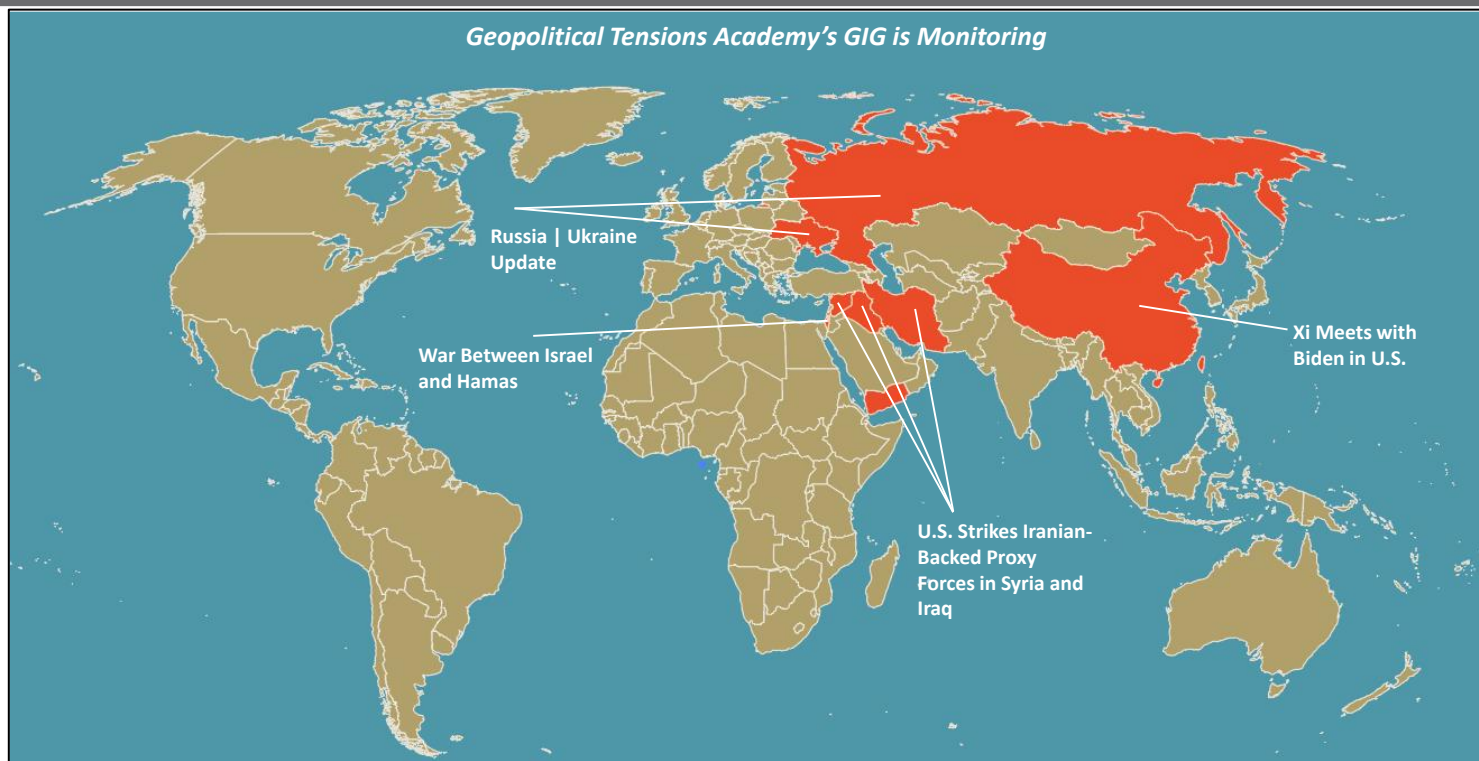


*Around the World with Academy Securities*

In this month's edition of Around the World with Academy Securities, our [Geopolitical Intelligence Group](#) (GIG) focuses on the following geopolitical tensions that we are monitoring:

1. War Between Israel and Hamas
2. U.S. Strikes Iranian-Backed Proxy Forces in Syria and Iraq
3. Russia | Ukraine Update
4. Xi Meets with Biden in U.S.

