

INDY BUSINESS BULLETIN



Study Supports Development at Former Airport Terminal

A proposed mixed-use development at the former Indianapolis International Airport property has gained support from a new feasibility study. Las Vegas-based Full House Resorts, which commissioned the study, says the American Place development would generate \$85 million in new state and local taxes annually.

IU Approves Room and Board Rate Increase

Indiana University's board of trustees has approved a 2.5 percent room and board rate increase for the most popular package on the Bloomington campus. The school has also formed a committee to find a replacement for MaryFrances McCourt as vice president and chief financial officer.

Purdue Robot Toy Primed For Market

A glove-controlled robotic toy developed with Purdue University technology that has gained national attention is on the cusp of hitting the market. Ziro is weeks away from commercialization and is being touted as a tool for learning that can hold the interest of boys and girls alike. The robotic toy kit debuted last year on Inside Indiana Business Television and was created by Purdue Professor of Mechanical Engineering Karthik Ramani.

Are Super Bowl Commercials Worth The Investment?

Two professors at universities in Indiana agree the hefty price tag for a Super Bowl commercial can be worth it. A 30-second spot during this year's 50th anniversary game will cost an estimated \$5 million. University of Notre Dame's Frank Germann and Ball State University's Dom Caristi say the audience's perception of the game is important.

Purdue Team Advances in Hyperloop Competition

A team of Purdue University students will get to test its design in the SpaceX Hyperloop pod competition. The Purdue team will join 21 others that will build their designs at the first Hyperloop Test Track in California.

International Exchange Adds Indianapolis Art Museum

The Indianapolis Museum of Art has joined an international consortium. The 30-member French

American Museum Exchange promotes cultural exchange among museums in France and North America.

Production Slow-Down Not Expected to Cost Cummins Jobs

A spokesman with Columbus-based Cummins Inc. (NYSE: CMI) tells Inside Indiana Business an announcement this morning to scale back small engine production in North America will not affect the work force or V8 production at its Columbus Engine Plant. However, Jon Mills says the manufacturer does not anticipate adding new customers or broadening its production range at the Bartholomew County operation.

Community Healthcare, Anthem Detail New Agreement

A new, three-year agreement between Community Healthcare System in Munster and Indianapolis-based Anthem Blue Cross Blue Shield is in place. Officials say the deal includes in-network provisions for patients seeking care after the previous contract terminated at the end of last year.

Rose-Hulman Among Top 'Colleges That Pay You Back'

The Princeton Review has listed Rose-Hulman Institute of Technology among its top 50 "Colleges That Pay You Back." The list ranks schools based on their return on investment rating, which is determined by several metrics.

CAT Restructuring Affects Lafayette

Illinois-based Caterpillar Inc. (NYSE: CAT) says it will close six plants as part of on-going restructuring efforts. Though Indiana operations are spared from closings in this round of cuts, the global manufacturer says it will move some remanufacturing work from its massive Lafayette Engine Center to a facility in Mississippi.

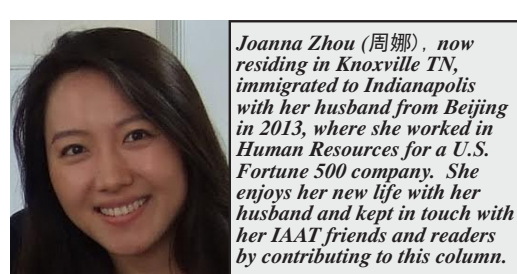
Short Film Begins Production in Carmel

Production has begun in Carmel on Sarge, a short film that aims to raise awareness about people with dementia. The filming comes just months after the announcement of a public-private initiative called Film Indy, which aims to attract film and television projects. Filming is also underway in Bloomington on a feature film being produced by two Indiana University alumni.

Indy Among Cities 'Secretly Great For Tech Grads'

San Francisco-based DataFox has named Indianapolis in its list of "10 Cities that are Secretly Great for Tech Grads." Indy beat out other cities including Raleigh, Portland and Nashville.

