

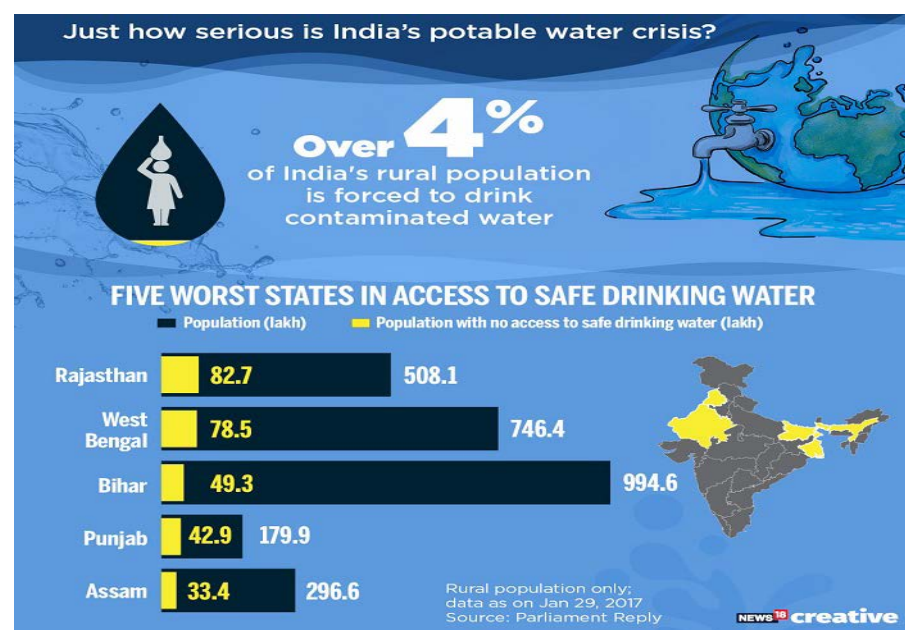
WEEKLIES

March 28, 2018

At Ambit, we spend a lot of time reading articles that cover a wide gamut of topics, including investment analysis, psychology, science, technology, philosophy, etc. We have been sharing our favorite reads with clients under our weekly 'Ten Interesting Things' product. Some of the most interesting topics covered in this week's iteration are related to 'Hawking's information paradox', 'Germany's lack of digital innovation', and 'why Australians are hurt by ball tampering incident'.

- 1 **How Stephen Hawking took physics to the limits** [Source: Financial Times] (<https://goo.gl/JnWLCf>)
- 2 **Patterns and trends can often lead us astray** [Source: National Review] (<https://goo.gl/VS1SKD>)
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Over 4% of India's rural population is forced to drink contaminated water



Source: News 18

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1) How Stephen Hawking took physics to the limits [Source: Financial Times]

(<https://goo.gl/JnWLcF>)

Text for google: His work on black holes continues to fascinate and frustrate researchers

- The theoretical physicist Stephen Hawking, who has died aged 76, said last year that he wanted to “inspire people around the world to look up at the stars and not down at their feet”. Enfeebled by amyotrophic lateral sclerosis, a form of motor neurone disease, he displayed extraordinary clarity of mind. His ambition was to truly understand the workings of the universe — and then to share the wonder. Accordingly, early on in his career, he attempted to knit together two parallel realms in physics: the subatomic world of quantum physics and the epic scale of the cosmos, which is shaped primarily by gravity.
- Black holes are the gravitational titans of the cosmic landscape and Hawking reasoned that, by adventuring at the mathematical extremes represented by black holes, he could learn profound truths about the universe. By applying quantum physical calculations to black holes, he calculated that they would slowly leak energy. This dribbling of “Hawking radiation”, as the outflow became known, would eventually cause the black hole to evaporate, along with all the information inside it. This, he discovered, presented an “information paradox”, flouting the assumption that information can be neither created nor lost. That troublesome mathematical insight has since haunted and divided his peers. One Harvard academic said recently that Hawking’s 1976 Nature paper on the subject had caused “more sleepless nights among theoretical physicists than any paper in history”.
- While the phenomenon (i.e. Hawking radiation) is virtually impossible to observe in real black holes, researchers claimed in 2016 to have spotted the dribble from an artificial black hole. Many, though, believe that lab-created versions say nothing about the circumstances of genuine black holes. The lack of real-life confirmation is thought to be the reason why Hawking never won a Nobel prize.
- Scientists are still working on how to resolve the information paradox, with Hawking pursuing this to the last. In fact, in 2016, he co-authored a paper that offered a potential solution to the conundrum. It has been popularised like this: black holes might be either “bald” or “hairy”. The “hair” of a black hole can be thought of as the space-time imprints left around the boundary of the black hole as particles and the information about them gets sucked in. These imprints, if they exist, constitute a facsimile of what the black hole consumes. The existence of such a record would mean that information is not lost when a black hole evaporates — thereby solving the information paradox. Researchers continue to argue today about whether black holes are indeed bald or hairy. Hawking also wondered whether information could disappear down a black hole, only to reappear in another universe — a conservation, of sorts.
- Few can grapple with such incredible concepts; to do so while being unable to scribble down equations or work conventionally at a computer is astounding. His disability led to a romanticised notion of a brilliant mind trapped in an uncompliant body. An electronic voice, necessitated by a tracheotomy, only added to his mystique, reinforcing the image of a superhuman intellect revealing the secrets of the universe.

