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Better-Management Newsletter 3 July 2015

Causes of terrorism / The Global financial system / Greece - sigh... / Lowering bank rates a bad sign / Oil and energy

Causes of terrorism

At last someone in the USA gets it. Perhaps they should have done so before they invaded Iraq in 2003?...

https://www.stratfor.com/weekly/strategy-real-time-dueling-enemy-moves?utm_source=freelist-f&utm_medium=email&utm_term=article&utm_campaign=20150702&mc_cid=36b3614898&mc_eid=f6520e17b6

American scruples don't sit well with totalitarian allies...like Saudi Arabia...(Editor's note: some think Obama's clique are acting more like a totalitarian regime by the day, with some very unsettling covert and overt actions and agendas.)

<http://oilprice.com/Energy/Crude-Oil/Is-Saudi-Arabia-Leaving-The-US-Behind-For-Russia.html>

Even members of the Iraq "Coalition of the willing" are having the same terrorism problems for the same reason...

<http://www.telegraph.co.uk/news/worldnews/africaandindianocean/tunisia/11714891/Russell-Brand-describes-one-minute-silence-for-Tunisia-victims-as-absolute-bull.html>

Oops....

<http://www.telegraph.co.uk/finance/newsbysector/industry/defence/11712648/F-35-fighter-makers-leap-to-its-defence-after-it-loses-dogfight-to-1970s-jet.html>

The Global financial system

I have been closely watching the TV news to see when they recognise the serious threat to our country from a potential collapse in China...nope every report was focused on Greece. The CCP and PBOC have many tools available to fix their problems but there is the chance of massive bank and local government insolvency causing a problem, exacerbated by and over-valued share market and a huge inventory of unsold property. If these make a linkage, then our own world will change. Even their industry is slowing...

http://seekingalpha.com/article/3298885-chinese-industry-slows-weighing-on-its-equities?source=email_macro_view_mar_out_4_6&ifp=0

And – from Sinocism...

“[Shanghai Composite Tumbles Below 4,000 as State Support Fails - Bloomberg](#) The drop below 4,000 is a blow to investors who had speculated authorities would intervene to support shares, a strategy employed near closely watched levels in the past. While China’s securities regulator eased margin-trading rules and the nation’s exchanges announced fee cuts overnight, the moves failed to revive confidence in a market that has wiped out the equivalent of France’s entire equity capitalization in three weeks // ugly, very risky if this does not stabilize soon...not just mom and pops have lost a lot in the last two weeks, plenty of "elites" getting hammered too....”

Greece - sigh...

Meantime, Greece starts folk wondering whether they should take cautious contingency actions...i.e.

<http://www.mauldineconomics.com/the-10th-man/it-could-never-happen-here>

and

<http://pro.bonnerandpartners.com/BBL39FALLINGDOWN/MBBLR715?h=true>

Greece will send out alarming signals of distress for some time. But the country is insolvent so it should institute its own bankruptcy and reset the economy...

http://seekingalpha.com/article/3298245-the-outlook-of-greece?source=email_macro_view_eco_13_51&ifp=0

Nothing sensible will meantime come out of Greece until after the referendum - next Tuesday we will know something.

Canada has found themselves in the same predicament as New Zealand. Low oil prices has the same impact as low dairy prices or low iron ore, coal and natural gas prices.

http://seekingalpha.com/article/3296665-canadas-economic-woes-the-collapse-in-oil-and-a-looming-recession?source=email_macro_view_edipic_1_1&ifp=0

So several years after the GFC, troubles come to the so-called rock star economies of the OECD.

Lowering bank rates a bad sign

A sign that things are deteriorating will be lowered bank interest rates... – watch RBA, RBNZ etc. But in Europe, each week brings more cuts... from Seeking Alpha...

“[Sweden's central bank unexpectedly lowered](#) its main interest rate deeper into negative levels today and expanded its bond purchases to the end of the year, saying uncertainty abroad had increased and it was difficult to assess the consequences of the situation in Greece. The repo rate was cut to -0.35% from -0.25%, while the country expanded its bond purchasing

program by 45B kronor (\$5.3B) to the end of year, adding to the 80B-90B kronor that was already announced.”

Even in New Zealand...

<http://www.interest.co.nz/bonds/76346/westpacs-dominick-stephens-now-sees-3-instead-2-more-ocr-cuts-year-and-kiwi-dollar-us62c>

This will affect inflation and considerably reduce the value of the NZ dollar. And another bank joins with their predictions...

<http://www.interest.co.nz/news/76341/bnzs-stephen-toplis-predicts-fun-time-ahead-rbnz-economy-softening-nz-dollar-weakening>

Oil and energy

In Australasia we are regarded as part of the Asia/Pacific categorisation for oil and gas production and utilisation. You may find this interesting...

<http://crudeoilpeak.info/asia-depends-on-middle-east-for-66-pct-of-its-oil-imports>

Ukraine and Russia cannot agree on a gas price going forward so supply has ended...two opposing articles on the same piece of news ...

<http://thebricspost.com/russia-halts-gas-supplies-to-ukraine-after-talks-fail/#.VZSaMUZyPd4>

or

<http://www.voanews.com/content/ukraine-suspends-purchases-russian-natural-gas/2843980.html>

Seems we are reverting to cold war perspectives of what is truth and what is fiction.

China is leading the way with electric buses, but other countries are getting in on the act...

<http://www.csmonitor.com/Technology/2015/0701/London-gets-all-electric-double-decker-buses-Will-the-US-follow-suit>

And VW gets closer to its Quantscape objectives...really just a statement of their optimism...

<http://insideevs.com/volkswagen-battery-breakthrough-could-lead-to-affordable-125-mile-electric-car/>