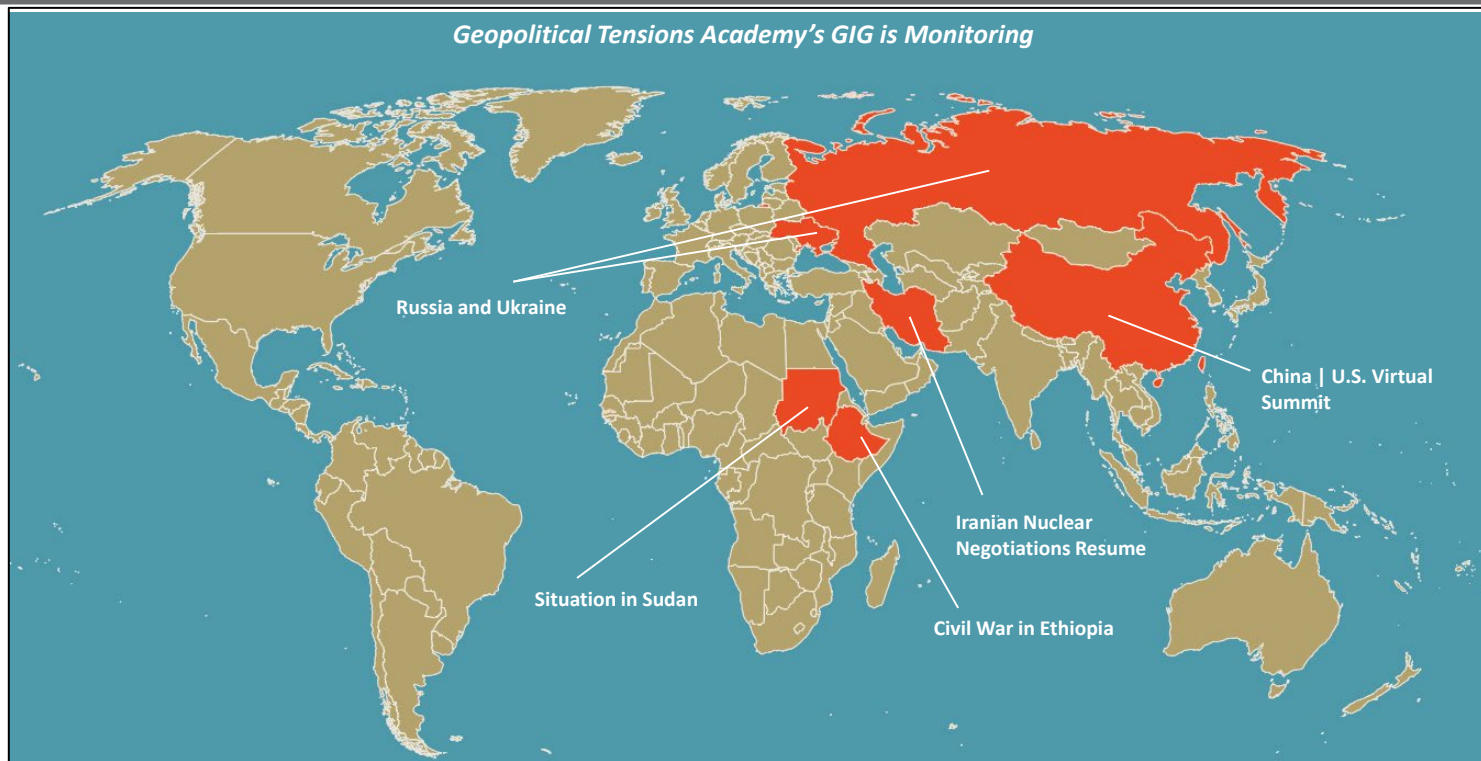


Around the World with Academy Securities



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

1. Russia and Ukraine
2. China | U.S. Virtual Summit
3. Civil War in Ethiopia
4. Situation in Sudan

First off, we would like to highlight our recent [webinar](#) titled **Risks of Global Nuclear Proliferation**. This webinar focused on **Iran** and the nuclear talks that resumed on November 29 in Vienna as well as advancements in technology by **China** and **Russia**. There are lots of moving parts in these discussions with Iran, but the likelihood of returning to anything resembling the original JCPOA at this point is unlikely. While there is a chance that a more limited deal is reached in the interim, this will not appease Israel or solve the problem of Iran's ballistic missile program, support for regional terrorism, or address the issue of the nuclear "knowledge" that Iran has acquired over the past several years. A plan "B" is being discussed and includes options ranging from sanctions targeting Iranian oil sales to China to military/covert action. We also highlight the Russian troop buildup on the Ukrainian border and address the likelihood of an invasion of Ukraine. We then report on the recent virtual summit between President Biden and President Xi of China, which accomplished little in terms of actual results, but highlighted the need for communication to lessen the likelihood of an accidental confrontation. We also revisit East Africa and the civil war in Ethiopia as well as the recent military coup in Sudan (including the reinstatement of the prime minister). Both Ethiopia and Sudan are critical to the stability of East Africa, as highlighted by a recent trip to Kenya by Secretary Blinken. Finally, while we will also be keeping an eye on the [Omicron Covid variant](#), in our next ATW, we will review some of the potential geopolitical surprises that we could see in 2022.

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

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Front and Center: Russia and Ukraine

In our April [SITREP](#) and subsequent [podcast](#), we addressed the spring 2021 buildup of Russian troops on the Ukrainian border. At the time, our GIG's assessment was that Russia was testing the new U.S. Biden administration and while a move into Ukraine was possible, it was unlikely for several reasons. A few weeks later, the order was given for the Russian troops to return to their bases and while the situation appeared to be resolved, the troops were never fully removed. Over the past month, a similar number of Russian troops have again assembled on the border with Ukraine. This