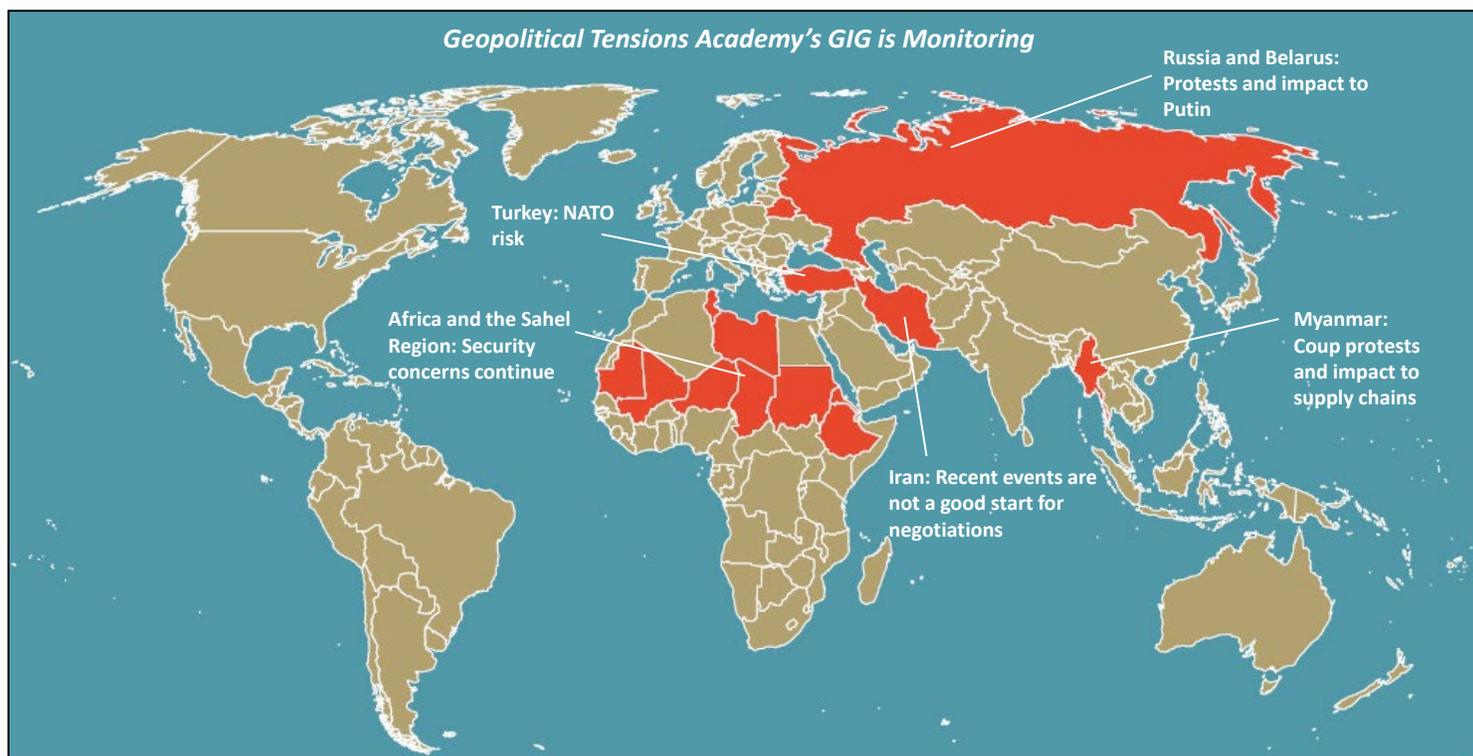


Around the World with Academy Securities



In this month's edition of *Around the World with Academy Securities*, our [Geopolitical Intelligence Group \(GIG\)](#) focuses on the coup in Myanmar, the offer to begin discussions with Iran regarding the nuclear deal, the protests in Russia and Belarus, U.S. relations with Turkey, and the security situation in North Africa/the Sahel region. We begin with the coup in Myanmar, where on February 1st, the military seized control from the democratically elected government. While the events on the ground are extremely troubling, our GIG is also monitoring the potential for near-term global supply chain disruption. Next, we address Iran and the U.S. overture to rejoin nuclear talks with the other JCPOA signatories. However, recent events such as rocket attacks on U.S. forces in Iraq, continued sponsorship of regional terrorism, Iran's ballistic missile program, and the announcement that Iran will restrict UN nuclear inspectors does not set the stage for productive discussions. In Russia, we revisit the protests over Navalny's detention and sentencing as well as the prospect that Belarus will resume protests in the spring and how these events are putting Putin in a difficult position. With respect to Turkey, we continue our coverage of the challenges the U.S. and NATO face in their relations with Turkey as well as the risk that Erdogan will move closer to Russia and China. We also revisit North Africa and the Sahel region where the security situation continues to deteriorate. Finally, we wanted to highlight our recent [Domestic Terrorism Podcast](#) released on February 12th and our [SITREP](#) on Rare Earths, a National Security and Environmental Threat. Both pieces emphasize the breadth and depth of capabilities and insight that Academy's GIG, ESG, and Macro Strategy professionals have to offer and the team is standing by to address any questions or concerns. Please reach out to your Academy coverage officer and we would be more than happy to engage.

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Front and Center – Protests in Myanmar

On February 1, 2021, Myanmar's military seized power and detained State Counselor Aung San Suu Kyi and President Win Myint. With the military deployed on the streets of major cities and a one-year state of emergency declared, thousands have taken part in protests across the country. The country was led by a military dictatorship until 2011, but the last 10 years have been under civilian rule. Currently, General Min Aung Hlaing, the head of the military, is in control. The rationale for taking power is that the military leadership felt the recent parliamentary elections were fraudulent and demanded a re-run of the entire process. While the situation