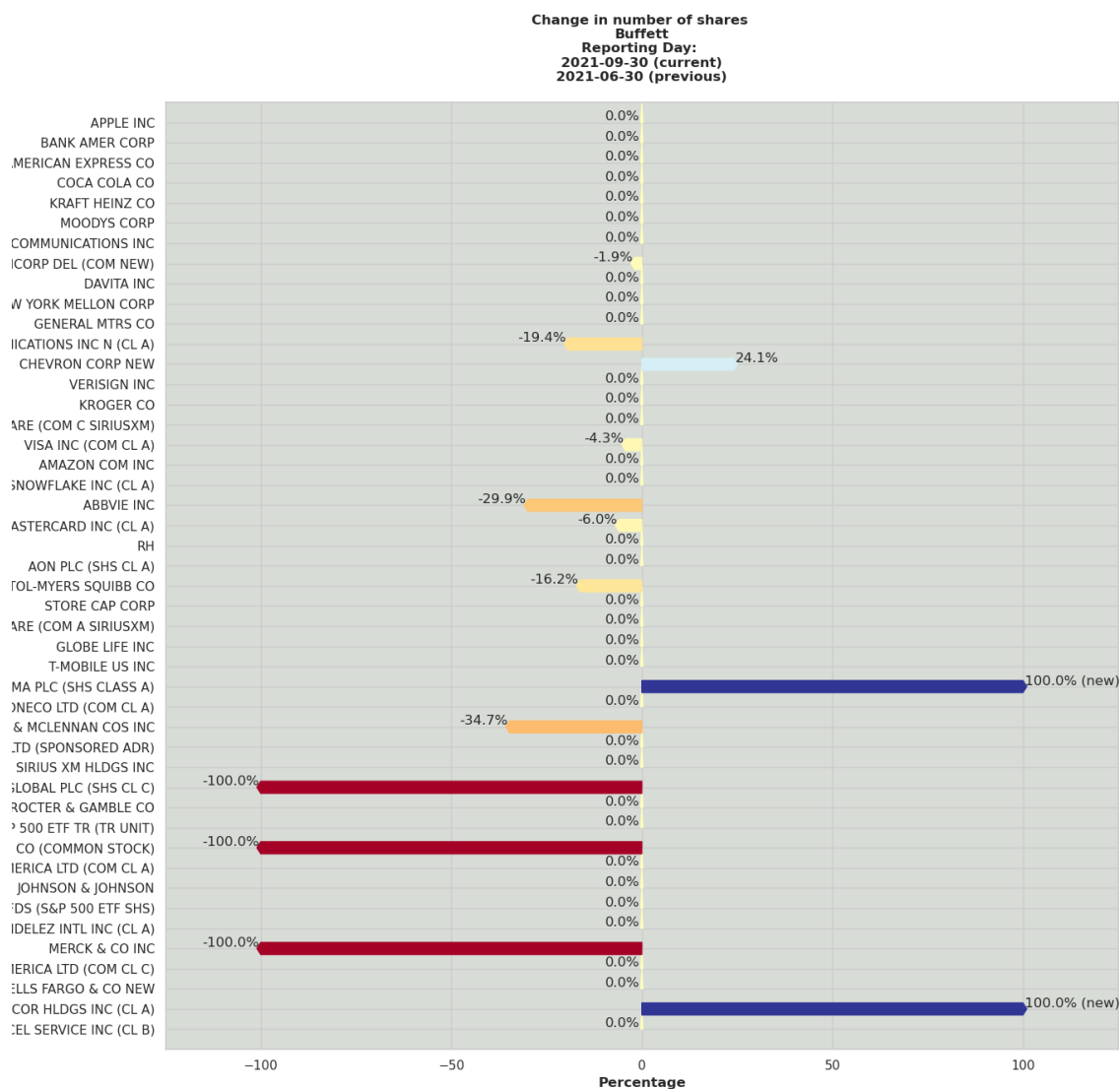
A currency change of 6 percent in one day? — can I backtest this? Seems in March same thing happened.

Credit Default Swaps – different types for CDS on ABS - continued - Fixed Cap: Maximum amount that the protection seller has to pay buyer is the Fixed Rate - Variable Cap: Protection seller has to make up any interest shortfall on the bond up to LIBOR plus the Fixed Rate - No Cap: Protection seller has to make up any interest shortfall on the bond

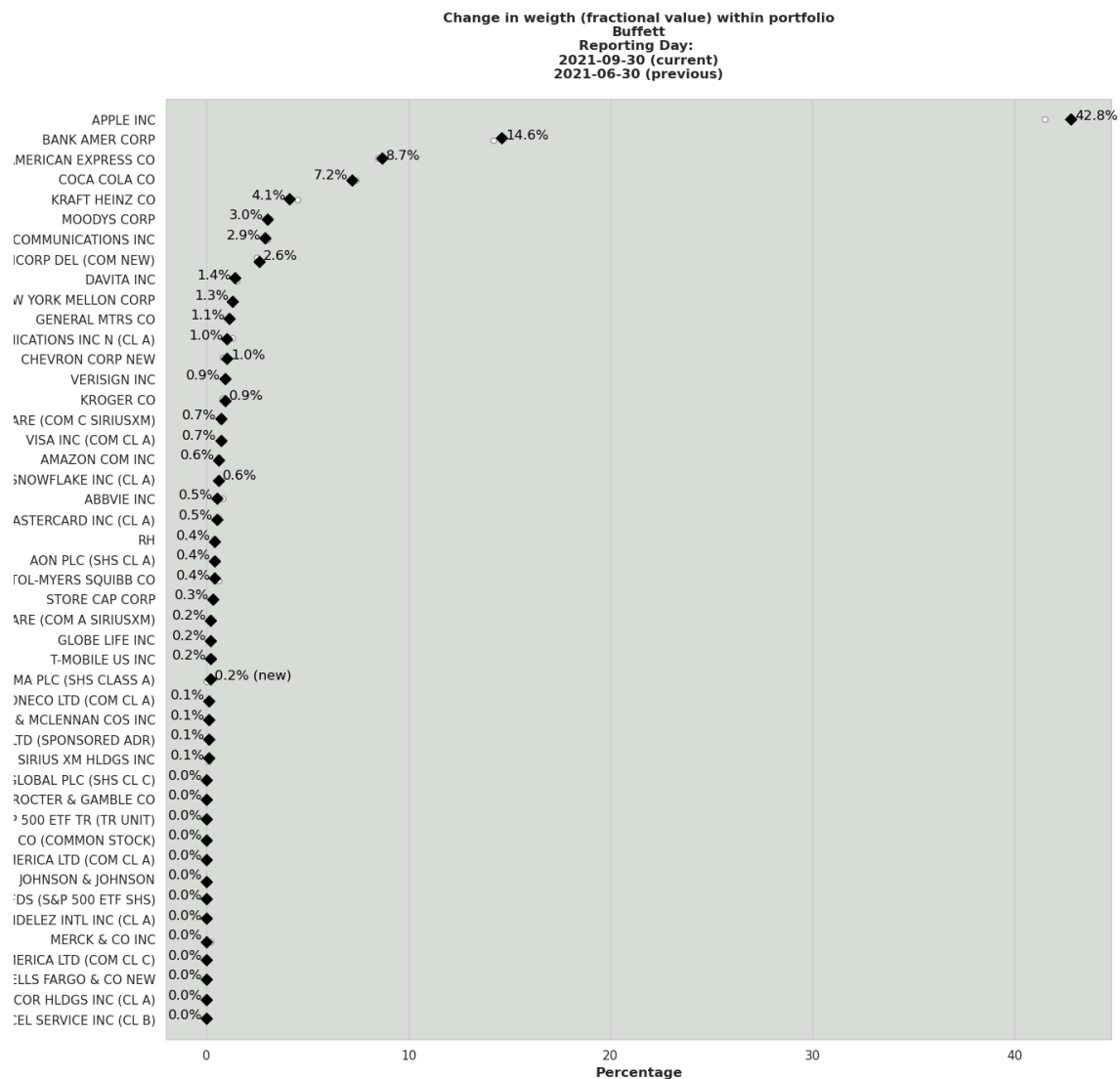
is there a way to get a headstart in information about currency : libor rate, cds ... ?

