

City profile: The Indiana Jones of investment rides on

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Jim Rogers has come a long way from the poor boy from Alabama, writes Tom Stevenson, but he is still determined to remain at the heart of things

'Ah, the most important person in the room,' quips Jim Rogers, looking past me to the Telegraph's photographer. 'It doesn't matter what I say, as long as you make me look good.'

George Soros's former investment partner packs a deal of self-confidence into his diminutive frame. And so he might.

Not only did Jim Rogers make enough money to retire at the tender age of 37, he's had the imagination to do something interesting with his money in the 26 years since he gave up the day job.

Only Rogers could get away with showing a short what-I-did-on-my-holiday video at the start of a City presentation. But who else's most recent break was a three-year, 116-country, 245,000-kilometre world tour in a customised canary yellow Mercedes.

Even more impressively, his fiancée Paige sat next to him for the whole trip and he still persuaded her to marry him on their return. One incredulous man he met on his travels told him 'My fiancée got out half-way when we drove across America – and I didn't even slow down!'

When I caught up with Rogers in London before Christmas he was giving a talk to a packed house of commodity investors for whom he is cheerleader in chief.

No one puts the case for an extended bull market in raw materials better than the man who cleaned up in the 1970s natural resources boom and fully intends to do so again.

Rogers' case for commodities is simple. 'In all the commodity bull markets I've studied, the shortest lasted 15 years and the longest 23 years,' he says in the practised tones of a man who can afford to make the same point over and over until the rest of the world catches up.

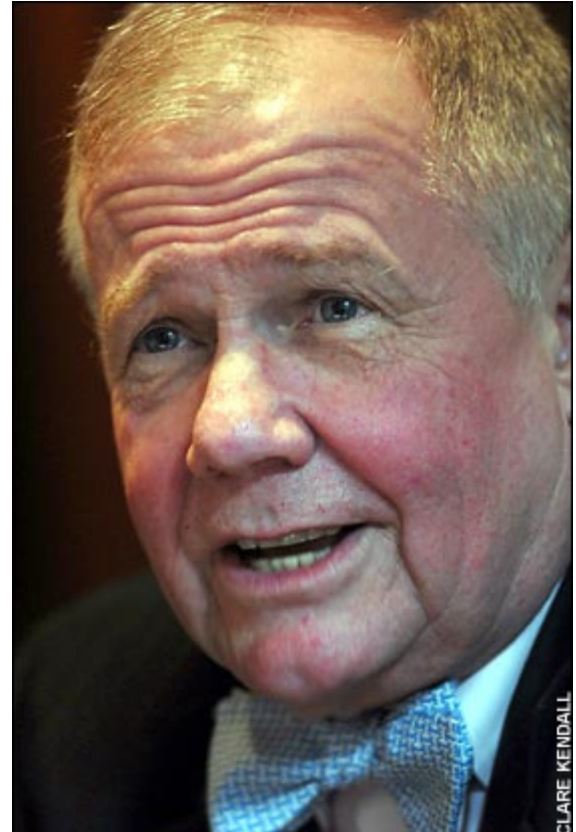
'If supply and demand get back into balance, then the bull market will end, but I don't see any significant new supply coming into the market for any commodity and I certainly don't see demand slowing down.'

advertisement Rogers is a conviction investor. He believes the emergence of China has changed the world.

'There's no doubt China is going to be the great country of the 21st century' he says.

For him, that is the single most important fact for an investor today. 'The last time we had a bull market in the 1970s, Asia was not involved. This time around we've got three billion people in Asia who want to live like we do. Whether this bull market lasts 15 years I don't know, but I know it's got a long way to go.'

Rogers walks his Asian talk as well. His three-year-old daughter, about whom he is touchingly goo-ey, is already a fluent Mandarin speaker. He appointed a Chinese nanny under strict instructions to speak only her native language in the nursery.