CHINA IN THE NEWS



BY JOANNA ZHOU

Passenger trips surge with growing tourism demand

More Chinese chose to travel after the first day of the Lunar New Year, transportation authorities said on Tuesday.

A total of about 5.5 million train trips will be made on Tuesday, compared with 3.18 million on Monday, the first day of the Lunar New Year, when many Chinese stay at home and visit relatives and friends, according to the China Railway Corporation. China Southern Airlines is expected to send over 200,000 people with about 1,500 flights, most of which are for warm destinations such as Southeast Asia, South Asia and Australia.

The increasingly affluent Chinese are more willing to travel to other domestic places and abroad, making tourism a key sector powering economic growth. Chinese are expected to make 4.38 billion trips for tourism within China this year, up 9.5 percent on 2015, while a total of 263 million tourist trips are expected to be made by Chinese going abroad and foreigners coming into China, up 5 percent year on year, according to the National Tourism Administration.

2016年春节出境游人数望达600万人次 创历年新高

据携程预测, 2016年春节出境游人数有望达到600万人次, 创历年新高, 同比增长约10%。据人民日报2月5日消息, 同程旅游发布的《2016春节黄金周居民出游趋势报告》(以下简称《报告》)显示, 截至1月中旬, 春节期间出境游预订率(行程已预订者占有意愿出境游者的比例)为62%, 长线出境游的预订率甚至超过了80%, 相比之下, 国内游(含长线游和周边游)的预订率则不足30%。途牛旅游网数据显示, 63%的用户倾向于出境游。“2015年春节期间, 选择出境游的用户比例为45%, 对比今年的数据可以发现国人越来越青睐出境旅游过年。”途牛相关负责人说。同程《报告》显示, 近來邮轮旅游需求非常旺盛, 2016年春节黄金周邮轮旅游出游人数同比增长了39.64%。据同程邮轮负责人王凯透露, 同程邮轮推出了近20个航次, 每条线路都很受欢迎, 其中2月3日出发的海洋量子号春节航次更是一票难求, 早在1月初就已经售罄。携程旅行网的统计显示, 近年来随着国内游客旅游观念的转变, 享受型需求正不断增长, 2016年春节国内游客对于高星级(4—5星)酒店的需求远超预期, 境外高星级酒店占比超过六成, 境内高星级酒店占比也达到53%。中国游客将到达全球100多个国家和地区, 最远到达南极。

Death toll of Taiwan quake rises to 40

The death toll of a 6.7-magnitude quake that hit south Taiwan early Saturday has risen to 40 and 107 people remain missing, rescuers said Tuesday.

According to the rescue center, 213 people have been pulled out from the debris of the Wei Guan residential complex that collapsed after the quake in Tainan city, of whom 38 died before reaching the hospital.

However, three signs of life were newly detected at the 16-story building, which are the focus of the rescue work now, said William Lai, mayor of Tainan at a press briefing.

Rescuers warned of diminishing chance of finding survivors as 72 hours have passed since the quake struck. They are considering using heavy machines to speed up the work.

The 6.7-magnitude quake hit Kaohsiung city at 3:57 a.m. Beijing Time on Saturday, just two days ahead

of the traditional lunar New Year. Local monitoring authorities put the scale of the quake at 6.4.

台湾南部地震遇难人数上升至41人

2月6日台湾南部凌晨遭遇里氏6.7级地震, 救援人员9日12时公布的最新数据显示, 地震造成的死亡人数已升至41人, 其中39人是从受损最严重的台南永康区维冠金龙大楼中发现的。目前维冠大楼内仍有超过100人失联待援, 其中大部分被压在倒塌建筑底层, 救援工作困难重重。为加快施救进度, 目前已起用重型机械“大钢牙”加紧作业, 不放过任何施救机会。

Russia to launch regular mail train to China

Russian Post, the national postal operator of the country, on Tuesday announced that it plans to launch a regular mail train between Moscow and Beijing as part of the efforts to develop Russia's mail delivery service.

