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Better-Management Newsletter 27 January 2015

Greece mandate - for what? Germany prepares. Ex KGB Putin playing Good Cop? Will Russia crash? Oil to stay below USD45/bbl? Shale industry will be suspect. How is Bitcoin travelling? An escape to the Antipodes?

Is the EU in peril?

The election result for Greece does not convey an overwhelming mandate but it does suggest change is in the wind...

<http://www.telegraph.co.uk/news/worldnews/europe/greece/11368798/Greeks-hand-stunning-victory-to-anti-austerity-Syriza.html>

What is to happen next in Spain you may ask?

Well, for Greece, Alexis Tsipras needs to add at least one more party to a coalition in order to control parliament, and once he has done that he will doubtless have some sort of mandate from his coalition to negotiate with the EU mandarins. The sceptics believe that he will have such a strong hand it will be hard for the Germans not to cave in to more QE.

Germany prepares

In the meantime, Germany are readying for the negotiations by issuing a warning that Greece must meet its debt obligations...

<http://www.bbc.com/news/business-30977714>

There is a higher risk of Greece leaving the EU, but the value of the Euro and the European sharemarkets seem unaffected at this point.

Ex KGB Putin playing Good Cop?

Putin playing Good Cop, Separatist leadership playing Bad Cop...don't listen to what the good cop says but watch what the bad cop does....

I wonder how things will pan out in Ukraine...will this morph into WWIII? Mr Putin has given the EU a deadline of when they need to couple natural gas pipes to the Greek/Turkey border or be cut off from gas transiting Ukraine...seems Vladimir means business...

<http://www.stratfor.com/analysis/red-alert-rocket-fire-could-signal-new-offensive-mariupol#axzz3PIHNaknW>

and

<http://www.stratfor.com/analysis/red-alert-update-heart-mariupol-crisis#axzz3PrPTAJaI>

Beware of an ex KGB man who talking nicely!!! They say “once a marine, always a marine” and it is similar for the former KGB officers who run Russia. The disbanding of the KGB and its conversion to FSB meant numerous Russians were put into sleeper spy positions around the world while security agencies were sleeping. Now the USA is taking a stronger line but the damage has been done and the hundreds of thousands of emigres have been absorbed by the target countries...

<http://www.bbc.com/news/world-us-canada-30992174>

But with inflation, gold is rearing its head again in Russia...

<http://www.caseyresearch.com/cdd/moscow-update-gold-during-the-crisis>

Will Russia crash?

But will Russia really crash? Orlov as a student of the Russian collapse see similarities and differences and he has lost faith in America...his new homeland...

<http://peakoil.com/generalideas/lessons-from-the-soviet-collapse-a-conversation-with-dmitry-orlov>

But disputes these days all seem to include or be about oil...the master resource.

Oil price stays at/below USD45/bbl?

T Boone Pickens, the purveyor of “texas tea” reckons it won’t for much longer...

<http://www.cnbc.com/id/102364314#>.

But unfortunately the availability of cheap money may decline and if so the shale industry will certainly crash. This level headed article talks about shale as it is rather than as people want it to be...

<http://energypolicyforum.org/2015/01/22/shales-energy-panacea-or-industry-hype/>

In the USA there is about 2 million bbls per day of shale oil that could eventually go off line by either a continued low price or by the removal of funding for this highly leveraged industry segment. Most articles about US oil production conflate different stuff as oil and lose the perspective that oil production did peak in 1971 and has been dropping ever since until shales starts having an impact in 2011. But even so US oil production has never regained that peak of 1971. It could of course grow to that level, but if prices stay low it may fall short.

Shale industry will be suspect

Remember that once a couple more shale drillers cannot meet interest on loans, the entire industry will be suspect and finding funding will be a challenge.

There will come a time when the USA will rue turning down the Keystone XL pipeline. It means Canadian oil will go elsewhere...probably to Asia and the EU. John Hoffmeister is typical of senior oil men who retire and then acknowledge peak oil as a reality...

<http://peakoil.com/generalideas/peak-oil-world-oil-production-decline-acknowledged>

Bitcoin was set up as an alternative to the banksters.

How is Bitcoin travelling?

<http://www.caseyresearch.com/cdd/whats-new-at-the-bitcoin-colony>

An escape to the Antipodes?

With thanks to Suzybird in Canada...

<http://www.mirror.co.uk/news/world-news/panicked-super-rich-buying-boltholes-5044084>

Perhaps some NZ farmland will continue to go up even after dairy prices fall?

Our population pressures continue to grow and as there is an extra 83 million mouths to feed in the world each year, the mobility of humans causes problems...

<http://www.thejakartapost.com/news/2015/01/26/200-million-people-moved-cities-east-asia-decade-world-bank.html>