CHAPTER FIVE

BUFFETT

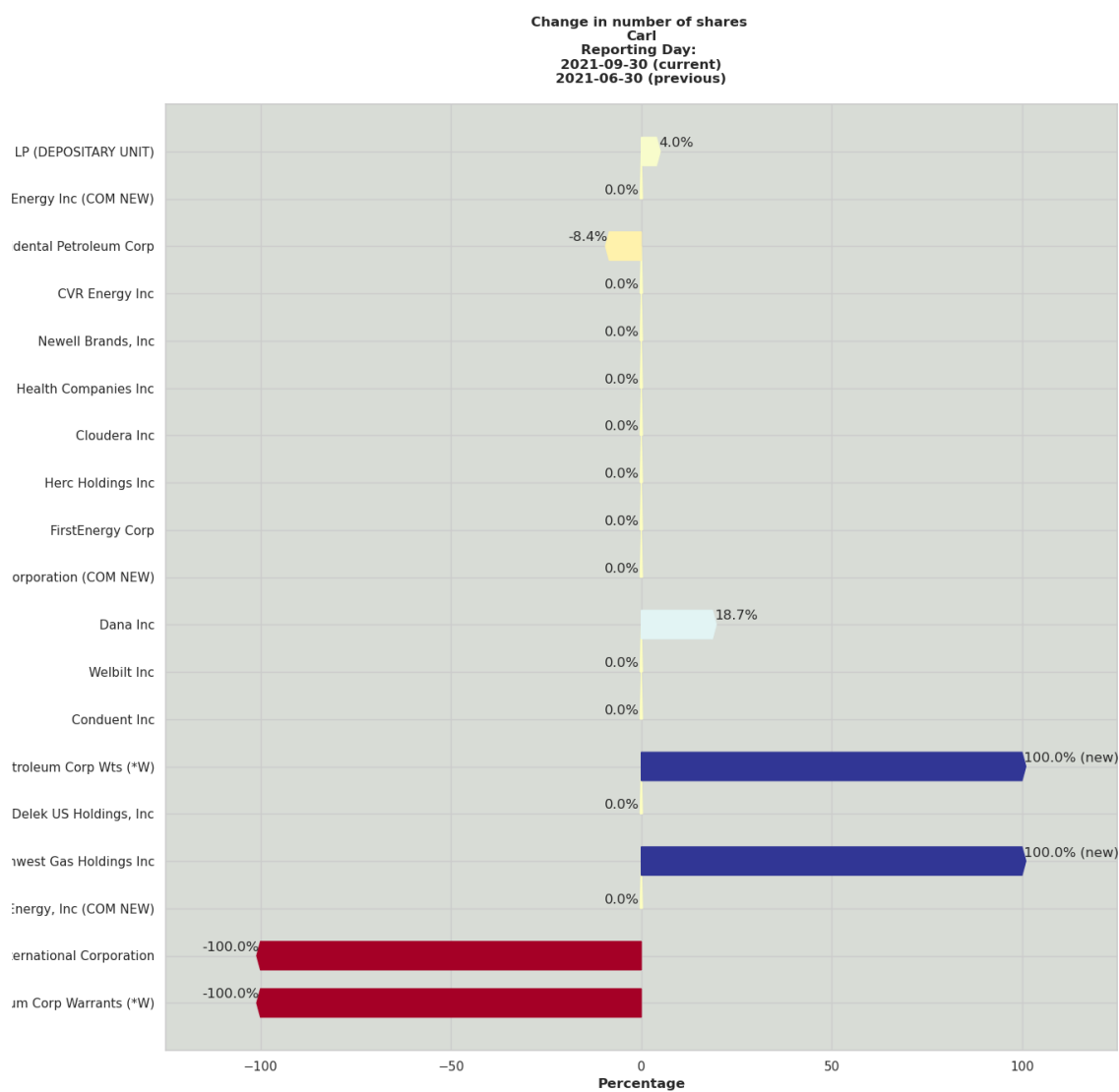


BUFFETT FRACTIONAL

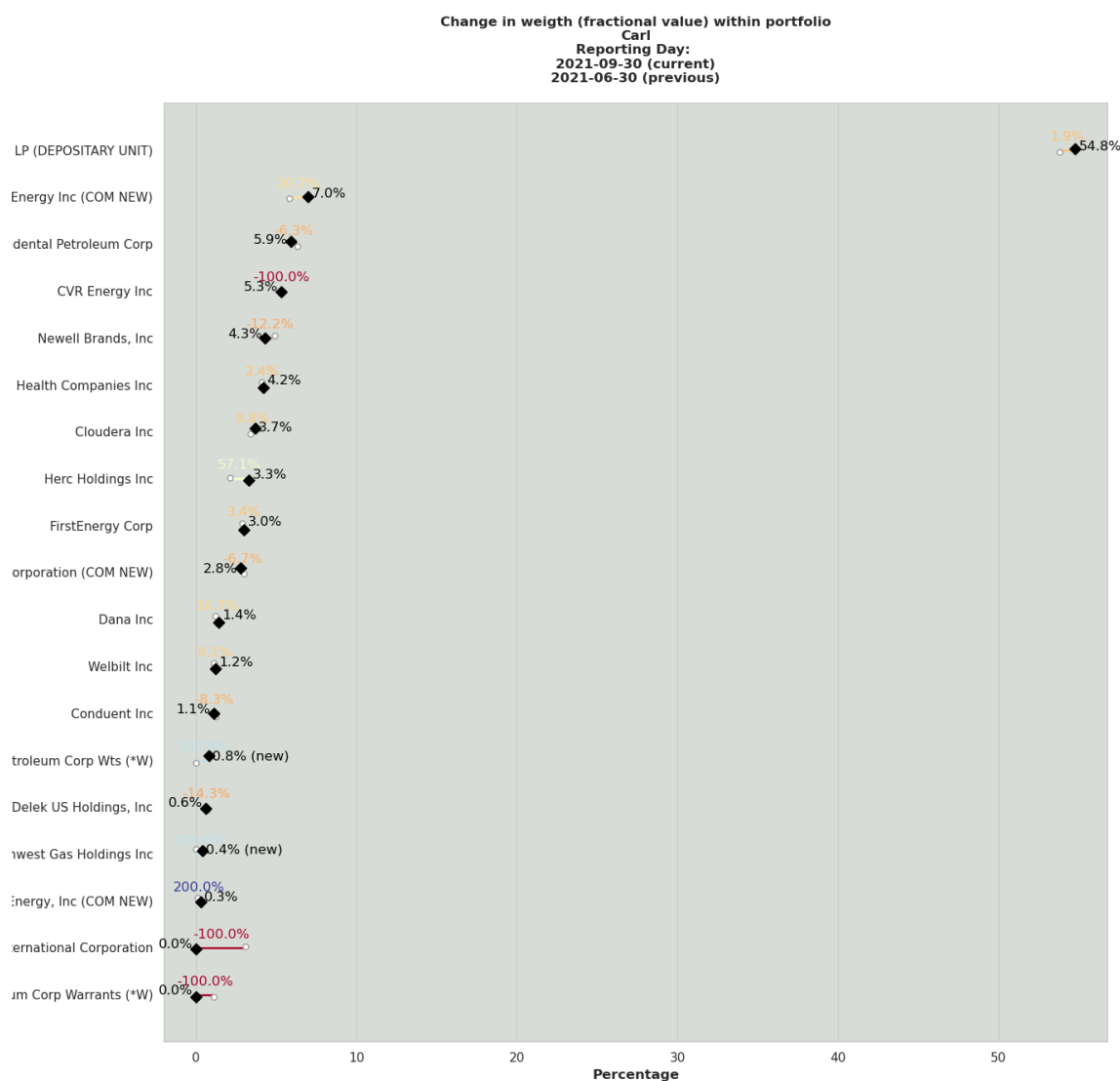


CHAPTER SEVEN

CARL



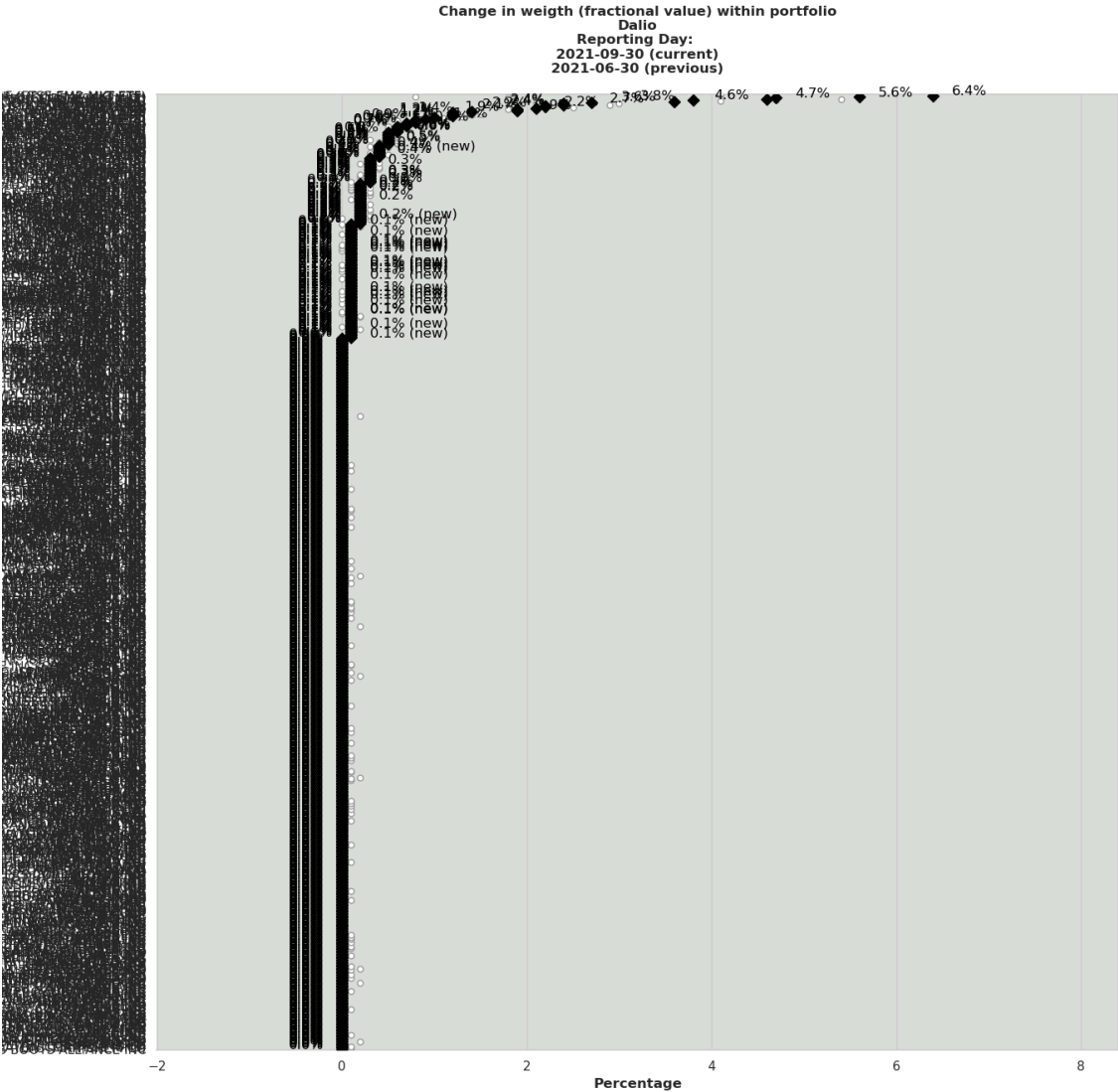