in the country is deteriorating quickly (two protesters were shot and killed by riot police on February 20th) and the Biden administration has imposed sanctions and export control restrictions, the impact to the region is still unclear. What is clear is that the coup and subsequent protests are having an impact on the global supply chain, primarily for footwear, apparel, and luggage manufacturing, which are their largest exports to the U.S. However, the U.S. only accounts for 4.4% of the exports from Myanmar, with China and the EU accounting for almost half of the volume. Banks are closed as is the country's airport. The country's access to the internet has been turned off. The seaport remains open but the process of getting products to the port has been dramatically impaired due to truck drivers joining the protests. The longer-term repercussions from the coup are yet to be seen, but Myanmar's economy is experiencing an immediate slowdown. Our GIG will closely monitor the situation.



*“This will be the first of many challenges the Biden administration will have to work through as they try to balance the geopolitical situation and sanctions against countries that don’t act in accordance with international norms. The targeted sanctions against Myanmar’s military leaders, families, and their business interests are a continued expansion of previous sanctions against senior Generals that had already been sanctioned in 2019 after being accused of human rights violations against Rohingya Muslims. The sanctions included barring them from entering the U.S., holding assets in the U.S., and doing business with Americans. U.S. businesses are not involved in natural resource extraction or commodity export sectors. Myanmar is part of ASEAN, and like all ASEAN nations, it has no desire to be dominated by China. Myanmar’s military does not trust China which has supported ethnic rebel armies along its border. However, China is the largest foreign player in Myanmar (30% of trade), and the National League for Democracy (NLD) made many infrastructure deals with China which expanded their influence. The return to democracy will not occur quickly as the Generals have encouraged continued ongoing investments in Myanmar and have told businesses that they will be protected. There will be no quick resolution to the current military rule in Myanmar even with the pressure from regional players like Japan, Singapore, Australia, India, Indonesia, and other U.S. allies. Aung San Suu Kyi (State Counselor) lost most of her Western support when she dismissed the Rohingya genocide accusations. Myanmar military leaders will continue to promise (as Thailand’s military leaders have also done) that they will have free and fair elections in the future when conditions are right.” **General KK Chinn***

