

Like every year, there were several contenders.

“Now I am become death, the Destroyer of Worlds” - Krishna’s words from Bhagavad Gita flashed past Oppenheimer’s mind as he witnessed a blinding fireball engulf the sky after the test of the atom bomb. We helplessly watched the dance of death and destruction in Israel, Gaza, Ukraine and Armenia-Azerbaijan. Praying for peace to prevail!

NATO fuel keeps Zelensky’s fight alive. Putin put in nukes in Belarus while nurturing nexus with Nuke-powers - North Korea, Iran and China. Wagner Warlord Prigozhin threatened Kremlin. In the Machiavellian world of lord Putin, no Prigozhin or Navalny can co-exist.

Barbaric act by Hamas on the 50th anniversary of the Yom Kippur war is beyond condemnation. Netanyahu retaliated with rage. Civilians in Gaza are stripped of bare-minimum: breath, bread and band-aids. Cries from hospitals convert closest allies into critics. Ships shunning Suez. Qatari PM, the master mediator, has a buzzing phone line.

Innocent life count won’t decide the winner in these wars. Both sides remain well-supplied with brute force of man, machine, and money. Weapon vendors will be sole winners. An eye for an eye makes the whole world blind. The world needs a Gandhi to envision lasting peace.

It’s the 20th anniversary of the attack on Iraq by Bush, Blair and company using Weapons of Mass Rhetoric. Getting rid of Saddam turned damn costly. Iraq remains in chaos.

Years after overthrowing the dictator, Sudanese still await daily essentials and democracy. Continent watches coups in Niger and Gabon. Brazil bolted Bolsonaro out but another Trump fan, hardliner Javier Miles, won Argentina. Venezuela’s claim on Guyana Essequibo’s oil created turmOil.

Scandinavian countries *Naatu Naatu-d* with NATO. The EU welcomes the Balkans. Italians bid bye to Chinese Belt-and-Road. Sunak sacked Suella while Cameron came back. Facing the loudest war sirens since WWII, Russian blackmail for gas and grains, an increasingly isolationist US, stagnant growth and bitter strife on immigration, Europe needs leadership to fix *Everything, Everywhere, All at Once*.

SVB tumbled down the valley, Silvergate closed its gates and Signature had a mismatch. Long bull market in bonds made banks overlook duration risk. Frankly speaking, loosening of Dodd Frank during the Trump era is also to blame. Trump’s tightening on immigration set the stage for a labour shortage later. Late Kissinger said, “leaders are responsible not for running public opinion polls but for consequences of their actions”. No arrest can put to rest Trump’s pursuits and popularity. Biden, the oldest President in US history is bidding again.

Fitch ditched US from AAA club. Janet’s closet is much borrowed. Dollar’s Weaponization would feel ill-timed given the US’s funding needs. Debt ceilings extended but the floor of bi-partisanship has crumbled.

Central banks can declare victory in the battle against inflation. Make no mistake - the war will be long. The Inflation Genie is tamed, but not corked back in the bottle. De-globalization, climate change and wage re-pricing pose structural risks. Ultra-low rates were an aberration and created excesses. Brace for ‘higher for longer’.

Harry Markowitz left for the Final Frontier. While Nasdaq, Nifty and Nikkei high-fived their way to the bank, hands were wrung in confusion elsewhere. While the smile of risk-averse Gold smelled of fear, the blistering rally in Bitcoin baffled many. The trilogy of uncertain geopolitics, shorter macrocycles and Gambification of markets will fatten left tail risks. Advent of Algos and AI can amplify boom and bust cycles.

Minnows of Russel 2000 finally caught up, but S&P has never been as Top-heavy and Tech-heavy. Is this time different from the invincibility of Nifty 50 in the 70s, GE and Cisco in 2000 or Petro China in 2007?

Bernard Arnault crowned wealthiest as those with moneybags splurged like never before. A million-dollar 'made to order' Gucci bag gives "crocodile" tears. Queues of opulence outside luxury shops and shoplifting across the street is a depiction of deepening disparity.