CARLFRACTIONAL



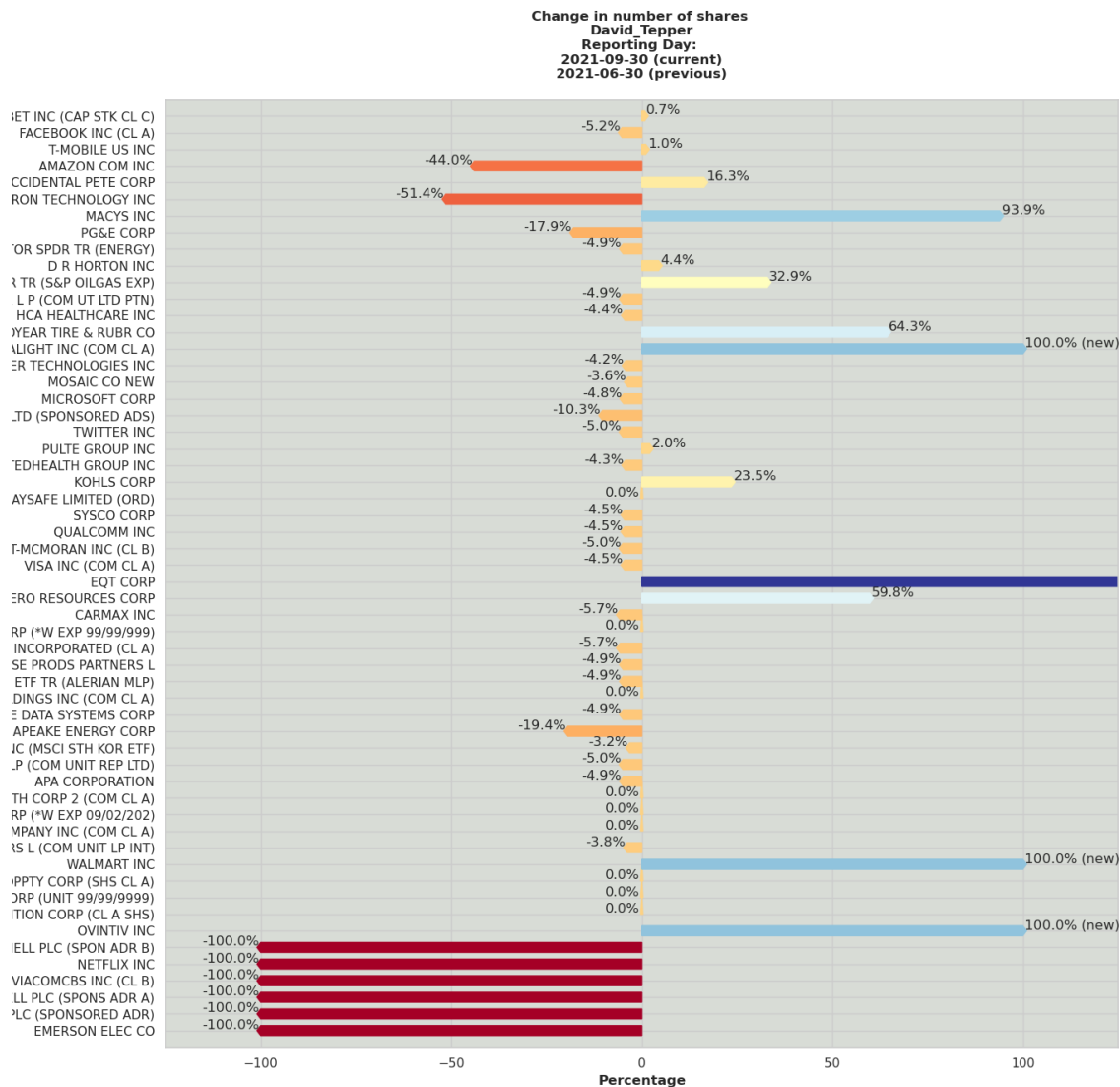
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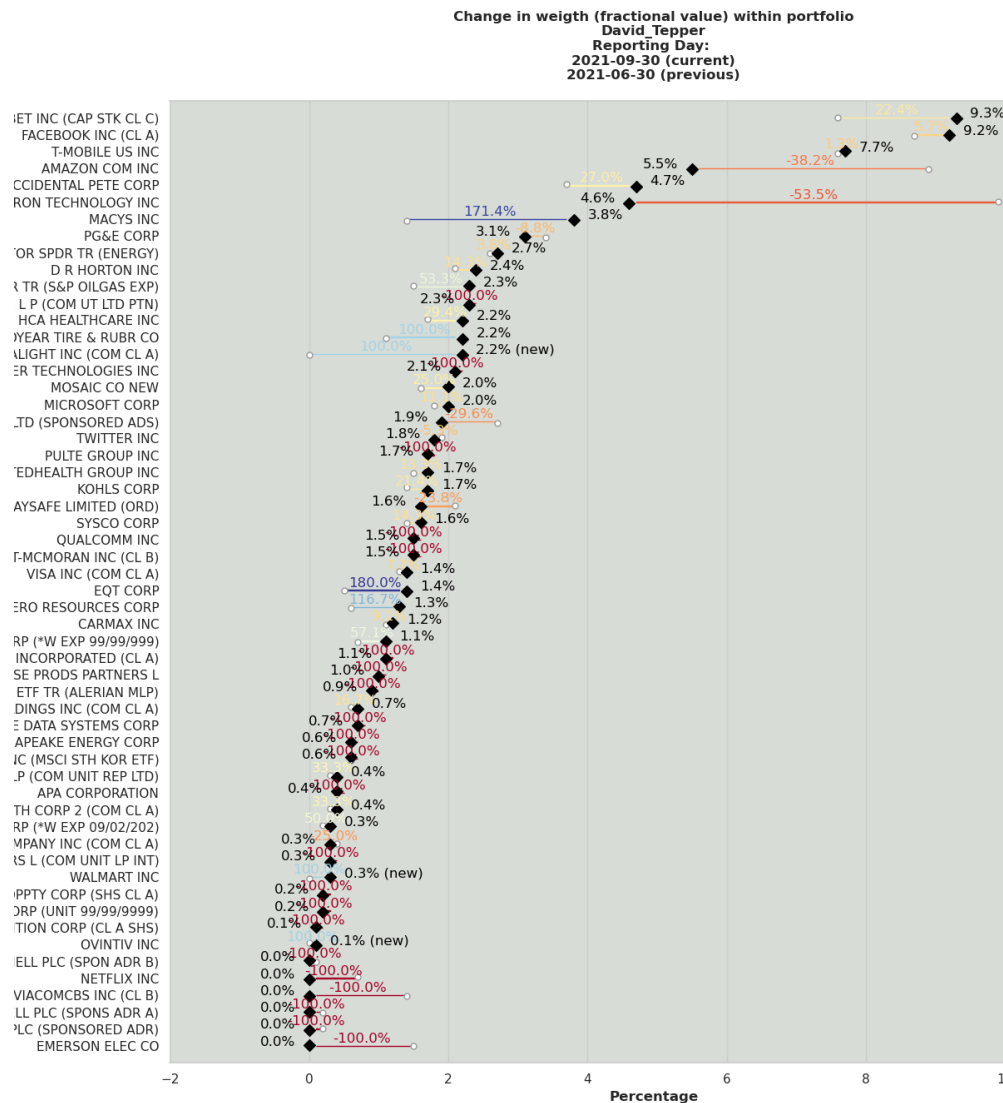
DALIOFRACTIONAL



