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## Better-Management Newsletter 7 July 2015

**Which is the greater worry, Greece or China? / Oil prices continue to crash**

**Which is the greater worry, Greece or China?**

The Chinese intervention this week has been another massive attempt to change their stock market meltdown...from Seeking Alpha...

“[Asian stocks also took a beating](#) following Greece's vote against austerity, while Shanghai bucked the trend due to a salvo of fresh support measures. Over the weekend, China's biggest brokerage firms unveiled a government-endorsed plan to buy at least 120B yuan (\$19.3B) of shares, while Beijing suspended IPOs until further notice. About \$2.7T in market value has evaporated since the Chinese stock market peaked on June 12. That is six times Greece's entire foreign debt, or 11 years of Greek economic output. Shanghai +2.4%.”

If China stumbles...and we will know that by the end of the week...everyone will start talking about GD1.

The debtors say it is OK not to pay their creditors. But the creditors say, “agree to our terms or it is over”...The chance of a Grexit just went up to 75%...

<http://www.telegraph.co.uk/finance/economics/11719974/Greece-news-live-Banks-to-remain-shut-for-another-two-days-as-Greeks-told-reform-or-its-over.html>

But perhaps “pigs may fly”...

[http://www.nzherald.co.nz/world/news/article.cfm?c\\_id=2&objectid=11477007](http://www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=11477007)

If one first understands that Greece is not Iceland, one understands that the Greeks will now learn what suffering really looks like. There will either be a return to common sense or there will be disaster.

<http://www.telegraph.co.uk/news/worldnews/europe/greece/11720641/Greece-has-been-taken-hostage-by-a-government-disguising-its-incompetence-as-heroism.html>

Varoufakis was wise to get out - he was a respected academic economist before he took on the job of Finance Minister. Now it will be over to the extremists to try one last desperate chance to resolve the crisis before - what will be for Greece - a tragedy unfolds...

<http://www.telegraph.co.uk/finance/economics/11720907/Greece-creditors-will-gain-nothing-from-toppling-Europe-lover-Yanis-Varoufakis.html>

Remembering the golden rule, he who has the gold makes the rules.

<http://www.bbc.com/news/world-europe-33415799>

Jim Kunstler's comments seem quite germane. The only problem is that we are not seeing a "blackswan". What is happening has been pretty predictable...

<http://kunstler.com/clusterfuck-nation/welcome-to-blackswansville/>

Then there are those who wonder if Greece will suffer a Ukraine-like coup...

<http://www.infowars.com/us-preparing-coup-to-prevent-greece-from-falling-under-russian-influence/>

## **Oil prices continue to crash**

This analysis of oil prices in hindsight may be interesting for the purists...

[http://seekingalpha.com/article/3302265-oil-price-crash-of-2014-15-update?source=email\\_macro\\_view\\_com\\_5\\_16&ifp=0](http://seekingalpha.com/article/3302265-oil-price-crash-of-2014-15-update?source=email_macro_view_com_5_16&ifp=0)

Meantime the oil prices are crashing as global demand evaporates...today WTI is USD52.77/bbl and Brent USD56.97/bbl. Supply is holding up and if the Iranians agree a proper nuclear deal, then more oil will hit the global markets.

<http://peakoil.com/business/oil-crushed>

The gold and silver prices go in the opposite direction to demand for the physical metal as the huge paper ETFs start to unwind. Only the massive increase in demand for physical gold and silver keeps the price reasonably stable.

Lower oil prices mean that the amount of exploration will drop even faster. Then eventually oilfield depletion will become the problem (perhaps as soon as year end). What if Iran doesn't agree to P5+1 terms? What will Israel do?...food for thought...

<http://energyskeptic.com/2015/oil-choke-points/>

We need to keep trying to find substitutes for oil...

Perhaps electric cars? In the USA and Canada there are now quite a few fast charging stations so what do folk think about their EV's?...

<http://insideevs.com/july-4th-2015-day-independence-fossil-fuels/>