We kick off our report with an update on the war between Israel and Hamas. On November 24<sup>th</sup>, the current ceasefire went into effect and included the release of dozens of hostages. However, Israel's mission to destroy Hamas' ability to conduct further attacks against Israel is not complete and the IDF will likely go back on the offensive when the current ceasefire is over. However, progress has been made between the parties in the negotiations mediated by Qatar and the hope is that additional hostages are returned in conjunction with a longer-term ceasefire at some point in the future. However, as we have reported in our recent [SITREPs](#), the risk for escalation remains high as the U.S. has conducted multiple strikes against Iranian-backed proxy militia forces in Syria and Iraq that have attacked U.S. forces over 60 times since the war began. In addition, the Iranian-backed Houthi rebels in Yemen have also been involved in firing missiles and sending attack drones in the direction of Israel (which have been intercepted by U.S. Naval forces in the region) and have even hijacked an Israeli-linked cargo ship. If this activity continues, the chances for a targeted U.S. strike in Yemen against Houthi forces will increase. Next, we provide an update on the war between Russia and Ukraine as the conflict enters the winter months. With the risk of Western aid faltering, Zelensky is under pressure to show additional progress in the war, while Putin's forces likely believe that they can "wait Ukraine/the West out" at least until the U.S. elections next year. Finally, we follow up on the mid-November meeting between Biden and Xi in San Francisco.

**Please reach out to your Academy coverage officer with any questions and we would be happy to engage.**

*Around the World with Academy Securities***Front and Center: War Between Israel and Hamas**

As we have addressed in our previous [ATW](#), [SITREPs](#) and [podcasts](#), our GIG has been closely monitoring the war between Israel and Hamas. On November 24<sup>th</sup>, the first pause in fighting began since the war started on October 7<sup>th</sup>. The negotiations were mediated by Qatar (and also included the U.S. and Egypt in the discussions). After weeks of intense meetings, a four-day ceasefire commenced and ~50 hostages along with ~150 Palestinian prisoners were (or are in the process of being) released. In addition, on November 27<sup>th</sup>, Israel and Hamas agreed to extend the four-day truce to the 29<sup>th</sup>. As part of the extension, an additional 20 Israelis (women and children) are expected to be released in exchange for 60 Palestinian prisoners. Aid trucks have also entered Gaza (and are expected to increase in number and frequency) bringing badly needed food and supplies to the civilians there. However, this war is far from over as the mission to destroy Hamas will likely take several more months. In addition, as General Tata from our GIG highlighted, “Tactical victories force Hamas to move and communicate, making them susceptible to Israeli and other intelligence gathering assets, which improves targeting and achieves more success. Pausing for too long will break this cycle, making it more difficult and costly for Israel to achieve its stated goal of destroying Hamas.” The broader concern is that this conflict will continue to destabilize the region and the risk of escalation will continue (as described in the following section). Netanyahu was under intense pressure, both internally and externally, to come to the initial ceasefire agreement that led to the return of ~50 hostages. However, Israeli forces are not allowing civilians to return to their homes in northern Gaza and will continue to push south following the end of the ceasefire. This is a highly complex situation and which entity will have responsibility for running Gaza after the conflict eventually ends is still unknown. For the time being, the priority is to win the release of as many hostages as possible and eliminate the capability of Hamas to attack Israel ever again. However, even with the aid trucks coming into Gaza, 1.7 million Palestinians have been displaced and the humanitarian crisis will undoubtedly keep the pressure on Netanyahu to complete his mission as soon as possible in order to reduce tensions in the Middle East.



