Navigating Global Uncertainty:

An Unconventional Approach

Vikram Mansharamani

November 2019

@AEMadvisor
@Mansharamani
#AEMAnnual

The Economist
Phase one, scene two
China tries to so
deal with Ame
China wants to see
Nov 7th 2019 SHANGHAI AND
TheUpshot
The New York Times
What's at Ri
S
It c
Stat
FINANCIAL TIMES
Donald Trump threatens escalation of trade war with China
US president says tariffs will be 'raised very substantially' if no truce is reached
James Politi in Washington Nov 12, 2019
Japan escalates trade war with South Korea
Japan dropped South Korea as a preferred trading partner, escalating a dispute that
global supply chain for
evices.
surge in hog
USA TO
75,000 people per squa
most densely populated cities in the world
Elzy Kolb July 2019
est
n Chilean
capital
Deadly violence and protests over
costs and inequality continue

What is Going On?
Four Major
Transitions

#1: China
EXCESS SUPPLY!

#2: Technology

CC0 Public Domain

#3: Energy

Source: AWEA

#4: Demographics

Deflation

Tyrone Siu / Reuters / Landov

Currency Wars

Inequality

CENTRE STREET
SOUTH
OCCUPY
EVERYTHING
#OCCUPYWALLST
WE ALREADY KNOW THAT WE OWN EVERYTHING—THE TASK IS TO EXCLUDE THE INTRUSIONS OF CAPITAL AND POWER
Beware
BANKS

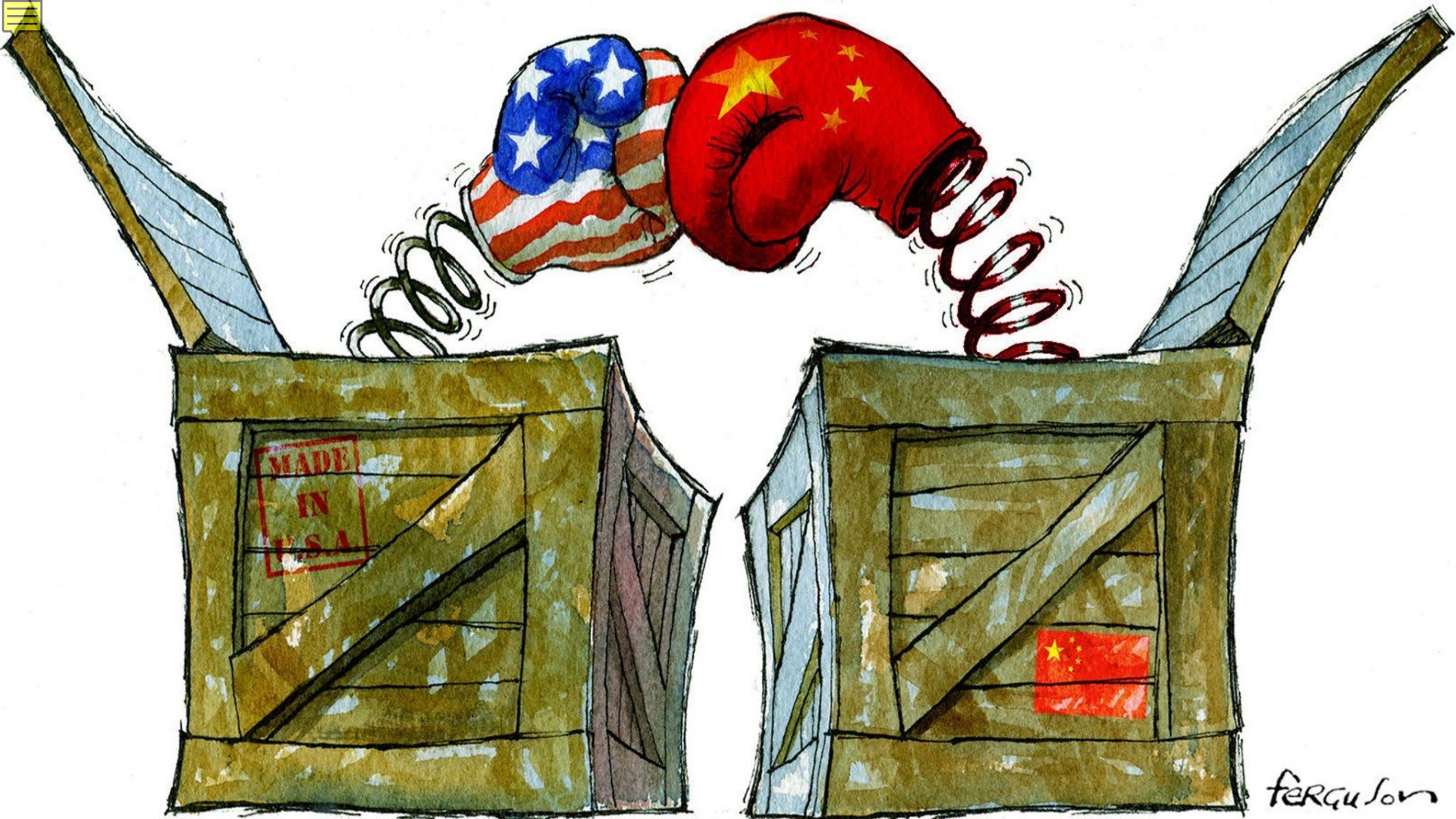
Ukraine
Serbia
Russia
UK
France
Colombia
Spain
Montenegro
Iraq
Algeria
Lebanon
Hong Kong
(China)
Haiti
Albania
Egypt
Guinea
Indonesia
Venezuela
Sudan
Liberia
Brazil
Peru
Zimbabwe
Ecuador
Chile
Social Unrest