DAVID_TEPPER

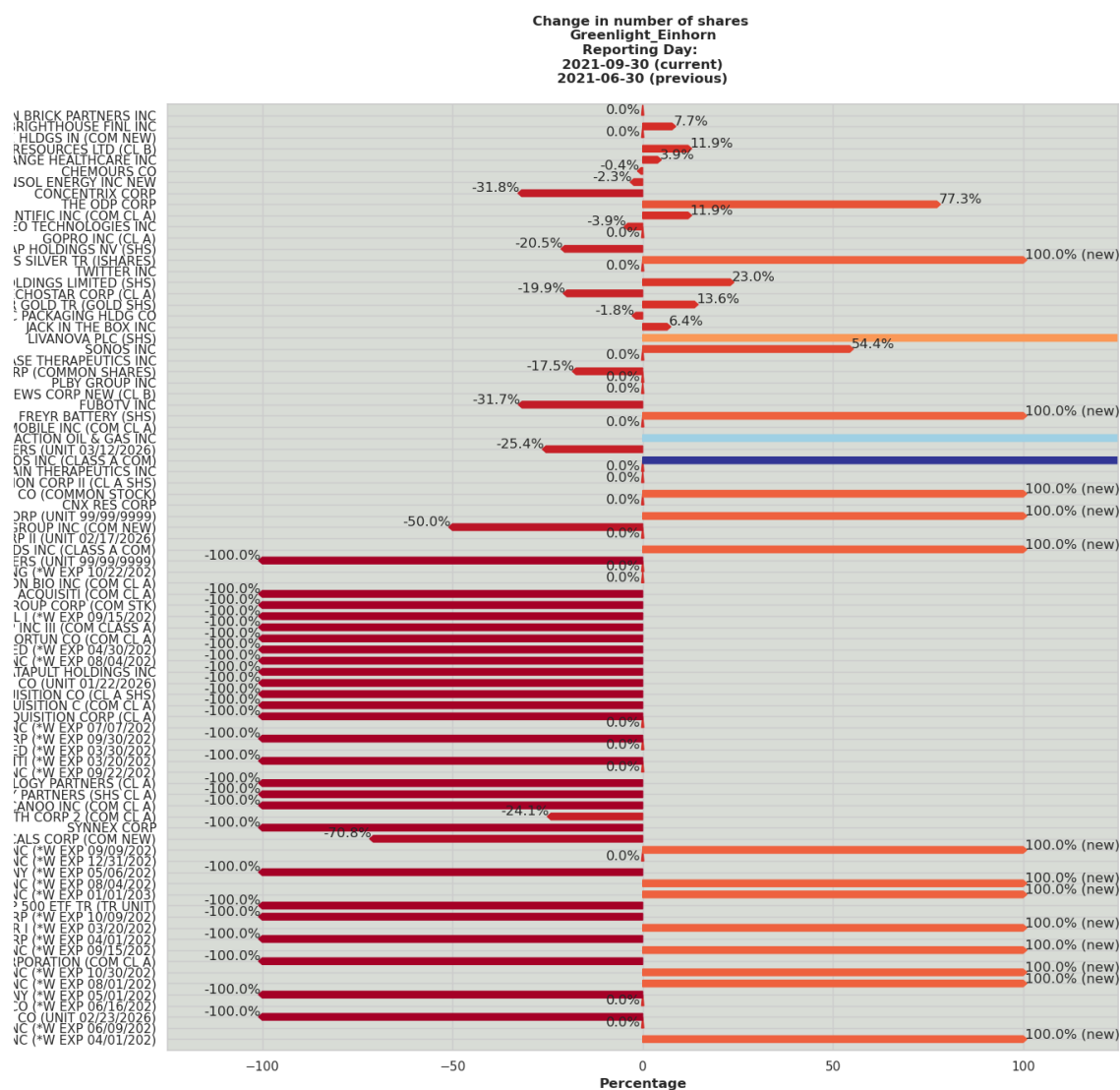


DAVID_TEPPERFRACTIONAL

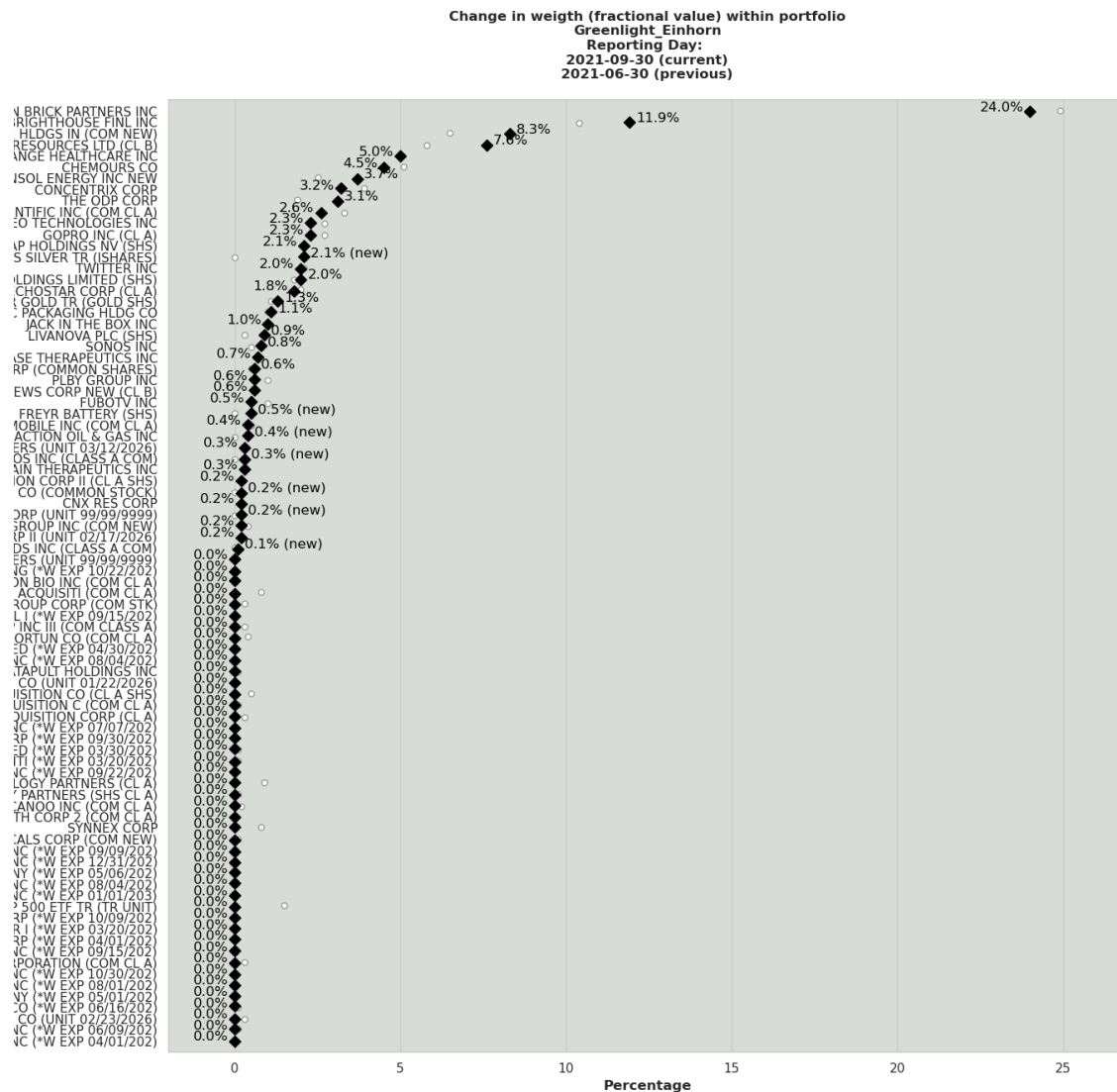


CHAPTER THIRTEEN

GREENLIGHT_EINHORN

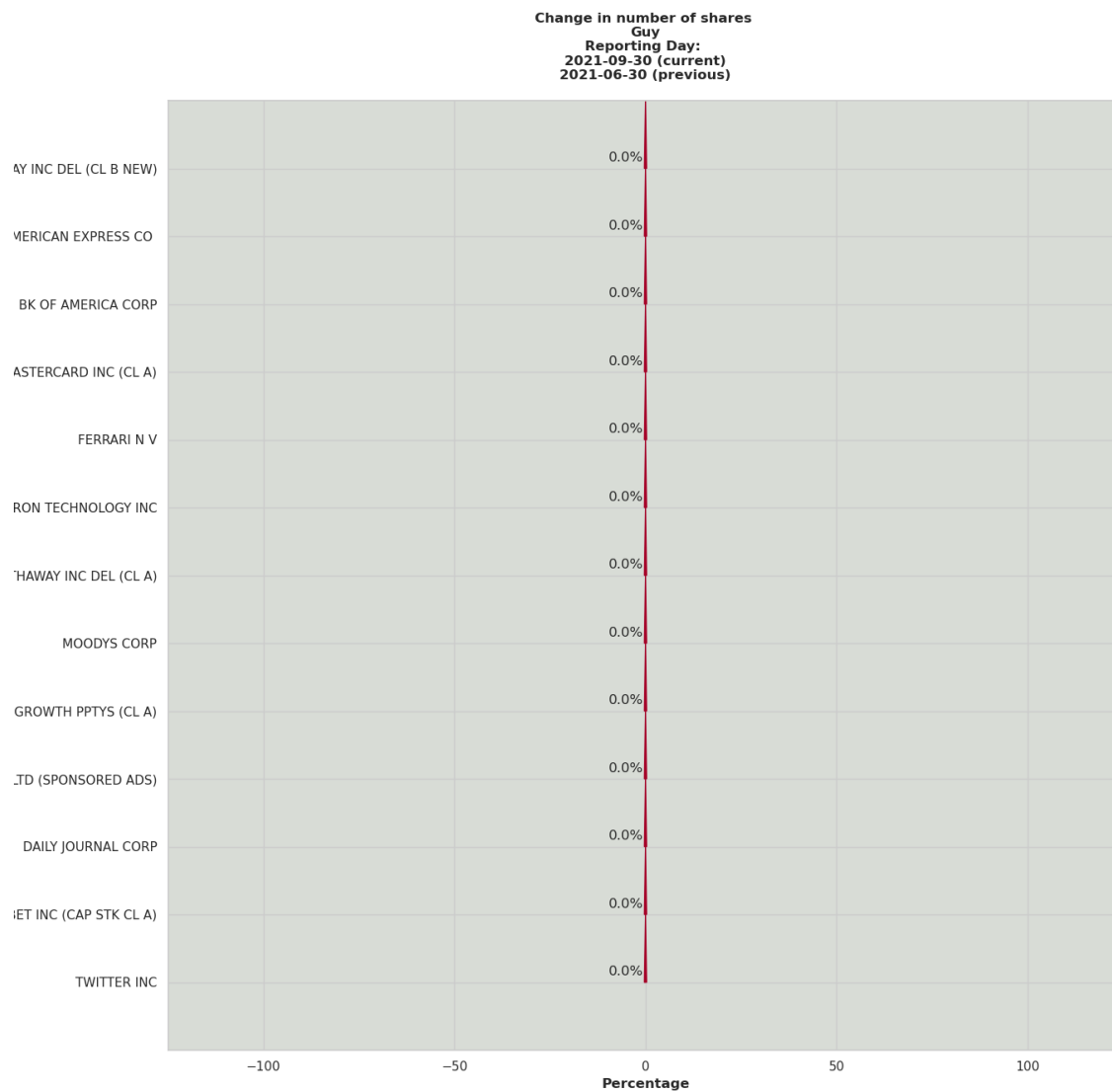