*“Israel’s objective to destroy Hamas is becoming more difficult to achieve with the continuing release of the hostages and the expectation of rolling ceasefires. Hamas was able to change the existing conditions with their horrific attacks and show the Israelis and the world that the IDF was not invincible, and Israelis will forever live at risk. Hamas also highlighted that there is an underlying movement amongst the Palestinians that will emerge committed to resist via asymmetric methods. Most Gaza residents see themselves as refugees living in an open-air prison. Their end state objective is to return to their homes in what is now Israel. Their successful information operations have gained support throughout the world for what they view as unlawful containment in Gaza. While the IDF may be able to defeat Hamas militarily, Israel will be unable to win the information war. Israel may be successful in setting back the military capability of Hamas for years, but the group will eventually recover if a viable solution for both sides is not found.” – General Robert Walsh*

*“Even with a non-linear ratio of hostages released, the Israelis benefit greatly. What will matter to Israel is a renewed focus on deterrence or prevention of future attacks from Hamas. This may be reflected in the new Kibbutz restrictions and a reinvigorated internal defense posture. Despite the PM’s comments, there is not an obvious way for Israel to “clear” the entirety of Gaza. Nor is there any realistic process for creating a new governance model for Gaza. “Destroying Hamas” will not be possible in the near-term, meaning that Israel’s end state will have to be reframed in an “acceptable” outcome that is achievable.” – General Michael Groen*

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*“I don’t see any change in Netanyahu’s position regarding the destruction of Hamas. He cannot turn the clock back on world opinion so he will likely finish the job. This pause is due to pressure at home and from the U.S. to get the hostages released. The pause allows Hamas to regroup, resupply, and move south. That will cause the IDF to further pursue and bomb their positions which will increase global ire. Iran could be holding back Hezbollah, but more than likely Hezbollah doesn’t want its territory to look like Gaza. There is no question that the IDF would hammer Hezbollah if it scales to larger attacks. Iran is also not interested in direct Israeli attacks as they know Israel’s retaliatory targets will be nuclear and oil facilities. China continues to seek greater influence in the AOR for oil and other commercial economic benefits. Since the U.S. is supporting Israel, the GCC need a benefactor with influence to potentially solve the problem.” – **General Frank Kearney***

*“During the cessation of hostilities, the IDF will continue to locate Hamas fighters, assess the locations of hostages, facilitate humanitarian aid, and prepare target packets for immediate strikes once the ceasefire is lifted. Hamas will also use the time to regroup and potentially reposition assets further south. The biggest pressure on Israel to change its strategy is focused on reducing the level of damage. Israel is taking a beating in the court of world opinion; however, this is not something that will cause them to change their strategy (albeit there will be pressure from the U.S. to be more surgical in their strikes). The peace delegation that went to China highlighted the level of concern in the international community, but I don’t think that any one nation will step forward and take on a leadership role. None of the regional powers want to lead this effort, which is typical of how these issues have evolved in the past. China will remain on the fence barring an opportunistic moment to insert themselves. Iran doesn’t want to see a broader conflict and Nasrallah has challenges in Lebanon that are more pressing than a ground campaign against Israel. Iran does not want to direct or see a significant commitment of Hezbollah. Hezbollah will continue low level attacks and their information campaign against Israel.” – **General Robert Ashley***

*“While it’s certainly positive news that Israel has managed to secure the release of some of the civilian hostages, the multi-day ceasefire is undoubtedly providing Hamas with the time to regroup, rearm, and reorient, in its fight with Israel. At this juncture, the primary objective of Hamas is to preserve itself as a regime, and that effort is only being aided by the ceasefire. Another major effect of the ceasefire is that it is allowing time for the broader international community to build upon the growing calls for a cessation of hostilities in the region. The longer the ceasefire, the greater the public pressure will be on Israel to abandon its Hamas eradication strategy. The key question to consider is at what point does the growing call for a permanent ceasefire (coupled with the potential dwindling of political and military support) cause Israel to have to modify and restate its military objective in order to still claim a victory.” – **Admiral AB Cruz***

## **U.S. Strikes Iranian-Backed Proxy Forces in Syria and Iraq**

As we reported in our recent [SITREPs](#), the U.S. has continued to strike Iranian-backed militia groups in Syria (and most recently in Iraq) in response to attacks on U.S. forces in the region. In total, U.S. forces in Iraq and Syria have been attacked over 60 times since the war between Israel and Hamas began. These attacks have been getting more intense over the past few weeks and the most recent incident involved short-range ballistic missiles being fired at U.S. forces at the al-Asad airbase in western Iraq. Several militants were killed in the retaliatory strikes and the U.S. has vowed to continue launching self-defense operations until the attacks stop. However, Iranian-backed Houthi rebels also seem to be escalating their attacks in the region. In October, a U.S. Navy destroyer shot down several ballistic missiles and attack drones fired by the Houthis in Yemen that were on their way to Israel. In addition, over the past few weeks, additional drones have been shot down by U.S. naval forces. The Houthis have also claimed responsibility for shooting down a U.S. Reaper drone and for hijacking an Israeli-linked cargo ship in the Red Sea. The Houthis have declared that they are part of the “axis of resistance” and these kinds of attacks will continue



