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The economy: oil prices, stocks, down; tech stocks up / When the cult of central banking collapses / Bitcoin bounce / Latin American economic yoyo / Saudi water problems / Fraud and the apostles of AGW / Oil: Obama pontificates

The economy: oil prices, stocks, down; tech stocks up

In the third quarter of US earnings reports, oil has been heavily down and tech stocks soared...but not enough to outweigh the oil stocks collapse...from Seeking Alpha...

“**How bad is this earnings season?** According to Bloomberg, about three-quarters of the S&P 500 have already reported results, with profits down 3.1% on a share-weighted basis due to plunging profits from oil & gas and commodity-related companies. The figures reveal the biggest quarterly drop in earnings since Q3 of 2009, and the second straight period of profit declines. Earnings growth turned negative for the first time in six years last quarter.”

What does Stan the Man think? He is worried about all the borrowing from the future...just focused on the US Fed...but it is true of all major central banks now.

<http://thecrux.com/stanley-druckenmiller-the-fed-is-creating-another-financial-disaster/>

Apparently we are all Keynesians now....just that Lord Keynes would be astounded at where we have taken his theories...he would doubtless be horrified...As someone who seeks out investments, Stan is an optimist, yet he joins an expanding group of middle-of-the-road economists who shake their heads at what is happening...

When the cult of central banking collapses

And now Paul Singer...

<http://www.caseyresearch.com/articles/when-the-cult-of-central-banking-collapses>

This is what the total picture for the US and Canada looks like right now...

<http://www.caseyresearch.com/articles/why-the-us-debt-ceiling-is-a-farce>

David Stockman is right about the significantly reduced trade flows affecting the global economy....on the surface the ducks appear to be gliding along while frantically paddling below water...

http://seekingalpha.com/article/3643416-this-time-is-the-same-and-worse?source=email_macro_view_eco_0_18&ifp=0

But this sort of “shell game” can probably last another 12 months or so before coming unstuck...that is, if the central banks can keep those pesky ducks in a row.

In line with a general concern over the depreciation of fiat currencies, Bitcoin has come back from the dead...from Seeking Alpha...

Bitcoin bounce

“**Back from the dead?** The price of a Bitcoin ([COIN](#), [OTCQB:BTCS](#)) climbed as much as 50% this week to above \$500, and over 100% over the past month, re-creating scenes from a manic 2013 run that took it from \$13 to a high of \$1,100 before it crashed. The burst of buying follows a spate of positive publicity and a move by the EU to define bitcoin as a currency and not a commodity (meaning it won't be subject to value-added taxes). The stance is at odds with a ruling by the IRS that bitcoin is property, but in line with an approach taken by the U.K.”

The move by some countries to pull their gold back from both the Bank of England and the New York Fed is quite pointed and seems to be for the same reason as China, Russia and others buying dollops of gold on a progressive basis...supporting a new global SDR regime...

http://seekingalpha.com/article/3642166-why-austria-is-repatriating-gold-from-london?source=email_macro_view_gol_pre_met_1_9&ifp=0

Latin American economic yoyo

First they were up, now they are down...But their rise means they have an impact on the world stage when things go bump in the night...

http://cdn2.hubspot.net/hubfs/515194/B2C_content/gweekly_151103.pdf?hsCtaTracking=ebce912e-61aa-4e07-977f-31a1218378a2%7C39fac972-1937-4ab4-831f-618bcc921924&utm_campaign=B2C+Workflow1&utm_medium=email&hsenc=p2ANqtz-8tiKUKpzvWgWLtdCnXpMCjVdXfmba0TIA_cvu8kF5mlSYN914RibRGhI5iDapwi4MkUxDThw7yDPf5Br0TeG8KhIfyew&hsmi=21884323&utm_source=hs_automation&utm_content=19648317

Saudi water problems

I wonder what the water cut for the Saudi fields looks like today? They pump in large volumes of water to pressurise the oil reservoirs and then need to extract it when the slurry comes to the surface...that is salt water that they pipe back to the sea...