Nationalism

Populism

Protectionism

Zero-Sum Game


MADE
IN
USA
ferguson

BUD LI
Everything
OILERS
C

Three Scenarios to Consider

Scenario #1: Demand Shock

CC0 Public Domain

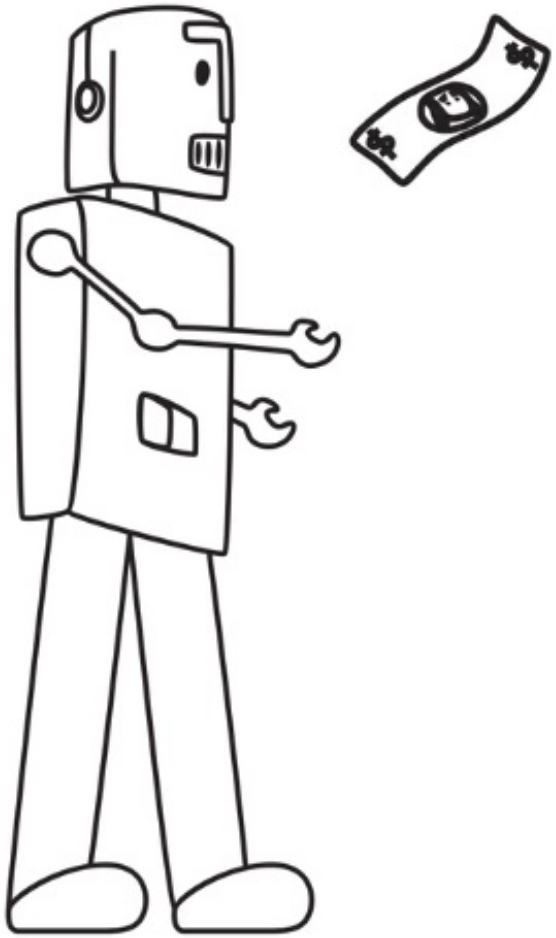
Belt & Road Initiative

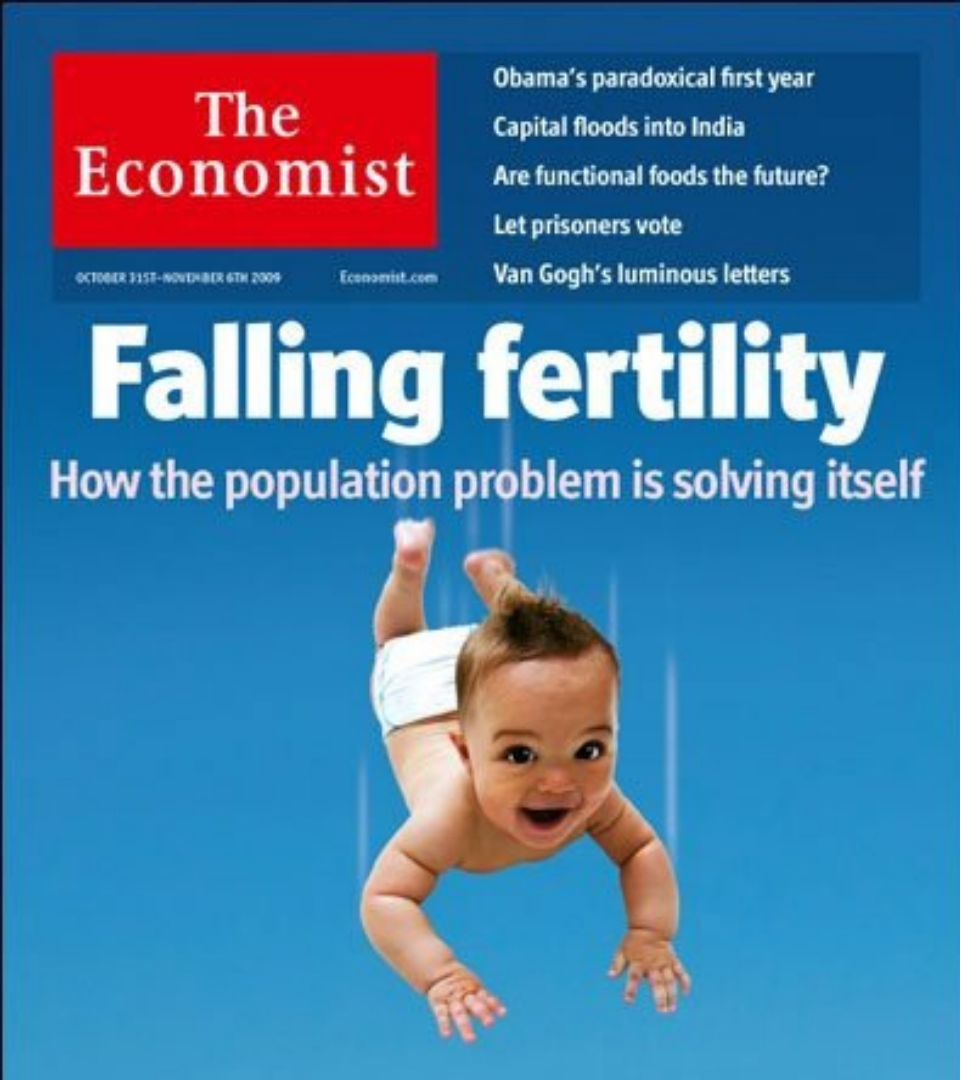
Energy

Image: Nikkei Asia Review

Bill Gates:

Robots should be TAXED like humans.

