

Person of the year 2018

Like every year, there were several contenders.

I thought of Fortnite, the gaming sensation, but it pales in front of Chinese checkers between Trump and Jinping. McCain and Bush's demise reminded us of Vietnam, Iraq and the cold war. On the centenary of armistice, a new war of this century may have just begun. Trade conflict is a small part of a larger battle.

America's 'Tariff man' should better know that his tantrums can trample Mexico or Canada but it's difficult to Trump China. Remember, China and India accounted for over half of global GDP two centuries ago. It is not the West's sunset time yet, but the clock is reversing. US hegemony is challenged as China gradually regains its polar position.

Yes, China has a great wall of debt, but its will to dominate is taller. Arrest a CFO, impose tariffs, block investments or play military games, nothing would cut the Middle Kingdom's ambitions. The boundaries of artificial intelligence and natural wisdom will be tested. Stan Lee's words of advice for both: with great power, comes great responsibility.

Kim crossed the border to break bread with Trump in Singapore, and nibbled on noodles with Moon Jae-in. North Korea stole the limelight briefly, but Middle-East remains the biggest geopolitical flashpoint. Khashoggi's murder tainted The Crown of MBS. The Game of Thrones between Saudis and Iran is taking a toll on Yemen. ISIS' horror is back in Syria and Iraq. The US moving its embassy to Sacred Jerusalem led to bloody Games in Gaza. Markets, don't ignore Crude realities.

Harry and Markle United and the Kingdom celebrated. Britain's Great divorce with EU may not go smoothly. After creating a 'brief history of time' on earth, Stephen Hawking moved 'beyond the horizon'.

EU didn't allow an extended budget for an Italian opera. Time will tell how the tale ends. Italian markets lost favor with investors, but Juventus FC rose with Ronaldo. Merkel-Macron turned less popular but deserve kudos as the flagbearers of liberalism and plurality.

Russians had a "ball" of a time. FIFA threw surprises like a Russian Roulette. Mbappe led La Football en Marche! A French revolution on Putin land! A star is born - Croatia's Modric (Lady Gaga can wait). Abenomics' arrows missed its targets, but Naomi Osaka's racket got Japan its first grand slam.

Messi's country is a messy affair for investors. Their darling one year (remember 100-year bond), but discredited and discarded next year. Bolsonaro's win brought the bulls back to Brazil. Markets, economy, politics or football, Brazilian Samba is always spicy.

Imran got captaincy when the Pak economy is on a weak wicket. The award for greatest comeback goes to Malaysia's Mahathir Mohamad. In politics, age is no bar. Turkey or South Africa, Brazil or Malaysia, Emerging markets had interesting tales. Relatively attractive valuations may make EMs outperform DMs in coming years.

Bears finally banged the invincible gang of FAANG. Warren Buffett bit the Apple, but Microsoft excelled ahead to become the most valuable company. Paul Allen, the 'Idea Man', left for the clouds. Musk's Falcon reached sky, but lost ground as Tesla's chairman. Public tweets aren't enough to take your company private. Google was grilled, Zuck Faced challenges from regulatory books. Political backlash can hack the ambitions of Big tech.

Central banks can declare victory on the 10th anniversary of the global financial crisis. Make no mistake, the global economy has more leverage than ever. A flattening US yield curve is less worrisome than the fattening US federal debt. Powell's Fed is well advised to think beyond Trump's tweets and Wall Street's twists. Despite central banks shrinking their balance sheets, sovereign bonds bloomed in large parts. Bitcoin owners bit the dust. Tighter money bursts bubbles, there are already ripples in junk bond and CLO markets.

Higher crude led to a loss of forex reserves in India. New RBI Governor would rebuild the loss of reserves of goodwill between RBI and the Government. OMOs to infuse liquidity should be supplemented with measured Open Mouth Operations. NBFCs can borrow from Dr. Schuller - 'Tough times never last, tough people do'. While food inflation should see an uptick next year, India turning from a food deficit to a surplus country is ample food for thought. Policymakers - think beyond farm loan waivers and MSP.

ILFS Shock, Nirav Scam, Sham Rating, Shoddy audit, Shallow board, these Stray but Sorry instances with elite corruption cases globally remind us of Buffett's quote - "you find out who is swimming naked when the tide goes out". The silver lining is that these events sow the seeds of structural reforms. Look at the successes of the insolvency regulation.

A trade-war is brewing as Walmart bagged Flipkart to take on Amazon's Future carts. Indians are consuming data and flying like never before, but Telcos and airlines are transmitting losses. Whether India's growth creating enough jobs is a hot debate, it is not creating enough profits is cold reality. Corporates are Clipping excess debt while households are SIPping equities. Better days are surely ahead.

I thought of Atal Bihari Vajpayee, the lotus of his poems, politics and performance will bloom forever. Rahul's Congress made progress in India's heartland. Modi unveiled the world's tallest statue, the height of his popularity will be measured next year. Collegium, 377 rainbows, *Aadhar or Sabrimala*, the supreme newsmaker this year was the Supreme Court.

"Crazy Rich Asians" missed the big fat Indian weddings. Their next movie could have Beyoncé singing - 'Halo' India.

"Rise of Women power" was my Person of the Year 2010 - their force is only growing stronger. *MeToo* is empowering women to say Na-Na to any Amar, Akbar or Anthony. Beware, Bill, Brett, Batali, a Brigade is behind your fantasy Bride.

Europe scorched in the sun, California went ablaze, Delhi suffocated with smoke. Cape Town almost ran out of water while Indonesia and God's own country (Kerala) were drowning in it. Hurricanes in the US didn't wash away Trump's fire against the Paris agreement. Beyond A.I. or political unrest, climate crisis is the most urgent risk staring at us. Investors, pay attention.

A rising trend with celebrities, CEOs and hedge fund managers is veganism and meditation. Interestingly, it was the perseverance and power of monk-turned-coach Ake's meditation that kept 12 Thai teens trapped in a cave going for nine days.

The global discourse seems to be turning polar and parochial. But we also witnessed "protection"-ism of another sort, the whole world came together to rescue the Thai teens. Rescuers flew from all over, crafted a miraculous plan and took unimaginable risks to save thirteen strangers. Chinese divers worked with Americans and Japanese and so did divers from Britain with equipment from Ireland. This rescue reminds us that the heart of the entire world beats as one for a noble purpose.

It is a glimpse of hope in today's world, much like the glimpses of hope offered by advocates and activists of Climate change action, *MeToo*, *BlackLivesMatter* etc. These heroes are "Avengers" of real life.

Thai cave Rescuers are my person of the year 2018. They emanate hope that the most convoluted challenges facing us can also be solved by the power of human cooperation. A standing ovation.

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(Mutual funds' investments are subject to market risks, read all scheme related documents carefully. VIEWS ARE PEPRSONAL)