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Physics, Geology top politics and global warming theories / Oil reserves falling / World population, growth falling / Deflation is extant

Physics, Geology top politics and global warming theories

I seriously doubt the ring of fire has finished with us Kiwis yet. Mt Ruapehu now has access restrictions and at some point the temperature in the crater lake will either settle down or spit mud. The earthquakes in Christchurch (4.7) and the North Island (5.2) during the last 24 hrs haven't finished with us either.

If the earthquakes ringing the Pacific tectonic plate trigger more volcanic action, we may see a quieting down of theories on climate change...but that remains to be seen.

So why am I thinking there are more ructions to come?

We are overdue for an ice age, if previous chilly experiences for our planet are anything to go by. As we orbit further from the sun the gravitational pull of the sun will change its effect on planet Earth, and in the past, history tells us that this precedes global cooling. With our own pollutants thrown into the sky (as well as everywhere else) it will take huge SO₂ releases from volcanic action to change atmospheric chemistry.

Is my theory any wackier than anyone else's? Another theory takes the prize...

<https://wattsupwiththat.com/2016/05/10/mit-lecture-is-islamophobia-accelerating-global-warming/>

Muslims can do as they wish...it is Islamists that I fear and hate. Europe now has a problem.

The IRA never went away...British threat levels are still high for IRA attacks on the British mainland as well as for Northern Ireland.

Oil reserves falling

Oil companies are fretting about what they must show in their annual accounts for reserves and resources...these are down by fantastic amounts due to the low oil prices as well as not finding anything...but also there may be some who can reverse the write-downs of last year...

<http://www.energytrendsinsider.com/2016/05/10/the-massive-decline-in-crude-oil-reserves/>

Now Shell, having pulled out of the Arctic is abandoning leases there – USD9billion down...

<http://www.bloomberg.com/news/articles/2016-05-10/big-oil-abandons-2-5-billion-in-u-s-arctic-drilling-rights>

Geology tops economics in the oil patch too...the impacts of post-peak oil is creeping up on us. So how long would it take to wean ourselves off fossil fuels...

<http://peakoil.com/alternative-energy/how-much-for-the-sustainable-energy-transition-a-back-of-the-envelope-calculation>

But wild fires sure made a dent in Canada's production...from Seeking Alpha...

“**Canadian oil sands companies** near Fort McMurray are beginning to restart their operations, as the out-of-control wildfire continues to rage but has now moved far enough away from the oil sands' sites to allow them to return. Royal Dutch Shell ([RDS.A](#), [RDS.B](#)) is the first firm to turn on its operations, resuming production at its Albian mine. Before Shell's restart, the total decline to output in the area reportedly reached at least 839K bbl/day, or close to one-third of Canada's overall daily production.”

World population, growth falling

Meantime, the world population increased by about 83 million people last year and the number of cars produced was 68.56 million. In other words, we gave a new car to eight people out of ten. Now that is having fun with numbers, but as almost all cars had an internal combustion engine, one would assume demand for oil would increase unless depression becomes the order of the day in 2017...but guess what...that is what I expect...

<http://www.statista.com/statistics/262747/worldwide-automobile-production-since-2000/>

and

<http://www.worldometers.info/world-population/#growthrate>

Meantime the organisation with the worst track record in forecasting oil production thinks it will be business as usual. Now that does convince that things will change for the worse...

http://www.rigzone.com/news/oil_gas/a/144443/EIA_Sees_Brent_Oil_Prices_Rebounding_to_76_Per_Barrel_in_2017

So what will happen to oil prices? Well that just depends...

Seems that Darth Vader (real name...Igor Sechin) doesn't mind.

<http://www.reuters.com/article/us-russia-opec-sechin-idUSKCN0Y1104>

Deflation is extant

<http://thecrux.com/jeff-gundlach-donald-trump-will-win/>

How did we get here?

Well we are reminded by Danielle DiMartino Booth...

http://ggc-mauldin-images.s3.amazonaws.com/uploads/pdf/OTB_May_11_2016.pdf

But she misses a point about geology and the fact that EROEI for energy is far lower and all resource costs are higher while prices are rock bottom. We sit in a precarious place.

George Friedman in this video makes the linkage between exporters and consumers in this 7-minute video that is well worth watching...and no, I haven't read his book...

http://www.mauldineconomics.com/landing/invisible-crisis-gripping-the-globe?utm_medium=subscribers&utm_source=twig&utm_campaign=GRM&utm_content=list

Unfortunately, today, a crash of the global financial system could come from just about any major country having an Oops. We are spoiled for choice. I suppose it could even be the lead exporter...China. They are running out of options to print their way out of trouble...

<http://www.dailyreckoning.com.au/wp-content/uploads/2016/05/DR20160512-1b.jpg>

As far as speculative bubbles are concerned, this was a doozie...

<http://www.bloomberg.com/news/articles/2016-05-09/world-s-most-extreme-speculative-mania-is-unraveling-in-china>

China is fortunate in three respects...1. Growth in the economy continues – if at a lower level. 2. National external debt to creditors is only 15% of GDP. Remember that the massive debt build up is internal. 3. Foreign reserves are USD3.2 trillion. So it will take something earth-shattering to tip over the Chinese economy despite its issues.

There are some signs that Chinese property purchases in both Australia and London are slowing...but “watch this space”, perhaps their increased forex controls are working better.