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Big bank folly / Share market still wobbling / Chinese money escapes into overseas property / The EU in turmoil

Big bank folly

Falling interest rates are the sign of a worsening New Zealand economy and the RBNZ and New Zealand Government are in denial over property....

http://www.nzherald.co.nz/businessvideos/news/video.cfm?c_id=1503215&gal_cid=1503215&gallery_id=154111

Bugger the savers and leverage up the borrowers eh? Yup. It is a global disease. Anyway in UK the BoE interest rate decision is due out by Friday – our time – so what do you reckon they will do? Put interest rates up as they want? Idiots if they do!

http://seekingalpha.com/article/3495486-turnaround-tuesday-terrible-chinese-data-trumped-by-barrons-cover?source=email_macro_view_mar_out_2_7&ifp=0

Citi have a 15% probability on something that I have a 50% probability on – if China has a hard landing. Which of us will be right? As a tip, who has been right before?

<http://www.telegraph.co.uk/finance/china-business/11854084/China-leading-world-towards-global-economic-recession-warns-Citi.html>

In the case of the shale Ponzi scheme or the subprime mortgage fiasco it seems the big banks were the last to know, despite their pontifications...

<http://peakoil.com/business/capital-markets-now-control-oil-prices>

We will soon know...

<http://www.ft.com/intl/cms/s/0/25f138ce-5636-11e5-9846-de406ccb37f2.html#axzz3lC8KqdA2>

Share market still wobbling

Today, some markets are up and some down...from BBC: FTSE +1.35%, Dow Jones -1.45%, Nasdaq -1.15%, Nikkei 0.

Another form of QE from Japan stimulates their market – for now...from Seeking Alpha...yesterday...

“[Japan's Nikkei index has surged 7.7%](#) amid a rally in global equities, helped by the prospect of corporate tax cuts, further stimulus in China and overselling. Prime Minister Shinzo Abe has pledged to cut rates by 3.3 percentage points from 35% from next year and wants to eventually lower tax into the twenties as he looks to revive Japan's stuttering economy.”

China also is printing more and the UK is starting to realise that not printing money or reducing interest rates, means their economy is in recession...denial is a wonderful thing...from Seeking Alpha...

“[China's finance ministry has unveiled yet more stimulus](#) as it again bids to re-spark the country's slowing economy, which was exemplified by poor trade figures yesterday. The government intends to cut taxes for small businesses and allocate further funds for infrastructure projects, with two railway projects worth almost 70B yuan (\$11B) being approved. The Shanghai Composite added to yesterday's gains but volumes are desperately thin following the recent turmoil.

[The pound took a dive](#) following the release of disappointing U.K. output and trade data. Industrial production fell 0.4% on month in July vs consensus of +0.1%, while manufacturing production dropped 0.8% on month vs +0.2%. Exports tumbled 9.2% for the largest decline in nine years, helping explain why factory output fell.”

The whole world is to either a greater or lesser extent reliant on funny money to make up for less available, and more expensive net energy.

Chinese money escapes into overseas property

Our government can hear and see no impact from the influx of Chinese money into the NZ property market. That is because they don't want to know. Yet in New York many apartments are simply bought by the Chinese and held vacant as an investment. In Australia, action has been taken and the foreign buyers restricted to new builds...

http://www.businessspectator.com.au/article/2015/9/9/economy/chinese-demand-drives-aussie-apartment-growth?utm_source=exact&utm_medium=email&utm_content=1573194&utm_campaign=kgb&modapt=

In the USA, the police and public prosecutors (including SEC and so on) are effectively above the law. Their standard procedure is to confiscate all assets and leave those who are innocent to fight with no resources. They then publish all details and suspicions to destroy the reputation of the organisation under attack. This is how Arthur Andersen was destroyed while only one partner was guilty of malfeasance. If it can happen to a multibillion dollar accounting practices, the man in the street is totally exposed. Will it spread elsewhere?

<http://www.internationalman.com/articles/the-highwayman>

The big take-away from this email is that easy money is pumping up every asset class and it has led to the shale Ponzi in the USA, which in turn has led to temporary oversupply and a price crash....

<http://www.caseyresearch.com/articles/two-markets-that-are-drunk-on-easy-money>

The EU in turmoil

The Germans want mandatory quotas for refugees and many countries don't want a bar of it...such as those that have Muslim unrest and terrorism...

<http://www.bbc.com/news/world-europe-34203366>

Will the EU overcome its rifts?

<http://www.bbc.com/news/blogs-eu-34202559>

In the UK the right wing elements are mobilising and the immigrants may not get a good hearing...or jobs...leading to more disaffection of Muslim youth over time...

<http://www.bbc.com/news/uk-england-33790133?SThisFB>

The “holier than thou” Germans are possibly in for a rude shock as this unfolds. Western countries will not stomach this despite humanitarian considerations...

<http://www.reuters.com/article/2015/09/09/us-europe-migrants-idUSKCN0R71EX20150909>

The Fourth Reich may have over-reached itself...

<http://www.telegraph.co.uk/finance/economics/11854259/Europe-faces-political-war-on-two-fronts-as-backlash-builds.html>

Jim Rickards seems to be quoted on everything, but this video may be interesting...

<http://thecrux.com/the-system-is-highly-unstable-if-confidence-is-lost-it-can-melt-down-very-quickly/>