2) Patterns and trends can often lead us stray [Source: National Review]

(<https://goo.gl/VS1SKD>)

- In 2001, Linton “Lin” Wells, a former Navy officer turned in-house Defense Department intellectual, was asked to offer his thoughts for the Quadrennial Defense Review. The point that he tried to make was that at any period in our lives, even modest predictions about the future are very unreliable. Outside theoretical physics, time moves in a linear, arithmetic progression: i.e., one day at a time. Life works differently. We can predict what the date will be 100 years from now with perfect accuracy, but we can’t begin to tell what life will be like. And yet, many people make straight-line projections about politics, technology, and all manner of things. “Trend X has been going in this direction for the last few years,” people say, “so Trend X will continue inexorably into the future.”

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Intellectuals are often guilty of this kind of thinking, partly because they make a living looking for patterns and trends.

- Writing in 1946, George Orwell argued that reflexive belief in the “continuation of the thing that is happening” amounts to a kind of “power worship.” At various times, everyone was sure the Soviet Union, Nazi Germany, or the Ottoman and the Roman empires would endure forever, because no one could imagine beyond the bars of the iron cage of the moment. Similarly, every era has been infested with business gurus who couldn’t foresee the demise or decline of Standard Oil or IBM or, these days, Amazon or Google. Sometimes people put their faith less in the idea of power and more in the power of an idea, convincing themselves that there is an unseen algorithm guiding events. Marxism was a classic version of this. The impersonal forces of the universe guaranteed that utopian Communism was the last exit of history. When Orwell wrote Nineteen Eighty-Four, it was widely believed that the state — Big Brother — would use technology to oppress people. Later, people became convinced that technology would keep Big Brother at bay by liberating people. With the rise of the Internet, this idea has taken hold in much of the West. The truth is that neither proposition is an iron law. Technology helped spread the Arab Spring, but it is also helping China throttle freedom.
- Speaking of China, it was also widely believed that market forces, once unleashed, would unwind authoritarianism. Why? Because that’s how it worked in the past. That’s not what’s happening in China, which is why President Xi Jinping is fast on his way to becoming president for life. Shortly after the fall of the Soviet Union, Francis Fukuyama heralded the “End of History” because liberal democracy had proven itself the only legitimate form of government. Since then, authoritarianism has had something of a renaissance around the globe. When Bill Buckley had founded National Review he wrote that part of its mission would be to “stand athwart history, yelling Stop.” The passage, widely misunderstood, contained a powerful insight: We cannot outsource life to the clockwork of the universe. There is no teleology, no “right side of history.” We make the world we want to live in, and we have a responsibility to do that work. Bill’s friend Whittaker Chambers believed that when he renounced Communism and joined the forces of freedom, he was switching to the “losing side.” Chambers was wrong because he, and people like him, made a choice to fight for the world they wanted.

