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Better-Management Newsletter 18 November 2015

Share markets back to normal, whatever that is now / Ditto oil and other commodities / The new age of terrorism / When will Chinese declare war on the US dollar?

Share markets back to normal, whatever that is now

World share markets have normalised after initially dropping following the Paris attacks...from Seeking Alpha...

“World shares surged on Tuesday as investors took heart from the rally on Wall Street and brushed off jitters related to Friday's terror attacks in Paris. "What we have learned is that there is not a meaningful market impact from such attacks," said Anastasia Amoroso, a global market strategist at JPMorgan. "So because we have this unfortunate precedent, that's why the market is looking past this." Equity selloffs that occurred after the Madrid train bombings in 2004 and London bombings of 2005 were erased only days following the attacks.”

Ditto oil and other commodities

Overnight, oil was down = WTI USD40.89/bbl and Brent USD43.69. This was accompanied by falls in gold to USD1,068.6/oz and silver to USD14.155/oz.

So oil and gas prices are way down and inventories are up. But the excess inventory over what is normal is only the equivalent of 3 weeks of crude usage...

http://seekingalpha.com/article/3687366-oil-and-natural-gas-a-tale-of-2-commodities-and-the-dreamers-who-trade-them?source=email_macro_view_top_articles_2_2&ifp=0

Winter demand will cause gas inventories to fall as the seasonal offtake hits – a build-up is normal at this time of year.

Dr Copper tells us things are bad for all commodities...demand is down...

<http://www.bloomberg.com/news/articles/2015-11-17/copper-extends-retreat-to-six-year-low-amid-weak-chinese-demand>

Iron ore is down...

<http://www.bloomberg.com/news/articles/2015-11-17/iron-ore-sinks-to-four-month-low-on-fragile-global-market>

And Chinese steelmakers are killing their international competition because the massive excesses need to be exported, due to flagging domestic demand...

<http://www.bloomberg.com/news/articles/2015-11-16/steel-is-the-poster-child-for-oversupplied-commodity-markets-and-it-s-in-shambles>

The new age of terrorism

The Russians finally have evidence of the bomb that brought their Airbus down with the loss of 224 people in Sinai...

<http://www.bbc.com/news/world-europe-34840943>

As a result France and Russia have become new allies against Islamic State and Russian air attacks on them will be stepped up....as France continues their bombing missions.

<http://www.reuters.com/article/2015/11/17/us-france-shooting-idUSKCN0T22IU20151117>

The lax arms markets of Brussels are coming into focus as it is revealed that the suburb of Mellebeek is a hotbed of terrorism and a supplier of fighters to IS.

<http://www.wsj.com/articles/brussels-district-is-home-to-some-suspects-in-paris-attacks-1447718699>

The Belgian PM is considering the closure of radical mosques. Meanwhile do we see some signs of hope?...

<http://www.bbc.com/news/world-middle-east-34830626>

Not really...

<http://pca.st/R8Cn>

The focus of anti-terrorism efforts turns back to Tunisia...and its beaches...

<http://www.bbc.com/news/world-africa-34845977>

Tourism is suffering now in many places.

Terrorism suits the agenda for many governments so there may be no real intention to get rid of Islamic State...

<http://www.telegraph.co.uk/news/worldnews/europe/france/12000928/The-worlds-determination-to-defeat-Isil-is-a-myth.html>

When will Chinese declare war on the US dollar?

Given their increasing brinkmanship I can see the Chinese progressively selling US Treasury stock and exchanging US dollars for real assets and resources. They cannot do this too suddenly or the value of their US dollar denominated funds would drop. But given their acceptance into the IMF fold and with other BRICS led institutions, it may start becoming more assertive as its own currency is accepted to international reserve status...

<http://news.yahoo.com/imf-experts-recommend-inclusion-chinese-yuan-elite-currency-010527771.html>

I suspect the PBOC will continue aggressively buying gold meantime....as will Tsar Vladimir.