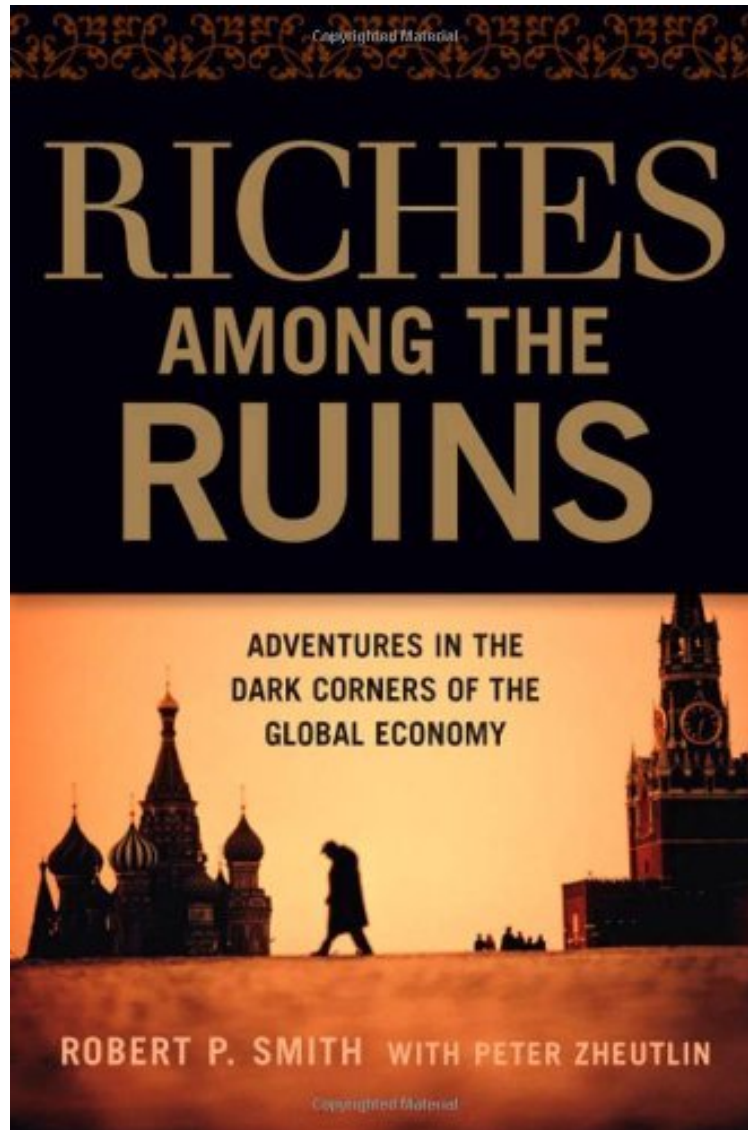


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## Riches Among the Ruins: Adventures in the Dark Corners of the Global Economy

*Robert P. Smith*

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**Robert P. Smith : Riches Among the Ruins: Adventures in the Dark Corners of the Global Economy** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Riches Among the Ruins: Adventures in the Dark Corners of the Global Economy:

0 of 0 people found the following review helpful. This is a great read (not only for those interested in economics and finance)By Miroslav KrajnakThis is a great read that takes you to many different parts of the world (El Salvador, Vietnam, Turkey, Guatemala, Panama, Nigeria, Russia, and Iraq).Tasting life abroad first as a U.S. government

official, the author soon creates a business of his own. He trades in sovereign debt of third-world (developing) countries, in essence taking advantage of nonexistent markets for sovereign debt instruments (at the dawn of globalization). I found the author's style of writing outstanding, definitely matching my taste; and I learnt a lot on the journey he took me on. In the last chapter called "American Twilight" one will learn about characteristics the author associates with economies of the developing-world countries (such as a staggering amount of debt, dependence on bigger powers, ever widening gap between rich and poor, dilapidated infrastructure, devotion of precious resources to wars, etc.) as well as those peculiar of first-world nations (such as a strong manufacturing base, existence of middle class, modern infrastructure, safe water and food supply, etc.). The author reasons why the U.S., despite showing symptoms of the developing-world countries, will never become one. One may or may not agree with everything (for instance, I have seen some studies that cast a doubt with respect to his claiming the U.S. ranks first in technological innovations), and one may or may not feel the lack of sources for some of the claims he makes (I did), but it is certainly a very interesting and well-written analysis. What appealed to me about the author is the sheer fact of his drive to relinquish his virtually secure, albeit boring (for him), life of a small collections lawyer in Boston and travel and experience the world - the real world. Having spent almost a decade of my life in the U.S., I've gained an impression that for many Americans (discounting countless U.S. troops fighting wars in different places) there is "nothing" outside the U.S. (I do not necessarily hint the actual traveling or even living abroad, not at all; what I mean is that I found them lacking a genuine desire to learn about (the rest of) the world in pursuit of its understanding or simply getting to know other cultures and traditions). On the contrary, what I found quite disappointing - all the more because the author regards himself as a global citizen - is that, having made fortune on the emerging markets countries, he would support (via financing various projects) solely the local (U.S.) economy. At least he did not mention anything that would suggest otherwise (pages 4 and 216). All in all, I enjoyed the book a lot! In fact, I read it twice: first as a "novel," then as a "textbook."