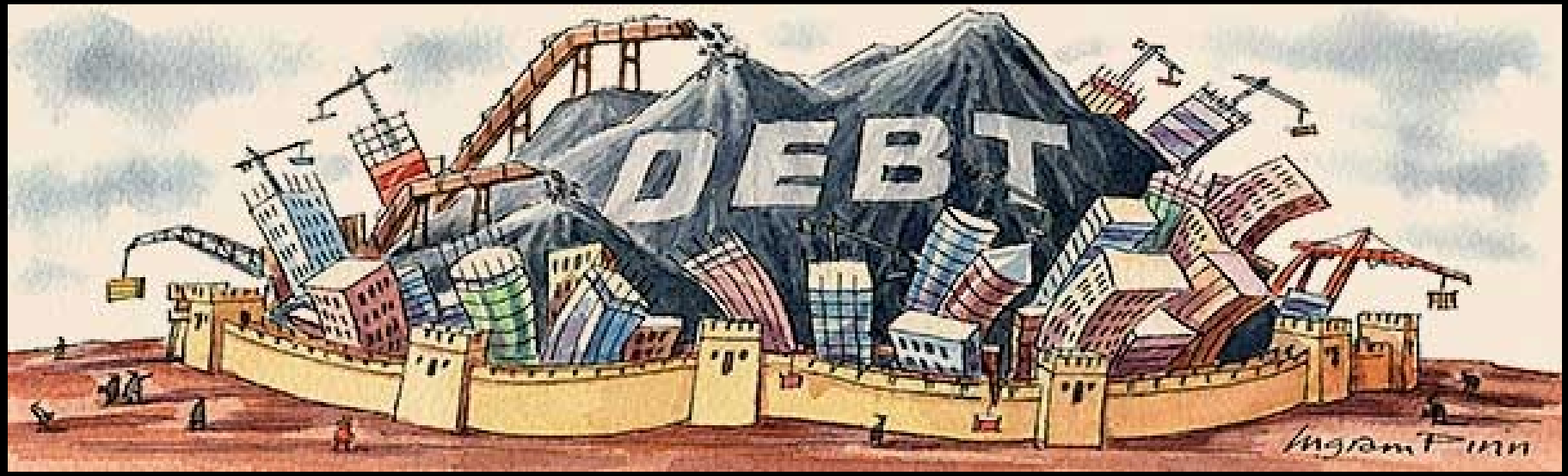




Demographics

Scenario #2: Supply Shock

China's Great Wall…of Debt



Debt Amount

2008: 141% of GDP
2017: 256% of GDP

Bad Debts

2013: 117 billion Yuan
2017: >600 billion Yuan

Booming Output

AquaBounty

Alternative Energy Advancements

Source: Teslarati

GDP ≠ GDP/Capita

Nigeria's Population

+540

Per Hour

India's Population

+1,800

Per Hour

Scenario #3: Conflict

CC0, Public Domain

Metropolitan Life Tower

Woolworth Tower

40 Wall Street

Chrysler Building

Empire State Building
Life

WTC

Willis Tower

Petronas Tower

Taipei 101

