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That vexed TPPA, even more geopolitical mess, ditto economies, gold and silver rising, oil vexations, Tesla's dicing

In the 1970's when governments were concerned about being ripped off by Multinational Pharmaceutical corporations, there were some rather unsuccessful attempts to nail the local tax dodgers. It never worked.

But big pharma have a problem. Many of their patents are expiring. Hence they became a driving force behind the TPPA from the US perspective.

Let us hope that either we are protected from big pharma, as John Key says (but never trust a banker!), or else that the Donald gets elected and cancels the TPP agreement.

<http://thecrux.com/despite-what-media-says-tpp-isnt-about-free-trade-its-about-protecting-corporate-profits/>

Globalisation trends and international trade has served us very well in the past. However, with global resource supplies becoming more challenged, it is time to change course. We will either do that voluntarily – and I stress sensibly - or be forced to do it within 10 years. Then it will be vastly more painful. There are those who recognise the inevitable, but most don't factor in the likely collapse of the global financial system as a side effect. The CURRENT financial system relies totally on growth and until answers can be found, we cannot hope for a steady state or a de-growth scenario...

Geopolitics

The Chilcot report on Britain going to war in Iraq found the whole episode a failure in all respects, but failed to indict former PM Tony Blair, who had agreed to go in with President Bush before there was any case for toppling Saddam Husain. In a report 4 times as long as "War & Peace" the endeavour was stripped apart as woefully inadequate. Frankly, the disaster that is the failed states of Iraq, Syria and Libya can all be put down to meddling by the "Anglo American Alliance".

<http://www.reuters.com/article/us-britain-iraq-inquiry-idUSKCN0ZL2TA?il=0>

Tony Blair's behaviour made me embarrassed to confess I am British. That is unchanged by the Chilcot report.

It could be interesting for us to review why the Saudis are so sensitive to outside meddling with their own minorities...

http://seekingalpha.com/article/3986387-geopolitics-saudi-arabia?source=email_macro_view_com_4_21&ifp=0

The economy

If this is starting to look like 2007, then 2017 could look very much like 2008 IMHO. David Stockman agrees with me on this (and vice versa)...

http://seekingalpha.com/article/3986490-go-august-2007-redux?source=email_macro_view_eco_0_22&ifp=0

We are not immune from RBA and RBNZ induced bubbles and the house price bubble in NZ resembles that in USA of the 2005-8 era.

While George Osborne is floating a corporate tax rate of 15 cents to scare his EU peers, the Bank of England is expecting further Brexit contagion and a continued run on the pound...from Seeking Alpha...

“[The Bank of England has taken steps](#) to shore up the U.K. economy following Brexit, warning that the outlook for the stability of the financial system has become "challenging." The decision to reduce the so-called countercyclical capital buffer to zero will allow British banks to lend an extra £150B to U.K. businesses and households, keeping the economy flush with credit. Sterling is at a fresh 31-year low of \$1.3114.”

The pound is still dropping so don't get your British currency for that trip just yet...

<http://www.bloomberg.com/news/articles/2016-07-05/pound-drops-toward-31-year-low-as-selloff-resumes-before-carney>

Now below USD1.30...and still dropping?

<http://www.telegraph.co.uk/business/2016/07/06/sterling-slide-is-painful-but-what-we-need-is-a-global-deflation/>

Will property be London's first shoe to drop?

<http://www.telegraph.co.uk/business/2016/07/05/standard-lifes-halt-on-redemptions-echoes-the-start-of-the-finan/>

Italy, the EU's number 4 economy is now in real trouble unless it can contain the banking crisis that is looming there...

<http://www.bloomberg.com/news/articles/2016-07-04/a-prime-minister-a-referendum-and-italy-s-turn-to-get-worried>

A storm brewing?

http://seekingalpha.com/article/3986272-european-storm-brewing-bezeks-daily-briefing?source=email_macro_view_edipic_2_3&ifp=0

Fancy Italian banks having 17% bad debts...that means they are all both illiquid and insolvent...

<http://www.bloomberg.com/news/articles/2016-07-06/italy-could-spark-systemic-banking-crisis-socgen-chairman-says>

In desperation, the Italian banking regulators point their finger at Deutsche Bank and tell the Germans that they have a much worse position. The only real difference though is that the DB derivatives liabilities are contingent liabilities, whereas the Italian bank liabilities all vest in the balance sheet.

All across Europe commerce is being affected by the uncertainty posed by Brexit – or more importantly, what form it will take. Shock, horror, bankers bonuses look likely to take a hit! So Mrs May demands a meeting with Herr Juncker....clearly she wants to be another “Maggie Thatcher”....

<http://www.standard.co.uk/news/politics/brexit-exclusive-theresa-may-demands-early-talks-on-britain-leaving-the-eu-a3288141.html>

In lil’ old NZ we are worried about rising home prices. Given the open door policy of the National Government to the elderly of China and India that sees us already with some 32-36,000 older immigrants waiting for their inevitable handouts at the taxpayers expense (and they have paid no tax in NZ), we have a housing demand problem, not a supply problem.