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until the war between Israel and Hamas ends. The concern is that as these attacks increase in frequency and intensity, the U.S. will have to continue to respond (potentially in Yemen as well, as the U.S. Navy recently came to the aid of the cargo ship Central Park, which came under attack from pirates this past weekend). While the risk of escalation continues to grow, the U.S. believes that Iran does not want to fight a war with the U.S. at this time. However, there is always a chance that one of these proxy forces crosses a line that brings the U.S. more directly into the conflict.

*“Iran controls its non-state proxy militias because they are dependent on Iranian training, weapons, and funding to operate. The number of attacks by the Iranian-backed militias against U.S. forces in Iraq, Syria, and at sea is rising at a rapid pace. On Sunday Houthi rebels fired two ballistic missiles toward the USS Mason, a DDG that is part of the Enterprise Carrier Strike Group. The Mason did not fire missiles to defend itself nor return fire since the Houthi missiles landed approximately ten nautical miles away. Last week the USS Thomas Hudner shot down multiple drones in the Red Sea that were launched by the Houthi rebels. The movement of U.S. forces to the region to act as a deterrence force has so far not deterred Iran’s proxy militias. The U.S. must escalate to deescalate if it wants to stop the growing attacks. Moving air defense capabilities to U.S. bases, firing defensive salvos from U.S. warships, and launching limited air strikes will not deter further attacks. The U.S. message must be clear that it will not tolerate attacks on its troops. Sending the Enterprise Carrier Strike Group into the Persian Gulf sends a strong message to Iran. Iran understands strength and resolve as do the U.S. partners in the region.” – General Robert Walsh*

*“The Iranian-supported Houthis are a thorn in the side of any peace settlement contemplated. The Saudis/Emiratis failed to achieve a military defeat of the Houthis, leaving this thorn. Before the latest boarding, the Houthis have continued a campaign of harassment and have even launched cruise missiles at U.S. Navy ships in the Red Sea. While the U.S. Navy has great defensibility against these capabilities, it is likely only a matter of time before some threat/counterthreat could escalate into a U.S. strike on the Houthis. The biggest challenge in that case would be actually finding a target worth striking. The Saudis struggled mightily with the targeting dilemma, and the Houthis have been effective in hiding their capabilities prior to striking. Truly strategic decision-making about what to strike or how to react to Houthi provocations will be essential.” – General Michael Groen*

*“We’re approaching two months and no Houthi strikes against KSA infrastructure. Given the reengagement between KSA and Iran, I would assess that Iran may have told the Houthis not to strike into KSA proper. The U.S. strikes will remain proportional as the administration seeks to mitigate the risk and manage any escalation. However, continued attacks will likely result in direct strikes against Houthi infrastructure in Yemen.” – General Robert Ashley*

*“I continue to believe that Iran is reluctant and does not want to risk a direct conflict with the U.S. or its allies at this time. Iran’s primary political goal is to preserve its Islamic Republic regime and increase its profile, presence, and influence throughout the Middle East. Militarily, with a well-staffed force, Iran has aggressively expanded its domestic weapons-building and armament capacity, and one cannot rule out the possibility or likelihood that Tehran will at some point pursue in earnest becoming a nuclear state, which would be an obvious game-changer for the Middle East region and beyond. In the meantime, however, Iran seems content to simply continue what it has been doing for 40+ years. This includes continuing to facilitate, fund, and coordinate Islamic terrorist proxy groups to help undermine its enemies, like Israel and the U.S., while growing its regional dominance and extending its radical ideology.” – Admiral AB Cruz*