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Future of the JCPOA and Iran's Sponsorship of Terrorism

The Biden administration announced on February 18th that it offered to re-enter discussions regarding Iran's nuclear program. The plan would likely be to engage alongside European partners, as opposed to Iran dealing directly with the U.S. While this offer might be viewed as a step toward negotiations that would preclude Iran from developing a nuclear weapon, there are many potential issues that will have to be addressed. The first is what preconditions would be proposed in advance of any potential meeting. Iran's economy has been badly damaged by U.S. sanctions and the impact of COVID. While the U.S. has also recently announced that it would not renew U.N. sanction on Iran (which was one of Iran's preconditions to re-engagement), it is still unclear if Iran will be in a position to enter discussions in light of the upcoming elections. Iran has said that the topics of its long-range ballistic missile program and its support of terrorism (and Assad in Syria) are off the table. Further complicating the issue are the recent events in Ethiopia, where 15 people were recently arrested for being part of a plan to attack the embassy (and diplomats) of the UAE in the country. The U.S. and Israel believe that Iran was behind the plot. In addition, questions remain regarding Iran's role in supporting militia forces that launched a rocket attack against a U.S. base in Iraq last week, which injured one U.S. servicemember and several other contractors. A second rocket attack on February 20th hit a base north of Baghdad where a U.S. defense company services Iraqi F-16s. Also, as we reported in our previous [ATW](#), Iran continues to test ballistic missiles and recently landed one 100 miles away from the USS Nimitz in the Arabian Sea. Finally, on February 23rd, Iran officially announced that it would restrict access for UN nuclear inspectors to its nuclear facilities. As it remains clear that the regime cannot be trusted to abide by its agreements and will not entertain a discussion around missile testing or their regional support of terrorism, how likely it is that there will be a return to a nuclear deal that will be palatable to both the U.S. and Iran?



*“The European invitation to talks is important for Iran’s ability to save face with their citizens and hardliners. The U.S. withdrew and imposed sanctions unilaterally and the Iranians cannot act publicly without a U.S. action. The Iranians have a presidential election in June and this makes all public statements really targeted at their home audience. While the Iranians want the sanctions lifted rapidly, they will continue to threaten increased enrichment and eviction of inspectors because they need to look strong. Quiet, behind the scenes diplomacy to allow Iranians to save face will be the path to a return to the JCPOA. That said, Iranians will continue violent and other actions by surrogates against the Saudis and Emirates abroad. The Iranians don’t see the JCPOA and their malign influence operations as connected. The concept of supporting the Houthi’s fight externally is an expansion of the battle and it makes sense to threaten KSA and the Emirates which creates cost, security, and prestige challenges. The Biden administration seems to be reserved in its reactions which again may be required to get the talks underway seriously. I don’t believe that the Iranians will be willing to discuss malign regional activities or missile issues as part of the JCPOA discussion. Many hard liners in Iran don’t want the JCPOA and the economic challenges being attributed to the U.S. supports hardliner’s interests in the upcoming elections.” **General Frank Kearney***

“It’s difficult to understand why U.S. Secretary of State Antony Blinken would have said last weekend that the Trump sanctions have been a failure, thus, taking all leverage off of the table going into any future negotiations with the Iranians. It puts the U.S. back at the table with less leverage than if we had kept them in place. This is in complete opposition to what the Biden team said that they wanted to do by “lengthening and strengthening” the deal with the expectation that a new deal could cover other activities by Iran, such as its support of militant groups in the Middle East and its development of ballistic missiles. Even more appeasing is that this lines up with Iran’s deadline of Sunday, Feb. 21, to expel the U.N.’s nuclear inspectors if the sanctions were not lifted.