Must we prostitute ourselves to foreign interests like this? The answer is that PM John Key does not give a Continental razoo!

Meantime the money sloshing around looking for safe haven is destroying the New York commercial property markets which are awash with cash looking for a home. Some real estate is selling for no effective rental return on prices being paid. What is that all about?

Well, the interest rates in USA look almost ready to dive into negative territory. If so, it cannot surely be long before the mischief of the global central bankers blows up in our faces...is nothing real anymore?...

<http://www.mauldineconomics.com/connecting-the-dots/turning-lemons-into-lemonade-as-30-year-t-bond-yield-falls-to-all-time-low>

For a smorgasbord of things that could hit Wall Street?....

http://seekingalpha.com/article/3985858-top-10-reasons-second-half-2016-ugly?source=email_macro_view_edipic36&ifp=0

Is anything looking rosey these days?

<http://www.bloomberg.com/news/articles/2016-07-05/more-stock-losses-tipped-for-asia-on-europe-angst-oil-below-47>

Then there is Japan. It is just a bug that has found its windscreen to go splat on courtesy of BoJ and Abenomics. They need a strong Yen like Abe needs a bullet in the head...

http://seekingalpha.com/article/3986111-yen-finity-beyond-japanese-tragedy?source=email_macro_view_marout28&ifp=0

Gold and silver prices are accelerating to the upside

No wonder, we have fallen down Alice's rabbit hole and wound up at the Mad Hatter's tea party...

http://seekingalpha.com/article/3986204-buy-gold-just-safe-haven?source=email_macro_view_gol_pre_met_1_14&ifp=0

Two weeks ago, there was no prospect of gold breaking USD1,300/oz because it was miles below that. Now at USD1,360 per oz the only question is whether it will break USD1,400/oz this month. This is hugely serious as it may well presage calamity. Even bankers and money managers seem to be getting bullish...

<http://thecrux.com/ubs-gold-has-likely-entered-the-early-stages-of-the-next-bull-run/>

IMHO my gold shares seem to be doing OK. The one doing best is the formerly poor performing uranium share ASX:UTO. They merged with Lion One and up went the value of my shares (just from "worthless" to "worth 10K" but it all helps). Over time, miners with prospective territory can morph from uranium miners and gold miners on to other things too...like Pepinnini (ASX:PNN) and Plateau Uranium (TMX:PLU) whose shares seem to be doing much better because they have now identified large deposits of leaf lithium on their leases. Now I have small investments in two small prospective lithium miners, that I would not have rationally chosen to buy into. If the mythological EESU works, then lithium mines will go back back to being worthless. Remember those fads about uranium and rare earths in 2007? Their star not only rose quickly but fell even quicker. If that EESU does work for electrical energy storage, then we could see a boom in barium, titanium, zirconium and neodymium.

Perhaps the same will happen for gold and silver shares?

Oil

I find it ever harder to get sensible stuff on oil these days. Some folks want to get into a "pissing contest" over who it is who has the largest oil reserves...USA (this week's favourite) v's Russia v's Saudi Arabia. Anyway, it could easily be Venezuela because everyone ignores the huge deposits of heavy oil in the Orinoco basin, or Canada with 2 trillion bbls in place of tar sands. That is a waste of time because no-one knows the facts and nor can they compare the apples with the oranges.

I suppose the Saudis will need to disclose information if they want anyone to invest in the 5% of Saudi Aramco they want to flog off. But I wouldn't believe a word of what any of them said.

Meantime the real recession is whacking oil demand in a way that makes it hard to see whether net energy produced in oil is going to increase or decrease, or which direction prices will move in...

<http://cassandralegacy.blogspot.co.nz/2016/06/demand-destruction-and-peak-oil.html>

At least this is factual...

<http://www.eia.gov/todayinenergy/detail.cfm?id=26912>

Just a pity no-one monitors changes to EROEI.

And in the meantime, oil companies make bigger and bigger losses and we set ourselves up for an oil supply shortage lasting from 2017 to whenever a new form of energy takes over from oil for transport (including a new super-battery).

But how hard will it be to convert from fossils to renewable energy...sorry, this audio is rather long ...

<http://peakoil.com/alternative-energy/for-better-or-for-worse>

Electric vehicles

The crash of a Tesla S that killed its driver when it was on full autopilot, was only advised to the Feds nine days later. IMHO it is extremely risky for Tesla to move so far and fast with Solar City and self driving systems, until they can keep up with delivery schedules and reach profitable operations for both cars and battery making....from Seeking Alpha...

“**Pressures are building on Elon Musk** after Tesla (NASDAQ:[TSLA](#)) offered to buy SolarCity (NASDAQ:[SCTY](#)), missed its vehicle delivery target again and recorded a fatal Autopilot crash last week. Add to that another car accident that occurred on the Pennsylvania Turnpike. Albert Scaglione told police he had activated the Autopilot feature in his Model X before it hit a right-side guard rail, crossed over the lanes and hit a concrete median before rolling onto its roof. TSLA **-2.3%** premarket.”

Tesla as a company may have some attractively edgy products, but it looks like a lousier and lousier business investment. Of course I could be lynched by “the faithful” for saying that.