*Around the World with Academy Securities***Russia | Ukraine Update**

As we have addressed in our previous [ATWs](#), the stalemate in Ukraine continues with no definitive end in sight. The Ukrainian counteroffensive has resulted in limited gains on the ground, but its forces were successful in forcing Russia to pull the bulk of its Black Sea Fleet out of Crimea, which allowed a limited number of grain shipments to leave the region. As we enter the winter months, both sides will try to gain the upper hand by capturing territory that will facilitate further advances and Russian strikes will once again target Ukrainian energy and power infrastructure. Over the past month or so, Russian forces have been focused on capturing Avdiivka, which lies just to the north of Donetsk. If Ukraine is successful in holding the Russian forces back, this town could be used in a future operation to liberate Donetsk. Ukraine continues to receive much needed support from the West, but the desire and capability to continue to supply weapons is starting to fade. While the addition of more advanced weapons systems such as the Army Tactical Missile System (ATACMS) has helped, at the current level of support, there is no way that Ukrainian forces will be able to expel all Russian troops out of the country. Putin believes that he can just “wait Ukraine/the West out” because Russia has significantly more manpower and time on its side. In addition, we have not seen the full impact of weapons coming from Russian allies North Korea and Iran, especially as Iran is rumored to be considering the option of sending short-range ballistic missiles to Russia. In addition, while China has not provided Russia with “lethal aid” in its war effort, China has continued to send manufactured goods (including heavy trucks/digging equipment) and technology to Russia. As the U.S. tries to improve relations with China, there is no doubt that its support of Russia (as well as North Korea and Iran) is all part of the broader equation.



*“Last week EU members met to formalize a long-term commitment to Ukraine’s security while the U.S. was focused on Israel and Hamas. Ukraine is at a critical point and needs assured support as its counteroffensive failed to achieve its objectives and the Russian military is renewing its attacks. It raises questions regarding whether or not the momentum has shifted in Russia’s favor and/or will the U.S. and Europe reach war fatigue and seek a negotiated settlement. An enduring war favors Putin. President Zelensky views trading territory for a truce as capitulation to further Russian subjugation. Putin used the war to consolidate his internal power, and the Russian people are committed to the path that he has taken. The West is foolish to think that Putin will be willing to negotiate over the current stalemate when he expects the West’s resolve to weaken. The cost to the U.S. and Europe is high, but not as high as the cost to Ukraine. The cost to allow Putin to win enables Russia to rearm, refit, and continue being an existential threat to the Baltics and the eastern European countries.” – General Robert Walsh*

*“The contemplation of further aid to Ukraine by the U.S. has devolved into political negotiations incorporating other topics, rather than focused national security decision-making. Fortunately, Europe has demonstrated a strong commitment. For Russia’s part, a renewed spring offensive is likely and will be designed to reflect the deep challenges for Ukraine in restoring its boundaries. Without internal challenges from within the Russian state, Putin can extend this campaign to the limits of the West’s willingness to continue to support Ukraine. For the U.S., the calculus of one dollar of aid contributing to multiple outcomes (destruction of the Russian military, the strengthening of NATO, the demonstration of U.S. strength/will, etc.) seems to favor continued U.S. and European investment in Ukraine’s success.” – General Michael Groen*

*“Europe is stepping up and has contributed over 50% of the support and recently eclipsed the U.S. in funding. Another dynamic for Putin will be the presidential elections next year. Unsure how much of a distraction that presents for Putin as we expect that his information narrative will ramp up in anticipation of an election with a pre-determined outcome. A full mobilization remains a low probability. The U.S. and NATO need to sharpen their narrative and*

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*strategic communications beyond soundbites to help the domestic audiences and the international community better understand the risk of reducing support for Ukraine. Russia is still not in a position to take over Ukraine as we remain headed toward a frozen conflict at best with neither side being able to reach their ultimate end states.” –*

