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Ashok Dhillon has 40 years of front-line business experience in Canada and International markets. He incorporated his first construction company in 1974, and since then has founded and led companies in construction and international power development.

Over the last 20 years Mr. Dhillon, has led and worked with top Canadian talent in the legal, engineering and accounting firms, such as Fasken Martineau, Russell & DuMullen, Stikeman Elliott; Hatch, Monoco Agra, New Brunswick Power, SNC Lavalin; and Ernst & Young, Arthur Anderson, and Grant Thornton. And in London, worked with Perkins Couie and Morgan Grenfell. Mr. Dhillon's companies have partnered and worked with Pan Canadian Oil & Gas, WestCoast Energy, TransCanada Pipelines, and international companies such as AES, Enron Power, Hyundai Heavy Industries.

Mr. Dhillon has worked and negotiated with highest levels of Governments in Canada and India. He has pursued and won mandates to develop power plants in Canada, and foreign jurisdictions such as Hungary, Iran, Pakistan and India with uncompromising ethical standards. His extensive experience in securing and negotiating multi-hundred million and billion dollar mandates in power project development, gives him in-depth knowledge and intuitive insights into macro and micro, national and international, geo-political and economic realities and trends.

Mr. Dhillon has been invited to speak on international business at various forums, including as an expert witness for the Standing Senate Committee, Government of Canada, on "The Rise of Russia, China and India".

Central Banks – Scare the Markets and then Scare Themselves

As asset bubbles, equity, bond and real estate markets, around the World continued to inflate due to the seemingly endless liquidity being pumped into the national and global markets since 2009, the Central Banks became increasingly concerned and last week decided to act preemptively to release some of the upward pressure that had been building.

Just voicing their intention to tighten sometime in the near future, or just the slightest tightening, as in China, sparked such a wave of panic in the global markets that the Central Banks had to jump back in to reassure the markets that they were just kidding, and were not really going to take away the liquidity drug anytime soon, and depending upon the data, maybe never, at least in the U.S.!

The fully addicted markets, faltered, and then, upon being earnestly reassured by the Central Banks of an endless and continuing supply of easy and cheap money, resumed their euphoric upward sprints. It would seem at this time that no major economy can stand on its own without the massive ongoing injections of cash that it has gotten used to. In our minds eye we can just see the ashen faced Central Bankers going "whew" and wiping their foreheads in relief as the markets steadied, as all they had wanted to do was just back them up a bit, not tank them.

This brings on the exact dilemma that we have been talking about consistently in our past "Geo-Political Economic Reports" as larger and larger quantitative easing kept being implemented year after year since 2009.

Since September of 2012, when the massive QE 3 was initiated, we have been steadfast in saying that sustainable economic recovery is not possible with just massive liquidity being injected in the global financial system. We

recognized that the economic problems were of a structural nature that were long in the making, and had been masked and ignored by the extraordinary period of easy credit of the previous two decades.

After the crash of 2008, we understood and agreed for the need of massive government intervention through the Federal Reserve and the other Central Banks, to save the global financial system from total collapse. But after the initial stabilization of the financial system, we also understood the dangers of rekindling the easy money addiction of the financial market players. The continuous flow of easy money would prevent and make unpalatable the collective biting of the bullet, and the painful restructuring that was required globally, by all major economies, to get sustainable recovery back on track. Unfortunately that is precisely what has happened. The biggest markets, the U.S. – China – and Europe are hooked on easy credit and bailouts, and any threat of slowing or shutting of the cash taps sends them tumbling, with the predictable serious and negative impact on the economies.

The Central Banks have a monster on their hands and bringing it under control is going to be nigh impossible.

As we have mentioned in our last geo-political economic report, 'Global Economic Recovery – Inflating Volcanic Calderas' the U.S. is in the best position to claw back recovery, slowly, over time, if no other external shock impacts and derails it. But even there, currently, the U.S. economy is by no means stable or solidly on the road to recovery. Its green shoots are exclusively because of the massive monthly cash injections by the Federal Reserve. Yet as we said, the underlying economic structure is

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sound and there is an inherent resilience in the American system. The quantitative easing must taper and stop otherwise the growing distortions in the financial markets will one day again inflict heavy damage. Deleveraging must take place otherwise economic stability is impossible.

China is another story altogether. Again, as we have been stating emphatically, the growth story of China hides too many dangerous social and economic problems that are very difficult for the Government of China to fix. As is now becoming more frequently and readily acknowledged by China watchers and by the Chinese Government itself, the financial system of China is in a very precarious situation. It is by far the most critical near term crisis of its many developing problems that we have been detailing since September last year. The consensus among most analysts seems to be that the Chinese Government and its controlling apparatus, with its enormous cash reserves, can handle just about any crisis that may develop as it tries to dial down its burgeoning debt problem. We agree that the Chinese Government has extraordinary discipline and capacity, but we also know that China's economic numbers, especially on the negative side, are probably much bigger than the Government has been declaring. It is the norm amongst almost all governments, but it seems to take on a different scale in developing markets as experienced by us in our front-line work in those markets. So, as nobody knows the exact size and nature of the problem in China, we want to err on the side of caution and say that China at the moment is in a very dangerous place, and poses a great economic threat to the global financial stability.

The Governor of the Bank of China had to retreat in haste a few days back, to steady the financial system as it wobbled dangerously from his attempt to tighten the liquidity in its shadow

banking system. He had to immediately reopen the cash tap to prevent a sharp escalating crash. That confirmed the severity of the problem.

In postponing the inevitable, a sharp retrenchment leading to a long term restructuring according to the requirements of the new global economic realities, the Central Banks and their governments, of the biggest economies, have somewhat shielded their citizens from real pain. But in doing so, over the past 4 ½ years have reignited the greed in the financial systems that led to the crash in the first place, and given endless money to the same addicted players who are once again happily playing, but are quite detached from the real economy. The easier economic model of 'indefinite easing' has now built a monster that the Central Banks cannot quite control. And that fact is scaring the heck out of us, and them.