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Energy in the future / Chinese desperation / Updates from Seeking Alpha / Global share-market rout? / As we watch the decline / Europe has lost its way

Energy in the future

This week the first of the mothballed (x48) Japanese fission reactors is due to restart...followed slowly by some of the others. The Chinese have plenty of fission reactors both under construction and plannedand throughout the rest of the world there are numerous fission reactors being built and planned – most by either China or Russia.

Lockheed Martin (“LM”) has an interest in defence and energy as those involved here with the EESor project know. Their efforts to build a fusion device have also proceeded under stealth...worth studying...

https://mediacentral.princeton.edu/media/Thursday+Colloquium%2C+August+6%2C+2015%2C+%22The+Lockheed+Marin+Compact+Fusion+Reactor%22%2C+Dr.+Thomas+McGuire%2C+Lockheed+Martin/1_5j8kix93

As far as energy sources are concerned, the huge ITER fusion project is now held up as they try to work out how to use robotics. The millions of degrees of heat may burn operator’s hands a little – otherwise.

As far as solar and wind are concerned, these really lack the oomph of fossil fuels and still a viable and scalable energy storage device to overcome variability in power output. (*Editor's note: the power is mostly far more expensive than other major energy sources, it is intermittent and mostly only exists because of massive subsidies.*)

There are some risky projects like LENR...which you can follow in the E-cat World web site...

<http://www.e-catworld.com/2015/08/11/what-exactly-is-the-mme-curie-reactor-a-direct-source-of-electricity/>

There are not very many brain cells in the EU that are devoted to thinking ahead, apart from Energy Watch Group and the team at Uppsala University. So this sort of muddled thinking comes as no surprise...

<http://www.smithsonianmag.com/smart-news/whats-replacing-coal-europe-imported-wood-180952483/?no-ist>

Meanwhile, we continue to run down our endowment of energy resources – large as it may be ...

<http://theyee.ca/Opinion/2015/08/10/Earth-Battery-Running-Low/>

We are likely to struggle if we cannot get a device with the best features of both a battery and a capacitor (which is where our interest in the mythological EESU comes from). It is the sole development stream heading in this direction.

While the Ferroelectric and Piezoelectric properties of barium titanate have been known since about 1960 (the 1962 paper for DARPA by Carl Nelson et al – under the supervision of Prof Arthur von Hippel - refers), Nelson and Weir got EESstor Inc started in 2002 and since then there have been many false starts...resulting in everything from mirth to acrimony (and more of the latter). Because the mythological EESU is designed to use specially modified barium titanate in the paraelectric phase, no-one else has worked out either how to suitably dope or operate the CMBT with those features, so no-one can conclusively say it is impossible...despite both nasty and humorous attempts to do so.

With thanks to Eesu Farmeer...the wail of a Zenn/EESstor investor rings loud and long...a satire...

<https://www.youtube.com/watch?v=eFdwuCdcaR0>

Those folk who rely on new technology to save us, tend to forget that successive iterations of new technology in everything from cars to smartphones use far more raw materials than is prudent for humanity's future...here is a case in point – a tiny item but produced in hundreds of iterations and large numbers of units...This means scalability of essential future tools will become our number one issue...

<http://www.mauldineconomics.com/connecting-the-dots/xiaomi-the-apple-iphone-killer>

In a world of 10 billion plus humans, I wonder how we will cope? All I can see so far is the mythological EESU or bust.

Chinese desperation

China is in a worrying space and who can trust their figures anymore? From Seeking Alpha...

“[After a run of poor economic data](#), including weak trade figures, China's central bank surprisingly devalued its tightly controlled currency today to help jump-start its stalling economy. The PBOC set Tuesday's midpoint at 6.2298 per dollar, compared with 6.1162 on Monday, changing the way it calculates the figure to reflect market makers' quotes and the previous day's closing price. Following the news, China's spot yuan **fell nearly 2%** to 6.3270, its biggest one-day loss in decades.”

The currency wars have re-ignited. So who will be next. It is after all a zero sum game...

http://seekingalpha.com/article/3426806-china-declares-war-devalues-yuan-to-compete?source=email_macro_view_for_1_50&ifp=0

For those who want to understand what is happening as the global currencies enter a race “to the bottom”, I suggest you check out Jim Rickards' book “Currency Wars”.

In today's market, no-one devalues their own currency – unless they are desperate. But has China left their response to Japan too long? And will this stop their RmB being included in the IMF basket of currencies for setting the SDRs...later this year?

Making this devaluation was a big call! It has sent oil and metals prices lower ... but like all devaluations, helps gold and silver.

<http://www.bbc.com/news/business-33858447>

and

<http://www.cnbc.com/2015/08/11/oil-price-who-will-blink-first.html>

It used to take weeks for bad things to go global...now it takes hours.