3) **Why German companies fail at digital innovation?** [Source: Handelsblatt Global] (<https://goo.gl/5g3c3X>)

- While the Germans have invented the car, have some of the best engineers, 11 of the 100 most valuable brands and they are the economic powerhouse of the European Union, they are still lagging in digital innovation. Though the ‘Made in Germany’ brand still stands for quality, yet they should start asking themselves some honest questions. Why is disruptive innovation in the car industry coming more from the US and China than from Germany? Why does Made in Germany include no leading digital product? Why is there no German website among the 100 most visited? And why are they only in ninth place on the Global Innovation Index? According to the author of this piece, Semih Aridogan, here are the four worst problems for digital innovation.
- **Management:** The problems begin with Germany’s rigid hierarchies. Most German organizations are shaped like a pyramid. An employee reports to his supervisor. And the supervisor reports to his super-supervisor. Working life is an endless tale of delegating, scheming and blaming. Innovative ideas stand almost no chance in this culture. An employee shouldn’t need explicit approval to experiment and to innovate; innovation implies at least some creative spontaneity and autonomy. Take the example of Spotify, a company based in Sweden that is the largest music-streaming platform. It has small, autonomous teams. These so-called squads can decide what to build and how they want to spend their budget. They don’t have to ask for permission. German companies work in the opposite way. German managers suppress autonomy and look instead for “consensus.”

- **Missing tools:** Germans mostly use Stone-Age tools. They still use e-mail to communicate. Chat, video-conferencing, applications from Slack to Trello, are often not even allowed. To track projects and numbers, the Germans still use Excel and MS Projects. Why can't you find state-of-the-art tools in German offices? Germany is notoriously strict about data privacy. Companies operating in Germany have to make sure that data is anonymized and stored in accordance with the law. These data rules are big reasons why German companies have to stick with their old tools. But every day that Germans obsess about data, thousands of businesses elsewhere merrily and creatively forge ahead without them. As a consequence, German office workers send or receive 122 emails from the average company email account every day. If you assume a 9-to-5 shift, that's one incoming or outgoing mail every four minutes. How can you expect your employees to be nimble with their ideas, when their infrastructure is clunky? If employees aren't allowed to use any top-notch digital products at work, how on earth should they know how to create them?
- **Outdated infrastructure:** Another problem is that German politicians just don't get it. Just take the leaders of their two biggest parties, which just agreed to continue governing together. Andrea Nahles, the incoming leader of the center-left Social Democrats has declared digital capitalism the enemy of "socially" acceptable markets. And Angela Merkel, the chancellor and leader of the center-right Christian Democrats, has famously called the internet Neuland ("uncharted territory"). As a result, the policymakers have long neglected their digital infrastructure. As of late 2016, only about 2 percent of German broadband connections were through fiber-optic cables, compared with more than 50 percent in Latvia or Sweden. According to the European Commission, Germany ranked 28th of out of 32 in broadband coverage.
- **Lack of talent:** Finally, Germany doesn't have enough people with the right skills. According to a recent study, German companies have 1.6 million job openings they cannot fill. Deutsche Telekom can't get enough cyber-security experts. Some of the author's clients haven't even found a single applicant for positions in artificial intelligence. One explanation has to do with German schools. Some consider themselves lucky if they have a single computer in their classrooms. According to a report Germany must invest nearly €3 billion a year in technology for schools if it wants to stay competitive globally. A lot of students already come to school knowing more about the latest technology than teachers do.

4) **China challenges the US for artificial intelligence dominance** [Source: Financial Times] (<https://goo.gl/WahCBm>)

Text for google: Chinese tech companies have a huge natural advantage in term of access

- The US has dominated the world of Artificial Intelligence over the last 60 years. DeepBlue, which defeated chess grandmaster Garry Kasparov, was an IBM system, as was Watson, which defeated champion Jeopardy players in 2011. The robot Stanley, which demonstrated the feasibility of driverless cars in 2005, was developed at Stanford University in the heart of Silicon Valley. And if you dig a little deeper, the reasons for the dominance of the US become clear: Darpa, the US military research funding agency, is acknowledged in many of the key research papers in the AI canon. But today American hegemony in AI is being seriously challenged for the first time. One of the most remarkable features of the current AI boom is the sudden and very visible presence of China as a global force.
- Historically, one of the key scientific conferences in AI has been the annual meeting of the Association for the Advancement of AI. This was first held in 1980 and, within a few years, the conference was receiving some 5,000 delegates. The 1980 conference was dominated by the US: there was not a single paper written by researchers from a Chinese institute, and only a modest European presence. Go forward 18 years to the 1998 conference, and America still dominated, but with a substantial non-US presence, particularly from Europe. But there was just one paper from China — more specifically from Hong Kong. Today, the picture is startlingly different. At the 2018 conference, held in New Orleans in February,

China submitted 25 per cent more papers than the US (1,242 to 934). More tellingly, it was just three papers behind the US in acceptances.

