

Investing and Beyond: Books that I loved reading the most in 2021

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Synopsis

'A Man for All Markets' by Edward O. Thorp - This book is by an amazing mind that cracked the code for many things, from stocks & derivatives to blackjack & roulette, with some physical sciences too.



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Devina Mehra, Chairperson and Managing Director of First Global, is a gold medalist from IIM-A as well as from Lucknow University where she broke several records. She had a seven-year-long stint at Citibank in Investment Banking & Corporate Credit/ Risk before becoming a member of BSE in 1993. She spearheaded her proprietorship, India's leading institutional brokerage firm First Global's globalisation over two decades ago, making it the first Asian (ex-Japan) firm to become a member of the London Stock Exchange and then the NASD. She has been quoted widely on global as well as Indian markets by global financial media like Wall Street Journal, Barron's, Business Week, Fortune, Forbes, CNBC, Financial Times etc. She tweets @devinamehra and the website is firstglobalsec.com

The round-up of the best books, out of the roughly 40, I read in 2021. This is one to bookmark and share. The list has mostly non-fiction work. In no particular order, here goes:

1. 'A Man for All Markets' by Edward O. Thorp

This book is by an amazing mind that cracked the code for many things, from stocks & derivatives to blackjack & roulette, with some physical sciences too. It is delightfully written with some great examples of the first-principles thinking, rather than accepting conventional wisdom on what could or could not be done.

A career academic who was also a successful hedge fund manager, Thorp came up with a formula for option pricing. It later came to be known as the Black-Scholes model. But he did not publish it to maintain his fund's edge. Several nuggets like this included in the book.

2. 'Numbers don't lie' by Vaclav Smil

This was on Bill Gates' recommended list, and that was how I came to read it. As the name shows, it is chock-a-block with data — some useful, others simply fascinating.

The book covers 71 topics — from fertility rates to energy, from food waste to the ecological cost of your phone versus your car.

How much have we moved towards renewable energy over 25 years; should we focus on increasing food production (or not); what is the technology that's absolutely essential for economic prosperity (hint: it has nothing to do with IT or smartphones); what do windows have to do with energy prices? Find answers to all these and more in the book.

3. 'Founders at Work' by Jessica Livingston

The book has interviews of the founders of “successful” tech/internet companies as of 2008. While some like Apple, TripAdvisor and PayPal are still a force to reckon with, others like Yahoo, Lycos, Flickr and RIM (BlackBerry) show how ephemeral success can be in technology. More so, when you remember that these were mostly the survivors of the brutal tech bust of 2000, but didn't quite make it in the subsequent round. It is a compilation of great startup stories on how things really happened on the ground rather than the 3-line sanitised summary we all know.

4. 'The Psychology of Money' bestseller by Morgan Housel

I may not agree with everything that is said here, but it is a fine framework for thinking about the role of money in your life. It isn't about how to make more money, but about how to think about and behave around money. How to define your money goals and strategies.

I can't do better than to quote the author's introduction: “Doing well with money isn't necessarily about what you know. It's about how you behave. The neat thing about this is that behaviour is at the center of many different fields. A lot of important things in life fall under an umbrella of ‘what is your relationship with greed and fear? Are you able to take a long-term mindset? How gullible are you? Who do you trust, and where do you get your information?’.”

As is always the case with Morgan Housel, it is enviably lucid writing. Especially recommended for the youth and those starting off in the financial markets.

5. 'How I built this' by Guy Raz

The book is rich with real-life, company-building anecdotes from my favorite 'How I built This' podcasts. I am not a big fan of the quality of writing and structure in the book, but it is well worth your time for the nuggets from the founders. The company building stories are an inspiration.

6. 'The Body Keeps the Score' by Bessel van der Kolk

It is an absolute must-read book for everyone (the last book I felt this about was 'Being Mortal' by Atul Gawande) to understand mental health issues. Van der Kolk talks about how trauma, especially childhood trauma, rewires the brain, mind and body. How many mental health diagnoses like bipolar and depression are essentially labels for symptoms rather than the underlying causes. It is like calling typhoid a fever, without understanding the pathology of the disease. He also discusses in detail which therapies can help. Definitely a resource of the possibilities that you must have in your mind.

7. 'My Life in Full' by Indra Nooyi

It is the life of a tremendous achiever who started out with multiple “handicaps” but rose to the very top in her chosen field. The book encompasses much more than her workplace experience. There are the complicated work initiatives described in detail (sometimes too much of it) but also a sense of the juggling & behind-the-scenes support that is also a reason for her success. Plus, there is a detailed discussion on what needs to change.

8. 'Murder at the Mushaira' by Raza Mir

A murder mystery with a difference. It is based in Delhi (Shahjahanabad) in 1857. The delicious conceit of Mirza Ghalib as a detective investigating a murder of a poet, with a background of plotting against the British, kept me enthralled. Although the incidents aren't historical, the background is — as is the shayari used in the beginning of chapters. A very different kind of work.

9. 'A Elephant in my Kitchen' by Françoise Malby-Anthony

The follow-up to her late husband's 'The Elephant Whisperer' about the wise giants is heart-warming to say the least. One of the most touching parts of this book is an incident about an elephant herd that her husband had looked after. The herd had moved to another reserve hundreds of miles away. But when her husband died, somehow the elephants came to know of it and walked for days to come back and pay tribute.

It goes on to detail the struggles in a game reserve and how to cope when your rescued “babies” are hippos, rhinos & elephants. Plus there's

the real struggle against well-equipped poachers.

10. 'Tawaifnama' by Saba Dewan

A fascinating book about a culture that we know so little about — although they have been the keepers of our “classical” music & dance. We want to hold onto that but somehow disown the actual legacy. The author clearly spent years researching, and the depth of writing shows that.

The rich oral history goes back almost 200 years, from before the 1857 Battle for Independence is very impressive, especially when most of us wouldn't even know the names of our great grandparents.

After the top 10, here are some others that almost made it:

The Psychopath Test by Jon Ronson — a journalist's quest to understand psychopathy and how it has been handled and treated.

The Opposite of Faith by Amy Tan — a compilation of the non-fiction writings of this fiction writer, including some autobiographical writings.

Sach Kahun To by Neena Gupta — a round-up of an unconventional life. Given her background, I have a feeling it may have been a better, more heartfelt book had it been written in Hindi.

A Rude Life by Vir Sanghvi — worth a read for the anecdotes of the powerful and famous.

I did not read that much fiction in 2021 but I did race through all 7 Harry Potter books — a reminder of how a good storyteller can keep you spellbound. I had read them the first time in the late '90s after Rama Bijapurkar wrote about them in a column in a business magazine, where we were fellow columnists.

I also went back to Daphne du Maurier, Jane Austen, Richmal Crompton (William books) after years. I do need to update myself on the fiction front. What have your choices been? Do share.

Happy reading!

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