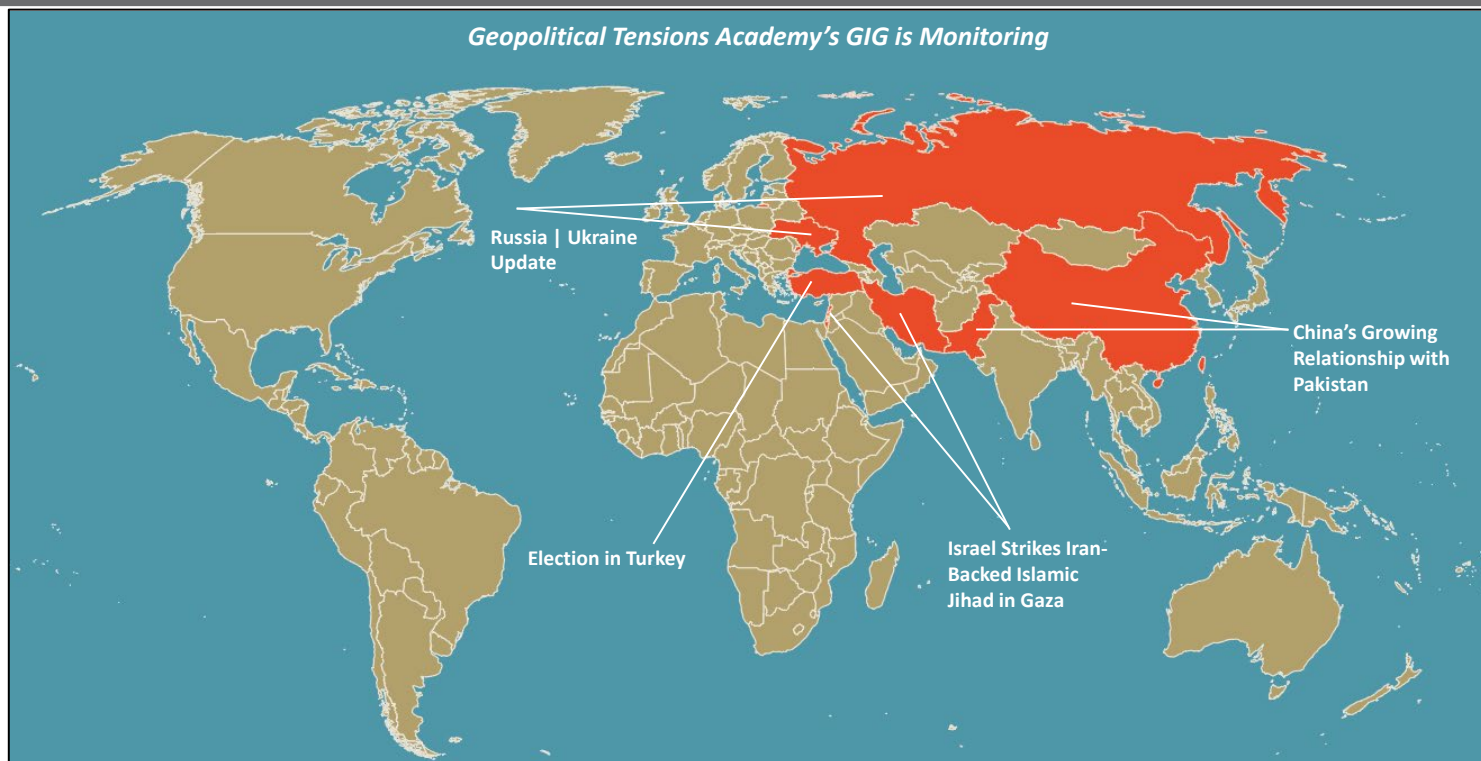


*Around the World with Academy Securities*

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. Russia | Ukraine Update
2. China's Growing Relationship with Pakistan
3. Israel Strikes Iran-Backed Islamic Jihad in Gaza
4. Election in Turkey