GREENLIGHT_EINHORNFRAC

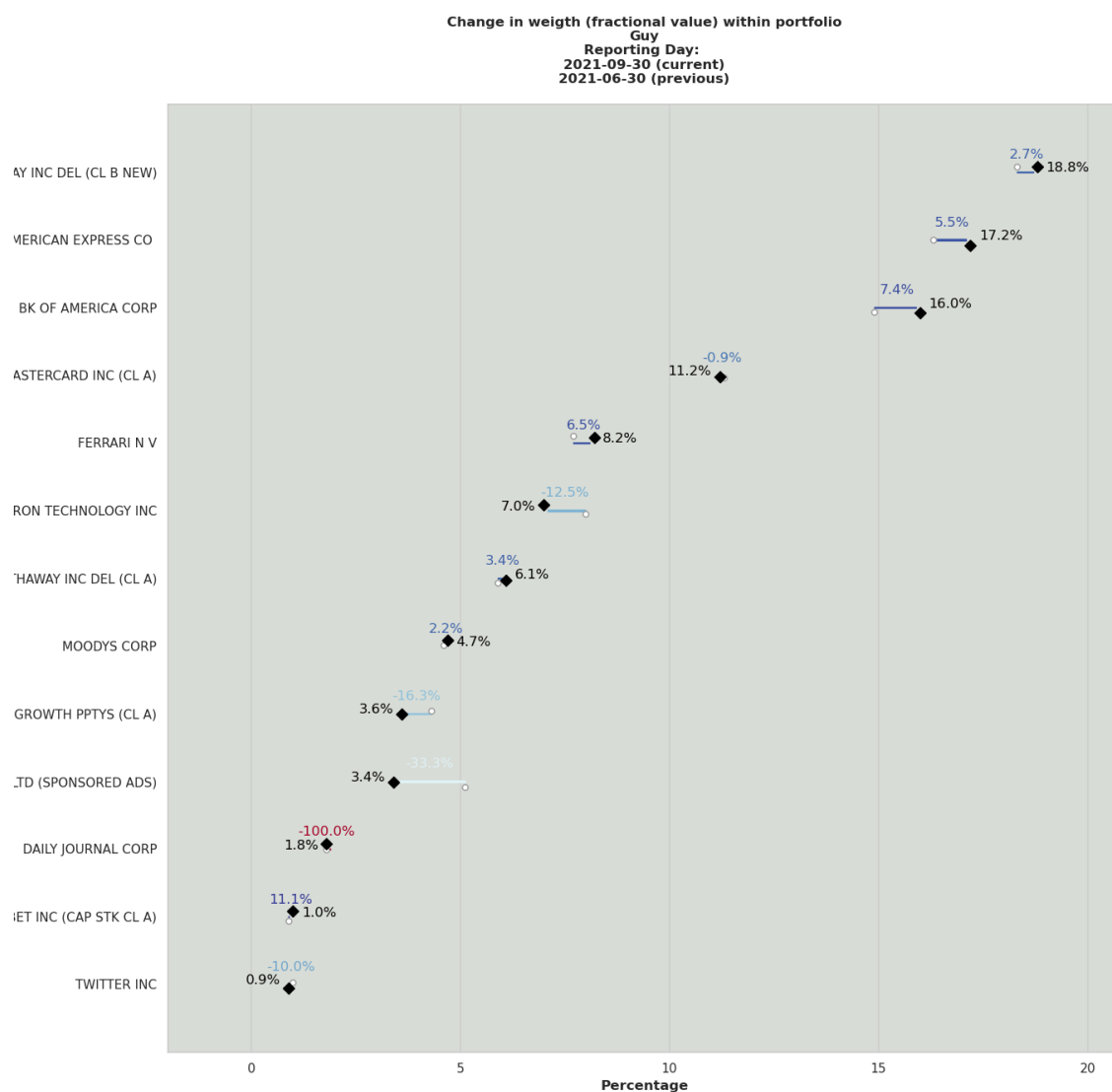


CHAPTER FIFTEEN

GUY

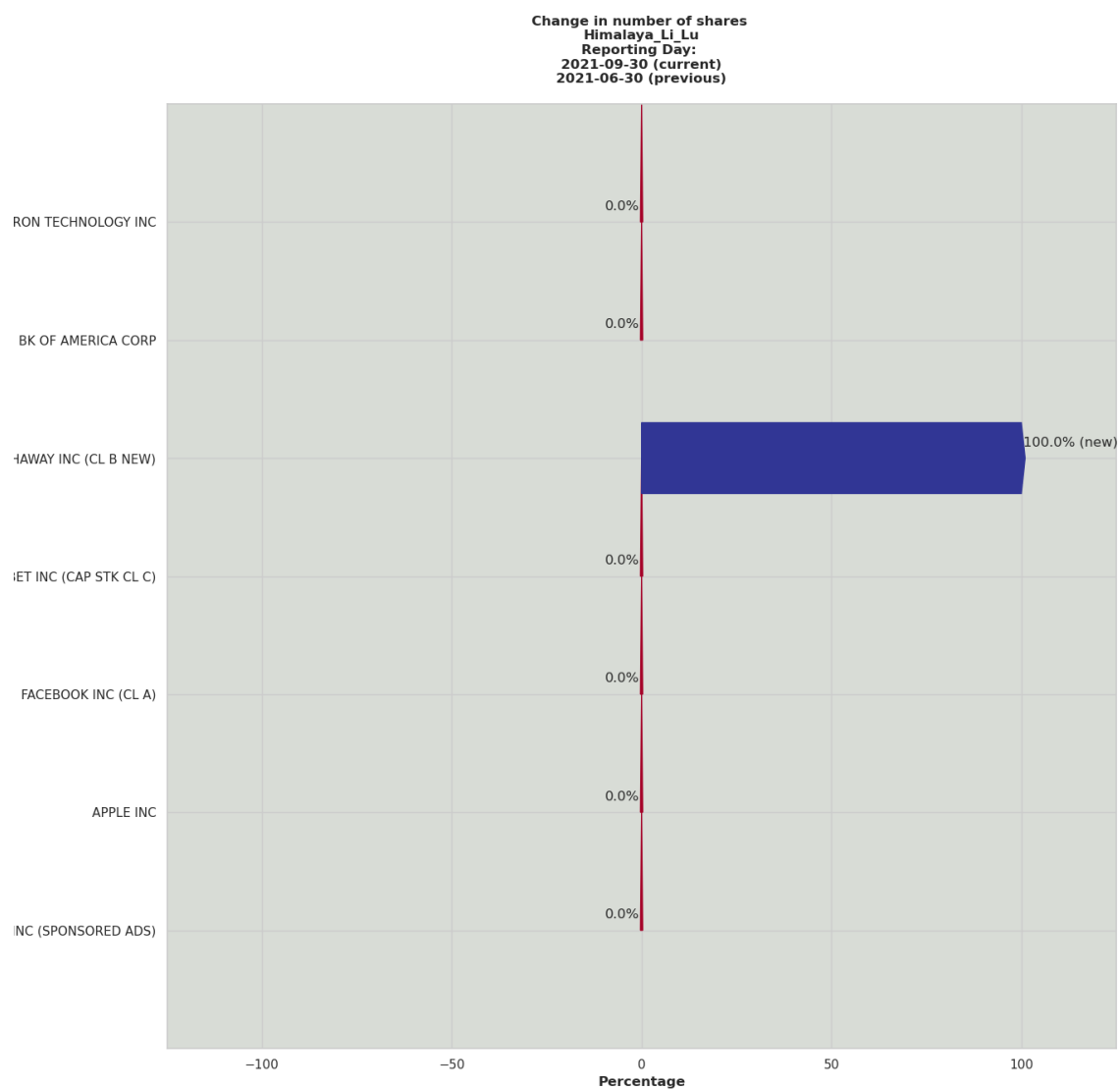


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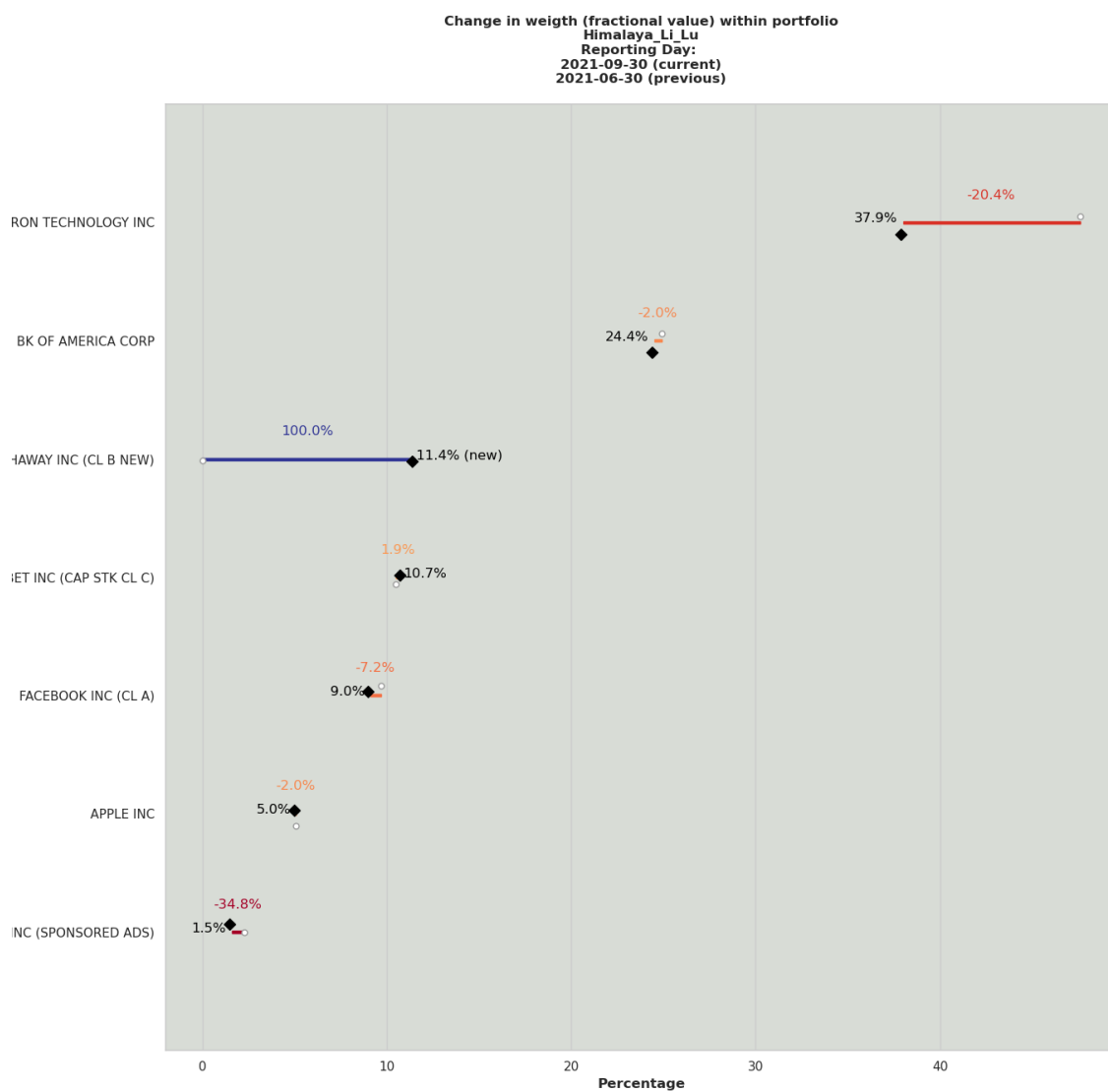


