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Lurching from crisis to crisis, more pieces to the puzzle

The IMF are still worried about collapse and contagion and rightly so...from Seeking Alpha...

“[Ahead of the G20 meeting](#), the IMF painted a dark outlook for the global economy, issuing an "urgent" call for the world's largest economies to roll out more growth-boosting policies and act more aggressively. "I don't think this is a moment that calls for the kind of coordinated action that occurred during the 'great recession' in 2008 and 2009," said U.S. Treasury Secretary Jacob Lew, before jetting to the meeting late Thursday.”

Will European banks be the pin to pop the bubble in share and property markets?

Brexit hasn't been too bad so far for UK or EU....from Seeking Alpha...

[Business activity in the eurozone](#) did not fall as much as expected in July, despite Brexit jitters and the Bastille Day massacre, as Markit's flash PMI for the region dropped to 52.9 from June's 53.1. But sterling **fell 1%** to \$1.3104 after the British economy shrank at its steepest pace since early 2009, with the flash U.K. composite PMI falling to 47.7 from 52.4. "At this level, the survey is signaling a 0.4% contraction of the [U.K.] economy in Q3," said Chris Williamson, chief economist at Markit.

Even so, the news is being interpreted differently by different people...one day later...

<http://www.telegraph.co.uk/business/2016/07/22/ftse-100-slides-but-pound-gains-ahead-of-uk-manufacturing-and-se/>

But this poses a conundrum for the UK...from Seeking Alpha...

“[French President Francois Hollande](#) has given U.K. Prime Minister Theresa May a choice: Accept unlimited immigration from the EU or lose access to its single market. "There can be no free movement of goods, free movement of capital, free movement of services if there is no free movement of people," he said at a press conference. May also confirmed that the triggering of Article 50 won't come this year as her government works out its negotiating position. “

I have been taking a bit of stick for promoting Brexit to my UK rellies, so I am delighted to find someone who agrees with me...

<http://www.caseyresearch.com/articles/weekend-edition-doug-casey-on-brexit>

European banks are risking both collapse and contagion...

The European Court of Justice has held this week that countries cannot bail out their banks without shareholders and depositors first doing so. (This indeed has been the ECB's position) This is a problem not just for the illiquid and insolvent Italian banks but also for Deutsche Bank and a few others...

<http://thecrux.com/europes-ticking-time-bomb-is-about-to-blow/>

and

<http://www.caseyresearch.com/articles/why-this-could-be-the-end-of-europe-as-we-know-it>

Will Emerging markets be the pin?

Emerging markets still all produce things and tend to have subsistence agriculture that supports a large slice of their populace.

But many are oil producers and therefore hit by extremely low oil prices. Others have been hit by downturns in OECD buying (as evidenced by reduced YOY ocean freight). Together they are in strife.

The reduction in shale drilling has not yet been enough to make a hole in the massive oil stockpile (even so that stockpile is still only 4-5 weeks' usage). The Saudis now want higher oil prices as even they are getting hurt... This article below is full of bombast and BS. If the Saudis now had an extra amount of oil to produce each day, they would be selling it. But the market is oversupplied by both petrol and oil.

<http://www.bloomberg.com/view/articles/2016-06-23/saudi-arabia-declares-cease-fire-in-oil-war>

The glut happened because of cheap Wall Street funds and the increase in US shale production. Strangely this doctrinaire climate change site contains some relevant facts J...

<http://www.joabbess.com/2016/07/22/peak-oil-redux/>

Countries like Venezuela and Nigeria don't impact the global economy until they start dishonouring debts. But anything that makes the global debt overhang unstable can be cause for either collapse or contagion. China is the largest and while providing more funny money for dubious schemes, their run must come to an end at some point.

There are some interesting stats that show a crash within the OECD cannot be too far away...

http://seekingalpha.com/article/3990694-something-really-bad-going-happen-soon-part-iv?source=email_macro_view_mar_out_1_6&ifp=0

Can we handle different perspectives on geopolitical events?

I am reminded that the likes of Stratfor and the mainstream western media tend to adopt a uniform and US friendly approach to international relations. Yet we know that the USA (under the auspices of the "Carter Doctrine") have made a right bollocks in the Middle East in

everywhere from Iraq and Afghanistan and Libya... and been effectively kicked out of South East Asia since the atrocity of the Vietnam War.

There are folks who wage a war of contrary perspectives that we should at some point consider as the world moves through an arms race towards what is unthinkable...the possibility of nuclear war. F. William Engdahl has his own web site and books where his researched views are supported by his investigative journalism and sources. The latest on Turkey suggests the malignant hand of the CIA behind the Turkish coup plot...

<http://journal-neo.org/2016/07/18/behind-the-cia-desperate-turkey-coup-attempt/>

And the expanding role of the USA in the South China Sea...

<http://journal-neo.org/2016/07/21/why-china-risks-war-over-those-wet-rocks/>

I have the rather blinkered opinion that militarism will increase as civilisation within the OECD is pushed towards breaking point, so the inevitability of conflict leads me to take the approach that anything is possible. Particularly as we have seen the machinations of the USA on show in the Ukraine and elsewhere since WW2.

We are also witnessing a more nuanced foreign policy in NZ than Australia and USA have. We “invite” a visit from a US warship yet we rule out a return to the ANZUS alliance. So we only merit a whistle-stop visit from the US Vice President and his grand-children ...

Just when you thought it was safe?

I hear one of our own cabinet ministers has the Zika virus. (Minister of foreign Affairs – perhaps it was a foreign affair that got a bit contagious). The virus is making the news in North America with hundreds already affected and almost 50 pregnant women infected. They are scurrying to try to prove whether the mozzies - Zika carriers - now live in the USA.

Not sure I want to be in Rio for the Olympics...from Seeking Alpha...

“**Health officials are investigating** a second possible non-travel related case of Zika infection in Florida. To date, there are 334 cases of Zika in the state, including 46 pregnant women. More alarms? Brazilian scientists have found a second species, *Culex quinquefasciatus*, which can transmit the virus. Culex mosquitoes are far more common in temperate zones, such as in the U.S.”

As it can be passed from human to human, it is getting a bit scary.