<http://www.zerohedge.com/news/2015-08-11/not-drill-india-russia-and-thailand-prepare-currency-war>

Updates from Seeking Alpha

Then there is the normal daily economic stuff – from Seeking Alpha...

“[The surprise devaluation of the yuan](#) is roiling markets across the globe as investors weigh the implications of the unforeseen move. Exporters are dragging stocks lower, while commodities are down amid speculation the weaker currency will make imports more expensive and slow demand. Although the move shook forex markets in Asia earlier, the decision is expected to add further momentum to the strong dollar, which has already been boosted this year on prospects for higher U.S. interest rates.

[Greece and its international lenders](#) have clinched a bailout agreement after night-long talks in Athens, although a couple of minor issues still have to be resolved. The pact is expected to be worth up to €86B. Greek officials anticipate the accord to be ratified by parliament on Wednesday or Thursday and vetted by eurozone finance ministers on Friday, clearing the way to aid disbursements by Aug. 20 - the day a €3.2B debt payment falls due to the ECB.

[Despite the failure of the latest](#) Trans-Pacific Partnership talks in Hawaii, a conclusion of the trade pact remains in the cards over the next 12 months, former U.S. chief trade negotiator Ron Kirk declared. "I've been in these negotiations and I know the worst thing to do is to put an artificial timeline on it," Kirk said in an interview with CNBC. Other countries, however, are expressing concern. Japan is alarmed that participants didn't agree to meet again this month to settle remaining differences on dairy, medicine and automotive trade.

[OPEC pumped the most crude](#) last month in more than three years as Iran returned output to the highest level since international sanctions were strengthened in 2012. The 12-member group, responsible for 40% of world oil supplies, raised output in July by 100,700 barrels a day to 31.5M. The increase came even as Saudi Arabia, which often curbs output toward the end

of the summer, told OPEC it cut production by the most in almost a year. Crude futures -1.6% to \$44.26/bbl.”

Global share-market rout?

It is a bit soon to say, but the trends have been lining up for a rout in global share markets...

<http://www.zerohedge.com/news/2015-08-11/even-dumb-money-dumping-stocks-now>

For example, every time the DOW started upwards, it has been taken back down. Let's compare these indicators with what we see next Wednesday morning (a bit unfair as the Chinese devaluation affected these today)...

Well, Spain and Portugal have issues similar in some respects to Greece, but in other respects, perhaps not...

<http://www.csmonitor.com/World/Europe/2015/0809/For-sale-in-Spanish-paradise-entire-villages.-Cheap>

As we watch the decline

But whichever way you look in Europe at it there are few winners and many losers. Another loser is Portugal although the German dominated EU moguls see Portugal as a victory for austerity...

<http://www.csmonitor.com/World/Europe/2015/0810/Austerity-bites-Portugal-as-much-as-Greece.-Why-no-populist-movement>

In effect Germany will continue to dominate the Southern countries of Europe by exploiting freedom to sell them product in exchange for debt. It doesn't matter whether the debtors use austerity or not, the EU financial laws are heavily tilted in favour of the creditors.

Europe has lost its way

It may not be many years before Europe is categorised as “The Fourth Reich”, but just like the “Third Reich”, I doubt it will last 1,000 years. “Greed + Marianne” will lead to France finding herself in the same boat. Then all hell will break loose. I give the EZ about 2-3 years and the EU 5-10 years.

The situations in Portugal and Ireland are rather similar...with significant youth emigration for the Irish to Canada, USA, Australia and NZ.

All throughout Europe blackmail by powerful unions is employed to ratchet up the cost of doing business and idiotic EU laws make things even worse. If it isn't the French lorry drivers striking, it is the British transport unions, doing their damndest to bring back the class warfare of the 1950s to 1970s.

<http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/11796772/Tube-drivers-You-are-not-entitled-to-massive-salaries.-Get-over-it.html>

In the UK, this time around there is no new North Sea oil and gas to quell the striking miners and make the country wealthy.

We may not know whether it is crash time in Q4 2015, for the global economy and financial system just yet. But all the signs are in place for “a winter of discontent” in Europe...and the argy-bargee with Mr Putin will just make things worse as Russia’s recession deepens markedly...

I think we should be watching the demand stats for China during the next two months, because, if the freight volumes continue to drop alongside a continuing fall in commodity prices, then it will be the beginning of the end for our comfortable way of life.

For New Zealand, don’t listen to John Key...he is just morphing back into a money trader (OK a smart money trader, but that is his only real skill)...trying to put an optimistic spin on everything.

For Australia, make up your own minds.

The high value of the US dollar has placed emerging economies in stress and China will show us the way forward. For better or for worse.