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Better-Management Newsletter 25 October 2015

World markets: indeterminate / Oil 1: what a complex web / Oil 2: who will blink first? / Tolerance of Muslims stretched to breaking point

World markets: indeterminate

The extra QE by the European Central bank, when added to an interest cut in China, and profits by the big tech companies has pushed the share markets higher...

http://seekingalpha.com/article/3598036-china-drops-rates-amazon-drops-a-profit-markets-go-insane?source=email_macro_view_top_articles_2_2&ifp=0

and

<http://www.reuters.com/article/2015/10/23/us-global-markets-idUSKCN0SH01I20151023>

China's stimulus is on three levels...so what gives?

<http://peakoil.com/generalideas/what-happens-if-the-yuan-becomes-a-reserve-currency>

Unless Paul Donovan is right in his thoughts above, I anticipate that QE4 will arrive in the USA before a US Fed interest rate increase happens there...

But he is certainly right to signal an increasing probability of high inflation if oil prices rise as they flood through into ALL consumer prices...so watch out!

So there we have the reasons why there will be no share market collapse this year...too much defence from central banks. Of course that will make the bust even worse when it happens...but can you name an elected official who gives a damn?

From BBC for Friday... FTSE +1.06%, Dow Jones +0.9%, Nasdaq +2027%, Nikkei +2.11%.

So significant upward price moves...it will be interesting to see how this plays out in the week ahead...

Oil: what a complex web

What say we don't have a crash before 2020...where will we find the oil to run the place ?

<http://peakoil.com/consumption/the-oil-slump-why-we-arent-going-back-to-the-1980s>

Or does someone have a better idea how to provide transport energy?

To my mind, it is the EU that desperately needs Iranian oil...but will they be able to get it and gas when they need it?

http://seekingalpha.com/article/3591056-3-trends-in-russias-oil-and-gas?source=email_macro_view_com_4_20&ifp=0

European countries claim to be making progress with renewable energy, yet that adds a huge amount to electricity bills...

<http://www.telegraph.co.uk/finance/personalfinance/energy-bills/11941251/British-energy-firms-charge-most-for-electricity-in-Europe-why.html>

Can shale producers survive for much longer at low oil prices? It is after all a Ponzi game where new wells must be financed by new money...

http://seekingalpha.com/article/3599796-u-s-shale-drillers-are-running-out-of-options-fast?source=email_macro_view_com_4_15&ifp=0

How do I rate it as a Ponzi? Well this quote below is a good definition of what is happening (from Hills Group) ...

“A successful business is one that can pay back with interest the debt it has accumulated, cover its operating costs from cash flow, and return a reasonable dividend to investors. The shale industry has invested over 1 \$trillion dollars in its operations, and is producing \$360 billion a year in gross sales. If it could return a 10% profit margin on its gross sales it would take 28 years, not counting interest, to return the principal. On a well that becomes essentially a stripper in five years that can not happen.

This constant talk of the shale business is an oxymoron!”

With a very few exceptions, this was never viable.

Oil 2: who will blink first?

Well who is likely to blink first? OPEC or shale producers? My money is on OPEC winning that one. But let's not be fooled. The Saudis are keeping output constant – not increasing it. Even Russia is having trouble maintaining output and for the North Sea mob, they are struggling to maintain output too.

http://seekingalpha.com/article/3595706-saudi-arabia-tapping-reserves-can-the-oil-industry-outlast-it?source=email_macro_view_com_1_12&ifp=0

It looks like a shortage is being engineered by the dominant and low cost suppliers for 2016/7...

http://seekingalpha.com/article/3593866-are-the-saudis-trying-to-create-a-future-oil-shortage?source=email_macro_view_com_2_18&ifp=0

If/when Ghawar output collapses, the world will be plunged into energy poverty. How would we cope then?

Of course there is also trouble now in the house of Saud...

<http://www.independent.co.uk/news/world/middle-east/saudi-arabia-power-struggle-between-king-salman-and-mohammed-bin-salman-could-bring-down-the-a6706801.html>

The single most critical factor that has led to human wealth and prosperity in the last 150 years has been the surplus energy endowment provided by oil. Now that net energy is reducing, the environmental movement has decided it is criminal...

http://www.huffingtonpost.com/entry/exxon-evil-bill-mckibben_561e7362e4b028dd7ea5f45f?utm_hp_ref=green&ir=Green§ion=green

So we can expect headwinds for any business that wants to enter or operate within the oil industry. The happenings to coal companies are a stark warning.

Even those folk who want an early transition to farms of the future, do not appreciate that all the ideas and transition plans are even more fossil fuel intensive than today's farming practices...seemingly we are programmed as a species to move forward into complexity rather than backwards into simplification of our lifestyles

<http://www.newsweek.com/2015/10/30/feed-humankind-we-need-farms-future-today-385933.html>

Tolerance of Muslims stretched to breaking point

Should the tolerant tolerate the intolerance of the intolerant?

<http://www.telegraph.co.uk/news/religion/11952163/Muslim-men-having-20-children-each-because-of-polygamy-peer-claims.html>

I suppose that gets them wealthy from welfare payments...

And – with thanks to Norm...

<https://dotsub.com/media/72457cbc-fe18-4053-ae3f-6c7639cf4e79/embed/>

So it goes down in Britain. Islamism is a curse on humanity. Do we want that here?