“A mail train consisting of 18 special mail cars instead of cars hitched to passenger trains will circulate between Moscow and Beijing,” Dmitry Strashnov, chief executive of Russian Post, was quoted by RIA Novosti news agency as saying. Strashnov said his company and Russian Railways are jointly developing a “powerful and reliable logistics route” between Europe and Asia, to connect China-proposed initiatives on the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The grand blueprint, which includes the Silk Road Economic Belt and the 21st Century Maritime Silk Road, is an ambitious vision Chinese President Xi Jinping put forward in 2013, with Russia being an integral part of the land route.

俄中将发展跨境铁路邮政运输

为扩大进入俄罗斯货流量, 俄罗斯邮政、中国邮政、俄罗斯铁路公司计划共同发展客运与货运列车铁路邮政运输。该项目将促进两国贸易额的进一步增长和俄罗斯运输潜力的发展。

俄罗斯铁路公司曾于今年1月宣布针对俄罗斯邮政公司启动自中国的国际铁路邮政运输服务。该项目将根据此前已签署的扩大中国向俄罗斯邮政运输与跨西伯利亚铁路货流量协议落实执行。

俄罗斯邮政负责物流的副总经理阿列克谢·斯卡京表示, 首批发往中国的铁路邮政运输货物有助于确定物流链中的薄弱环节何需要改善的地方。他说: “三方将在俄罗斯海关的协助下积极朝这一方向发展。”

Chinese Internet giants woo customers with cash gifts

An incredible amount of gift money will be handed out at New Year by Chinese Internet companies competing for the mobile payment market. Alipay announced it would give away 800 million yuan (121 million U.S. dollars) on the lunar New Year's Eve. Viewers of the central broadcaster's gala can share the money by accessing to the company's mobile App while watching the show. Tencent's instant messaging tools, QQ and WeChat, have 200 million yuan of “red envelopes” to give away to its customers. A company spokesman told Xinhua the number of “red envelopes” sent and received via its WeChat messaging platform reached 2.31 billion on Jan. 1, and expects the number to exceed 10 billion during Spring Festival, 10 times more than last year.

In December, Apple and China UnionPay announced a partnership to bring Apple Pay to China to cash in on mobile payment services.

红包大战抢占春节

去年微信凭借春晚的平台硬是从支付宝的移动支付业务范围内杀出一条血路, 有超过 800 万张的银行卡与微信绑定, 在 2015 年微信和支付宝便坐上移动支付平台第一、二把交椅。今年支付宝吃一餐长一智, 抢占先机, 率先狂砸 2.69 亿拿下了猴年春晚。2016 春节红包竞争的可谓是相当激烈, 支付宝、QQ、微博、微信各出奇招, 相继都公布了抢红包方式和时间表。

PERSPECTIVE

In Praise of Ramen

(Part 2 – Ramen and Ramen Ray Indianapolis)



Dr. Ko is a native of Hong Kong. He is a retired radiologist and a long time residence of Indianapolis since 1960s. Dr. Ko is a frequent traveler and a passionate hiker. He also serves as the lead organizer of the IACA hiking club.

BY DR. BENNY KO

Despite the new name ‘ramen’, it is as different from Chinese hand-pulled noodle as apples are to oranges. Unlike the Cantonese ‘mien’ and its Chuka soba variant, lye water is never added to the dough in making hand-pulled noodle, to do so would render the dough impossible to pull. Traditional Cantonese ‘mien’, labor intensive as it is in its making, always is done with the aid of tools and instruments, rudimentary mechanization if you choose to call the process such. Sometime in the late fifties, some Japanese TV shows have featured magician-like Chinese noodle masters (si-fu) kneading, tossing and twirling a lump of dough, shaping and pulling it into long strings of noodle. The commentators introduced it to the transfixed viewers as ‘pulled-noodle’, or ramen. Prior to this, Chinese pulled-noodle is something few Japanese have seen let alone tasted, except for some veterans and repatriated colonialists that had set foot on the Asian continent. Nevertheless, the word ‘ramen’ took hold as it evokes an image of something new and exotic in comparison to the very tried and familiar Chuka soba. Then, some enterprising Chuka soba proprietors decide to give their shops a make-over even the same noodle continues to be served under the new name ‘ramen’.

