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Interest rates and bank malfeasance / Oil uncertainties / EU is a mess

Today the World Bank advised that emerging economies are no longer stimulating global economic growth.

The situation is reflected in Reserve Bank of Australia reductions in interest rates... and today the NZ Reserve Bank has also started a programme of rate cuts.

<https://nz.finance.yahoo.com/news/rbnz-cuts-interest-rates-212508140.html>

Thus proving that while international market forces affect us, there is usually a delay.

Bank Malfeasance

The USD320 billion already paid by the major international banks for frauds only hit the shareholders and not the management perpetrators. Lock'em up, say I...

<http://www.mining.com/us-probes-banks-for-silver-gold-price-manipulation/>

This week the emerging markets bonds have lost more than USD4billion and the US bond market looks more risky...

<http://thecrux.com/the-next-flash-crash-could-devastate-the-bond-market-heres-how-to-protect-yourself/>

Then there are German bund prices soaring... from Seeking Alpha...something is happening, but what?

“[The yield on 10-year German government bunds](#) broke above 1% overnight for the first time since September 2014 amid a broader global bond sell-off that's been deepening since late April. The renewed ascent for German yields started last week when ECB President Mario Draghi said investors should get used to periods of higher bond market volatility and stated the central bank wouldn't do anything about it. U.S. 10-year yield +6 bps to 2.48%.”

Oil uncertainties

Let's think about where we are at with fossil fuels, so we can establish how sensible the G7 pronouncements have been...

<https://www.youtube.com/watch?v=kQEvdLN5bPI>

On the face of it, expanding oil reserves makes some sense at a time when prices are low...

http://seekingalpha.com/article/3247246-now-is-the-time-to-double-the-strategic-petroleum-reserve?source=email_macro_view_edipic_1_1&ifp=0

But there are good reasons why not.

1. Cost. The existing US reserve is in salt caverns, but it has taken China billions and several years to build their 150 million bbl reserve. The USA would need to triple the Chinese infrastructure and chances are that doing so would lead to an oil price hike.
2. The price would increase but at least the leveraged shale companies who are about to lose their shirts would keep them on.
3. The quality and utility of the shale oil would be inferior to the rest and much cannot be processed in USA.
4. The consumer would lose the advantage of cheaper petrol and diesel and the price hike would cause inflation in many goods and services.
5. Who will have the money to do this without more leverage?

The arguments posed by the IMF for taking all fossil fuel subsidies (real or inferred) and using them to subsidise renewable just will not happen because it is too costly and would collapse the global financial system...

http://seekingalpha.com/article/3246986-the-imf-just-destroyed-the-best-argument-against-clean-energy?source=email_macro_view_edipic_2_2&ifp=0

The next three items with thanks to Fibb...

Considering these island nations chuck almost all of their rubbish into the sea, I reckon they have a nerve...oh well?

<http://thinkprogress.org/climate/2015/06/10/3667580/south-pacific-climate-change-lawsuit/>

Electric cars will continue to improve at their own pace and like this Tesla trial they will involve a certain amount of trial and error...

<http://insideevs.com/elon-musk-comments-failed-tesla-battery-swap/>

Then there is dream time....I reckon we are at least 20 years out...due to scale, even if energy storage and cost issues get solved...

<https://cleantechnica.com/2015/06/10/electric-vehicles-to-become-mainstream-in-short-period-of-time/>

EU is a mess

Well, right now, Merkel and Cameron are trying to find some common ground in changes to the EU regulations – to hopefully avoid a Brexit. The Ukraine situation and the Russian sanctions certainly complicate things for the EU, and certainly are a drag on the economy of EU countries.

PM Tsipras has threatened the troika of others copying a Grexit (i.e. Italy, Spain and Portugal). So another meeting of Greeks and troika is being planned this week as some speculate that what Tsipras wants is to leave the EU.

The Greek economy collapses by the day...

<http://www.zerohedge.com/news/2015-06-10/greek-economy-doomsday-tailspin-59-businesses-613-jobs-lost-each-day-suppliers-deman>

Greeks are now having a real run on their banks, as Greeks speculate that their money may become worthless or locked up. As capitalism fails to deliver, peer to peer systems may take up the running...

Greeks are now replicating what the peasants in Russia and Poland did to stay alive...Solidarity...

<http://peakoil.com/consumption/building-hope-in-times-of-crisis>

The fact is that our leaders are all making knee-jerk reactions to the problems as they see them. But if they don't know where they are, any road they take to the future could be as bad as any other...

Here is something more from Worldwatch...

<https://www.youtube.com/watch?v=3nut8IIBTmEhttps://www.youtube.com/watch?v=3nut8IIBTmE>

We can only watch and wait...meantime inequality grows...growth tanks..and in reality can economic growth continue in the future?

Certainly, if it is to continue we must rely more on productivity from technology and from efficiencies - with help from technology...

http://www.businessspectator.com.au/article/2015/6/11/technology/hps-sprout-adds-third-dimension-computer-designing?utm_source=exact&utm_medium=email&utm_content=1403613&utm_campaign=kbg&modapt=