Burj Khalifa

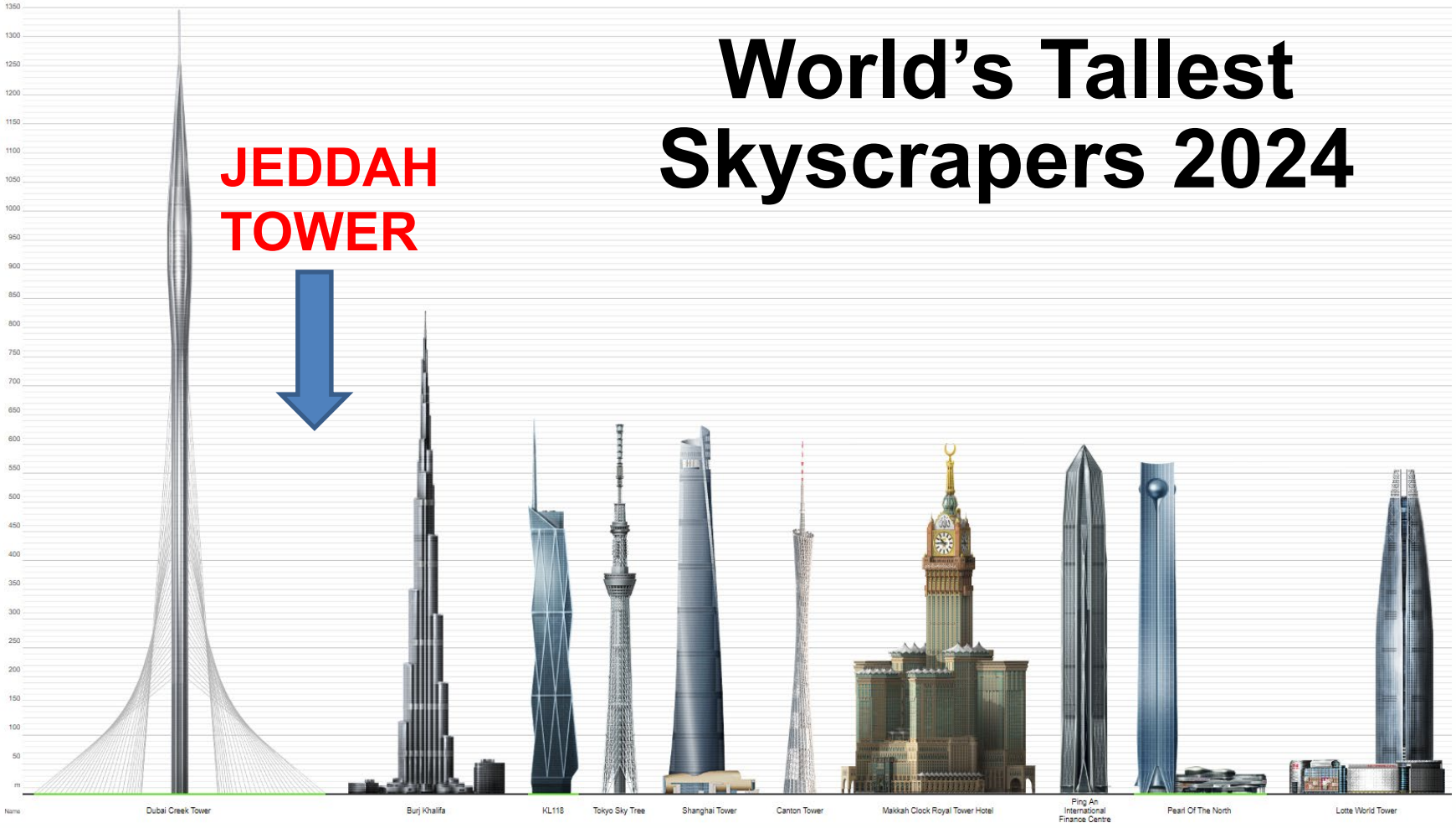
Sky City

Source: SCMP

World's Tallest Skyscrapers 2024

LAST YEAR

World's Tallest Skyscrapers 2024



Easy Money
Hubris & Over-confidence
Speculative Instincts

$450 million

Image: Beam Yachts

$300 million

Image: Money Magazine

Defense Spending

US-China
Rivalry

HUAWEI

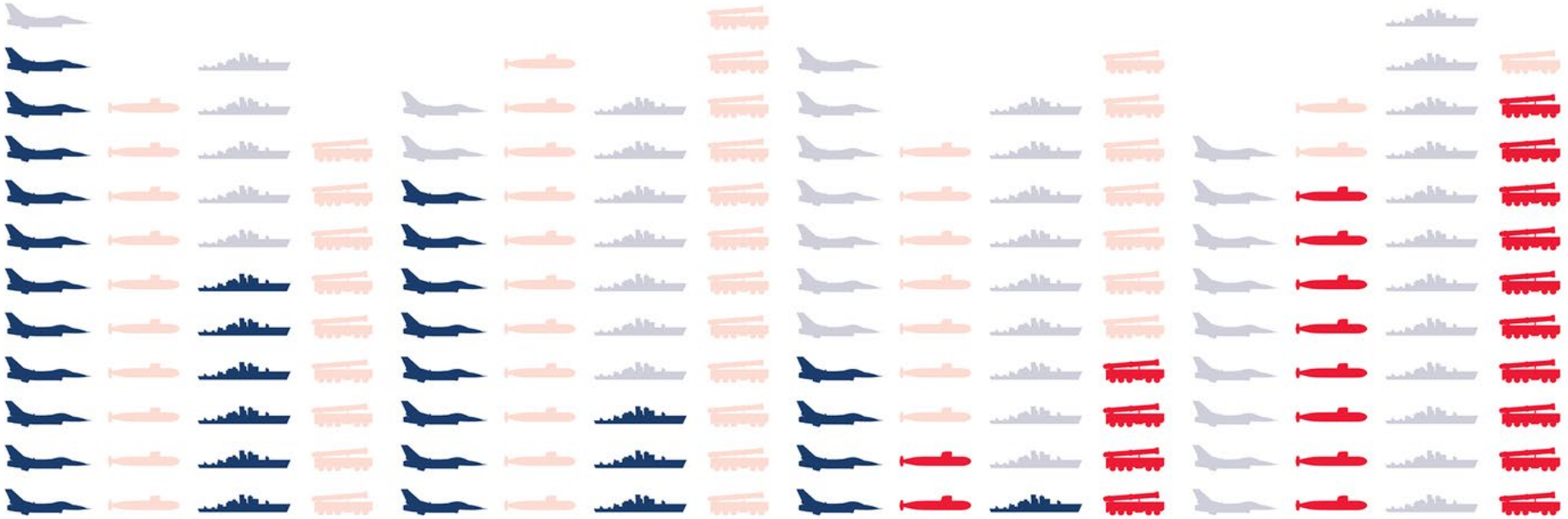
Hypersonic Weapons

Image: US Air Force

THE UNITED STATES STUDIES CENTRE
at the University of Sydney

AVERTING CRISIS: AMERICAN STRATEGY, MILITARY SPENDING AND COLLECTIVE DEFENCE IN THE INDO-PACIFIC

19 August 2019



