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Market Outlook:

...not a drop to drink

The truth about a global water crisis is that it's not a binary choice (you have it or you don't). Both the scarcity of this commodity and its access is about finding the humane response to a deficiency that is enormously complex. In ten years, nearly half of the world's population will be living in areas of water scarcity or water stressed conditions. If you think that you are, or will be, immune to that fact, think again. The Western states of the US; regions of Africa and South America; and vast expanses of Europe are all currently facing severe water shortages.

We define water stress to be either (1) the demand for water exceeds its capacity, or (2) water accessibility restrictions make it impossible to use. Factors both man-made and naturally occurring are contributing to the deterioration of the human condition. As the globe's population increases there will be more instances of migration into areas where the water supply is more constant, or there will be conflicts that erupt over the control of the supply lines. The fact is that we are using and abusing H2O at a pace far greater than at any time in mankind's history.

In some instances, the issue is not lack of water. It is the damage caused by *too much* rainfall and the intensity of precipitation which damages infrastructure and the quality of life. Whether man-made or not, imperfect distribution influences how we must be thinking about this resource in both developed and developing regions.

Wall Street has done a terrible job in addressing this issue. As a business that jumps from one "sexy" idea to another, water is not commonly thought of unless a calamity of major proportions occurs. Thus, a fanaticism over *profits versus people* constricts the kind of thinking that leads to long-range solution making. However, investors are always looking for expert management and positive earnings (read *profit*) outcomes. Emotional, knee-jerk convulsions are not the way to look at this crisis.

The problem is so dramatic that regional diversity determines both the question and answer. As noted above, some areas do not lack for water but, rather, proper distribution. There is no one-size-fits-all solution. The reality is that a variety of investment silos, including desalinization, testing, pumping, irrigation, purification, and infrastructure must all be aggregated using hundreds of billions of dollars to find a humane, and profitable, outcome. The goal must be targeted-specific and, at the same time, appeal to Wall Street's passion for vogue and hot-button topics.

The challenge for the rest of us is a political and moral one. There is a vague awareness of the issue in the media, but who is willing to step up and do something about it? There must be a declarative humanitarian tenet that ***no one on this earth should be hungry or thirsty.*** Think of it this way: what would you be willing to pay if you didn't have water to drink tonight?

In many instances, it all boils down to *"if it doesn't directly affect me today, why should I be concerned about what happens to anybody else?"* But the savvy investor is always looking for ways to multiply his net-worth....and it can be done while creating a framework that provides a network for problem-solving for decades into the future. We cannot legislate morality or social consciousness, Nor can you absolutely incentivize capital if it doesn't want to go there. But you can appeal to human nature in ways which harken to the survival of the species....without the disaster washing up (literally) on your doorstep.

Spend 24 hours "walking in someone else's shoes"...someone less fortunate than you, someone hungry, or in failing health. It might not be the "trader's way" to make money. But it does require a visionary forward thinker. Are you one of those...?

There is a powerful confluence within the financial markets right now, one which offers a multiplicity of socially responsible opportunities to make money and to do good. Consider the tapestry of healthcare,, infrastructure, agriculture, renewable energy, etc. as the conscience of our future. There are always considerations which can motivate the expression of capital investments, and which galvanize political, financial, and moral countenance on a macro scale.