CHAPTER
SEVENTEEN

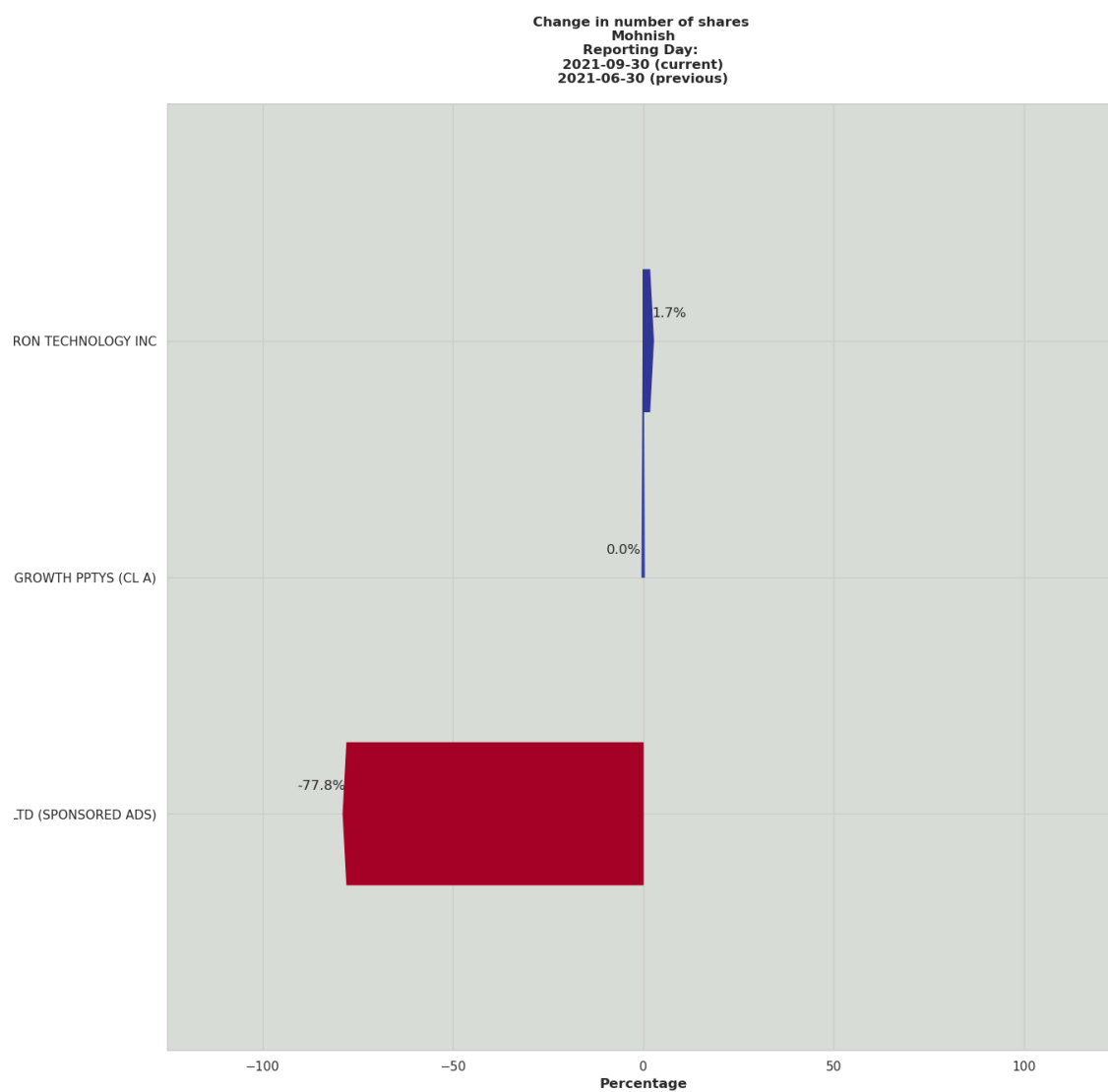
HIMALAYA_LI_LU



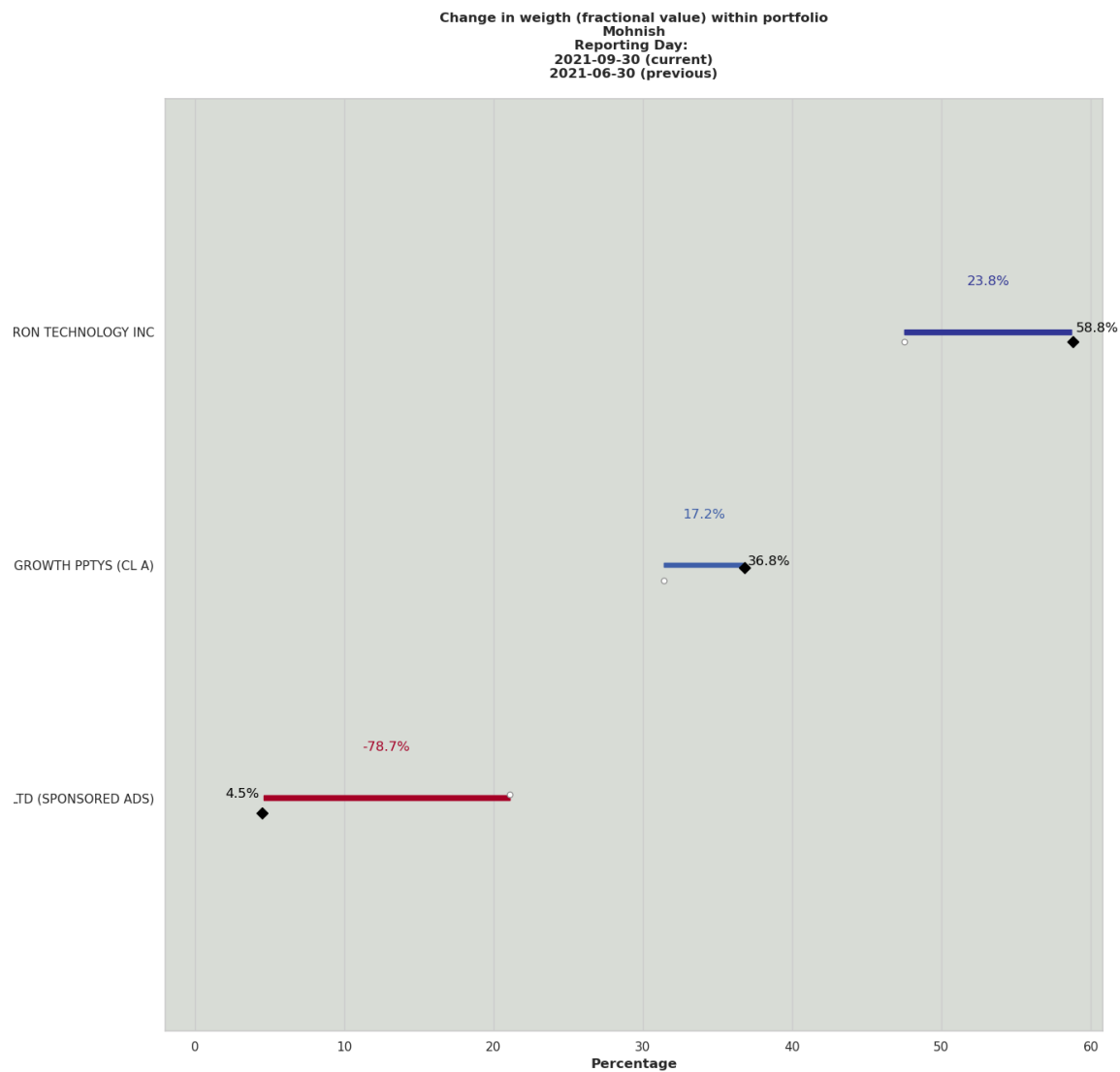
HIMALAYA_LI_LUFRACTIONAL



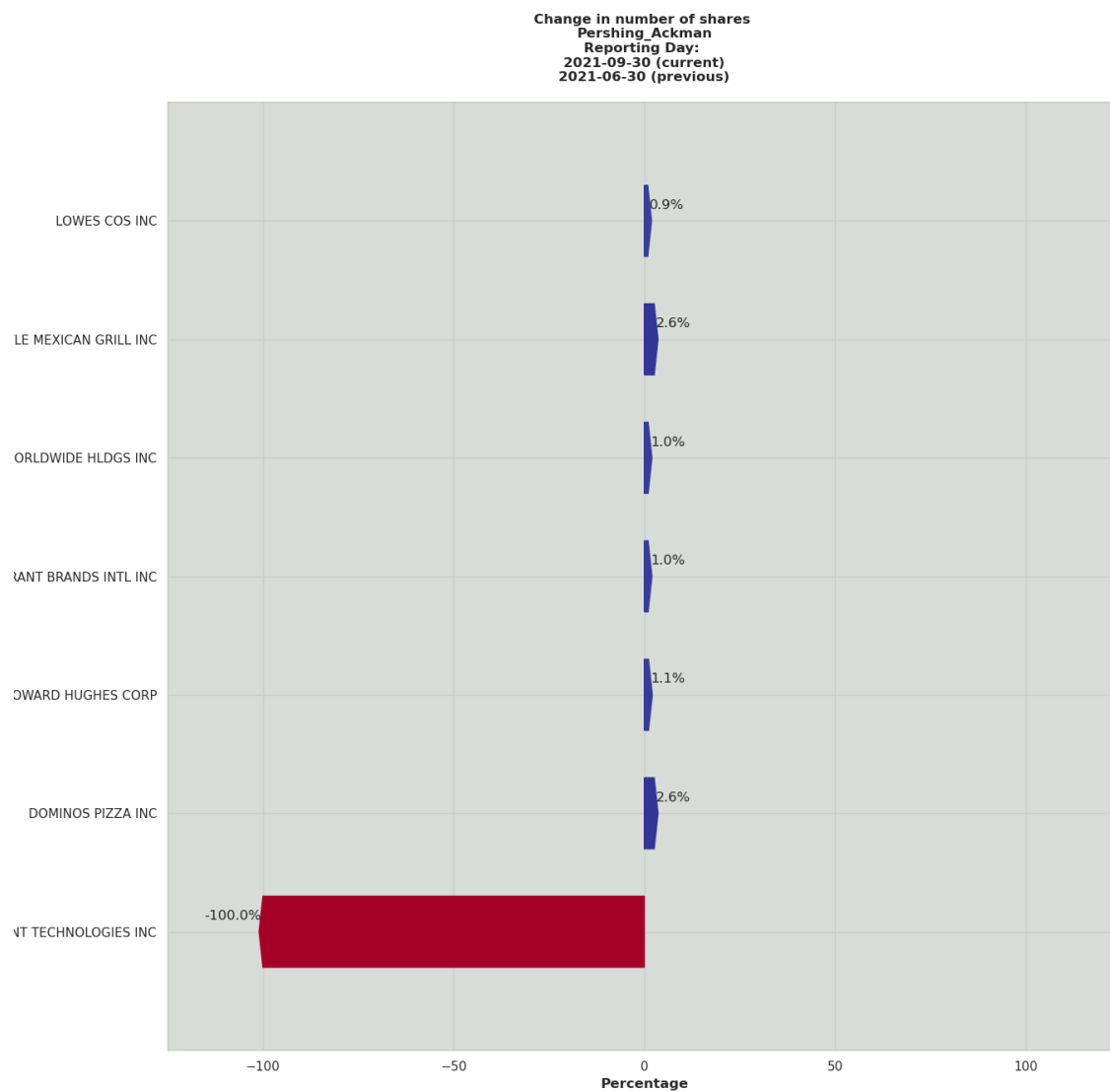