**General Robert Ashley**

**Xi Meets with Biden in U.S.**

As discussed in our recent [SITREP](#), President Biden met with President Xi in San Francisco at the Asia-Pacific Economic Cooperation summit on November 15<sup>th</sup>. While there were many items on the agenda, the consensus from our GIG was that there would be little of substance accomplished directly, other than a resumption of military-to-military communications, which are critical in de-escalating any potential incidents in the region. Of note, there have been several examples of dangerously close intercepts of U.S. aircraft by Chinese fighters in international airspace. Regarding Taiwan, while it was not the headline topic of discussion at the meeting, Biden did warn Xi not to interfere in the upcoming election in January. With Taiwan's opposition parties initially agreeing to run on a joint ticket, it appeared that Xi got what he wanted as this would have made it difficult for VP Lai to win the election. Lai is a known separatist and following his transit of the U.S. in August this year, China conducted one of its largest military exercises on record that was designed to simulate a blockade of Taiwan. However, last week, the hope for a joint opposition party ticket faded as these parties registered separate presidential candidates. This comes just days after the DPP announced that its presidential candidate, Taiwanese VP Lai, had selected the former de facto ambassador to the U.S. (Bi-khim Hsiao) as his running mate. At this point, Lai's chances of winning the presidency look much more likely. Our GIG will be closely monitoring for signs of intimidation in the lead up to the election in Taiwan in January and the fear is that even though Xi has been posturing for re-engagement with the U.S. to help support his troubled economy, geopolitical issues such as Taiwan will continue to be the main focus of tension between the two countries.



*“The bar was set very low by both sides with neither interested in the other's priorities. President Biden wanted to reinstate military-to-military communications to manage the increased competition and lower the risk of conflict. He was successful in getting a general agreement. Xi sees the U.S. trying to contain China in a Cold War like approach and was only willing to meet with Biden because he needs to get his economy moving again. Xi wants Biden's support of his efforts to reopen China to U.S. CEOs after the Biden administration put tighter controls on the U.S. tech industry. Xi achieved a political victory back home with the news of the standing ovation that he received at the dinner he attended with CEOs from the U.S.” – General Robert Walsh*

*“This session gave each side an opportunity to vent their frustrations with the other over a variety of topics. Both sides now have an opportunity to recraft what they heard to build a new approach to the relationship. With the joint ticket in Taiwan's election falling apart, it seems like the DPP is on-track to win the election. This implies that we are on a path to continued military harassment of Taiwan and tension in the South China Sea. With a growing list of partners that are concerned and vocal against China's actions, there is an opportunity to increase pressure on both sides. President Xi has made this a legacy issue, creating a great risk of military conflict.” – General Michael Groen*

*“China will continue to use disinformation and misinformation to influence/shape the outcome of Taiwan's presidential elections in their favor. It was able to influence Foxconn billionaire founder, Terry Gou (an independent) to drop out of the race and now since the TPP and KMT could not agree on a single opposition presidential candidate against the DPP, I expect to see very unfavorable information coming out against the TPP or the KMT presidential candidate because China wants to make this a two party race vice three (as this is the only way that the DPP can be beaten). The DPP has refused to accept the “one China” policy agreed to in the “1992 consensus” by the KMT, so I*

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*expect to see the DPP attacked as the party for war, while the KMT and TPP are presented as the parties for peace and prosperity. China will remain visibly quiet on the Taiwan elections to give the appearance of not interfering, but financially they are working to try to ensure that the DPP candidate (VP Lai) loses the election.” – **General KK Chinn***

*“If anything, the Biden/Xi meeting served to further enhance President Xi’s standing as a world leader whose interests, relationships, and influence extend to all corners of the world. That said, his country’s faltering economy is indeed a real concern for Xi and will likely limit many of his domestic and international initiatives perhaps for years to come.” – **Admiral AB Cruz***

*“One of the topics addressed by Biden and Xi at their meeting (albeit a brief discussion) was how the two countries viewed Artificial Intelligence (AI) and how it can be regulated within the international community and between the U.S. and China specifically. The two leaders agreed to hold formal talks to improve AI safety and understand/mitigate risks posed by advanced AI systems. President Biden reaffirmed that the U.S. would continue to rely on advanced technologies like AI. Biden also reaffirmed U.S. export controls on chips used in advanced AI processing leading many to conclude that the two nations are in a high-tech Cold War. It is a reasonable assumption given China’s significant investment in Digital China.” – **Admiral Danelle Barrett***

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