2 of 2 people found the following review helpful. International Finance, Jason Bourne Style  
By D. Pereira  
Finance has never been my area of expertise, but this book triggered a new-found enthusiasm for me. When you think of bonds, you don't think "adventure;" more likely, you imagine staid and boring traders sitting at desks on Wall Street, shouting into phones, wearing pinstripe suits and expensive sunglasses. The author of this book is about as far from that stereotype as you can imagine, although he does spend his fair share of time arguing on the phone. In his case, those, it's with characters such as Russian oligarch Vladimir Potanin, double-dealing Turkish grifters and black-market money changers in war-torn El Salvador. This is the dark, seamy, and thrilling side of international finance. The book moves along at a fair clip and only lags in a few places. The economics are clearly and concisely explained; I wouldn't call it a manual for trading, by any means, but it's definitely a good way to get a handle on some of the confusing aspects of the global economy. Rather than learn about spreads, basis points, coupons and interest rates in a dull textbook or an MBA class, pick this book up and get your information with a nice fix of adventure. There's more than just money here; there's also the story of a guy who seems a bit crazy, a bit genius, and completely and totally driven. Ever lost \$15 million in a day? Smith has, and he made it all back with sheer nerve. The story jumps nimbly from Brookline to Istanbul to Lagos, and only towards the end does it settle down and slow a little. But that's inevitable, given the fabulous adventures in the first 100 pages. My favorite incident involves a scheme with Lloyds of London in Guatemala that required, if I may say, 'cojones latoacute;ns.' Do yourself a favor. Pick this book up.

0 of 0 people found the following review helpful. What a Marvelous Book!  
By Terry Clark  
Review by Terry Nichols Clark, University of Chicago  
What a marvelous book! Bob Smith leads us through the creation of a new market: for sovereign debt. How do people trade the debt of emerging market countries? For El Salvador, S. Vietnam, or Iraq, especially in the middle of a war, it is hard to sell bonds, to borrow money from the rest of the world. Or Turkey or Russia or Nigeria, as they were working out of black markets and government-regulated currency exchange rates. These were huge barriers to average citizens and investors just a few decades back. People in these countries had trouble buying a refrigerator, and could negotiate with merchants and others about small-scale currency conversion and rates. How rapidly this has moved toward a global, relatively smooth "market" is brought out by Smith's remarkable account. He tells the story splendidly. He starts in the "middle" of his career and of the emerging market, with a chapter on El Salvador, where he takes us along step by step to show how basic personal relations led him to major results. The big points are made through small specifics. He arrived at the office of a high official, but chatted with the secretary, who in conversation was able to provide a handwritten list of all the bond holders of El Salvador's debt. Bob Smith then shows how this sort of list was the Key to the Kingdom, in El Salvador and as he continued around the globe, seeking to extract or assemble such lists. He could then contact the bond holders individually and inquire about whether they wished to sell their holdings. Many did. He would then ask them to suggest a price. And in what currency? If they wanted dollars, this implied finding enough dollars in the country that could be purchased to pay for the bond. And more transactions to put the package together. Each chapter builds in a dramatic way, so we soon become fascinated by the story, and want to learn how Smith ever learned to navigate these highly risky, often deceitful and opaque waters. He takes us along, with great humor and self-deprecation, to show what a fatalistic roll he took, year by year, sometimes way up, sometimes way down, with much of his personal fortune at stake. He went to Vietnam in the middle of the war, not to fight, but to learn things like how people bought

old tanks and shipped them out for sale as scrap metal. He learned how to navigate six exchange rates that were used for different kinds of transactions. In Nigeria, it was sovereign debt bonds that had been "dead" for years, but might come back to life. And in just a few decades it all seemed to become part of smooth electronic global trading. It was no easy trek. What an engaging, personable tour!

Today, Robert P. Smith is a legend in the world of finance. Part adventurer and part economic warrior, this Indiana Jones of the financial world was an advance man for the forces of globalization, having spent more than thirty years traveling through five continents, buying and selling high risk securities in the world's most downtrodden economies. So tenuous was his operation and so covert the transactions, that an overnight fluctuation in a country's currency rate could mean the difference between a spectacular profit or a devastating loss. Today, the trade in emerging market debt is worth more than five billion dollars a day, but it was virtually non-existent when Smith, a one-time collections lawyer, pioneered the business in the late 1970s. "Riches Among the Ruins" is the extraordinary story of Robert Smith's search to make money doing the riskiest kind of business. We are at his side as he travels through the treacherous and exhilarating world of the debt trader, dodging bullets and roadside bombs in post-Saddam Iraq, and risking his life on the chaotic streets of Nigeria. As he engages in a battle of wills with businessmen in Istanbul, and loses millions overnight in the ruins of the post-Soviet Russian economy, we experience all of the thrill and terror that accompanies making big money in emerging markets. At once adrenaline-fueled and utterly compelling, this is the gripping story of one man's quest for fortune where others fear to tread.