

www.better-management.org provides invaluable insights that will help you understand and deliver better organizational performance.

Better-Management Newsletter 28 June 2015

Greek bank-run / Iran's nukes / The next economy crash? / TPP is back on (Obama's) track / Demand for oil

Greek bank-run

The Greek banking system may be about to see a full scale run on the banks. Tsipras seems unaware that he has let the “collapse genie” out of the bottle by announcing a referendum of credit terms...

<http://www.telegraph.co.uk/finance/economics/11702829/Greece-to-hold-referendum-on-bailout-deal-with-Europe.html>

For the Greeks, they may have argued too long and left the Germans to control their collapse on 30 June...and what about the other PIIGS?...

http://ggc-mauldin-images.s3.amazonaws.com/uploads/pdf/150627_TFTF..pdf

The proposed referendum will contain out of date conditions as creditors are moving faster than the Greeks can move to organise a referendum...

<http://www.bbc.com/news/world-europe-33300543>

Iran's nukes

Hmm, Some folk expect Iranian oil to flow when agreement takes place, but it seems the Iranians may be just playing for time while they build their bomb.

<http://www.reuters.com/video/2015/06/27/key-differences-remain-in-iran-nuclear-t?videoId=364746701&videoChannel=1>

The next economy crash?

<http://www.reuters.com/video/2015/06/26/another-black-friday-for-chinese-markets?videoId=364731659&videoChannel=118110&channelName=Dateline+Asia>

The US Treasury and EU officials are walking on egg shells because they know the global economy is falling in real terms so a Grexit could be the thing that tips the balance... or else it could be the Chinese share market...from Seeking Alpha...

“[China's \\$8.8T stock market](#) has plunged from first to worst on global performance rankings as leveraged speculators unwind their positions and a growing number of analysts warn that valuations have climbed too far. The Shanghai Composite Index **tumbled 7.4%** today, following a sell-off on Thursday that left Chinese shares **down 3.5%**. Morgan Stanley

has now advised clients to refrain from purchasing mainland shares, saying Shanghai's June 12 high likely marked the top of the bull market. Shenzhen -8.2%; ChiNext -8.9%.”

Or it could be interest rates or the collapse of oil shale financing. So IMHO we have a 35% Possibility of an October 2015 crash. But there is still a lot central banks and governments can do to recover the situation and kick the can further down the road...but eventually they will run out of time, or else an unforeseen event could take the regulators by surprise. The terror attacks emanating from the Middle East could change international trade and travel....

<http://www.telegraph.co.uk/news/worldnews/africaandindianocean/tunisia/11701043/Tunisia-attack-deadly-shooting-in-front-of-tourist-beach-hotel-live.html>

There are other stats starting to resemble the recession of 2009...

http://seekingalpha.com/article/3284615-the-canary-in-the-coal-mine-is-dead-2015-will-mark-the-start-of-a-recession-and-bear-market?source=email_macro_view_mar_out_10_10&ifp=0

Canada, Australia and New Zealand are no longer performing well. In fact Canadian oil production is way down this month due to the large Alberta wild fires. Iron ore price is down again this week and dairy price is also weakening.

Oil shenanigans could affect the situation with many geopolitical risks to affect oil prices to both upside and downside.

Smart money is pulling out of emerging market bonds, as uncertainty over US interest rates grows.

So we should watch this space.

TPP is back on (Obama's) track

Ratification of Mr Obama's right to conclude the treaty and report back leaves some issues on agricultural restrictions in Japan to be considered and then the agreement will adopt a momentum all of its own...from Seeking Alpha...

“[The U.S. and Japan are likely](#) to resolve outstanding bilateral issues so a 12-nation Trans-Pacific Partnership deal can be struck at a multilateral ministerial meeting in July, a senior Japanese official told Reuters. A deal between the two countries is vital to clinching the TPP pact, which would cover 40% of the world economy. Remaining bilateral issues include Japan's market for farm products and the U.S. market for auto parts.

The transpacific free trade zone will require many changes to international law which must be accepted by participating member states...

http://www.businessspectator.com.au/article/2015/6/26/global-news/tpp-regulation-revolution?utm_source=exact&utm_medium=email&utm_content=1432046&utm_campaign=kgb&modapt=

Demand for oil

I disagree with a lot of this article but the writer does have some useful points of view...

<http://seekingalpha.com/article/3277365-peak-demand-is-the-new-peak-oil>

While new BEV initiatives are reducing “range anxiety” the cost and recharge times will still remain problematic...

<http://hothardware.com/news/gms-200-mile-range-chevrolet-bolt-ev-prototypes-hit-the-road-target-tesla-model-iii>

A slide into depression seems to be what is happening. When we add that to alternative fuels and reduced OECD vehicle use, there may be further falls in both demand and oil prices at some point...although that is not what T, Boone Pickens believes...

<http://peakoil.com/consumption/t-boone-pickens-70-oil-coming>

No-one can gloss over the fact that demand has weakened...almost certainly due to the stagnant global economy. But people should remember that the petrol price in USA contains no tax, so like all major oil producers, their public gets the benefit of cheap oil and natural gas.