

Marcellus Investment Managers

Three longs & three shorts: this week's best reads [18th Nov 2018]



At the end of each week, we will share with you our favourite reads. We would be grateful if you could reciprocate. This week's reads focus on two Indian women winning against the odds, the real reason behind Delhi's smog, blockchain and Amazon's HQ2.

1. Long read: Amma goes to school

Authors: Shaju Philip

Source: Indian Express (<https://indianexpress.com/article/india/amma-goes-to-school-kerala-literacy-mission-pinarayi-vijayan-karthyayani-amma-5440769/>)

Neuroscience has shown that the neurons in our brain gradually start dying from middle age and therefore our brain starts slowing down unless we keep it active by pushing it to learn new things. This heartwarming story from the Indian Express shows that ordinary Indians don't need neuroscience to tell them such things. They figured out themselves that whatever be the odds and however old they might be, they will learn. In fact, they will learn first to read and write their native language even if they are 96 years old – as is the case with the heroine of this story, Karthyayani Amma (from Alappuzha in Kerala). Then they will learn English (Amma says "I want to learn more....I want to learn English next").

"Karthyayani is among 60,000 people in the state who have been initiated into the world of letters through over half-a-dozen literacy schemes run by the Mission. An overwhelming number of them are, like Karthyayani, elderly women who have never gone to school. Having struggled through a major part of their lives and now in their sunset years, these women, huddled together in community centres and anganwadis, are discovering a whole new world – the magical loopiness of the Malayalam alphabet.

"Why didn't I go to school? Because I was too busy bringing up my children," says Karthyayani. For several decades, the mother of six worked as a casual cleaning worker at half a dozen temples in Cheppad in Alappuzha district."

2. Long read: USAID, Monsanto and the real reason behind Delhi's horrific smoke season

Author: Arvind Kumar

Source: Ecogise (<https://www.ecogise.in/2018/10/20/the-real-reason-for-delhis-annual-smoke-season/>)

For those of us who grew up in Delhi and cannot understand why smoke from Punjabi farmers burning rice stubble has become such a major source of pollution for the capital city, this story gives one interesting answer and one controversial answer.

The interesting answer is this: "Until a few years ago, when farmers in Punjab burnt the remnants of the rice crops in their fields in preparation for sowing wheat, the smoke from such fires was confined to Punjab.

According to a publication of the Indian Council of Social Science Research([external link](#)) published in 1991, 'At the end of September and in early October, it becomes difficult to travel in the rural areas of Punjab because the air is thick with the smoke of burning paddy straw.'

Clearly, farmers burnt the straw in late September and early October. However, in recent years, farmers have delayed the burning until late October.

This delay is crucial and responsible for the smoke being carried all the way to Delhi. An analysis of the wind flow patterns reveals that wind blows into Delhi primarily from the west during the monsoon season, but changes direction in October and starts blowing into Delhi from the north.

The decision to delay the clearing of the fields was not the choice of farmers, but was forced on them by the Punjab government which passed the Punjab Preservation of Subsoil Water Act ([external link](#)) in 2009.

According to this law, farmers could no longer sow rice in April, but had to wait until the middle of June. Rice has a 120-day period between germination and harvest, and the restriction on sowing means that the fields would be harvested and cleared only in October by which time the direction of wind would have changed.

Delhi's problem of being covered by smoke started right after this law was implemented... This piece of legislation was passed ostensibly to preserve groundwater, the depletion of which was blamed on rice fields which supposedly used too much water and which were prone to evaporation, but this argument is a very tenuous one."

And the controversial answer is this: "The group that has been primarily responsible for exerting pressure to move away from growing rice in the name of 'crop diversification' is the United States Agency for International Development.

Over a period of several years, it has used the excuse of preventing the decline of groundwater to push this agenda.

USAID has a worldwide reputation of behaving like a front group for American multinational corporations such as Monsanto, and so it should come as no surprise that Monsanto is at the forefront of the purported solution for Punjab's problems.

Apparently, if farmers stop growing rice and replace it with Monsanto's GMO maize, the problem will be solved.

India's surplus food grain supply is an uncomfortable fact for Monsanto and other proponents of GMO food who insist that the world would face a shortage of food grains if not for genetically engineered plants sold by Monsanto.

It is in this light that one must view Monsanto's collusion with the Punjab government and their joint efforts targeting the production of rice in India."

3. Long read: The girl who took women's cricket to the next level

Author: Annesha Ghosh

Source: Cricinfo (<http://www.thecricketmonthly.com/story/1164167/-the-girl-who-took-women-s-cricket-to-the-next-level>)

Harmanpreet Kaur's 51-ball century against New Zealand in the ongoing Women's T20 world cup, follows her spectacular 171 not out in last year's World Cup semi-finals against Australia where she single handedly steered her team to victory. This piece in Cricinfo's The Cricket Monthly, profiles her life and career and highlights the impact she has had on raising the profile of women's cricket and how it has dramatically narrowed the gap from men's cricket from the perspective of the cricket fan.

