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More dropping interest rates / VW fiasco a casualty of the global warming fraud? / Cunning Putin now in Syria / Oil – the battle between the sheikhs and shale

More dropping interest rates

Taiwan and Norway are the latest to drop interest rates as the global recession slides along towards the abyss...

<http://www.bloomberg.com/news/articles/2015-09-24/norway-cuts-rates-to-record-low-to-save-economy-from-oil-slump>

and

<http://www.bloomberg.com/news/articles/2015-09-24/taiwan-cuts-key-rate-for-first-time-since-2009-as-exports-falter>

These are directed towards the competitive devaluations of their currencies. Here is a note of how some emerging country currencies have fared against the US dollar (thankfully they never mentioned NZ or OZ J)

http://seekingalpha.com/article/3529056-currencies-of-emerging-markets-depreciating-the-most?source=email_macro_view_for_3_26&ifp=0

Central banks appear to be working to the script of making the wealthy even wealthier at everyone else's expense...so what's new?

http://seekingalpha.com/article/3528516-central-banks-have-continued-to-underwrite-the-wealthy?source=email_macro_view_eco_4_21&ifp=0

I saw another article pointing to Central banks pursuing financial slavery for the masses, but rather than print the obvious article I just want to remind people of this homily...

*Gold is the currency of kings,
Silver is the currency of gentlemen, and
Debt is the currency of slavery.*

No wonder gold and silver both went up overnight!

Slip, sliding away...from BBC: FTSE -1.17%, Dow Jones -0.48%, Nasdaq -0.38%, Nikkei -0.06%.

Signs that France sees the 4th Reich as a dangerous place now...and wants even more regulations...

<http://www.telegraph.co.uk/finance/economics/11889378/France-signals-EU-treaty-change-to-avert-Brexit-warns-on-euro-survival.html>

The problem is that having the Euro as a single currency was a step too far and further aspirations to tighten the rules could make things worse than they already are...high-handed demands to accept refugees (some of whom may not actually be refugees) could also have dire consequences...

<http://www.telegraph.co.uk/news/worldnews/europe/eu/11887390/This-East-West-split-over-EU-refugee-quotas-will-have-long-lasting-consequences.html>

VW fiasco a casualty of the global warming fraud?

I like Oliver's description of the VW scandal...it may in fact prove to be industry wide...

<http://www.businessspectator.com.au/article/2015/9/24/automotive/fallout-volkswagen-fiasco>

In Europe the global warming brigade has taken over God's role and decided that CO2 must be fought at all costs. This led to the use of carbon trading and the vilification of all fossil fuels, that only benefits the bankers and middlemen involved ... and now we find that the taxation of CO2 may have led to government emphasis on diesel cars. While I don't entirely buy that line of argument, I would hate to see the Paris Climate Conference introduce measures that cause further distortions...

<http://www.bloombergview.com/articles/2015-09-23/climate-politics-and-the-volkswagen-scandal>

and

<http://www.dailymail.co.uk/columnists/article-3246885/It-s-inconvenient-truth-global-warming-zealots-blame-deadly-diesel-fiasco-writes-STEPHEN-GLOVER.html>

I have been appalled at the extent to which some AGW believers are going to, just so as to justify expensive projects designed to attack the effects of extra carbon emissions. I could understand and tolerate it if they attack the causes. But that seems too hard to grasp...end of rant. But look at these posts because we have reached a time when attacking world poverty requires economic growth and yet attacking destruction of the natural environment requires economic de-growth...

<http://www.outlookindia.com/article/the-crux-of-the-problem/295412>

These guys know causation, but meantime we will attack effects because causation is too hard. But don't worry, the end of the industrial age of oil will come soon enough.

And this may seem smart unless you think about it...then it is probably just drivel...

