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## **Better-Management Newsletter 2 October 2015**

**Germany's cheats and banksters / Syria: Russia embarrasses the rest of the world / More USA can-kicking / Will China have a hard landing? / Global economic gloom / Oil exploration grinds to a halt**

### **Germany's cheats and banksters**

We know Deutsche Bank are in strife. We know VW is in strife. But what about the rest?

[http://www.businessspectator.com.au/article/2015/10/1/europe/lifting-hood-germanys-crony-capitalism?utm\\_source=exact&utm\\_medium=email&utm\\_content=1605902&utm\\_campaign=kbg&modapt=](http://www.businessspectator.com.au/article/2015/10/1/europe/lifting-hood-germanys-crony-capitalism?utm_source=exact&utm_medium=email&utm_content=1605902&utm_campaign=kbg&modapt=)

Germany looks set to have a divisive start to housing refugees that the politicians never made any preparations for...

<http://www.telegraph.co.uk/news/worldnews/europe/germany/11902296/Second-German-woman-evicted-from-her-home-to-make-way-for-refugees.html>

What open doors does Germany have?

<http://www.bbc.com/news/world-europe-34402001>

And Syria becomes a "buggers' muddle"...

<http://www.bbc.com/news/world-middle-east-34418849>

### **Syria: Russia embarrasses the rest of the world**

But I doubt that Russia will only rely on air power as the Iranians and Hezbollah set out to use ground forces to roll back all rebels against the rule of Assad...whether they are IS or not...

<http://www.telegraph.co.uk/news/worldnews/europe/russia/11903702/Russias-Vladimir-Putin-launches-strikes-in-Syria-on-Isil-to-US-anger-live-updates.html>

<http://www.telegraph.co.uk/news/worldnews/middleeast/syria/11903976/Putin-has-embarrassed-us-all-in-Syria.-Welcome-to-the-age-of-Russian-power.html>

and

<http://www.reuters.com/article/2015/10/01/us-mideast-crisis-russia-syria-idUSKCN0RV41O20151001>

But I think in the short term, that means more refugees rather than less.

Back in the news after Taliban take a Northern city...but the Government says it is now back in control...

<http://www.bbc.com/news/world-asia-34407430>

Taliban may be relying on a hit and run programme...

<http://www.bbc.com/news/world-asia-34413636>

### **More USA can-kicking**

No shut down today...an 11<sup>th</sup> hour reprieve until 11 December J...from Seeking Alpha...

“**President Barack Obama has signed into law** a bill that extends federal funding until December 11 after the Senate and the House yesterday passed the proposal, as expected. Had Congress not approved the measures, the government would have shut down today, the first day of the new fiscal year. Republicans and Democrats now have around ten weeks to formulate a long-term budget, with the parties looking to strike a two-year deal.”

It isn't just Congress that makes the USA un-governable. I will again recommend that you get a copy of “Citizen Four” out of the library, to gain an understanding of the war now raging between the USA and its people. I can understand the implementation of systematic bugging of everyone, when the people think the government is out of control and the government thinks the same about its people. Gun laws allow individuals to outgun state militias for goodness sake and we have the spectre of kids shooting classmates several times a year...

<http://www.telegraph.co.uk/news/worldnews/northamerica/usa/11905602/Shooter-on-university-campus-of-Umpqua-Community-College-in-Oregon-live.html>

Edward Snowden (now a resident of Russia) is now able to stir the pot from afar...

<http://thecrux.com/edward-snowden-joins-twitter-already-trolling-the-nsa/>

Yet...both the EU and the USA have dysfunctional governance where stupid things get done and practical measures do not.

### **Will China have a hard landing?**

Manufacturing still down in September...not good news for suppliers of commodities...from Seeking Alpha...

“**Chinese factory activity continued to contract** in September, albeit at a slightly slower pace, two surveys show. The government NBS Manufacturing PMI edged up to 49.8 from 49.7 in August, while the Caixin manufacturing PMI rose to an expected 47.2 from 47. The contraction of Chinese manufacturing and the slowdown in the wider economy has caused much vexation but isn't this what is needed to help compensate for the massive oversupply that we're told about?”

But will China have a hard landing?

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

### **Global economic gloom**

While the ABE economic gamble has failed, Japan is staring into the abyss and something similar is starting to happen in the UK with manufacturing leading the way...

<http://www.telegraph.co.uk/finance/economics/11903715/UK-manufacturing-remains-stuck-in-stagnation.html>

I wonder why they ever thought the Eurozone was going into a recovery?

<http://www.telegraph.co.uk/finance/economics/11903557/Eurozone-recovery-shows-signs-of-petering-out-as-stimulus-fails-to-breathe-life-into-factories.html>

Fears of a hard landing should not just worry emerging markets but also the likes of Canada and Australia – even New Zealand...

<http://www.telegraph.co.uk/finance/economics/11904423/Fears-of-a-Chinese-hard-landing-trigger-mass-exodus-from-emerging-markets.html>

Glencore caused a real shock...

<http://www.bloomberg.com/news/articles/2015-09-30/how-glencore-s-crazy-month-makes-greek-banks-look-tame>

Not a Lehman moment but if we add a crash in shale plays in October? And when the big crash comes, will central banks just sit on the sidelines as they are doing now, or will they come up with something dramatic – like dropping money from helicopters?

<http://www.reuters.com/article/2015/10/01/us-global-centralbanks-idUSKCN0RV3G020151001>

But David Stockman believes that central banks have shot their wad...

[http://seekingalpha.com/article/3542346-weve-seen-this-picture-before-global-markets-down-13-trillion-already?source=email\\_macro\\_view\\_mar\\_out\\_2\\_7&ifp=0](http://seekingalpha.com/article/3542346-weve-seen-this-picture-before-global-markets-down-13-trillion-already?source=email_macro_view_mar_out_2_7&ifp=0)

But perhaps they haven't...

<http://www.mauldineconomics.com/the-10th-man/how-to-fix-this>

Hmmm, perhaps the chances of a global crash between now and Christmas are rising, if David is right...but I won't panic yet.

Despite bad news from both the EU and China on manufacturing, the shares on major markets stabilised overnight...from BBC...FTSE +0.18%, Dow Jones -0.1%, Nasdaq +0.15%, Nikkei +1.92%.

## **Oil exploration grinds to a halt**

In the case of low oil prices, exploration and development grinds to a halt and oil use goes up as airlines and motor vehicles become cheaper to use...

<http://www.reuters.com/article/2015/10/01/us-oil-demand-kemp-idUSKCN0RU2NX20151001>

Penn West is focused on survival and their shares are up 11% overnight...for a change...

[http://web.tmxmoney.com/article.php?newsid=78412893&qm\\_symbol=PWT](http://web.tmxmoney.com/article.php?newsid=78412893&qm_symbol=PWT)