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Better-Management Newsletter 13 June 2015

Middle East mess - ditto Ukraine and Greece / The invisible cost of oil / Unemployment in USA / More electricity-powered transport / California drought

Middle East mess - ditto Ukraine and Greece

It's just a bugger's muddle...

<http://www.mcclatchydc.com/2015/06/10/269371/mideasts-worst-case-a-big-war.html>

Ukraine is heading towards the same situation as Greece and it isn't yet in the EU...from Seeking Alpha...

“**Greece is not the only one** in hot water. Ukraine's leadership on Wednesday warned that the likelihood of prolonged conflict against Russian-backed separatists and deadlocked creditor negotiations could threaten the West's \$40B bailout program. Ukraine Finance Minister Natalie Jaresk said she's seeking a 40% cut in the face value of the bonds but creditors won't accept any reduction. Kiev also declared it's ready to impose a moratorium on foreign debt payments if necessary.”

But time is running out for a Grexit...

<http://www.bbc.com/news/business-33106990>

And the bond markets are getting very worried...

<http://www.caseyresearch.com/articles/big-bond-institutions-are-getting-nervous>

and

<http://www.telegraph.co.uk/finance/economics/11671821/Fed-tantrum-sets-off-biggest-exodus-from-emerging-markets-since-2008.html>

and....

It looks to me like the NZ Super Fund may have blown its \$440 million investment in shale plays via KKR...I did warn them...

<http://www.bloomberg.com/news/articles/2015-02-26/kkr-backed-samson-hires-restructuring-advisers-after-oil-slump>

We know the risk is closer to home when we see it on the TV news...from Seeking Alpha...

“[A deadly outbreak](#) of Middle East Respiratory Syndrome (MERS) forced South Korea's central bank to cut interest rates on Thursday after authorities reported 14 new cases of the virus. The 25 bps cut to a record-low 1.5% is the country's fourth rate reduction in less than a year and the seventh since the current easing cycle began three years ago. South Korea already reported 122 cases and nine deaths due to the disease, and many fear Hong Kong might be next.”

The invisible cost of oil

Does Fracking cause earthquakes? It is only if done close to an area of instability....from Seeking Alpha...

“[At a hearing in Austin](#) yesterday, Exxon Mobil (NYSE:[XOM](#)) told Texas regulators it had no role in a string of recent earthquakes hitting the Dallas-Fort Worth area, saying geological data points to natural causes, not its operations. Earthquakes big enough to be felt were virtually unknown to Dallas-Fort Worth until this decade, when drilling and fracking activity soared in the area.”

China is locking down global capacity to supply their own resource needs – there will be war...

<http://peakoil.com/production/chinas-offshore-oil-and-gas-production-started-to-peak-in-2010>

and strengthening their relationships in central Asia – Middle East...

<http://peakoil.com/publicpolicy/china-iran-strike-deal-on-oil>

Meanwhile the OPEC gambit is winning...

http://seekingalpha.com/article/3251885-opec-is-winning-oil-supply-crunch-on-the-way?source=email_macro_view_com_6_24&ifp=0

Where should we stand WRT the Chinese expansionism?

http://www.businessspectator.com.au/article/2015/6/12/china/chineseamerican-tensions-more-important-isis?utm_source=exact&utm_medium=email&utm_content=1406903&utm_campaign=kgb&modapt=

Costs are always understated and production forecasts are always overstated by the industry...they need to raise money somehow...

<http://ourfiniteworld.com/2015/06/09/why-eia-iea-and-bp-oil-forecasts-are-too-high/>

Unemployment in USA

The real unemployment in USA....economists dare not discuss

The labour force participation rates have shown the institutionalised destitute folks being ignored in US Government stats. This article on the subject shows the how and the why...

http://seekingalpha.com/article/3249185-the-numbers-needed-for-the-prime-u-s-workforce-to-recover?source=email_macro_view_edipic_1_1&ifp=0

More electricity-powered transport

Bikes

<http://insideevs.com/guy-martin-drops-best-ev-quote-day/>

Buses (Chinese are the more advanced)

<http://insideevs.com/volvos-electric-bus-love-story-video/>

While ICE cars will be produced at a rate of 50 million per year, how about electric?

<http://insideevs.com/annual-global-plug-electric-car-sales-hit-1-4-million-2020/>

Just wondering how long a transition from ICE to electric will take? Maybe 50 years?

California drought

Farming without water didn't work in the dust bowl of the 1930's, so how will it work today?

<http://www.bbc.com/news/business-33119960>

Frankly, the terms "growth" and "sustainability" don't really sit well together in a finite world...but this is what the UN advisers think...

http://www.internationalaffairs.org.au/australian_outlook/population-and-resources/