<http://www.theenergycollective.com/ed-dodge/2274657/new-model-carbon-pricing-using-blockchain-technology>

CCS (carbon capture and sequestration) is EXTREMELY costly, to the point of being uneconomic unless you have a huge “polluter” sited next to an oil well which needs CO2 injection to continue producing. All high-faluting rubbish. On the earth’s surface there are few such opportunities.

You gotta wonder how so many smart guys in the world can be so stupid? Take Goldman Sachs for example. They think everything is about economics and finance. It isn’t. Coal is having a temporary hiatus in output (with businesses going bust) because the powers that be have created a bubble with financing shale gas, and vilified coal for reasons of pollutants and emissions (in part real but in part the AGW religion). But Peak oil, peak gas and peak coal is about the limits imposed by geology...

<http://oilprice.com/Energy/Coal/Goldman-Sachs-Peak-Coal-Is-Here.html>

Some more drivel below. I love the idea of renewable energy. However, we must understand that renewable energy requires hugely larger volumes of oil to build out the infrastructure and by the time we get around to building it, the oil will no longer be available in the same quantities or at the same economic cost. Yes, that means we are screwed. But if we don’t address our population bomb then that isn’t a matter of whether we are screwed or not – it’s only about when...and this guy below is meant to be smart...

<http://www.jheversonconsulting.com/blog/2015/09/24/350-org-replacing-oil-with-renewables-during-next-generation/>

They are trying to do to oil investing what they did to coal....attack the effects – not the causes....newsflash...this won’t end well.

At a time when the world has too many people for the natural carrying capacity, the economists want more growth and to get more growth they worry about there not being enough people....we live in a mad world where hyper-specialisation has warped smart brains.

Cunning Putin now in Syria

Mr Putin is going for broke in Syria because he knows the US position is indefensible and because he has the support of Iran...now others are caving in to support him...

<http://www.telegraph.co.uk/news/worldnews/europe/russia/11889645/Russia-preparing-air-strikes-on-Isil-if-US-does-not-back-deal-to-keep-Assad.html>

Meanwhile the smiling tiger, big “Dadda Xi”, as large and affable as a giant panda, is cutting no ice in the USA, which on substantive issues like the South China Sea and cyber hacking, wants substance not a smiling buffoon. I cannot see Xi’s US visit being a success...perhaps he should return home and continue his purges (under the guise of an anti-corruption crackdown of course J). Xi gave reference to the power hungry folk in “House of Cards” but that programme has nothing on the palace politics within the CCP ...

<http://www.bbc.com/news/world-asia-china-34332954>

Yemen, what a balls-up...caught between Iran and Saudi Arabia...a country destroyed within six months...20 million as refugees in their own land.

<http://www.bbc.com/news/world-middle-east-34335104>

Oil – the battle between the sheikhs and shale

China is in contraction mode. What this means for steel and copper, is that they still import the raw materials but the finished product is no longer required, so it is being exported in greater and greater quantities. Oil demand is holding up but cracked fractions of oil are being exported in greater and greater quantities...

<http://www.bloomberg.com/news/articles/2015-09-23/china-commodity-deluge-extends-to-diesel-as-glut-shrinks-profits>

Without doubt, Art Berman is one of the wisest oil industry observers and he has the independence to speak it as he sees it. So this slide report below is well worth flicking through. Just one point...Art optimistically assumes that oil prices will go back up. Well they may oscillate both up and down, but an economic disaster – like the one I predict soonish, could mean oil prices see an industry under tight price and profit constraints in the future...

<http://www.artberman.com/wp-content/uploads/The-Shale-Revolution-The-Oil-Price-Collapse-of-2014-2015.pdf>

QED. My position on shale is simply this. There will be a credit bust at some point and I believe November 2015 is when that will happen for shale oil junk bonds. Thereafter, raising capital/debt to drill for shale oil and gas will come to a sudden halt. The wells already drilled and completed will continue to produce on a declining basis losing 60+% of production each year (regardless of whether well operators go bust or not), but some wells will still be drilled in the remaining sweet spots. Ergo....The sheikhs are winning....