MOHNISH



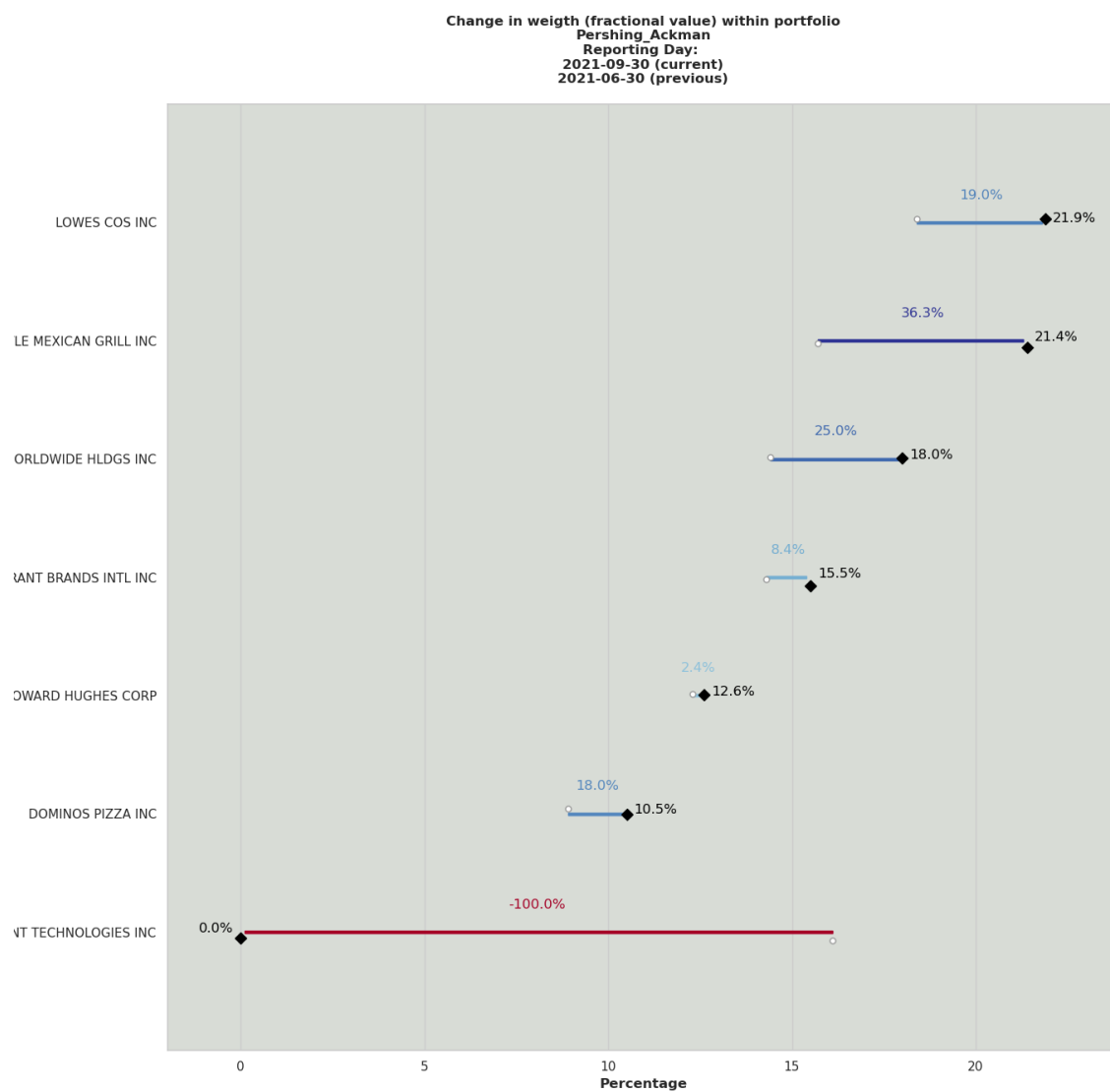
MOHNISHFRACTIONAL



PERSHING_ACKMAN

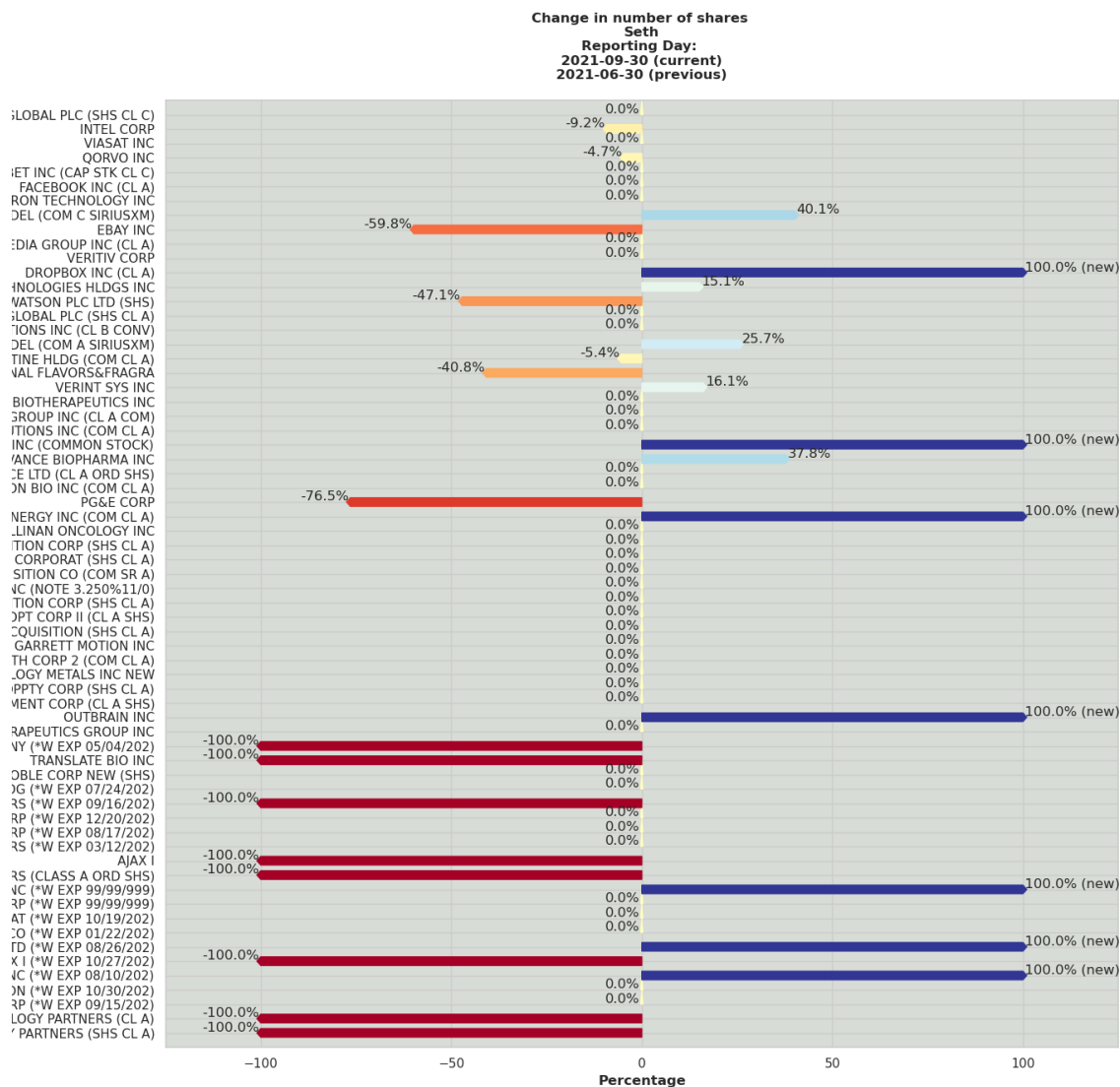


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