- So why is China suddenly so prominent? **Scale.** The machine-learning techniques behind the current AI boom are seriously data hungry. To recognise human faces, translate languages and pilot driverless cars requires huge quantities of “training data” — the fuel for machine learning algorithms that we generate every time we go online or use our smartphones. **With a population in a single market larger than the US and Europe combined, Chinese companies have a natural advantage in terms of access to data.** While they might not be familiar to ordinary consumers in the west, Chinese tech companies like Tencent, Baidu, Alibaba and JD.com are global giants in terms of the number of users and market capitalisation. And they are all investing in AI on a dizzying scale.
- One face of China’s AI revolution is Andrew Ng. British born to parents from Hong Kong, Mr Ng was director of the AI lab at Stanford, one of the great historical centres for US AI research. He made his name developing AI software to control helicopters, and won the Computers and Thought Award, the key research award for young AI scientists. He went on to work for Google, starting the Google brain project, and then became chief scientist for Baidu. Last year, he left Baidu to pursue other ventures. Brilliant, charismatic, and above all, remarkably energetic, Mr Ng has a flair for highly quotable soundbites. He recently tweeted: “Pretty much anything that a normal person can do in less than a second, we can now automate with AI.” In 2017, he declared that AI is the “new electricity”, and that “just as electricity transformed many industries roughly 100 years ago, AI will also now change nearly every major industry”.

5) **How Bangladesh vanquished diarrhea** [The Economist] (<https://goo.gl/4a63EC>)

- In the 27 years since he became headmaster of a school in Trishal, in northern Bangladesh, Mohamed Iqbal Baher has noticed some changes in his pupils. Although boys and girls are often absent because they are helping their parents in the fields, they miss fewer lessons because of illness. Mr Baher does not recall an outbreak of cholera in the past ten years. And, although he cannot be sure, he thinks that pupils are taller than they used to be. In 1993-94, 14% of Bangladeshi babies aged between 6 and 11 months had suffered an attack of diarrhoea in the previous two weeks, according to their parents, who were responding to a household survey. That is an important stage in a child’s development, but also a period of great vulnerability to stomach bugs, as babies are weaned. By 2004 the proportion of stricken babies had fallen to 12%, and in 2014 it had dropped below 7%. Though it is still one of Asia’s poorest countries, with only half the GDP per person of India, Bangladesh now has a child-mortality rate lower than India or Pakistan, and indeed lower than the world average.
- So what’s behind this success of Bangladesh? Majorly two things; **toilets and drinking water.** The most obvious explanation for Bangladesh’s success is the proliferation of outhouses in Trishal and other villages. Made of tin or palm fronds, these conceal simple pit latrines—concrete rings sunk into holes in the ground, with toilets on top. Between 2006 and 2015 a sanitation programme run by BRAC, a charity that is ubiquitous in Bangladesh, helped more than 5m households build a toilet. A group of women in Trishal explain that a household toilet is now a symbol of respectability, to the extent that marriages have been called off when a groom’s family is discovered not to have one. Even in the districts where BRAC operates, two-thirds of the latrines built between 2006 and 2015 were constructed not by charities or the government, but by ordinary people.
- According to the World Health Organisation (WHO), the proportion of Bangladeshi households that defecate in the open has fallen to zero. According to the WHO, 40% of Indians defecate outdoors. The Indian government, which is in the midst of a fierce campaign against open defecation, disputes that, and claims to have cut the number of rural people relieving themselves outside from 550m to 250m since 2014. Either way, that is still far behind Bangladesh. Janir Ahmed, a sanitation specialist at BRAC, says that villagers were reluctant to use outhouses

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at first. They complained about the smell and felt uncomfortably enclosed. Mushfiq Mobarak, an economist at Yale University who has researched sanitation decisions, suggests that better-off people may be more likely to copy poor people than the other way round. If a wealthy person has something, you do not necessarily feel ashamed not to have it.