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*President Biden believes that diplomacy is the way to deal with Iran. He wants to discuss with Iran how to get strict constraints back on their nuclear program. The sanctions put on Iran by the Trump administration have crippled Iran economically. Continued attacks by Iranian backed Shia militias on U.S. forces in Iraq have been met by no U.S. response thus far. Holding Iran responsible for its proxy behavior is the only way to negotiate in the tough Middle East neighborhood.” **General Robert Walsh***

Russia and Belarus

As we reported in our previous [ATW](#), the protests continue against the detention and sentencing of Alexei Navalny. For years, Putin tried to silence Navalny and finally tried to kill him with a banned nerve agent last summer. Navalny recovered and was arrested upon his return to Moscow. While the scale of the protests has been reduced, they still continue across the country. However, the protests go far beyond the detention of Navalny. In the years since the break-up of the Soviet Union, the situation in many cities across Russia has not improved. Living standards are poor, there is high unemployment (especially as a result of COVID), and many young people feel that it is time to speak out about corruption.

In neighboring Belarus, as we reported last summer in our late August [ATW](#), the protests against the “rigged” election of Lukashenko that began last summer resulted in the arrest of over 30,000 people. Smaller protests continue, but the expectation is that they will intensify in the spring as it is clear that Lukashenko will continue to hold on to power. He has reached out to Putin for help and received a \$1.5b loan and an offer to send in Russian security forces. While Putin may not like Lukashenko, he has to continue to support him and he will not allow the protesters to claim victory, for fear that victory will embolden the protesters in Russia. While the Biden administration has taken an initially tough stance against the Navalny detention and Nord Stream 2, what will further complicate U.S. efforts in dealing with Russia is the EU. While the Biden administration has urged Germany not to complete the Nord Stream 2 pipeline, Germany has argued that it is a commercial project and not a political statement (also noting that Russia needs the revenue more than Europe needs the natural gas). Competing agendas will make dealing with Putin even more difficult in the coming years.



“Last year’s pro-democracy protests in Belarus resulted in Putin sending a \$1.5b loan to prop up Lukashenko and a promise to send in Russian security forces if the Western backed protests put their Soviet Era partner at risk. We should expect that any threat to Lukashenko’s government by the anticipated spring protests supported by Western powers to be a redline that Putin will not allow to be crossed. This comes even while he feels his own domestic pressure from the weak Russian economy and protests stemming from Alexei Navalny’s imprisonment. With Putin’s domestic support suffering, he can expect the new Biden administration, along with European Union countries, to be more vocal in their outrage over Putin’s heavy-handed crackdowns on the protestors after Navalny’s jailing. Lukashenko is playing for Putin’s support by arguing that Putin is facing the same illegitimate Western backed pressure that he felt last year. He is calling 2021 a “decisive year” for both Russia and Belarus. The last thing Putin wants is the Russian people linking what is going on in Russia to the ongoing suppression in Belarus. Just maybe, Putin and Russia will cause less mischief in other places across the globe with his hands being tied in the near-term.”
General Robert Walsh

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Turkey and NATO

As we reported in our [ATW](#) at the end of last year, the future of Turkey in NATO continues to come into question. Turkey’s purchase of the S-400 missile system from Russia, its standoff with Greece in the Aegean Sea over oil and gas exploration, and its interventions in Libya and Syria have continued to concern the U.S. However, even as the U.S. has sanctioned Turkey for the missile purchases, the feeling is that keeping NATO intact (i.e., inclusive of Turkey) is the best strategy because the alternative is for Turkey to move closer to Moscow. However, tensions flared again this week when 13 Turkish soldiers/police officers



were found murdered in a cave in Northern Iraq. Erdogan was quick to place the blame on the PKK, which had been holding the prisoners for several years. He noted U.S. support of the PKK, as a result of its arming of the YPG during the battle against ISIS in the region. Erdogan went so far as to say, “If we are together in NATO, and if we are to continue our (alliance) in NATO, you have to be sincere toward us.” Incidents like these will not make the path any easier for Turkey to justify continued involvement in NATO and will further complicate U.S. efforts to rein in Turkey’s overseas adventures in Libya, involvement in Syria, and tension with fellow NATO ally, Greece.

