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Share market crash? / Dairy: bad news / NZ PM loses trust / Why is Turkey bombing?

Share market crash?

Are you a bull or a bear? I am quite bearish, but I am having trouble identifying which bubble and therefore which pins will need to trigger the big collapse that I regard as eventually inevitable. So I stay at 35% probability for a crash at the end of Q3 2015. I never thought I would be less of a worrier than some of the guys in this article below...which makes it worth reading I suppose...Some of these folks rightly predicted the GFC, and at that time I could understand why...

<http://theeconomiccollapseblog.com/archives/8-financial-experts-that-are-warning-that-a-great-financial-crisis-is-imminent>

I am of the view that it will be finance rather than resources which tips the balance.... and changes in China that pop the finance bubble. But let's wait and see.

Cars lead the way down in China...

<http://www.caseyresearch.com/articles/why-the-worlds-biggest-carmaker-is-worried-about-china>

I really wonder what the Chinese leadership is up to? Here is one perspective...

http://seekingalpha.com/article/3406586-chinas-secret-gold-hoarding-strategy?source=email_macro_view_gol_pre_met_0_16&ifp=0

The CCP leadership in China has got to be worried about the sheer size of the export drain of money and talent overseas. Real estate buying in UK, Canada, USA, Singapore, Australia and New Zealand doesn't do anything to help China's economy, even though it does provide a "wealth effect" in the target cities. One has to wonder what will happen if the CCP turns off the tap?

<http://www.bbc.com/capital/story/20150727-the-newest-chinese-obsession>

Dairy: bad news

Today the Farmers will get set to take on Fonterra as they hear the latest piece of bad news about forecast milk solids payouts for the year. I am inclined to wonder how the overpaid Fonterra executives will take it.

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11493079

Perhaps, eventually, Mr Putin will come to our farmers' rescue. It is all very well for the EU to subsidise European farmers who lost the Russian market, but it is our farmers that take the hit!

<http://www.bbc.com/news/business-33814362>

Meantime we could have been hearing this week about the NZ Aluminium Smelter at Tiwai Point pulling out of New Zealand. NZAS uses 17% of NZ's electric power from one dedicated supply source – long amortised. Meridian Energy shares would be worth much less if they had pulled the plug and New Zealand would be in severe recession. Thankfully the deal keeps NZAS as a pillar of the Southland economy. This article by Brian Fallow is one of his better ones...

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11493150

Rio could still pull the plug in 2017 or later but the longer the NZAS smelter continues the better the prospects of keeping it. The reason for some optimism is that most vehicle manufacturers are working out how to lightweight their new car offerings using aluminium instead of steel.

NZ PM loses trust

Keith Woodford reflects my concerns...

<http://www..interest.co.nz/rural-news/76943/keith-woodford-says-big-not-always-beautiful-if-you-are-small-here-are-his-concerns>

John Key seems obtusely foolish about the causes of the wealth effect from Auckland property prices. Just because we have a house price bubble people may feel wealthier and yet they are not. One has to wonder from the TPP manoeuvring and property prices, whether John Key is being deliberately stupid – or just pretending. After months of pretence that Chinese buyers are not inflating Auckland house prices, he pretends they are but it is good for us...?

<http://www.interest.co.nz/property/76953/pm-john-key-says-non-aucklanders-tell-him-they-would-love-more-chinese-buyers-says>

and

<http://www.interest.co.nz/opinion/76906/ron-pol-argues-theres-missing-dimension-aucklands-housing-debate-new-controls-needed>

In the space of 18 months, John Key has morphed from a trusted politician into one who may be too suspect to ever be re-elected. Certainly, no-one now can trust his TPP aspirations.

Why is Turkey bombing?

Whether you are Saudi Arabia bombing Yemen or Turkey bombing IS, aerial bombardment never wins you any friends, even though it may thin out the local population...

https://www.stratfor.com/analysis/bringing-turkeys-border-strategy-focus?utm_source=freelist-f&utm_medium=email&utm_term=article&utm_campaign=20150806&mc_cid=d58eb6420f&mc_eid=f6520e17b6

The Saudi Mosque bombed this week was one used by special forces, so one has to wonder how secure the house of Saud really is?