

Rosa & Roubini Associates

The Pioneering Visionary



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Brunello Rosa
 CEO and Head of Research
 at Rosa & Roubini Associates

Brunello Rosa is a visionary leader who aims at “Making Sense of This World,” as the company’s motto says. He comes with a strong academic background: he has been teaching at the London School of Economics for the last 15 years finance and macroeconomics at Master’s students and executives; he has his course in Geopolitical Macro-Economy – briefing the Prime Minister at City, University of London, and he is a Visiting Professor in Cyber Risk Strategy and Governance at Bocconi University. With this academic background, he has vast policy experience, not just as a former Bank of England official, but also having advised policymakers at various levels and having met several prime ministers, central bank governors, and finance ministers in the last few years. He has worked extensively in the private sector, where he has been managing director, CEO, chief economist, and head of research, finally co-founding his current venture with legendary economist Nouriel Roubini. This background allows him to connect the dots among disciplines such as macroeconomics, finance, political risk, geopolitics, and cyber risk, offering a unique product that is virtually impossible to replicate. He has shaped the organization by handpicking his collaborators with a similar polyhedral background so that each piece of analysis provides a unique blend of all the aspects mentioned above.

Brunello Rosa, and his long-term business partner Nouriel Roubini, were particularly dissatisfied with standard economic models, which are imperfect and incomplete by definition. They certainly suffered from what econometric analysts call “missing variables,” i.e., they did not consider all the elements that contribute to the eventual outcome, including political motives, or geopolitical constraints, which are difficult to capture by standard models. Hence Rosa & Roubini decided to adopt an innovative methodology, based on heuristics, that allows all variables, quantitative and qualitative, to be considered when analyzing a phenomenon. The resulting assertions are then constantly corroborated with on-the-ground intelligence, with a constant dialogue with the main stakeholders of the

global economy, both in developed markets and in emerging economies. Rosa & Roubini also benefits from the ongoing strategic partnerships with academic research centers, such as the Systemic Risk Centre of the London School of Economics and the City Political Economic Research Centre of City, University of London, and private sector organizations.

Through its strategic partnerships, Rosa & Roubini has started exploring the market segment represented by solutions for corporates. The idea behind this addition to their offering was that, after the pandemic, companies had fundamental questions to address, such as: Where should I invest, in terms of product, process, market segment, or geographical location? How should I adapt my business model and corporate culture to be ready for the new, post-pandemic world? How can I be resilient to future shocks that used to be considered “exogenous” but are now becoming fully endogenous in the global economy, such as over-population, climate change, and pandemics?

“We managed to predict the 2020 recession and financial crisis about one year and a half before it materialized, and thanks to that prediction we were engaged by the G20 presidency in 2020 to discuss our views on the global economy during that year,” explains Rosa. “In 2018, we were reflecting over the lessons learnt from the Global Financial Crisis, in its tenth anniversary, and we realized that some of the elements that had led to the market crash of 2008-09 were presenting themselves again. That is, the fragility of the macro-financial system was increasing, and we thought it could reach a tipping point, which someone calls Minsky Moment, in 2020.” Rosa and his team expected a shock to trigger a global recession and financial crisis worse than that of 2008. On this occasion, the shock was exogenous to the financial environment, unlike in 2008, and came from healthcare. “In all this, the most relevant aspect was not the nature of the shock, which could have been exogenous or endogenous; but the underlying fragility of the system, which we could detect from 10 different angles.”

The company also has tailored research made specifically for clients, typically from the private equity space, who seek a macro-financial and geopolitical due diligence before proceeding with acquiring an asset in a certain context, as it could have been the Russian healthcare sector or the Italian private diagnostics.

All of these would not have been possible without the brilliant team backing R&R. Each team member has the same blend of strong academic background, policy experience, and private sector experience. “We decided not to go behind the “twitterisation” of research, by which even complex issues should be discussed in 140 characters. Our research papers are deep and take as much space as necessary to provide enough arguments to support our thesis, which may be out of consensus,” says Rosa. “At the same time, each piece starts with a one pager summarizing the key findings with bullet points and a “killer chart.” All these elements make R&R’s research a unique blend of expertise and insights. After all, my name is the name of one of the most sought-after wines in Italy, Brunello di Montalcino. When you drink Brunello, you know it’s top quality.”

For the days to come, R&R is planning to focus closely on the intersection point between finance, technology, and geopolitics, which can be represented by the introduction of central bank digital currencies (CBDCs) by the major central banks in the world, being in emerging markets or developed economies. “We are uniquely positioned to do this as we can leverage on our very long experience in following central banks around the globe, the policy innovation they have introduced and what else they may be doing in coming years, for example in terms of severely negative interest rates, once cash will be virtually disappeared,” says Rosa. “But the introduction of CBDCs means that central banks enter, even more so than currently, in the cyber space, which is the domain in which geopolitical wars are currently fought, i.e. cyberwarfare. Especially as some CBDCs can be read as an instrument to project a country’s influence on entire regions. With the Chinese e-CNY being the primary example.”