development has set off alarm bells once again across Europe and U.S. intelligence has been watching this closely. A few weeks ago, CIA Director Burns flew to Moscow to discuss this issue with Putin directly and DNI Director Haines flew to Brussels to address the buildup with NATO. Once again, the concern is that this troop deployment could be the precursor to a Russian advance that could be larger than the Russian move into the Donbas in 2014.



While there are fewer Russian troops on the border than during the “exercises” back in the spring, the risk of an invasion still exists. The question is whether Putin is willing to pull the trigger on the largest combat operation in Europe since WWII. To put this in context, is it even possible to occupy a country of ~40mm people with 90k troops? In 1968, the Soviet Union invaded Czechoslovakia with ~250k troops. At the time, Czechoslovakia had 10mm citizens and because it was a Warsaw Pact nation, it did not have a standing army. Ukraine, on the other hand, does have an army and has been supported by a few billion dollars of U.S. funding over the past several years. While the Russian military is far superior, any incursion would be met with fierce resistance. Additionally, while Ukraine is not a NATO member, the U.S. has expressed significant support for Ukraine. However, U.S. military involvement is highly unlikely and new sanctions are being prepared as a potential deterrent instead. So, why is Putin risking a potentially much larger and complex conflict? More recent Russian military campaigns have been on a much smaller scale (i.e., Syria, Georgia, and Crimea).

However, the issue of Russian pride and the fear that Ukraine is pulling farther away from Russia coupled with the paranoia caused by closer U.S. and NATO engagement in the region in violation of Putin's “red lines” could cause Putin to do something more drastic. While our GIG, including [General Deptula](#), will continue to monitor the situation for signs that a larger military operation against Ukraine (or a smaller, more targeted invasion) is imminent, there is concern that Putin will look to manufacture a crisis and use it as the rationale for action. The migrant issue in Belarus (on the Polish border), while abating, is one situation that could result in the use of Russian special operations forces and pave the way for a broader Russian incursion into Belarus (and potentially into Ukraine). Time will tell what Putin's true intentions are (i.e., using this situation to receive concessions from the West/a long-term security agreement regarding Ukraine or is a actual lead up to an invasion in Jan/Feb 2022), and this situation is far from over.

