

[www.better-management.org](http://www.better-management.org) provides invaluable insights that will help you understand and deliver better organizational performance.

## Better-Management Newsletter 7 March 2016

**Something is terribly wrong / When and how will it ever end? / Continent by continent: trouble / Oil speculation**

### Something is terribly wrong

We are part way through an interesting debacle where, in the international arena, common sense is assailed by populist political forces and financial adventurism. The only thing different today is that the IMF and BIS both agree with me...

<http://www.telegraph.co.uk/business/2016/03/04/debtor-days-are-over-as-bis-calls-time-on-world-credit-binge/>

Any fool can see that something is terribly wrong.

1. The notion that mathematics is wrong but economists are right is spouted as justification for bizarre policies, as they claim we can have infinite growth in a finite world.
2. Governments sanction rampant money printing and credit expansion...leading to debts that can never be repaid. The only possible solution will be to repudiate the debt. But when?
3. The world banking cabal have created a derivatives casino where the sums being gambled (between USD630 to USD1,200 trillion) do not even need to appear on their balance sheets. The failure of any significant counterparty means the entire banking systems could collapse at electronic speed at any time and BIS and IMF accept that possibility.
4. Central banks have decided to penalise all savers and reduce interest rates to zero – or less – in order to persuade people to buy now, the things they would have saved for and bought in a year or two's time.

Certainly the citizens of major nations have been played for suckers as we are being told to suspend rational thought and steal from the future. Governments want to tighten things until they control us totally...

<http://www.caseyresearch.com/articles/weekend-edition-why-the-government-hates-gold>

### When and how will it ever end?

In Australasia, our leaders know the answer better than we do. Both Prime Ministers John Key (NZ, ex Merrill Lynch) and Malcom Turnbull (Australia, ex Goldman Sachs) were parties to the bank heist that brought this situation about.

New Zealand had the fortune of robust commodity prices for a very long time...as did Australia so the impact of the GFC passed us both by. That is, until China fell off its perch and commodity prices crashed. It takes time for commodity prices to flow through, due to hedging of prices and the pipeline effect which sees production output continue higher until the inevitable bust happens.

Australia has the highest private mortgage debt ratio to GDP in the WORLD. Hard to credit but true. The Australian banks now have AUD1.19 trillion invested in residential mortgages. The risky part of this is that AUD462 billion is in “interest only” loans.

[http://www.businessspectator.com.au/article/2016/3/7/economy/why-house-price-bubble-still-hasnt-burst?utm\\_source=exact&utm\\_medium=email&utm\\_content=1876413&utm\\_campaign=kgb&modapt=](http://www.businessspectator.com.au/article/2016/3/7/economy/why-house-price-bubble-still-hasnt-burst?utm_source=exact&utm_medium=email&utm_content=1876413&utm_campaign=kgb&modapt=)

With our big four Australian banks, the situation is now very brittle – and not improving. If Chinese buyers don't return to the market for residential property in both countries, 2016 will be the year of the property bust.

### **Continent by continent: trouble**

We know China is in trouble and that it will be masked for a while using their surplus US dollar investments. But if they don't accept they have a major problem, they will not solve it.

With Olympic games ahead, Brazil is in serious trouble and with it the entire continent...

<http://theeconomiccollapseblog.com/archives/the-economic-collapse-of-south-america-is-well-underway>

South America is in serious trouble with both Argentina and Venezuela in serious trouble. Argentina's current problems started in 2004 with the usual suspects IMF, World Bank and Trans National corporations doing much to influence their problems ....

France is now showing the world that the Eurozone is a failed experiment...one currency for so many disparate systems was a dog.

[http://seekingalpha.com/article/3955036-frances-economic-deterioration-confirms-euro-currency-failing-experiment?source=email\\_macro\\_view\\_eco\\_1\\_18&ifp=0](http://seekingalpha.com/article/3955036-frances-economic-deterioration-confirms-euro-currency-failing-experiment?source=email_macro_view_eco_1_18&ifp=0)

For Europe both Brexit and Grexit pose some problems – as do the refugee issues...

<http://www.bbc.com/news/uk-politics-eu-referendum-35739780>

The path forward of the EU to total political union is repugnant to many people within the EU but it is also questionable as to whether the people's voice will ever be heard...now the bureaucrats are running the show...

<http://www.telegraph.co.uk/news/newstoppers/eureferendum/12185401/There-is-no-conspiracy.-The-EU-is-completely-open-about-its-superstate-plan.html>

But the whole issue of what happens when a country enters or leaves the EU is very complicated...

<http://www.telegraph.co.uk/business/2016/03/06/what-if-britain-left-the-eu-and-could-be-more-like-norway/>

In the USA the statisticians are still window-dressing their figures.

For the USA, the dispossessed have-nots are having their say in the presidential primaries. But at the end of the day, the US economy is weakening, as is US influence over events in the Middle East and elsewhere.

Japan is in real trouble with its negative interest rates – who would invest there when they can drop the value of the Yen so arbitrarily?

North Korea is turning from rogue state to wild card as the Korean Peninsula becomes more militarised and sanctions bite harder. What if Kim snaps?

<http://www.bbc.com/news/world-asia-35741936>

What we have to remember is that one major bank or even the failure of one sovereign state could trigger collapse via derivative counterparties. But the major derivative trading banks are looking weaker...

[http://www.roadtoroota.com/public/Bix\\_Weir\\_Interview\\_Mass\\_Awakening\\_Followed\\_by\\_Chaos.cfm?awt\\_l=5D4Qs&awt\\_m=3gee6wVVUfAZ85B](http://www.roadtoroota.com/public/Bix_Weir_Interview_Mass_Awakening_Followed_by_Chaos.cfm?awt_l=5D4Qs&awt_m=3gee6wVVUfAZ85B)

### **Oil speculation**

The quantity of oil that is in storage waiting for higher prices provides the impression that there is a huge glut. Most is held by speculators and not available for refiners.

“Today there is 189 Million BBLs worth of open short position on the Nymex alone... The perfect storm for a HUGE short-squeeze is brewing...”

Does this mean the price will head higher? Well, it could just do so, but if it does, there is plenty of oil to be released for use. Any substantial increase in oil prices will flow through to the CPI very quickly.

Meantime the nonsense that is global politics continues...

<http://www.zerohedge.com/news/2016-03-06/saudis-awarded-frances-highest-national-honor-fight-against-terrorism>