- The other striking thing about Trishal is the abundance of drinking water. This village of 270 households has 33 water pumps. As with the outhouses, the great majority were paid for privately. Bangladesh has a thriving boring industry—teams of men who will drill tube wells dozens or hundreds of feet deep, depending on the height of the water table and levels of arsenic in the area. The water pumps are unnervingly close to the outhouses. But Mohammad Sirajul Islam, of the International Centre for Diarrhoeal Disease Research in Bangladesh, suggests that this does not matter. By testing groundwater around pit latrines, he has found that bugs can barely travel more than two metres underground. Mr Sirajul Islam has also discovered something else. Whereas groundwater is pretty clean, the water that comes out of pumps is not. And the water stored in people's homes is often filthy, as is the food that mothers have set aside to feed to their babies. If Bangladeshis can be persuaded to wash water pumps, pots and their hands, and to reheat food that has been allowed to cool down, all as a matter of routine, rates of enteric disease ought to decline even further. A mass killer has already been reduced to the level of a hazard. It could yet be turned into an occasional nuisance.

6) Fresh blood: Why everyone fell for Theranos? [Source: Financial Times] (<https://goo.gl/oVhFxt>)

Text for google: The cautionary tale of Elizabeth Holmes and her healthtech vision

- Elizabeth Holmes tells a good story. So it is no surprise to find the founder of Theranos at the centre of one of the world's oldest and best-known tales: genesis, hubris, crisis, nemesis. Ms Holmes quit Stanford University to pursue her dream of finding a simple, cheap, and quick way to test and analyse blood samples. She fronted the campaign to promote the product and the company. She drew in high-profile investors such as Larry Ellison and Rupert Murdoch. But she plummeted from the pedestal she had built for herself after it became clear Theranos's product did not live up to her grandiloquent promises. Last week, the US regulator charged Ms Holmes, the company and its former president with "massive fraud".
- The filmic quality of the Theranos story is unmistakable. Indeed, Jennifer Lawrence is standing by to play Ms Holmes in "Bad Blood", the final scenes of which the Securities and Exchange Commission just drafted. But Ms Holmes's narrative is really a remake of previous movies, in which a lone leader, whose fame becomes bound up with the success of her business, takes the spotlight. Not all these stories end badly for their protagonist. Steve Jobs is the obvious example. Not coincidentally, Ms Holmes, in her shortlived prime, was regularly compared to the Apple founder, right down to the black turtleneck she almost always wears. However, there is a dark side to the incessant search for publicity, full of ardent self-promoters who over-reached and plunged to failure.
- What really links Jobs and Ms Holmes is that both sought to control the image of their companies. Jobs dominated magazine covers. Ms Holmes, too, though she is from a different, digital generation, received plenty of prominence in print. "I literally designed my whole life for this," she admits, underlining the obsessiveness that Silicon Valley demands of its stars. As the Jobs example suggests, **the correlation between today's magazine fame and tomorrow's infamy is not exact. But there is a link.** A 2007 study of two decades of Businessweek, Fortune and Forbes covers found positive stories presaged a fall in the company's stock price, and vice versa.
- After decades of male dominance on the newsstand, Ms Holmes made an irresistible cover story. She was the bright young upstart disrupting an ugly oligopoly of laboratories that were allegedly blocking US citizens' quest to find out about their own health. To a degree, she was only following the template for marketing success. "The well-told story erases scepticism by wrapping [its]

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meaning inside an emotion,” points out Robert McKee, superstar lecturer on the art of the story in filmmaking, in Storynomics, a new book about how to use storytelling skills in a “post-advertising world”. Trouble often hits, though, when leaders stick to their story after it has diverged from reality, swerving into embellishment, mythmaking and, in Ms Holmes’s case, apparently fraud.