*“Russia, China, and their proxies are testing the Biden administration’s resolve on the heels of the Afghanistan withdrawal disaster and perceived executive leadership weakness. China is threatening Taiwan and Russia is pushing into territory it “lost.” Expect more of the same.” **General Spider Marks***

“I see this (Russia/Ukraine) as more problematic than China/Taiwan. Internal fractures in U.S./NATO politics have always been seen by Russia as a moment of distraction and potential weakness. Russia has interpreted the Biden administration’s decisions in Afghanistan as weakness. Couple that with the fight that occurred on the Hill over rebuilding infrastructure and the perceived shift in the U.S. political landscape. Russia could well see this as an opportunity to expand with limited concern of retaliation. The fuel line from Russia to Europe further complicates

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this as we approach what looks to be a cold winter season, plausibly reinforcing Russia's lowering concern of NATO intervention." **General Mastin Robeson**

"Putin is testing the waters in Ukraine to see if the U.S. and the European countries have the resolve to continue supporting Ukraine. He may create another alleged Ukrainian provocative act, akin to Russia's 2014 invasion of Crimea. Russia's increased forces along the Ukrainian border and its increased military support of Belarus are signals to the West to back off any type of support for what Putin views as historic Russian territories. It will take time to get the logistical support in place that Russia needs to facilitate an invasion like in 2014. Our intelligence community will watch this closely for an obvious indicator of an invasion." **General Robert Walsh**

"NATO needs to get aggressive and fight Putin in the information domain where Russia currently excels. Misinformation/disinformation campaigns to cause confusion and the "fog of war" to influence the populace within Russia would be a good starting point. We need to be as effective in this domain as the Russians are." **Admiral Danelle Barrett**

"Putin will continue to work to undermine the existing European security order and push red lines to see what is acceptable, short of an all-out war with NATO. Putin knows Russia cannot compete militarily or economically with the West, but it can continue to have wins when using information warfare. In 2014, when Russia annexed Crimea, Putin used a disinformation campaign to deny Russia's involvement in Crimea (and a year later, Putin admitted he had lied and there were Russian troops in Crimea). Putin's initial lie exploited the idea of freedom of information to inject disinformation to sow confusion and create doubt, and once it served its purpose, he came clean.

Putin will continue his disinformation campaign in Eastern Ukraine to sow doubt and chaos to sway public opinion in his favor and create favorable conditions for future opportunities. The good news is that Ukraine's President Zelensky took the offensive by alleging a coup plan involving Russians - exactly what needs to be done to counter disinformation campaigns by Russia and China. NATO, the EU, and the U.S. must provide pre-emptive information to journalists, analysts, NGO's, etc. who can disprove Russian and Chinese false stories faster and more effectively which enhances their reputation as a credible source of information. I concur with Danelle on the way ahead for NATO, the EU, and the U.S." **General KK Chinn**

China | U.S. Virtual Summit

On November 15, President Biden met virtually with President Xi and discussed a wide range of topics including Taiwan, cyber, human rights, trade, Iran, and nuclear weapons. The underlying reason for the virtual meeting (which was arranged at Biden's request) was to diffuse some of the recent tension that has been developing between the U.S. and China. The two countries are at odds over all the issues listed above and the chances of a confrontation, even one that occurs by accident, is growing by the day. As President Biden said, "it seems to me that we need to establish some common-sense guardrails." Another goal of the meeting was to keep communication lines open on some of the more sensitive topics like Taiwan, the South China Sea, and cyber. Regarding Taiwan, Xi said that U.S. support for Taiwan was like "playing with fire" and the U.S. strategy of partnering with China's neighbors (i.e., the Quad) would "inevitably bring disaster to the world." Taiwan is by far the most contentious topic and the recent Chinese incursions into Taiwan's Air Defense Identifications Zone (as we reported in last month's [ATW](#) as well as Sunday's flights that included 18 Chinese fighters, five nuclear capable bombers, and a refueling aircraft) have further enflamed the situation. In addition, President Biden's invitation to Taiwan to attend next month's virtual Summit for Democracy was immediately condemned by China.



