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Geopolitics

After Bill Clinton met the FBI director in a private meeting, the enquiry into Hillary's emails was stopped amid a furor from the FBI insiders who believed it should have continued. The book "Partners in Crime" showed how the Clintons went from rags to riches after Bill stepped down. Now more emails have come to light that make the FBI re-commence their investigation...

<http://www.bbc.com/news/world-us-canada-37805525>

If this cannot be resolved prior to election date to exonerate Hillary, how do you vote for someone as POTUS while they are under FBI investigation? This caused an uh oh! Change in the US sharemarkets with NYSE and NASDAQ both down...

<http://www.bloomberg.com/news/articles/2016-10-27/yen-weakness-seen-boosting-japan-stocks-as-asia-pauses-on-fed>

Voting for POTUS has already started.

The aggro at Russia over annexation of the Crimean Peninsula and the support for President Assad of Syria should be seen in the light that both places were long-standing Russian Military bases. The US agenda is to get Russia kicked out of its bases and change their government so that a globalist agenda can include Russia and thereby water down the threat posed by the SCO. So the military posturing continues...

<http://www.bbc.com/news/world-37794131>

Meanwhile, in Germany the influx of migrants is simply not working out...

<http://www.reuters.com/article/us-europe-migrants-germany-mosques-insig-idUSKCN12S0HE>

and

http://uds.ak.o.brightcove.com/47628783001/47628783001_5173463958001_5173446400001.mp4

The Economy

Since about 1990, every time the central banks have worked their magic, they have done more harm than good but at least they have kept things operating. Jim Rickards spells it out more eloquently than I could...

<http://thecrux.com/jim-rickards-the-next-financial-crisis/>

Like Jim, I also remember when the Thai banking system crashed in 1998. At the time I was sent there at Price Waterhouse Coopers' cost to close down a major bank – so I got to see first-hand what had gone wrong. Even so, someone else got to do that job...not PWC. The economists only get to have implemented the strategies that suit the short term objectives of their bosses, so perhaps I shouldn't be too hard on them...

First. A simple statistic. Over the last 12 months the global population has apparently increased by net 90 million. So, where is the declining population that those who blame falling demographics are talking about? (*Editor's note: some are forecasting a reducing rate of increase before population rate reductions*).

Demographic trends get confused by massive migration flows...many happening under the radar. Yet the economists put their own predictive incompetence down to bad news being the result of “the demographics of an aging population”...

http://seekingalpha.com/article/4014528-raising-interest-rates-simple?source=email_macro_view_eco_3_19&ifp=0

Second. Money flows are now huge as billionaires and fund managers go to cash and cruise the world looking for the best yield. QE plus NIRP/ZIRP could soon stop flowing into stock and property markets and hit commodities and living costs...Is this going to be when inflation gets its skates on?

http://seekingalpha.com/article/4014559-money-flowing-united-states-risks?source=email_macro_view_eco_2_18&ifp=0

and

<http://www.bloomberg.com/news/articles/2016-10-28/the-world-s-49-trillion-infrastructure-problem-may-not-get-solved-anytime-soon>

Third. The US Government has lost the plot in its economic finagling.... It is no wonder why establishment POTUS candidates are being rejected by the general public...is there anything the people of USA can believe anymore?...

http://ggc-mauldin-images.s3.amazonaws.com/uploads/pdf/OTB_Oct_26_2016.pdf

It is pretty much the same in NZ where the banks are saying the biggest effect on house prices is now immigration. Yet this dominant causation has been vehemently denied for the last 5 + years by PM Key's government.

Fourth. We must always remember that both economics and accounting in the public sector is about accounting for success...not about reality. Goosing GDP is a case in point...

<http://www.zerohedge.com/news/2016-10-28/gdp-grossly-defective-product>

So this news item below may just be a signal that the Dems are getting desperate and politics are again determining GDP ...from Seeking Alpha...

“[U.S. economic growth](#) likely accelerated in the third quarter amid a rebound in inventory investment and a surge in exports. If that's the case, the market could see another spike in bond yields as traders cement expectations for a Fed rate hike in December. The report, which will be published at 8:30 a.m ET, could also be the first in eight quarters where growth topped 2.6%.”

Energy

The concept of EROEI is very complex because some people seem to confuse the monetary aspect of energy inputs with the energy inputs. The article below further explains why the concept isn't easy to master. I have been influenced by some of Gail Tverberg's articles on energy and its economic impacts since about 2005. But even though I agree with her, this one is one of her more detailed...

<https://ourfiniteworld.com/2016/10/27/how-researchers-could-miss-the-real-energy-story/>

Everybody seems to inflate their own projections to suit their own purposes. The proponents for various fossil fuels do it and so do the proponents of renewable energy. This results in some interesting if wildly skewed claims. In the paper above, Gail views the calculations of EROEI for solar power as around 9.4:1 or 1.3: after 30 years with batteries.... while in the article below we see that Ferroni and Hopkirk regard solar as having an EROEI of less than 1:1... in other words hopelessly negative. Ugo Bardi corrects them to 2.83:1 which is still too low to support our present level of industrial society...

<http://cassandrallegacy.blogspot.co.nz/2016/10/another-failure-of-scientific-peer.html>

But these calculations are subject to improvement with changing technology and we had better hope those improvements are readily available because we certainly need a source of energy that is capable of being at least a substantial substitute for some applications for use of fossil fuels.

Fancy Exxon being forced to comply with accounting standards. Whatever next? This will take a chunk out of their balance sheet.

<http://peakoil.com/business/exxon-warns-on-reserves-as-it-posts-lower-profit>