Jensen Huang deserves it for making Nvidia a trillion-dollar chip. Short sellers got ripped. Hats off Nadella, Microsoft Excels on Cloud nine. Following Gorman at Morgan is Ted tough. Mars enters Hotel Chocolat as customers salivate for healthy and sustainable. UBS's platform got Fatter And Fitter after gulping Credit Suisse. Bed Bath and Beyond fell into the bankruptcy pond. Japanese corporate culture is undergoing a seismic shift. WeWork finally admitted it didn't work. I expect wonder Work in AR-MR-VR.

Sam Altman was a strong contender. No 'Board' games can control or delete Altman. This 'Bahadur' is a Natural leader of the Artificial Intelligence universe. Generative AI, my '2022 person of the year' continues to make waves. Notwithstanding potential perils, this is the most transformational force underway. Kudos to EU for steps on AI regulation.

Elon Musk wants the 'Earth' to freely express on X. Won't allow advertisers like Disney to ask "(wh)Y". It's a Z-level commitment to a truly free speech platform. Tweets (X) and tantrums aside, his ambition and execution at SpaceX is exemplary.

I thought of Charlie, the intellectual colossus. Munger's mental models menu made Buffet rich and Berkshire Hathaway what it is. A Daily Journal of his wit and wisdom can improve our odds of success.

EM investors had a year of reflection - India gains, China pains. The great China reopening trade fizzled out. Investors Puzzled for the right reasons: Policy uncertainty, Property rout, Peaking population. Zhongzhi, the lender's Shadow looms large. China seems to be at an early stage of Japanification. It's all about Debt and Demographics. Dictatorship adds a dangerous dimension. My two cents to TenCent investors: No set rules in Xi's 'games'.

Saudi Arabia's MBS bets big on sports while building infrastructure that's beyond imagination.

Beyoncé rocked at Grammys. Diljit Dosanjh Dazzled at Coachella. *Tussi Chha Gaye!* A generation lost its *Friend* in Perry. With millions grooving in her billion-dollar shows, Taylor Swiftly broke all records. The 'Fearless' singer will be celebrated for 'Eras' to come.

2023 was the hottest in the last 1,25,000 years. Frequent Floods, Famine and Fires flaring up from Libya to Syria, Canada to California, Morocco to Afghanistan reflect our collective failing. We need a trinity of political, scientific and financial solutions. World Banks on Banga for a new Bretton Woods. CoP28 in UAE puts fossil fuel on the table. We can't chill on fossil forever. Putting Planet and People with Profits is Awakened and not Woke-capitalism.

India's message of "*Vasudhaiva Kutumbakam*" resonates well. A 21-canon ovation to our leadership for adding the African Union to G-20. The New Delhi Declaration was a fantastic feat for a fractured world. Indian diplomacy deserves it: soft promotion of Millets, Mandapams and Make-in-India to a hard posture on many issues.

India, the most populous country on the Earth, is on the Moon. Literally. Rocket Women at ISRO should be role models for every *Barbie*. I salute the Silkyara tunnel rescuers. A nation's soul is known by how it treats its vulnerable.

I.N.D.I.A is a good acronym, but a good alliance needs leadership and camaraderie to overcome acrimony. Lotus suffered in Karnataka but 'Modi Guarantee' encased Rajasthan, MP and Chhattisgarh. Vishnu, Bhajan, Mohan... Old guards give (taken) (a)way. Ajit left Pawar for Power. Cries from Manipur pained our hearts. Central Vista testifies a transition from the colonial past to a confident future. The Women's Reservation bill is a cause for celebration. May Kashmir's Garden Courts blossom with the Supreme fragrance of peace and prosperity.

Indian regulators deserve it for keeping macro and markets in good stead: Monetary policy or Forex management, cautioning states on public debt or lenders on 'Private debt', withdrawing big pink notes or strengthening digital nodes. JPMorgan's Index desk is richer with Indian bonds' inclusion. Better to bond with 007(%).