While nothing of substance was really accomplished at the summit, if the virtual Biden/Xi meeting raised the importance of communication between the two leaders to head off an accidental military confrontation that runs

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the risk of escalating quickly, then at least some progress was made. However, in the eyes of the Chinese leadership, accomplishing nothing could be considered a win for China as it further demonstrates their strategy of waiting out multiple U.S. administrations while China continues to grow stronger both militarily and economically. All eyes will be on the upcoming Winter Olympics in Beijing so there is little risk of an issue causing tensions to boil over prior to February 2022, but many of the areas of disagreement and conflict (i.e., Taiwan, cyber, and nuclear weapons) each have the ability to be a precursor to a conflict. Our GIG will be watching for areas of engagement between the two countries that could lead to compromises in areas like the Iranian nuclear discussions (China's oil trade with Iran) and North Korea.

"I saw this summit as keeping the communication channel open as purpose number one. That is a good thing given the complexity of the economic relationship set against the global/regional military and political competition. When the national leaders talk it opens the door a little for their cabinets and others to continue the dialogue. No meat in this discussion but there were before dinner cordials." **General Frank Kearney**

*"I see most of this as a Chinese chess game, i.e., seeking an advantage by voicing strength, but I do not believe that China has the intent nor the will at the present time to invade Taiwan. They are however seeking to push the Biden administration and others to see how they react (soft/weak or hard/strong). In fact, their posturing seems to be playing against them as it has generated some bonding between other Pacific Rim nations (i.e., Japan, Philippines, India, Australia, South Korea). It has also stimulated some unanimity regarding arms sales and assurances to defend Taiwan (though I doubt the "defend" assurances are as real as stated)." **General Mastin Robeson***

"I concur with Mastin, China is an authoritarian state and uses information to control how the state is portrayed (stifling criticism, etc.) whereas with a democracy, transparency of information is part of the system. Look at how China has worked to control information the past nine years by cutting off all that seek to challenge the party's narrative both internally and externally (this is starting to be reported more readily now, but stifled quickly by China's control of various media outlets). With the summit, China is on message to their people by demonstrating that they are working with the international community and the U.S."

What does China have to do to win in Taiwan? If you understand democracy and politics, democracy allows for opposing parties to take control of the government over time via elections. Examples in our hemisphere are El Salvador, Brazil, Argentina, etc. China, using information warfare and providing funding (lots of it) to parties friendly to China in Taiwan, will eventually get the people and government leadership to support China as that is how the democratic system works. This is a long-term plan with a goal of it happening prior to 2049, but as we saw with Hong Kong, sooner is more likely. Additionally, China does not want to get distracted with an insurgency fight on the island of Taiwan when they can win over time by ensuring that Taiwan does not push for independence. President Tsai is in her second and last term as president, so we will have to watch and see how China works to influence domestic politics in Taiwan and the next presidential election through disinformation campaigns creating relentless political crises that make it hard for her to govern and lead Taiwan." **General KK Chinn**

"I do not expect China to play by any international rules or norms when it comes to cyber. They will continue to use their military forces for offensive (and defensive) cyber operations. They will also continue to work to steal commercial intellectual property (IP) particularly in the defense industrial base (DIB). They routinely target DIB partners to steal IP and have been very successful in shortening their development time for weapons and other defense capabilities by stealing U.S. IP. President Xi has made cyber a centralized priority and it is a critical component of Chinese strategy. China intends to dominate in the information domain. Xi believes that China will be the global leader in AI by 2030 and is building the infrastructure to do it: quantum computers, massive terrestrial bandwidth, focus on producing AI engineers, etc."