Supply Chains Shifting

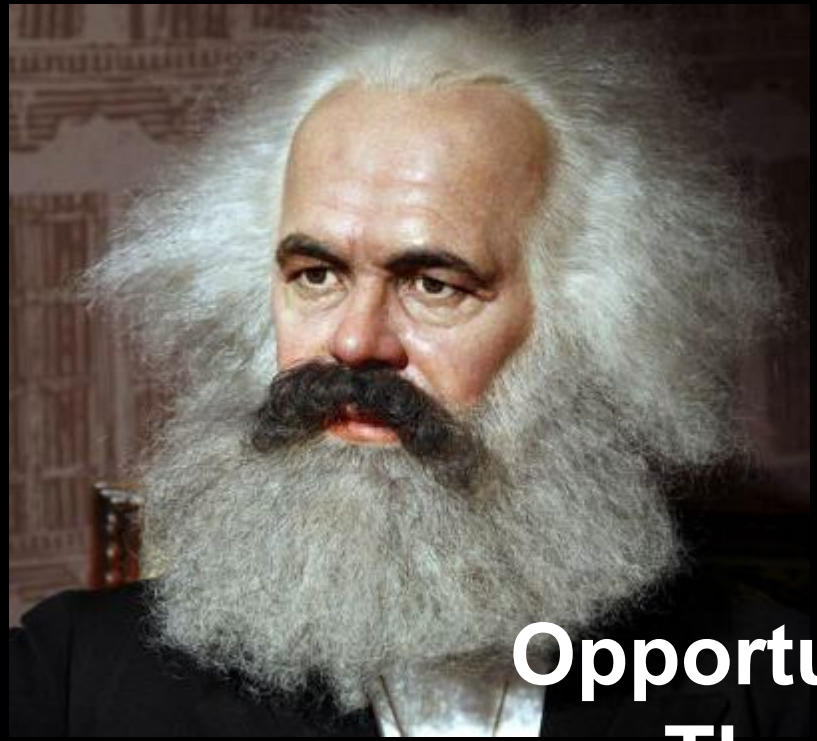
Image: eDesk

Image: norcommortgage.com

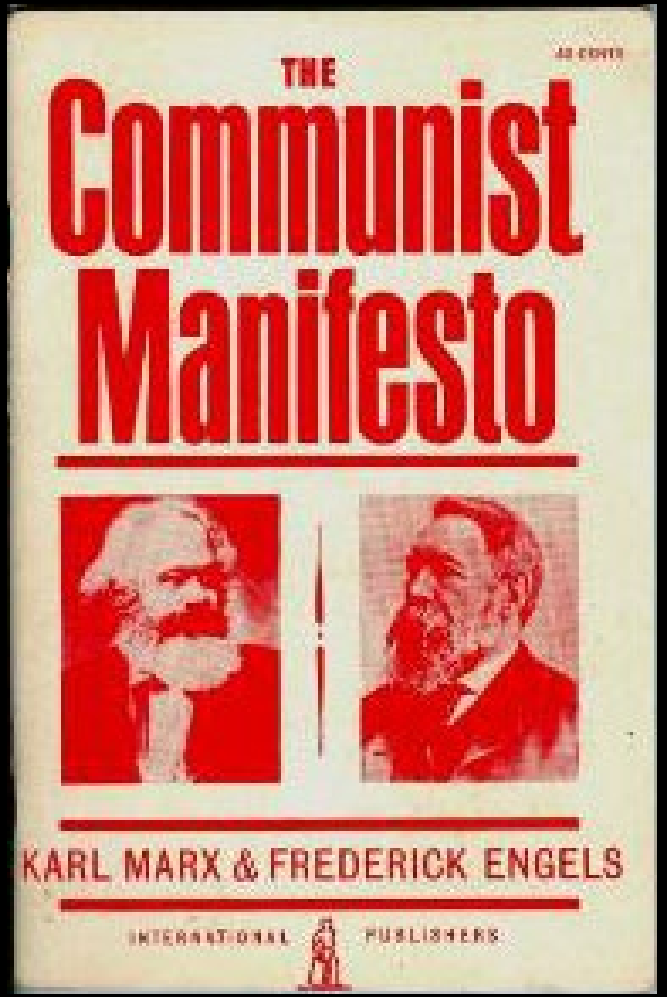
Cost of Money

Recession Forthcoming?
Opportunity or Threat?

Redistribution



Opportunity
or Threat?



The Economist

How recessions begin
China bullies Cathay Pacific
Who should run Italy now?
Gravity waves and nuclear pasta

AUGUST 24TH–30TH 2019

What are companies f

Big business, sharc

BR Business Roundtable

Statement on the Purpose of a Corporation

Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free-market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.

Businesses play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. Businesses make and sell consumer products; manufacture equipment and vehicles; support the national defense; grow and produce food; provide health care; generate and deliver energy; and offer financial, communications and other services that underpin economic

FORTUNE

ALEX GORSKY
CEO, JOHNSON & JOHNSON

Can Big Business Have It Both Ways?

Three members of the Business Roundtable, above, photographed together for *Fortune* in New York on July 16.

Precision Agriculture

Opportunity or Threat?