Jim Rogers, unimpressed with the US, says China will be the great country of the 21st Century

Having joined the club so late in life, the 64-year-old Rogers is an enthusiastic advocate of parenthood.

'If you haven't got your own children, take the rest of the day off and go get started,' he advised delegates to the conference at which we met.

Far from easing back, Rogers is as keen as ever to be at the heart of things and as soon as his \$15m (£7.7m) belle époque mansion on Manhattan's Upper West Side is sold he plans to start a new life with his young family in Asia.

Unsurprisingly for someone who buys into the Chinese century with such alacrity, Rogers is unimpressed by his native US and its beleaguered currency.

'Whether the dollar continues to weaken next year or not, I don't know. It's oversold at the moment. But I certainly expect it to continue to decline for years to come. The dollar is losing its status as the world's reserve currency, whether we like it or not.'

Rogers set up a bank account for his daughter recently in Switzerland.

'She knows what they're doing to the currency,' he jokes. More seriously, he notes that she does not hold any stocks, believing that the current phase for equity markets is like the long-range-bound period between 1966 and 1982 when only talented stock pickers could make money out of shares.

Dubbed the Indiana Jones of investment, Rogers has led the sort of life many desk-bound wage slaves fantasise about.

Forty years ago, on a post-graduate scholarship at Oxford, Rogers coxed the rowing eight in the Boat Race. Even then, he was hanging on to the few dollars he had in anticipation of a fall in the value of the pound.

He has been making giant bets on the world's markets ever since. In the 1970s he co-founded the Quantum fund with George Soros, steering the early hedge fund to a 4,000pc gain in 10 years while the S&P 500 rose less than 50pc.

He was bearish ahead of the 1987 crash and profited from a big short position. More recently, he realised the long commodity bear market of the 1980s and 1990s was over in 1998 when Merrill Lynch finally gave up on the asset class after years of poor returns.

At this point, Rogers already had one mammoth world tour under his belt and he was preparing to set out on the second.

The first, criss-crossing six continents on a BMW motorbike, resulted in his first book *Investment Biker*. The second he recounted in *Adventure Capitalist* and he has since knocked out another rallying cry for the natural resources super-cycle, *Hot Commodities*.

It is hard not to warm to Rogers, who is charming and infectiously enthusiastic. A dapper self-made man in bow-tie and flashy braces, the "poor boy from Alabama" has come a long way since his first job picking up bottles at baseball games.

After a lifetime in the markets, he has a strongly held view on every asset. Oil, he believes, will carry on rising in price for years.

"In 1979, Saudi Arabia said it had 245bn barrels of reserves. Since then they have produced 63bn barrels a year and every year since then they have reported reserves of 260bn barrels. Something's wrong. This is a huge problem and there will be a gigantic bull market for years to come."

Stocks, he says, are "expensive on any measurement".

Fact file

Job Investment legend

Age 64

Family Married to Paige, one daughter

Lives Upper West Side, New York

Drives Canary yellow Mercedes with matching trailer

Trademark Bow ties and loud braces

On gold: "I own it but I think I'll make more money out of commodities for the next few years."

As for bonds: "In the US we keep creating bonds and inflation is here. Whenever you've had inflation, it's been bad for the bond market."

Beyond investments, Fed chairman Ben Bernanke gets it in the neck: "He's like a kid in a candy store, dying to run the printing presses. You've got to figure out a way to protect yourself."

Russia gets a broadside:

"In my view it is going to continue to disintegrate. There's capitalism there but it's outlaw capitalism, not the kind most of us understand. If you're good at dealing with the mafia or people like that you'll make a fortune. I'm not one of those."

Rogers' hot recommendation for 2007 is soft, agricultural commodities.

"Wheat, soya, corn and orange juice are all far, far below their all-time highs.

"In bull markets, everything eventually makes an all-time high and invariably it's multiples of the previous peak. There'll be some huge moves in agriculture.

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