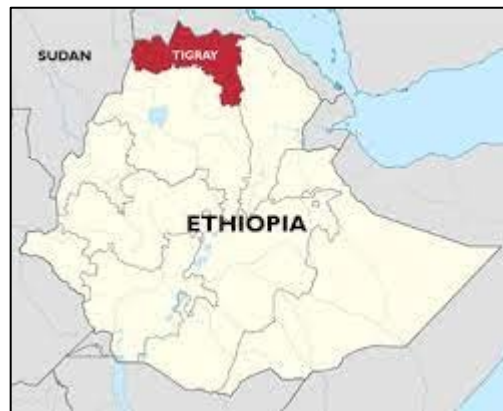
President Xi has also stated that "the development of cybersecurity and informatization should contribute to China's drive to develop a modernized economy/achieve high-quality development and to realize the new model of industrialization, urbanization, and agricultural modernization." He elaborated further on his cyberspace vision,

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*saying that “efforts should also be made to develop the digital economy, promote deep integration between the internet, big data, artificial intelligence, and the real economy, and make the manufacturing, agriculture, and service sectors more digitalized, smart, and internet-powered.” It will be difficult to see China as a “partner” in cyber with their nationalistic goals and tendency for nefarious behavior in cyberspace.” **Admiral Danelle Barrett***

Civil War in Ethiopia

In our August [ATW](#), we addressed the civil war currently escalating in Ethiopia. The conflict began a year ago when the PM of Ethiopia Abiy Ahmed (who won a Nobel Prize in 2019) sent forces into the Tigray region to engage the rebels that had allegedly attacked a government military camp. The situation quickly escalated and a year later, the Tigray forces (Tigray Peoples Liberation Front) are advancing on the Ethiopian capital. The fighting has caused a humanitarian disaster as hundreds of thousands of people are facing starvation and thousands have been killed. There have also been widespread human rights abuses. There were also reports over the weekend of an attack on Sudanese soldiers on the border of Ethiopia/Sudan. The Ethiopian government was quick to blame the incident on the Tigray rebels.



The African Union has tried to mediate a solution, but neither side has entered discussions. While the U.S. has tried to apply pressure and Secretary Blinken has said that a continuation of the conflict would be “disastrous for the Ethiopian people and also for others in the region”, the fighting has continued to intensify. Other actions that the U.S. could take would be to revoke Ethiopia's duty-free market status, which would damage Ethiopia’s burgeoning manufacturing base and the progress the country has made economically. Ethiopia is the second most populous country in Africa and is critical to the stability of the region. A political solution to this conflict must be identified soon as the window for discussions is closing.

*“It is unlikely that this will bring other nations into the fight unless we push the African Union to intervene. This is a three decades old point of friction that the Ethiopians will likely see as an opportunity to crush the Tigray forces. The Tigray population has traditionally represented 7%-9% of the greater “Ethiopian” population. The U.S. has traditionally supported the greater Ethiopian population over Tigray which is manifested in the U.S. choosing to support Ethiopia over Eritrea.” **General Mastin Robeson***

Situation in Sudan

As we reported in our last [ATW](#), on October 25, General Abdel Fattah Burhan, the leader of the military led coup, ended civilian rule, arrested political leaders (including Prime Minister Abdalla Hamdok), and called for a state of emergency in Sudan. Over the past 30 days, over 40 people have been killed in the protests. However, on November 21, the military leadership released the Prime Minister and signed an agreement reinstating him and restoring the transitional government that was installed after the ouster of former dictator Omar al-Bashir in 2019. While this might be viewed as good news which would address the concerns of the protesters, some feel that the Prime Minister agreed to the deal returning him to power under duress and the people responsible for the deaths of the protesters need to be held accountable. The other question in the minds of the people will be how much influence the military will have over the government. The new agreement outlined the priorities for forming a new government (including the elections in 2023), a power sharing agreement, directed the release of all prisoners taken by the military over the past month, and ordered an investigation into the deaths of protesters.



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However, even after this deal was signed, the protests continue as the people of Sudan want the military to report to the civilian leadership. However, as part of the power sharing agreement, while Hamdok is the prime minister, General Abdel Fattah al-Burhan continues to lead the transitional government. The U.S. has an interest in seeing a peaceful transition to democracy in Sudan and played a role in helping to return Hamdok as the prime minister. Sudan was a signatory of the Abraham Accords earlier this year normalizing ties with Israel in exchange for the removal of Sudan from the list of countries promoting terrorism and provided Sudan with access to financial aid from the World Bank. However, the \$700mm in U.S. aid to Sudan, which was suspended after the military coup, is still in limbo until more progress is made to ensure a smooth transition to democracy.

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