- This path from self-belief to outright deception is well-trodden. In the 1841 classic, “Extraordinary Popular Delusions and The Madness of Crowds”, Charles Mackay profiles the 16th century alchemist and occultist Heinrich Cornelius Agrippa, who was said to go everywhere with the devil, in the shape of a large black dog. “Some men, by dint of excessive egotism, manage to persuade their contemporaries that they are very great men indeed,” he wrote. “They publish their acquirements so loudly in people’s ears, and keep up their own praises so incessantly, that the world’s applause is actually taken by storm.” **What is novel is the speed with which today’s cover stars rise and fall.** In their haste to expand, companies cut corners or exaggerate advances. “Fast growth stresses processes, controls and the leadership itself,” says Matt Nixon, author of Pariahs, a book about hubris and organisational crises.

7) **Why the reign of Facebook, Google may soon be over** [Source: Washington Post] (<https://goo.gl/tY6EZv>)

- We might look back on 2017 as the last moment of unbridled faith and optimism in the technology industry. The revelations about Cambridge Analytica’s use of Facebook data — mining more than 50 million users’ personal information — came at a time when people were already considering appropriate ways to curb the handful of tech companies that dominate not just the American economy but also, increasingly, American life. As the information revolution took off in the 1990s, we got caught up in the excitement of the age, along with the novelty of the products and their transformative power. We were dazzled by the wealth created by 25-year-olds, who became instant billionaires — the ultimate revenge of the nerds. And in the midst of all this, as the United States was transitioning into a digital economy, we neglected to ask: What is the role for government?
- The image of technology companies springing forth from unfettered free markets was never quite accurate. Today’s digital economy rests on three major technologies: the computer chip, the Internet and GPS. All three owe their existence in large part to the federal government. The latter two were, of course, developed from scratch, owned and run by the government until they were opened up to the private sector. Most people don’t realize that GPS — the global positioning system of satellites and control centers that is so crucial to the modern economy — is, even now, owned by the U.S. government and operated by the Air Force. And yet, as these revolutionary technologies created new industries, destroyed others and reshaped communities and cities, we simply assumed that this was the way of the world and that nothing could be done to affect it. That would have been socialist-style interference with the free market. But the result does not seem one that a libertarian would celebrate.
- We now have a tech economy dominated by just a few mammoth companies that effectively create a barrier to entry for newcomers. In Silicon Valley, new start-ups don’t even pretend that they will become independent companies. Their business plan is to be acquired by Google, Facebook, Amazon, Microsoft or Apple. The situation looks more like an oligopoly than a free market. In fact, through the age of big tech, the number of new business start-ups has been declining. The other noticeable consequence has been the erosion of privacy, highlighted by the Cambridge Analytica/Facebook scandal. Because technology companies now deal with billions of consumers, any individual is a speck, a tiny data point. And since for most technology companies the individual consumer is also a product, whose information is sold to others for a profit, he or she is doubly disempowered. The tech giants would surely respond that they have democratized information, created products of extraordinary power and potential, and transformed life for the better. All of this is true. So did previous innovations such as the telephone, the automobile, antibiotics and electricity. But precisely because of these products’ power and transformational impact, it was necessary

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for the government to play some role in protecting individuals and restraining the huge new winners in the economy.

- Regulatory action in the West will give more control to the individual. The European Union has established rules, which will go into effect on May 25, that will make it much easier for people to know how their data is being used and to limit that use. It is likely that the United States will follow suit. Until recently, as Indian entrepreneur Nandan Nilekani pointed out that there were just a handful of digital platforms with more than 1 billion users, all run by companies in the United States or China, such as Google, Facebook and Tencent. But now India has its own billion-person digital platform: the extraordinary "Aadhaar" biometric ID system with 1.3 billion Indian residents. It is the only one of these massive platforms that is publicly owned. That means it does not need to make money off user data. It's possible to imagine that in India, it will become normal to think of data as personal property that individuals can keep or rent or sell as they wish in a very open and democratic free market. India might well become the global innovator for individuals' data rights. Add innovations in blockchain technology, and we are likely to see even more challenges to the current gatekeepers of the Internet in the near future. Whether from East or West, top down or bottom up, change is coming to transform the world of technology.

