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The next POTUS? Russia, oil and economy forecasts

To hear Hillary Clinton talk, she wants war with Russia. Do you want that? Things are headed that way under the Neo Con controlled President Obama...

<https://www.peakprosperity.com/blog/102294/do-we-really-want-war-russia>

With thanks to Peter, this 90 second clip on the Trump and Clinton debate is a hoot ...

<https://www.youtube.com/watch?v=q8AK6FOz99E>

Even so, the USA seems to be on track to alienate its allies in the Middle East due to the preoccupation of politicians in wanting to fight wars that the American public doesn't want, without killing or upsetting anyone...

<http://www.reuters.com/article/us-yemen-security-idUSKCN12A13J>

In Sanaa there is civil war. In Yemen, Iraq and in Syria there is civil war. Mosul and Aleppo will result in even bigger civilian casualties... when the allies actually attack Mosul that is...

Meanwhile, two countries on opposite sides in Syria want to cooperate...the relationship between Russia and Turkey is improved by the pragmatism of energy demands... Russia needs to sell, Turkey needs to buy...

<http://www.bbc.com/news/world-europe-37613273>

And Turkey now has a key role in the Middle East...and on the fringe of Europe...

<http://www.internationalman.com/articles/one-giant-powder-keg-and-the-fuse-is-already-lit>

An olive branch is also shown to OPEC as Putin openly supports reduced oil supplies to raise oil prices...

<http://www.msn.com/en-nz/money/news/oil-price-lifted-by-russias-opec-pledge/ar-BBxfw5V?li=BBqdg4K&ocid=EIE9HP>

So with its closeness to the Middle East, Russia continues to outmanoeuvre the USA.

The Economy

Peter Schiff was one of the people who showed me how the property rorts in USA, allied to the derivatives casino meant a looming crash in 2007...now he is at it again...

http://seekingalpha.com/article/4011027-next-recession-looms-large?source=email_macro_view_top_articles_0_0&ifp=0

Our problem is that because the US dollar remains the world's primary currency of trade and the reserve currency, the USA just needs to blow its nose and we all catch cold.

Deutsche Bank is trying to raise funds by selling off one of its divisions and also reducing its derivatives exposure...but can they crash dive their assets and liabilities fast enough?...from Seeking Alpha...

“**Deutsche Bank is continuing** to cut back the size of its derivatives book, which is not as risky as investors may believe, Chief Risk Officer Stuart Lewis told *Welt am Sonntag*. "The €46T figure sounds gigantic... but reflects only the notional value of the contracts, while the bank's net exposure to derivatives is far lower, at around €41B. **DB -1.8%** premarket. “

This IMF decision means that the German Jackboot will continue to be pressed to Greece's throat...from Seeking Alpha...

“**The IMF will not join** the Greek bailout program, but will likely accept a special advisory status with limited powers that keeps it at the table, Reuters reports. The Fund has been holding out for more than a year over the terms under which it would participate in any new program, arguing that the financial targets set in the bailout are unrealistic without major debt relief. “

I wonder whether the flash crashes are related in some way to Deutsche Bank manoeuvring?

http://seekingalpha.com/article/4011007-2-flash-crashes-3-days-benefits?source=email_macro_view_mar_out_0_7&ifp=0

It could be partly due to the breakout of the US dollar...

<http://thecrux.com/heres-what-the-dollar-breakout-means-for-gold-and-silver/>

Britain's pound is lagging but perhaps it should drop for the good of the nation?

<http://www.telegraph.co.uk/business/2016/10/10/currency-guru-says-pound-slide-liberates-uk-from-malign-grip-of/>

Or is something up?

<http://www.caseyresearch.com/articles/why-the-worlds-biggest-market-is-acting-erratic>

China's economy is slowing, debt has blown out and IMF is talking with them about the risks their debt overhang poses for the global economy...is China now starting to address at least one of the bubbles...from al Jazeera...

<http://peakoil.com/consumption/the-end-of-china-inc>

But I worry they will precipitate a hard landing...it won't take much to do that and the Chinese have yet to develop the necessary finesse to deal with such things...

<http://www.bloomberg.com/news/articles/2016-10-10/china-intensifies-push-to-cut-debt-with-steps-to-reduce-leverage>

A hard landing for China is a crash landing for us.

The robust criticism of China's debt binge by IMF head Christine Lagarde has been left rather late so it now seems to me like just part of the blame game being gotten underway by BIS and IMF. Next it will be ECB, BoJ, BoE and the US Fed blaming failed government policies for the coming depression L.

Meanwhile South Africa has found its own way of turning into the "wild west", so the Rand is suffering badly...

<http://www.bloomberg.com/news/articles/2016-10-11/s-africa-s-gordhan-to-be-charged-rand-plunges-most-since-june>

In the land of Oz, the banks are quietly cutting back on lending into the residential property development sector...same in NZ, but not quite so quiet J...

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11727267

Ground hog day? When?

Gold and silver

The situation seems to be in flux. So where are prices going?

<https://www.youtube.com/watch?v=VYV6QLLC1yY>

The present trajectory of prices is unclear but there seems to be some stability around USD1,255 to 1,260 /oz for gold and USD17.35/oz for silver.

Energy

Is the oil market supply and demand in balance? Does BP have it right?

<http://peakoil.com/consumption/bp-ceo-oil-market-is-in-balance>

Can we afford USD60/bbl oil this year...What do the Saudis want?...

<https://www.peakprosperity.com/blog/102294/do-we-really-want-war-russia>

The Saudis are diversifying into US energy assets...

<http://www.forbes.com/sites/ellenwald/2016/09/15/saudi-arabia-is-buying-up-americas-oil-assets/#a2e8ccccf29b>

No wonder the Saudis want a higher oil price...

<http://www.bloomberg.com/news/articles/2016-10-11/saudi-capital-spending-to-drop-71-in-2016-amid-low-oil-prices>

That suggests they plan to position themselves with some assets bought at the bottom of the market. But greatly reduced domestic spending.

Now for energy storage...the main event.

While we wait anxiously to see what happens to the mythological EESU, Samsung is being destroyed by successive iterations of battery that cause fires in their Galaxy 7. So they have now canned the Note 7. !

<http://www.reuters.com/article/us-samsung-elec-smartphones-idUSKCN12A2JH>

Also Elon musk's business is looking a bit like Donald Trump on a bad hair day, trying to look smooth while still being dishevelled....

http://seekingalpha.com/article/4011064-musk-goldman-sachs-drop-bombs-tesla?source=email_stocks_and_sectors_top_articles_2_2&ifp=0