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Negative interest rate hidden agenda, an admission of defeat / Crash may now be inevitable / Meanwhile banks are already in big trouble / Local steel companies in trouble / Political misdirection in trumps (not Donald...) / Frightening: “Confessions of an Economic Hit Man”

Negative interest rate hidden agenda, an admission of defeat

When interest rates go negative, most people will not want to leave their money in banks where the banks can expropriate the funds for their own capital under “bail-in” provisions. As John Mauldin says...

“So what if the Federal Reserve implements negative interest rates in the US? Won’t many people simply pull their money out of the banks? That may not be as easy as you think, says John Mauldin... [They] can’t stop people from hoarding cash in their mattresses or other hiding places. The one thing they *could* do is eliminate physical cash. Denmark, Sweden and Norway are already considering ways to do it. “More ominously, Bloomberg reported on Feb. 9 that a move is afoot in the ECB to get rid of 500-euro notes, the Eurozone’s largest-denomination bills. They portray this mainly as a crime-fighting measure, but it would clearly make cash-hoarding much more difficult.”

Was this the hidden agenda from Davos? (Nothing like a good conspiracy theory - but join the dots)

<http://www.internationalman.com/articles/revealed-the-hidden-agenda-of-davos-2016>

But if the US Treasury Secretary is talking about it...is it a conspiracy theory, or conspiracy plan?

http://seekingalpha.com/article/3920366-monopoly-going-cashless-next?source=email_macro_view_mar_out_5_8&ifp=0

Like the Russian peasants say, “Never believe a rumour until it has been officially denied”...

<http://www.reuters.com/article/usa-fed-fischer-rates-idUSL2N163027>

In Australasia we will get to see these draconian policies coming a bit ahead of time. Just remember that when interest rates are zero, that is the time to hold non-financial assets, cash and precious metals. Shares in essential corporates like utilities, food and accommodation may be a useful bridge and keep paying dividends – I hope. Negative interest rates are an admission of defeat by central banks because there may be no way back and the implications are dire.

This is where we are headed...

http://www.mauldineconomics.com/landing/negative-interest-rates?utm_medium=email&utm_source=housefile&utm_campaign=NYRP&utm_content=d4a

And you and I will be expected to bail the banks out. Like last time, the more we bail, the more the wanker bankers bonuses will rise. Heck something good must come out of all this? Mustn't it????

Crash may now be inevitable

Never before in the history of world banking have negative interest rates been used on such a scale. Now 40% of all global government bonds are on issue at negative interest rates. Crash may now be inevitable. Timing may remain the only question.

But surely you already knew this, right? Not just from my emails, but also from the use of no interest loans for everything from furniture to cars? Where were they getting all of that “funny money” from? Surely even the dumbest borrower must have guessed?

Just remember that we each need to exit the system **before** the global financial system crashes – whenever that will be.

Meanwhile banks are already in big trouble

Talking (yet again) about the shale Ponzi, to (again) quote Bix Weir: “In the US, the large (derivative holding) bank shares are down 30% in the last four months and in Europe they are down closer to 50%. These banks hold HUNDREDS OF TRILLIONS in derivatives that would be destroyed if only ONE of these large counterparties fails on a derivative promise.”

Remember if one major bank goes, the entire financial system could go within 24-48 hours.

The banks are heavily exposed to the shale Ponzi and also to 100% student and motor vehicle loans to people who will never repay. This is why they need negative interest rates...

<http://www.forbes.com/sites#/sites/christopherhelman/2016/02/12/zombie-oil-companies-could-hit-banks-with-20-billion-in-credit-losses/#37a0d5f5cf58>

That is old news.

But of late we have been hearing warnings from both IMF and BIS to their “client central banks” that risk is once again becoming extreme – just like 2008.

Local steel companies in trouble

Last night I met a guy who works for NZ's Pacific Steel. Seems that Pacific Steel is in trouble and NZ Steel is far worse...the latter now caught desperately needing to sell off their iron sand export business at a time when no-one will want the stuff.

Will they both survive? I doubt it, if the crisis either continues or worsens. My pick is that we have yet to see the bottom in most commodity prices as the global economy continues its march towards GD1. I think Bill Bonner is right when he says that negative interest rates won't stop the trend to depression...

<http://thecrux.com/why-negative-interest-rates-wont-stop-the-coming-depression/>

After all, if prices are dropping, why buy now?

The global steel industry is being gutted...among others like oil, gas and coal, shipping, capital goods manufacture and financial services. Ho hum.

Political misdirection in trumps (not Donald...)

In China, it is PBoC money printing and island building; In Japan, it is Abenomics; In South Korea it is Kim's antics;

In UK it is Brexit; In USA it is everything from Guantanamo Bay, to the Middle East, to the US Presidential elections;

In New Zealand it is the flag debate and TPPA.

The mainstream media is well behind the curve as to what is really going down. This allows our leaders to run "plausible deniability" scams on us all.

It is time for real leaders to stand up...yet all have been muzzled by the press and the rest are too scared by the challenge – yes, me included.

Exponential growth in a finite world is logically impossible, and yet every economist believes it is our "God-given" right to expand to infinity...based on regulation by market forces of course. The problem is that the world cannot deliver...whether it is oil or silver, the ridiculous denial continues...

http://seekingalpha.com/article/3921096-u-s-geological-survey-silver?source=email_macro_view_gol_pre_met_4_12&ifp=0

Since we started drilling for conventional oil in 1848 we have extracted and used about 1.7 trillion barrels, yet we are still told there is at least the same amount left in the tank. I would like some of what they are smoking. Well no I wouldn't, it is just straight out denial.

Frightening: "Confessions of an Economic Hit Man"

I am weary of conspiracy theories unless the authors can prove they know "where the bodies are buried". I see that John Perkins has updated his book "Confessions of an Economic Hit Man". And his narrative is gripping and credible. For those who have little time, this summary by Paul Craig Roberts may save you a lot of time....This is very frightening.....

<http://www.paulcraigroberts.org/2016/02/22/the-evil-empire-has-the-world-in-a-death-grip-paul-craig-roberts/>