8) Chinese companies are buying up cash strapped US colleges [Bloomberg]
<https://goo.gl/mUHZVY>

- Chinese companies are taking advantage of America's financially strapped higher-education system to buy schools, and the latest deal for a classical music conservatory in Princeton, New Jersey, is striking chords of dissonance on campus. Beijing Kaiwen Education Technology Co. agreed in February to pay \$40 million for Westminster Choir College, an affiliate of Rider University that trains students for careers as singers, conductors and music teachers. The announcement came just weeks after the government-controlled Chinese company changed its name from Jiangsu Zhongtai Bridge Steel Structure Co. The pending purchase rankles some Westminster faculty and alumni, who question what a longtime maker of steel spans knows about running an elite school whose choirs sang with maestros Leonard Bernstein, Arturo Toscanini and Seiji Ozawa. Alumni are among those suing in New York federal court to block the sale, saying it violates Westminster's 1991 merger agreement with Rider and will trigger the choir college's demise.
- The deal comes at a good time to hunt for bargains at U.S. colleges after S&P Global Ratings put the sector on a negative outlook in January. Sixty-six post-secondary schools shuttered in 2015-2016, according to the Washington-based National Center for Education Statistics. The financial pressures on some U.S. schools provide more buying opportunities for Chinese companies, said Kent John Chabotar, a partner at MPK&D, an education consulting firm in Baltimore. "Absolutely you will see more of these," Chabotar said. "It's the only way some of these places will survive." Westminster is at least the fourth college site bought by Chinese interests since 2015. In November, Beijing-based Ambow Education Holding Ltd. announced the purchase of Bay State College in Boston for an undisclosed sum.
- The Long Island school filed for bankruptcy protection in 2016. The new owners want to operate a college there and market it to families in China, said Charles Tang, associate vice president at HongDa. "There's huge demand for U.S. schools," he said. "A lot of Chinese students are very willing to pay a lot of money for education." In 2015, Jiahui Education bought the shuttered Chester College of New England and rebranded it Busche Academy, an international school for elementary and high-school students. Financially distressed schools provide the best opportunities for Chinese buyers, Tang said. "There are a lot of Chinese companies going abroad to purchase schools," he said. "Dowling is the one that we nailed down, but there will be a lot more to come."
- Shenzhen-listed Beijing Kaiwen has a market capitalization of about \$1 billion. Its largest shareholder at 32% is Badachu Holdings Group, a state-owned conglomerate from Beijing that also operates businesses in property, hotels,

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building materials and finance, according to Badachu's website. As Westminster went up for sale, Badachu was overhauling its holdings. After spinning off the steel business and adding schools, it changed Jiangsu Zhongtai's name to Beijing Kaiwen in January.

- That connection with the Chinese government may prompt the Trump administration to block the Westminster deal on national security grounds because Princeton-based organizations do work for the defense and intelligence communities, said Bruce Afran, an attorney involved in the federal lawsuit. Xu Guangyu, chairman of Beijing Kaiwen and a choral singer in college, downplayed any government influence on his business, saying, "When it comes to us, the state-owned element is further diluted." The next step for Rider and Beijing Kaiwen is to finalize a binding agreement. Xu said he is ready to implement a turnaround plan for Westminster, where he said losses top \$1 million. His vision includes exchange programs with Chinese artistic groups, commercial performances and sales of Westminster recordings in China.

9) **JP Morgan brings Alexa to Wall Street trading floor** [Source: Bloomberg] (<https://goo.gl/uCi9S3>)