The red paper-lantern, ever-present and an icon of Chuka soba shops, was being taken down one by one. The interior decoration would be given a more Japanese flair. Outside, in place of the red lantern, a cloth screen, or the ‘noren’, with ‘ramen’ written in hiragana (Japanese script) would hang at the door. The mention of this transition is not a belittlement to Japanese entrepreneurship or to ramen; on the contrary, in the decades to follow, ramen indeed evolves into a distinctly unique and esteemed genre in the pantheon of culinary legends. There are twenty to thirty or so styles of ramen in existence in Japan today according to the Japan Ramen Association which keeps track of all things ramen. These are ramens with individually recognizable preparation, flavor, ingredients, texture, or more abstractly, in character. For example, the broth could be pork, pork-bone, chicken, vegetable or seafood based; the noodle could vary in size, appearance, and texture. Often such differences are touted as a regional specialty as well as a proprietary secret. New ramen shops spring up somewhere in Japan every few weeks. If the house recipe is popular, it survives, if not, it soon closes.

Occasionally, the product is so outstanding that branch shops are opened far away from the original, that is why nowadays one can savor Hokkaido style ramen in Kyushu and Kanto (Tokyo) style ramen in Osaka. In all, there are over 10,000 ramen shops in Japan. No, it is not haute cuisine, it is cheap and ubiquitous but the Japanese public take their ramen so seriously that you would often see a waiting line wrapping around the block of a popular one while a close by shop has no customer in it at all. There is a

ramen museum in Shin (New) Yokohama that is almost as entertaining as the Tokyo Disney. It sits inside a huge cavernous building, the interior is decorated to the likeness of a vintage Yokohama street block, circa 1950s, with replicas of different shops, even the facade of a cinema, but the ten to twelve ramen shops in the midst of this faux neighborhood are real and ready to serve the visitors. They are representatives of legendary ramen shops hailed from different parts of Japan. If it is not the dinner hours, each shop's manager would be happy to give you a short lecture on the making of their unique ramen. You can sample the item immediately afterwards to verify how true his pitch is. I had four bowls when I was there and ended up taking a taxi back to the hotel as I was no longer able to walk to the subway station. All four varieties that I sampled were excellent. Tokyo, not to be outdone by Yokohama, has an annual national ramen convention.

I have saved the best to the last as no good tale should end without some controversy. Ramen became universally known and loved today is in no small part due to the introduction of ‘instant ramen’ in 1958 by a gentleman named Momofuku Ando. In the dried, packaged form, ramen can now be stored and carried, easily reconstituted by simply adding hot water. The seasoning and flavor come as a powder, separately packaged and forms the instant broth base. Did Mr. Ando invent this dehydration process, ‘flash-frying’ as it is known, to draw out the water content of the ramen noodle, or did he instead, ‘rediscover’ it? There is ample documentation from historic texts that a dried form of noodle was in existence in ancient China, similarly requiring a re-hydration process prior to consumption. But there is no knowing whether the same method was employed in its making. I guess only the late Mr. Ando could answer the question. Regardless, I will certainly give him some of the credits for promoting and popularizing ramen to the status that it enjoys today.