Image: factordaily.com

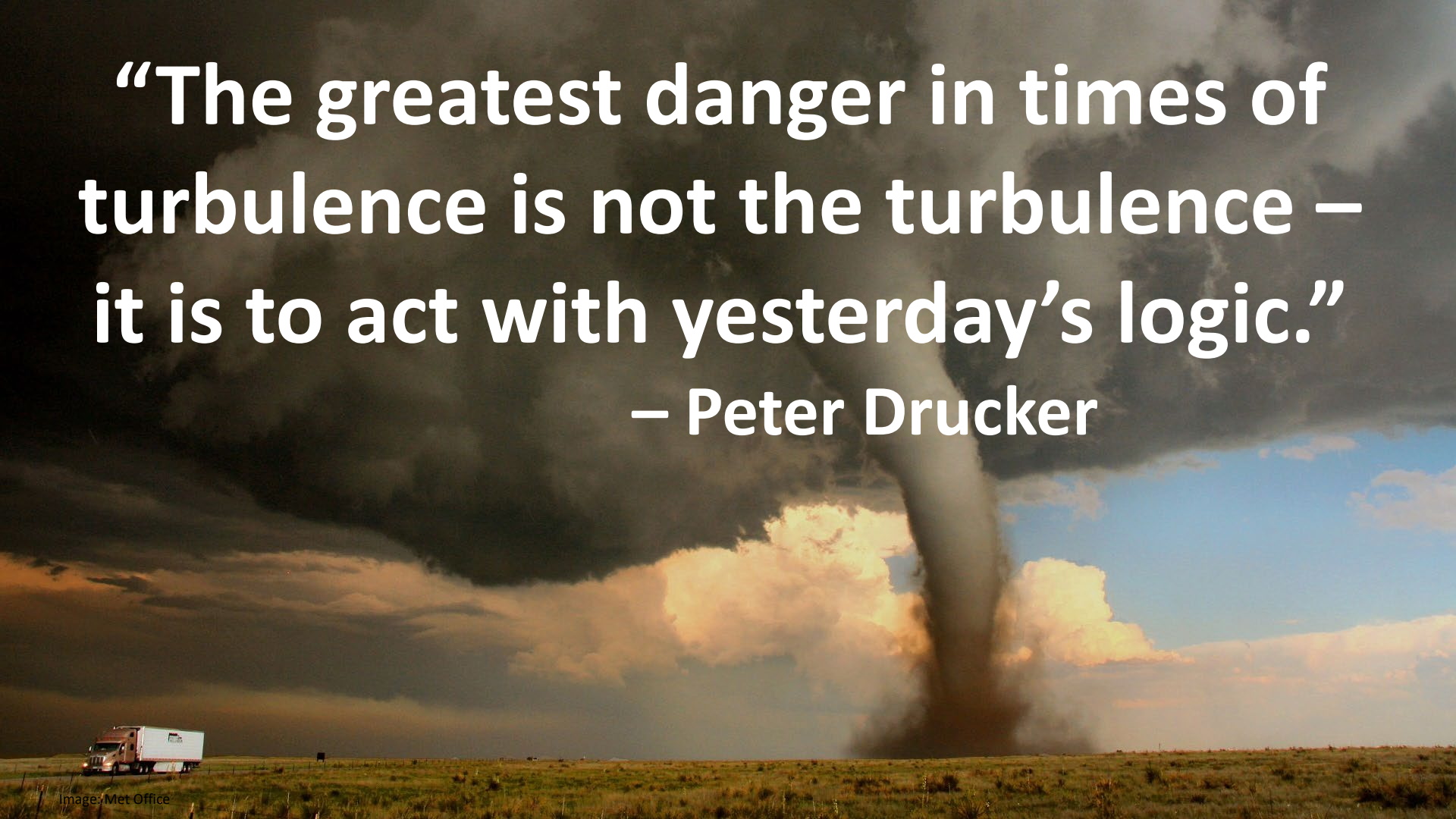
Construction Technology

Opportunity or Threat?

Image: Advance2000

Fiscal Stimulus

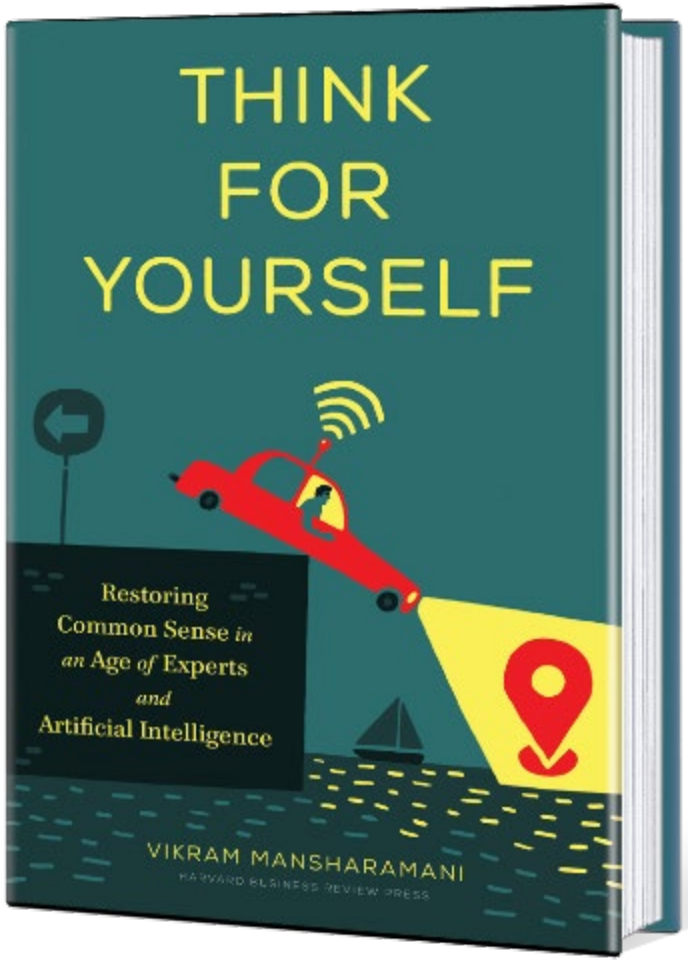
Source: Red Katz


“The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday’s logic.”
– Peter Drucker
Image: Met Office

Think For Yourself

Now available for pre-order on Amazon.com

Harvard Business Review Press



Vikram Mansharamani
vikram@mansharamani.com
@mansharamani