Uday called it a Day. May Vaswani run the bank with 'Arjuna's eye' like his illustrious predecessor. HDFC brings India on the global league table of biggest banks in market-cap. Jio got Mutual with BlackRock. Rajiv ji of GQG: everyone wants a cue, what's next in queue.

India Market Cap marked a new high with FPI holding percent at a multi-year low. SIP by SIP, MFs scaled Mount 50 (Trillion ₹). *Sahi Hai*. Policy prudence and retail resilience contain volatility. Investors rejoiced in PSUs' resurgence as *DIPAM* (lamp) of Profitability with Scale. Government should divest during the fest.

Year of Mega gains for Micro, Mini and Midcaps. Its Pouring IPOs. Promoters and Private markets celebrating Public Exits (PE). SMEs SMEaring all over. Amidst loud, cheery bell ringing, caution is often a casualty. Millions are betting their future(s) on Options. Remember: wealth is patiently fermented with focus on fundamentals, not instantly brewed with bytes and buttons. GST toll on gamers' Dream run. Byju's class must focus on Governance.

PLI plugs India into global supply chains, but the exciting part of exports remains in the service sector. Next, Indian tourism is on the runway for a supersonic flight.

Cool Aussie 'Head's stumped a billion hearts. Let's give it to them, an astounding accomplishment in Ahmedabad. Hail King Kohli for breaking the holy record. Spanish Senoritas scored the mighty FIFA World Cup. Young Alcaraz is the talk of the town, but it's Djoko who courts the Crown. Kiptum's marathon record defines the human Race's limitless potential. India's sprint to 100+ medals at Asian Games seemed like a Mission Impossible, but sporting *Jawans* and *Pathaans* made it possible. Kudos!

RIP, MS Swaminathan, the commander of India's Green Revolution. We owe you our *Toast*. 60 years ago, the gravest challenge before Shastri, the Indian PM, was foodgrain shortage. There were massive protests. He exhorted Indians to skip one meal every week in 1965. In this dire context the scientific genius of Swaminathan converging with the political artistry of C. Subramaniam triggered the Green Revolution. India now exports more rice than the next three exporters put together!

Convergence of policy reforms in India and technology will trigger a similar revolution in healthcare. The National Health Authority is building a Healthstack to transform health the way IndiaStack and Aadhar transformed payments and public services. 500 million Indians already have their health accounts on ABHA platform. Beyond Abha (glow) of convenience, this data reservoir can train AI for accurate diagnosis and trendspotting. The Government has almost doubled the number of MBBS seats and medical colleges. Policy push for integrative healthcare will cross-pollinate the best of Allopathy, Ayurved and other sciences to treat body, mind and soul holistically.

2023 saw the groundbreaking approval of the first gene-editing (CRISPR) treatment. And the approval for ISM3091, the inaugural AI-designed drug. The timeline and cost of drug development will shrink as AI joins forces with human intuition. Exponential progress in AI and declining genetic sequencing costs can herald revolutionary cures for diseases like cancer. Interesting innovations are underway in low-cost diagnostics and devices. Smartphone-based ECG costs a fraction of the traditional one. Same with a novel low-field MRI. New kits for routine lab tests allow affordable diagnosis at point of care. Broadband and Bhashini convergence will enable a patient in rural Assam to talk in Bodo language to a super-specialist in Mumbai, receiving a prescription in Bodo in return.

The ancient dream of universal health perhaps led a wise sage to write on a clay tablet with a dried twig dipped in hope:

सर्वे भवन्तु सुखिनः सर्वे सन्तु निरामयाः। सर्वे भद्राणि पश्यन्तु मा कश्चिद्दुःखभाग्भवेत् ॥

(May all be at peace, may all be free from disease, may all see what is auspicious, may no one suffer.) We may never get freedom from injury and infections, but we stand closer than ever to securing affordable and accessible pursuit of good health.

Standing ovation to the 'New Age of HealthTech', my Person of the Year 2023.

Wish you a very happy 2024.

Navneet Munot
MD and CEO,
HDFC AMC Ltd.

29th December, 2023

Views are personal.