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## **Better-Management Newsletter 24 August 2015**

**Watching the share markets' downturn - or start of 'the' forecast crash? / Solid-state batteries / US fires raging / Civilisations collapse due to the creation of complexity**

**Watching the share markets' downturn - or start of 'the' forecast crash?**

A few folk have some sensible observations to make. For instance will the next crash be confined to emerging markets (at least to start with)?

[http://seekingalpha.com/article/3459286-the-next-global-financial-crisis-chinese-meltdown-u-s-dollar-strength-and-the-original-sin-pose-significant-risks-to-emerging-markets?source=email\\_macro\\_view\\_mar\\_out\\_1\\_2&ifp=0](http://seekingalpha.com/article/3459286-the-next-global-financial-crisis-chinese-meltdown-u-s-dollar-strength-and-the-original-sin-pose-significant-risks-to-emerging-markets?source=email_macro_view_mar_out_1_2&ifp=0)

Money is heading for “safety”. Does this make a US Fed rates rise possible?

[http://seekingalpha.com/article/3457746-federal-reserve-continues-to-tighten-up-getting-ready-for-raising-rates?source=email\\_macro\\_view\\_edi\\_pic\\_0\\_0&ifp=0](http://seekingalpha.com/article/3457746-federal-reserve-continues-to-tighten-up-getting-ready-for-raising-rates?source=email_macro_view_edi_pic_0_0&ifp=0)

There is the knock-on effect...

[http://www.nytimes.com/2015/08/23/business/investors-race-to-escape-risk-in-once-booming-emerging-market-bonds.html?\\_r=1](http://www.nytimes.com/2015/08/23/business/investors-race-to-escape-risk-in-once-booming-emerging-market-bonds.html?_r=1)

Of course the same guys who were saying buy-buy-buy up to three weeks ago, are now saying sell-sell-sell. But let's not get carried away...

<http://pro.portphillippublishing.com.au/r8sisfourminute/ESISR877/?email=jcrofe%40xtra.co.nz&a=20&o=27551&s=31648&u=299557&l=435298&r=MC&g=0&h=true>

Then there are the tech “unicorns” hoping to survive a long winter without easy money...

<http://www.businessinsider.com.au/unicorn-born-every-week-in-2015-but-winter-is-coming-2015-8>

All the major financial industry players are speculating on what will happen at the next US Fed “open market committee meeting” (FOMC) in September. Will interest rates be increased...or not. The Fed is between a rock and a hard place. If they cannot increase rates, they will only have money printing as a future stimulus measure. If they do increase interest rates, they could irreparably damage the US share market. The progress of major global share market movements between now and the FOMC meeting date will likely determine which way they will jump.

My crash indicator still stands at 38%... for 2015.

## **Solid-state batteries**

This Stanford team are trying to do what EESor is doing – so this is worth watching. She is a darling of Mr Obama's tech strategies and has even been photographed with him in the White House...

<https://www.youtube.com/watch?v=sovRU7-bya8#t=161>

Of course, Dick Weir at EESor is way ahead – time-wise. But these are smart folks at Sakti3.

## **US fires raging**

The scale of the fires raging across the Western USA is staggering. This week they will either break the back of the fires or there will need to be a huge increase in resources applied...

<http://www.csmonitor.com/USA/2015/0822/Soldiers-prisoners-other-countries-join-massive-firefighting-effort-in-the-West>

Does this have a relationship with the hotter weather, or with drought and hotter weather combined? Climate change is of course being blamed....but who knows if that is the case or not. Soon (1-5 years?) the falling levels of Ogallala and California aquifers will have a major impact on US agricultural production...but that is not about drought or climate change...it is about humanity making unsustainable demands on finite resources...which take thousands of years to replenish.

Those of us who don't learn from history seem doomed to repeat it.

NONE of our leaders have seemingly learned from history, or they wouldn't keep digging the hole we are in.

I am not really concerned that I know of no way back from the next crash. But I am concerned that there are no ways back that will see our way of life continue as it is now....despite all the smart folks and their efforts.

## **Civilisations collapse due to the creation of complexity**

History teaches us that EVERY major civilisation in human history has collapsed due to the creation of complexity to get around obvious resource constraints. But no politician has learned from that history because it is too unpalatable to have been taught in schools.

So I am not happy at the thought the crash may be even closer than I predict because I would like to learn something positive before TEOTWAWKI happens.

(PS: TEOTWAWKI = the end of the world as we know it)