A former state-level basketball and handball player, and club cricketer, Harmandar raised Harmanpreet "like a son", because "I wanted her to be the athlete I couldn't be...When Harman used to come with me to the evening cricket matches, many from the neighbourhood said, 'Ladki ko khilaake kya karoge?' [What will you get by making a girl play cricket?] But I never cared about what others had to say."

Harmanpreet is a batting allrounder who modelled her aggressive style of play on that of her idol Virender Sehwag. But it was watching the India men's Test vice-captain Ajinkya Rahane's restraint at a nets session in 2016 that taught her the value of patience. And though her popularity in the cricketing landscape is nowhere close to Rahane's, the fact that posters of both players (who are ambassadors for a leading sportswear brand) came up at the National Cricket Academy's refurbished gym earlier this year is not bereft of symbolism. It represents the post-2017 World Cup era for women's cricket in India, one with Harmanpreet at its centre.

Despite the second-place finish (in last year's world cup), India's breakout campaign brought much needed visibility to the team, and to the women's game at large. The tournament's 180 million reach, according to the ICC, included a 500% increase in viewing hours in India since 2013. The overall viewership for the final touched a record high of 126 million in India - as many people as watched the 2017 IPL final. On the web, #WWC17Final was the most tweeted hashtag for a women's sport final.

"She just raised the bar high enough to see what's possible," says former Australia vice-captain Alex Blackwell

4. Short read: Humanity's calling card is the destruction of our planet

Author: Anjana Ahuja

Source: Financial Times (<https://www.ft.com/stream/24ad2c58-14fb-4217-b6f7-7ef88ac51375>)

Last week China controversially reinstated the trade in rhino horns. In fact, the Chinese Government decided that it is alright once again to use and trade rhino and tiger parts. Globally, there are 30,000 rhinos and 4,000 tigers in the wild. China seems to be implicitly telling the world "we need these beasts for traditional Chinese medicines more than you need them for biodiversity".

The WWF in its Living Planet report says that wildlife populations have declined by 60% between 1970 and 2014. Biodiversity should NOT be a niche concern – the number of bees and other pollinators, for example, impacts food production. The strongmen who are being elected to power in country after country don't care about such things. The new Brazilian President, Jair Bolsonaro, has already said that he wants to loosen regulation of the Amazon rainforest.

"This planet provides us with food, water,...minerals...worth an estimated US\$125 tn per annum. Instead of preserving our greatest assets, we are squandering it...You can guess the punchline to that."

5. Short read: Banks race to launch blockchain trade platforms

Author: Don Weinland

Source: Financial Times (<https://www.google.co.in/amp/s/amp.ft.com/content/85324256-d824-11e8-a854-33d6f82e62f8>)

"When Texas-based Tricon Energy wanted to buy Polymers from India's Reliance Energy, the two companies avoided the usual rigmarole of phone calls, couriered documents and emails by logging into a new Blockchain system called Voltron.

Within minutes they had completed negotiations of the terms of the sale and then secured a letter of credit and advice from ING and HSBC to finalise the deal...”

This article says that at least in the area of trade finance, banks seem to be on the way to monetising the billions of dollars they have invested in Blockchain so far. However, there are two issues still to contend with: (a) there are multiple blockchain platforms in the same area eg. trade finance and there will be a wave of consolidation before the system settles down; and (b) there are various networks of blockchains for various activities eg. shipping companies like AP Moller-Maersk and Hyundai are creating a blockchain which may or may not mesh with the banks’ blockchain which in turn may not mesh with the blockchain that large agro-commodity firms like Cargill or Bunge are creating.

6. Short read: Why Amazon’s Search for a Second Headquarters Backfired

Author: Louise Matsakis

Source: WIRED (<https://www.wired.com/story/amazon-hq2-search-backfired/>)

Amazon’s much publicised hunt for its second headquarters (HQ2) seems to be drawing some negative PR given the disclosures around how much of taxpayers’ money politicians are willing to fork out as incentives. “Each year, local politicians spend up to an estimated \$90 billion to lure corporations like Amazon to their states, which The Atlantic points out is “more than the federal government spends on housing, education, or infrastructure.” Especially at a time when concerns around the concentration of power among a handful of big corporates, particularly big-tech are rising. Some of the stats in this piece from WIRED are startling.

HQ2’s public nature and enormous size turned individual proposals into front-page news—especially how much lawmakers planned to give the retail giant. Maryland, for example, was willing to fork over as much as \$8.5 billion...

..The size of the deal quickly sparked outrage from both sides of the political spectrum, particularly in New York....“The richest man in the world just got \$2 billion in taxpayer subsidies? How does that work?”...

...The company regularly receives public incentives to open facilities like warehouses and data centers, which Good Jobs First estimates have totaled \$1.6 billion. An investigation from the nonprofit New Food Economy found that some Amazon warehouse workers are paid so little that they often qualify for another type of public benefit: food stamps. In some cases, taxpayers may even be subsidizing Amazon’s electricity costs, according to a Bloomberg report from August.

Note: the above material is neither investment research, nor financial advice. Marcellus is not authorized to provide either. Marcellus does not seek payment for or business from this email in any shape or form. Marcellus Investment Managers is regulated by the Securities and Exchange Board of India as a provider of Portfolio Management Services.