- "Alexa, ask JPMorgan what the price target for Apple is." It's a request that JPMorgan Chase & Co. institutional clients can now get quickly answered through Amazon.com's ubiquitous voice-activated assistant. The bank and the e-commerce giant have partnered to provide JPMorgan's Wall Street users with another way to access its research. Alexa is able to send analysts' reports and related queries, and the bank is testing other features, like providing prices on bonds or swaps, according to David Hudson, global head of markets execution for the New York-based bank. Voice assistants are "clearly becoming something people are habituated to in their lives," Hudson said. "It's about taking information that's somewhere in the bank, that someone has to generally go and look for, or which is time-consuming or requires authentication to get, and putting that to you in another channel." As clients' habits evolve, firms have been finding ways to adapt popular retail technologies for the business world. While JPMorgan is one of the first to push the Alexa virtual assistant to institutional shops, other banks have been using the service in their consumer operations.
- Customers are becoming increasingly willing to use voice assistants to monitor accounts, according to a survey conducted last year by Bain & Co. While 6 percent of U.S. respondents now use the technology, 27 percent are open to it, according to the consultant. Capital One Financial was the first bank to allow customers to manage credit card and bank accounts through the voice assistant, and the lender has slowly expanded its Alexa service, allowing people to ask questions like how much they spent on Amazon last week. New York Life will start rolling out Alexa features to its 12,000 agents later this year to help them get quick details on policies and prepare for meetings, said Mark Madgett, who leads the insurer's field force of agents. That means the agents can ask Alexa to figure out how much life insurance a customer has or the value of those policies, or to catch them up on the latest products the firm is offering, he said.
- JPMorgan's Alexa project started last year as part of an internal competition to foster innovation. The bank first opened up data in its research group and added feeds from other departments, including banking and custody and fund services - capabilities now being tested internally. If the automated service takes off, it should free the firm's salespeople from having to answer routine queries. JPMorgan has seen that **clients are open to new ways of interacting with technology.** Not long after the bank created mobile apps for its trading business, it was recording large trades, including a \$400 million currency bet last year. So allowing Alexa users to access JPMorgan data from wherever they choose to work - home, office or on the go - makes sense.
- The next step is enabling institutional clients to act on the information they're getting. In the not-so-distant future, Wall Street traders could routinely use Alexa to execute trades, according to Hudson. But the bank needs to do more work on

client authentication and other security measures to prevent errant trades before that happens, he said.

10) Why is Australia so outraged at Steven Smith's team? [ESPN CRICINFO] (<https://goo.gl/rPt8iE>)

- Ball-tampering does happen in cricket, probably a lot more than anyone outside the game realises. Players have been sanctioned for it before. In the ICC's Code of Conduct it is ranked at the same level as making a seriously obscene gesture, and is less grave than intimidating an umpire. The maximum penalty is a fine and suspension for one Test, which Steven Smith received and Cameron Bancroft did not. So, why is that not the end of the story? Why was there such widespread national outrage over an incident that cricket's governing body views as only of moderate severity? The author of this piece, Brydon Coverdale, an Australian, says that to understand the public response, and why the incident touched such a nerve, **we need to understand the role sport has always played in Australia's national identity**. Indeed, since before we even had a nation with which to identify.
- Australia is a young country, but Dave Gregory had taken office as Australia's first Test captain in 1877, 24 years before Edmund Barton became their first prime minister. Edwin Flack won Australia two Olympic gold medals before Australia existed as a nation, and Australia has prided itself on punching far above its weight in Olympic competition ever since. More sportspeople have been named Australian of the Year than individuals from any other broad field of endeavour. This is the context in which the country's response to the ball-tampering incident must be viewed. Rightly or wrongly, Australian sportspeople have historically stood on pedestals far greater than any other members of our society. And the primary obligation the public asks in return is simple: don't cheat. Don't abuse our trust.
- Australian cricket team with their culture of sledging, whingeing, hypocrisy and arrogance has already become an insufferable national migraine. With the recent incident, an already frustrated nation finally lost its trust in its stars. The public response in Australia was swift and overwhelming, and came from the Prime Minister down. The Australian public feels ownership of the cricket team that represents their country, and 25th March was like a nationwide fire-sale. Condemnation is to be expected of a national side caught cheating, but the widespread nature of the reactions, and the lack of dissenting voices, tells a story about how this team is viewed. To hear the doyen of Australian cricket commentators, the ABC's Jim Maxwell, becoming emotional on radio while saying that he could not remember ever feeling as disappointed in an Australian team as now, told of the gravity of the situation.
- The feeling of being cheated combined with effect of social media has drastic effects on national conscience. Jon Ronson's excellent 2015 book, "So You've Been Publicly Shamed", examines how social media has led to a return of the days of public shaming. Twitter pile-ons bring out the worst kind of mob mentality, and can lead to a loss of all sense of proportion. Suggestions of life bans fall firmly in that category. There will be official sanctions, but the unofficial punishments - shame and humiliation - will hurt the most. This scandal is bigger than just cricket. It goes to the heart of Australian national identity. Australia's cricket team is older than the country itself and historically, cricket has been the team sport with the greatest nationwide support in Australia. The public response reflects this affection. Short bans and a loss of leadership positions are the appropriate response. The written Laws of Cricket might tolerate Smith and Lehmann staying on as captain and coach, but the unwritten rules of Australia will not.

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