A few parting words on Ramen Ray, Indianapolis first dedicated ramen shop. The ramen is very good and authentic. Three varieties are offered. My wife and I tried the miso (fermented soy bean paste) based and the shoyu (soy sauce) based. On that very cold day, the heavier-bodied miso broth and crinkly Sapporo style noodle easily found its way to my stomach and warmed up my body and heart. I am sure the lighter shoyu ramen, or the yet to be tried shio (salt) ramen would similarly please me on a hot day in August when fluid, salt and calories are craved after a day under the sun. To go for a bowl of shoyu ramen, a regional favorite of eastern Japan, is a frequent excursion made by Tokyoites.

But I know I will be going back to Ramen Ray plenty of times before that.



Line outside of Lamem Ray

FINANCIALLY SPEAKING

Herd mentality dangerous for NFL coaches and investors



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Economist John Maynard Keynes said a successful investor must be “eccentric, unconventional, and rash in the eyes of average opinion.” The difficulty is, “if he is successful, that will only confirm the general belief in his rashness; and if in the short-run he is unsuccessful, which is very likely, he will not receive much mercy.”

Thus, investors are often reluctant to act on their own information and go against the conventional wisdom and comfort of the herd, fearing damage to their reputations as sound decision makers. Keynes famously said, “Worldly wisdom teaches that it is better for reputation to fail conventionally than to succeed unconventionally.”

Keynes wrote these words in 1936, but he could have been talking about the Green Bay Packers, Coach Mike McCarthy and one of the most exhilarating games in NFL history.

The Packers traveled to Arizona for a playoff game against the Cardinals (which had annihilated the Packers 38-8 three weeks prior).

A 7-point underdog, the Packers trailed 20-13 with no time outs and less than a minute to play when they faced an impossible 4th & 20 from their own 4-yard line. QB Aaron Rodgers heaved the ball, which teammate Jeff Janis improbably caught at the Arizona 36 yard line.

With the ball back at the Arizona 41, there was time for one final desperation play. Rodgers fired the ball into the end zone, which was again miraculously caught by Janis. The Packers trailed 20-19 with 0:00 on the clock.

McCarthy had the choice of A) attempting a game-tying 33-yard extra point kick that would send the game into overtime or B) going for a 2-point conversion that would win the game immediately.

This was no different than any investing decision. Both are probabilistic endeavors. You assign probabilities to various possible outcomes. The process-oriented coach or investor takes the action with the highest chance of success.

McCarthy had seconds to decide which was greater, the chances of 1) Rodgers gaining the 2-yards needed for the immediate win or 2) making the kick to tie AND winning in overtime.

Nate Silver's website (www.FiveThirtyEight.com) uses statistical analysis to tell compelling stories about sports, elections, politics, economics and science. Since 2001, NFL teams have converted 47.2% of their 2-point tries (431 of 913). Kickers made 94.3% of extra-point kicks in this first season from 33-yards (1,131 of 1,199). Since 2001, the visiting team has won 45.5% of overtime games (110 of 242).

Using just league averages, these three numbers determine which option would have given the Packers the best chance to win. Going for 2-points and the win would have succeeded 47.2% of the time. Attempting the kick AND winning in overtime would have succeeded 42.9% of the time (94.3% of extra-point kicks times 45.5% visitor overtime wins). Thus, going for 2-points would have been superior by 4.3% (47.2% minus 42.9%).

We can argue until the cows come home about the particulars. Over the past two seasons, Rodgers was 5 of 9 on 2-point attempts (55.6%—clearly above average). Additionally, the Arizona defense had just given up 96 yards in less than a minute and was reeling. The Packers were underdogs, on the road and decimated by injuries—so their chances of overtime success were probably below average.

Alas, McCarthy elected to kick the extra point. The Cardinals got the first possession of overtime and drove 80-yards in two plays for the winning touchdown. Rodgers never touched the ball again.

Herd mentality can afflict NFL coaches and investors. Don't buy on euphoria or sell on panic, just because the crowd is. As Silver says, “this isn't about passions and it isn't about statistical mumbo-jumbo. It's about arithmetic.”