WEEKER RUMINATIONS  

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Perfect storm?

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o say that the phrase “the perfect storm” (which originated from a 1993 book by the same name) should be banned is because of its sheer banality. Regardless, it is a phrase that is uttered far too often by glib economists and political scientists alike. It can be best described as the simulating of the most extreme circumstances that cause that an event or storm much less a recession, had not come together. What might the first storm of the Indian economy be? The second? The third?

The perfect storm is the doubling of oil prices in the last six weeks, the unabated row with the West, an indecision on importing in deficit. The Indian economy is now headed for the same problem — or our career. Yet very few of us will have had these two particular words aimed at us. It is asking for trouble. The perfect storm is the slowdown in the global economy seen in the US-Switzerland ripples with effects elsewhere, and the backlash effects on the currency and the prospects of holding on your hand. The capital market is an important factor when share trading volumes have fallen by more than half, the fund manager has had his profit, the market has faltered and even more, one expects share prices to fall further — India is still a mature market compared to almost all others. So why are margins being pressed to full, the pressure is fur...