“Relations between the U.S and Turkey have always been complex. Because of this, the Biden administration’s attempt to “reset” relations with Turkey will not come easy. The focus by the Biden team will be on strengthening NATO, to include Turkey’s membership, and Turkey’s commitment to democratic norms that includes eliminating human rights violations. Turkey’s long-term objective of strategic autonomy remains in place. This results in a balancing act for Erdogan with respect to relations with the U.S., Russia, and China as Turkey seems to be moving further way from the West and closer to Russia and China. As the great power competition grows, we can expect Turkey to maintain a foot in both the NATO and its “strategic autonomous” canoes. For Turkey, today’s geostrategic environment is less focused on NATO and Russia and more on the Middle East, Syria, and the Kurds.

At the heart of the U.S.-Turkey relationship is Turkey’s purchase of the Russian S-400 surface-to-air missile systems and the U.S. support for the Kurdish militia forces in Syria. Last week President Erdogan struck a conciliatory tone when he said that he is looking for greater cooperation with the U.S. while his national security team expressed that they would not have purchased the S-400’s if the U.S. would have offered an alternative. Turkey is also lobbying to get back into the U.S. led F-35 fighter aircraft program. Meanwhile, U.S. Secretary of State Antony Blinken said, “President Biden has vowed to bring Turkey’s violation of international law or commitments as a NATO ally to the agenda.” He went further stating, “Turkey is a so-called strategic partner...we will try to balance the differences in regional issues with efforts to keep Turkey at least broadly compatible with the transatlantic alliance.” In the end, the new Biden administration will try to focus on common interests by keeping Turkey’s ties to the NATO alliance strong and separate from Russia while addressing human rights and the rule of law over the Kurds. The latter being a dividing issue with Turkey since the U.S. returned to supporting the Kurds after the Persian Gulf War.” **General Robert Walsh**

“Turkey will continue to straddle the relationships with NATO, Russia, and Iran. Turkey out of NATO is an invitation for economic challenges from the EU and the United States. Turkey has always been independent politically while still part of the military alliance. Even with Turkish military leadership changes, there are still strong military to military relationships based on Balkan and Afghan military partnerships.” **General Frank Kearney**

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North/East Africa and the Sahel Region Update

As we have discussed in prior [ATWs](#), our GIG continues to monitor North/East Africa and the Sahel region. In Libya, earlier this month, the parties involved agreed to form a transitional government and hold national elections in December 2021. An important step to get to this event was the agreement to a ceasefire in October 2020. The ceasefire between the Government of National Accord (GNA) and the Libyan National Army (LNA) has largely held, which has not been easy based on the intervention by Turkey on behalf of the GNA and Russian support of the LNA. Both Turkey and Russia have been positioning themselves for seats at the table and access to oil and gas reserves off the Libyan coast as well as potentially lucrative reconstruction contracts. However, Libya is not the only country in North Africa where there is a risk of further Russian influence. Recent protests in Tunisia due to rampant corruption have resulted in further instability and a deteriorating security situation. This opens the door to potential extremists looking for an opportunity to get involved and also for Russia to step in with assistance. How the U.S. deals with this could have long-term repercussions. Also, with respect to security, the Sahel region (Mauritania, Mali, Burkina Faso, Niger, Nigeria, Chad, Sudan, Eritrea) continues to be a hotbed where countries such as France have been engaged in counter terrorism operations. Chad has recently deployed additional forces to battle extremists with ties to Al Qaeda. The U.S. has provided support to its allies in the region, mostly through intelligence sharing and special operations forces, but the question remains as to how much time and effort will be required on behalf of the U.S. to contain a problem that spans the entire region.



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