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Gold prices rising / Gold prices rising / Merkel must be squirming / Commodities pain / The underlying threats / Electrical energy storage

Gold prices rising

People are realising that 2016 is going to be one heck of a year. Gold is now breaking out and hit USD1260/oz – now back to USD1,238/oz. Silver is following along. This week oil has been down...now up...all on rumour and speculation.

Casey says the bottom in gold and silver prices is in...perhaps it will trend upwards from here...

<http://www.caseyresearch.com/articles/golds-huge-move-is-this-the-bottom-in-gold-weve-been-waiting-for>

There appear to be some good reasons for gold to go up now...

<http://thecrux.com/3-reasons-this-gold-rally-is-the-real-deal/>

Outfits like Kitco are saying things will be wonderful for gold from here onwards and in the event of disaster, they probably will be. Certainly a lot of gold was sold in 2015...

http://seekingalpha.com/article/3888706-strong-h2-uptick-gold-demand-2015-wgc?source=email_macro_view_gol_pre_met_1_11&ifp=0

Abenomics gerrymandering

In Japan the stock market index is seemingly plunging daily...

<http://www.bbc.com/news/business-35557072>

Abenomics may go down in history as the most aggressive tribute to “social credit” gerrymandering. It is certainly proving spectacularly unsuccessful.

If Mrs Watanabe can no longer get interest on her saving in Japan where she is now required to pay her bank to hold her money, why should she save at all?

Thankfully, the Shanghai Stock Exchange has been closed for the Chinese New Year holidays, but when it starts in Monday, we must wonder what sort of mayhem could follow...or will the CCP enforce draconian rules that only allow shares to rise?

Merkel must be squirming

In Germany, Angela Merkel must be squirming...

<http://www.telegraph.co.uk/news/worldnews/europe/germany/angela-merkel/12154356/How-Germany-fell-out-of-love-with-Angela-Merkel.html>

In Europe we have become accustomed to talking about the refugee influx, but that has just diverted us away from the EU's economic and banking problems that never went away, Greece is haemorrhaging but Italy is also in real trouble – and it is all getting worse. Those countries that are in strife do not look favourably on British demands for greater flexibility...as their own banks and politicians are in survival mode. Can the EU hold together? I don't know...

http://seekingalpha.com/article/3885796-move-greece-italys-turn-george-friedman-sounds-alarm-european-banking-crisis?source=email_macro_view_eco_3_22&ifp=0

Then there is the question, “At what point will deflation turn into inflation?”. I think that day will come with a vengeance when oil prices rise...

<http://www.mauldineconomics.com/the-10th-man/whip-deflation-now>

The oil companies are doing whatever it takes to stay solvent...e.g. Penn West (TMX:PWT)

http://seekingalpha.com/article/3884156-penn-west-petroleum-will-rally-continue?source=email_alternative_energy_investing_oil_gas_dri_exp_1_11&ifp=0

Commodities pain

Countries like Australia have yet to feel all the commodities pain, while New Zealand has its most productive sector – dairy in trouble... We know we have real problems though when the cheerleaders for the economy start talking about the bad times to come ...of course they are watering down the bad news, but what can we expect J...

<http://www.interest.co.nz/personal-finance/79974/elizabeth-kerr-wants-you-know-what-economic-commentators-mean-when-they-refer>

And as for dairy, this article sums things up from the farmers' perspective....they are now in survival mode...

<http://www.interest.co.nz/rural-news/79973/keith-woodford-says-key-issue-many-dairy-farmers-now-survival-nz-farmers-needing>

But also squirming with our farmers are our banks who have loaned huge amounts of money into the dairy sector....they did that when times and interest rates were good. Now even they must be ruing their exposure to an industry in crisis.

The underlying threats

The clock is still ticking isn't it?

One site tells us that it is...make your own judgement on this link...

<http://www.visualcapitalist.com/forecast-when-well-run-out-of-each-metal/>

It has proven dangerous to try to forecast when we will run out of anything because price of a commodity will so quickly change the production rates...and new stuff will be found...perhaps deeper...perhaps with a lower quantity per tonne of dirt. But sooner or later we must substitute other things for what is scarce – until we run out of substitutes. I am not just talking about oil or silver...this applies to many other resources that are finite – whether in large quantities or not.

Running out is not the main issue. The main issue is that the cost of producing each commodity is rising and when that is matched with the increased complexity of running our society, it is a central reason why we will face collapse sooner rather than later and why collapse is becoming inevitable.

People who hope for technological solutions do not appreciate that all innovation happens in silos. Each inventor working in isolation. Yet the clouds of depression and collapse are forming over many areas of society.

In the last week I heard that the Chinese are renting space in Hobart and will use their port as the supply base for operations in Antarctica. Apparently the Chinese want to build four bases there and have plans to harvest krill. Does that frighten you as much as it frightens me? Taking the food at the bottom of the food chain doesn't sound too sustainable, does it? But the Australians will happily take the Chinese money.

Why have the Greens said nothing? Oh well I suppose they are too busy trying to reduce global CO2. Perhaps plants no longer use CO2 in the Greens' world view.

Electrical energy storage

For those who have forgotten, the mythological EESU is an energy storage system that expects to revolutionise the process of storing electrical energy in a number of ways including lower cost, longer storage life, longer lasting battery (in terms of hundreds of thousands of charge/discharge cycles), faster charge and discharge, scalable for all industries...and basically operating with the virtues of both a capacitor and battery.

EESstor ran into trouble with the capability and polarity of the ceramics. The CMBT (composition modified barium titanate) dielectric seems quite superb, but the host ceramic is the problem. So EESstor are now targeting the capacitor market to provide an ultra-low cost high voltage capacitor. By signing JVs with industry leaders, the management hopes to raise the cash to complete trialling the necessary polymers to provide the best ceramic matrix and complete the energy storage products.

The words we hear from EESstor Corporation seem to get more optimistic, so likely 2016 will be a make or break year...

<https://www..youtube.com/watch?v=9fC6yPZOXcc#t=11>

It is not a good time to be raising money.