Meanwhile the Saudis are needing to conserve fresh water having substantially depleted all their fresh water aquifers.

<http://www.bloomberg.com/news/articles/2015-11-04/saudi-wells-running-dry-of-water-spell-end-of-desert-wheat>

Their revenues drop (with lower oil price), their costs rise with increased water cut, and their imports increase because they need food.

So they go bomb Yemen?

Fraud and the apostles of AGW

The AGW crowd are pushing forward with changes and everything that happens is now said to be part of horrific global warming. Any idiot can see through this sort of hyperbole which is long on speculation and short on facts to support it...if you want to destroy the world economy to save the planet give us the facts!

When the data is fragmented – like the individual episodes of heatwaves and storms – either the AGW theories are correct or else we don't understand why these happen – other than normal climatic variability. But which?

http://www.businessspectator.com.au/article/2015/11/6/science-environment/year-records-human-role-2014s-wild-weather?utm_source=exact&utm_medium=email&utm_content=1666633&utm_campaign=kgb&modapt=

But as I trawl through the web, I come across more and more reputable scientists arguing to the contrary. As contrarians they are obliged to state the factual basis for their arguments. Yet they are in grave danger...

<http://www.forbes.com/sites/#/sites/michaellynch/2015/11/05/climate-change-debate-becoming-criminalized-live-by-the-sword-die-by-the-sword/>

and even I find myself getting roasted by the apostles of AGW for sitting on the fence.

Yet industrialisation leads to pollution and must affect local atmospheric warming...so it stands to reason the world is at least partially heated by the extra human effects. But is this a significant contribution to the natural balance? If so, is this a crisis worthy of handing over our freedom to solve?

Resource depletion is certain. But despite everything said and done, change to the climate is hard to identify but seems as certain as our inability to do anything about it.

The case against the global warming religion in 12 minutes...a simple video...with facts worth thinking about...

<https://www.youtube.com/watch?v=0gDErDwXqhc>

Human's increase global temperatures, but surely the sun must do more?

The second issue is how come we are told 97% of the scientists believe climate change is caused mostly by humans? Is that level of consensus correct?

<https://www.youtube.com/watch?v=yTTaXqVEGkU>

Seems it was only 0.3% of published and peer reviewed scientific papers that claimed climate change is caused mostly by humans...strange, the size of the over-exaggeration – 97% plays 0.3%? More facts that make my worry about the AGW religion more troubling.

This old Nobel physicist also makes some interesting points...coming from a point of disinterest he also makes some statistical observations.

https://www.youtube.com/watch?v=TCy_UOjEir0

So if you are motivated to spend the hour considering these three videos which all show generally accepted (by both sides of the debate) stats, and yet you disagree with the points made, please let me know.

Mr Putin disagrees with the IPCC mob, MASA and NOAA...

<http://beforeitsnews.com/alternative/2015/11/putin-makes-stunning-declaration-that-will-shock-the-world-3239028.html>

If AGW does grossly overstate the case for human causation/intervention, to what degree is it a fraud? I feel convinced about the prognosis for resource depletion...but I am still on the fence about the climate change “religion”.

But then, I always think of myself as a slow learner J. So I won't write anything more on this until after COP21 either.

Oil: Obama pontificates

Some folk may be interested in what Gail has to say about the impact of oil on the global economy...

http://traffic.libsyn.com/kunstlercast/KunstlerCast_271.mp3x

How does a USD46/bbl oil price empower the US shale players to make a profit? Not very well...take this Bakken case in point...

<http://oilprice.com/Energy/Crude-Oil/Only-1-Percent-Of-Bakken-Shale-Is-Profitable-At-These-Prices.html>

Mr Obama never lost an opportunity to pontificate, all through his presidency. But he has leapt at the opportunity to claim his role as the saviour of the planet at any rate...what a hero...lol

<http://peakoil.com/publicpolicy/obama-rejects-keystone-xl-project>

Meantime tens of thousands of railway wagons transfer the same crude to US refineries...and so in practical terms nothing changes...except Mr Obama claims to change the world.