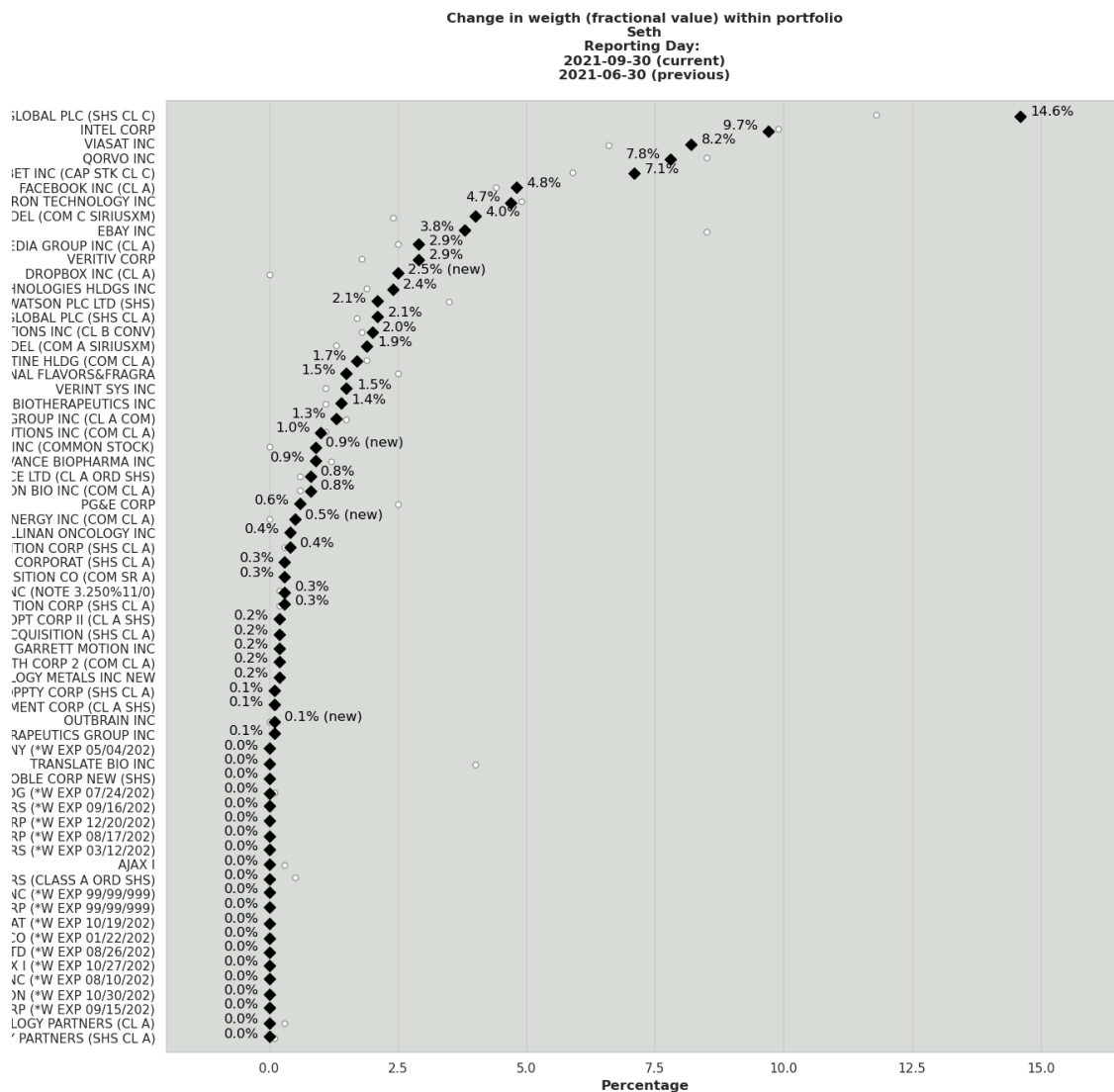
CHAPTER TWENTYTHREE

SETH



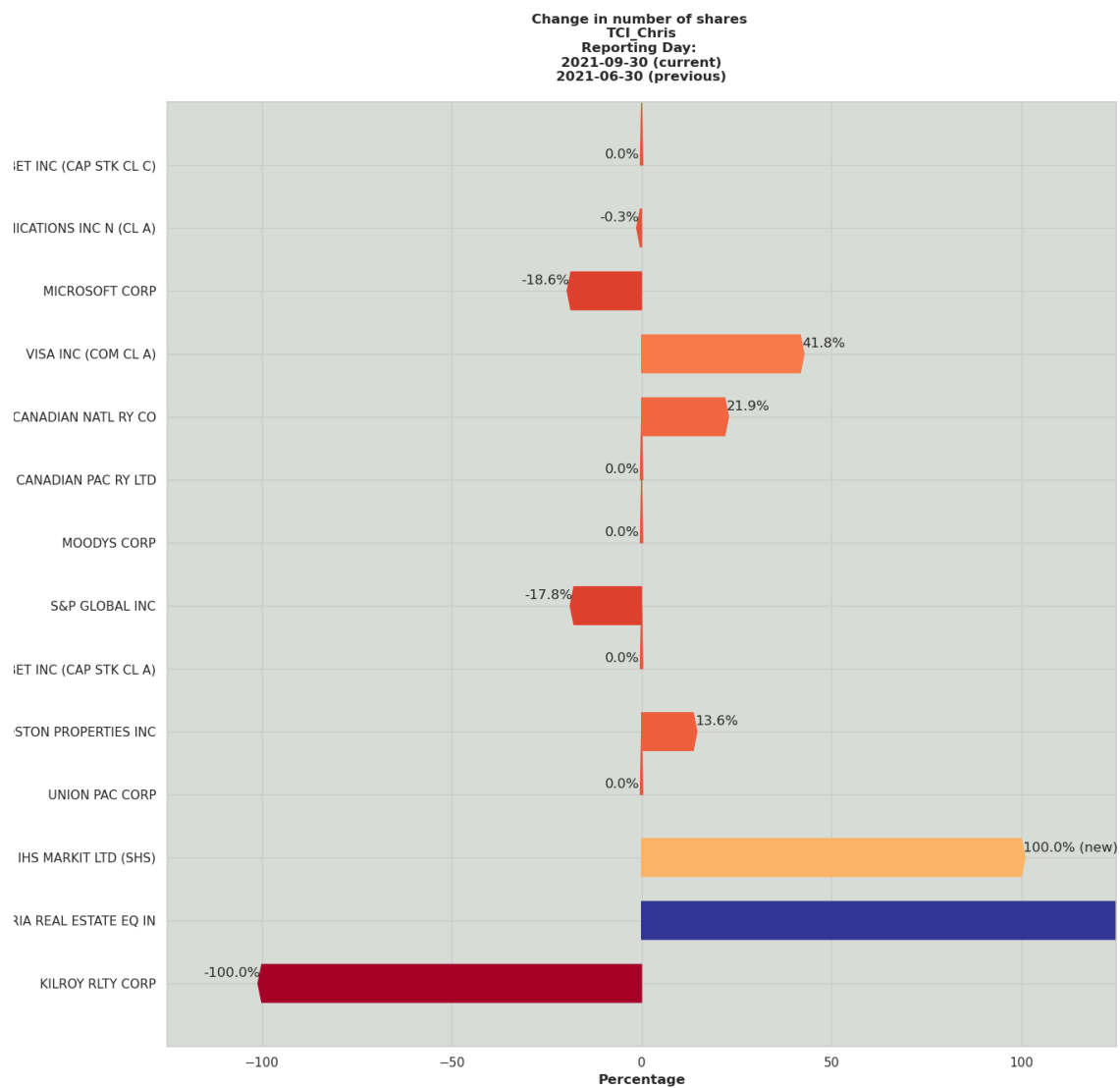
CHAPTER
TWENTYFOUR

SETHFRACTIONAL



CHAPTER
TWENTYFIVE

TCI_CHRIS



TCI_CHRISFRACTIONAL