We begin with an update on the war in Ukraine as Zelensky travels the globe to reinforce his support and lock in more aid in preparation for the upcoming offensive. In meetings with the Arab League, several EU countries, and then with President Biden at the G7 Summit in Japan, one of the biggest developments was the acquiescence of the Biden administration to facilitate the training of Ukrainian pilots to fly the F-16. While there has not been a definitive decision to send the aircraft to Ukraine, the offer to train pilots in the U.S. is a major step forward. Next, we address China and their growing military and economic relationship with Pakistan. As the U.S. tries to strengthen its relationship with India to act as a counterweight to China in the region (along with the other Quad nations), China has focused on Pakistan. In addition, we report on the recent violence in Gaza and provide our analysis on the parties involved, which included the Iranian-backed Islamic Jihad, but not Hamas. This was a crucial distinction on a variety of levels. While the five-day exchange of fire ended with Egypt brokering a ceasefire, the IDF was able to take out several high-level Islamic Jihad commanders. However, Iran accomplished its mission to deflect the world's attention away from its true objectives in the region. Finally, we review the recent election in Turkey that has resulted in President Erdogan and his opposition candidate Kemal Kilicdaroglu heading for a runoff election on May 28<sup>th</sup>. Erdogan performed better than expected in the polls, but if he were to lose the runoff election, that would dramatically change the geopolitical landscape in the region as Kilicdaroglu has indicated that he would improve Turkey's relationship with NATO.

**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: Russia | Ukraine Update**

In our previous [ATWs](#) and recent [SITREPs](#) we have continued to provide updates on the latest developments in the conflict in Ukraine. As the war enters its 16<sup>th</sup> month, the focus now is on the upcoming Ukrainian counteroffensive that has been delayed until replenishments of artillery/ammunition (as well as more advanced weapons systems) can be delivered by the West. While it appears that Russia has “captured” Bakhmut, a city of very little strategic value in the eastern Donbas, it did so at an immense cost and resulted in significant destruction to not only the city, but also to Russian forces.



Meanwhile, President Zelensky has been meeting with world leaders in search of further aid and it appears that he has been successful. First, Zelensky met with leaders from the UK, Germany, and France last week. During his meeting with UK PM Rishi Sunak, Zelensky was promised long-range (150 miles) Storm Shadow cruise missiles and air defense missiles. In addition, Germany announced a \$3 billion aid package including armored personnel carriers, Leopard tanks, reconnaissance drones, and ammunition. Next, he met with leaders at the Arab League Summit in Saudi Arabia and urged leaders there not to “turn a blind eye” towards Russia’s aggression in Ukraine. While Saudi Arabia agreed to provide more than \$400 million in aid, MBS still has a strong relationship with Russia via OPEC+, as do many others in the Arab League. Finally, Zelensky attended the G7 Summit in Japan this past weekend and met with President Biden. In a major change of policy, President Biden said that the U.S. would begin training Ukrainian pilots on how to fly the F-16. While this news came with a warning from Russia, this kind of airpower could have a significant impact on how Ukraine fights in the coming months if F-16s are indeed supplied (by other nations, with U.S. approval) after the training is completed. These weapons would likely not just be intended for use in the current fighting, but also for defending Ukraine after any ceasefire/armistice agreement is agreed upon down the road. However, the question regarding how this conflict will eventually end was also discussed last week when Chinese Ambassador Li Hui met with Zelensky (and is expected to meet with Russia and other European leaders this week). During the meeting, Zelensky held the position that he voiced to Chinese President Xi during their call last month when he said that “there can be no peace at the expense of territorial compromises.” While a ceasefire is not imminent, China is doubling down on its efforts to try to mediate a discussion that ends the conflict.

*“The current Ukrainian deep strikes are shaping their initial operations for their counteroffensive. The shaping may take a while and will include deception as to when and where the counteroffensive will occur across the 900-mile front. The much-needed weapons such as the recently approved British Storm Shadow cruise missiles are still arriving. There should be no “rush to failure” by Ukraine’s military. A failure to achieve their military objectives will continue the current stalemate while working to Putin’s advantage. The West’s funding support is being questioned in the U.S., Germany, and France and this may be Zelensky’s last chance to win before Western pressure demands a settlement along the current battlefield lines. The counteroffensive is not expected to achieve Zelensky’s maximalist objectives even with the training and weapons that Ukraine’s military has received from the West since last fall. Pushing the Russian military back and making gains will provide leverage during the negotiations. Putin will end up in a better long-term position than Zelensky if the counteroffensive fails to make large territorial gains.*

*China’s moves last week to engage Zelensky before Ukraine’s counteroffensive heats up was an attempt to gain a lead negotiating position to end hostilities. However, China’s peacemaker aims will not put Putin’s security interests at risk. The attempt seems to have gained little ground as most view China as too closely aligned with Putin to have any credibility with Ukraine, NATO, and the U.S. The U.S. and the EU must continue to call out and pressure China’s continued support for Russia. China needs trade with the EU while the EU continues to distance itself from China over its support for Putin. Driving a wedge between China and Russia is in the West’s best interests.” – General Robert Walsh*

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*"Of course, President Zelensky hopes to achieve additional tactical victories as soon as possible, but understands that President Putin is in no hurry to negotiate. The fight remains essentially the same - a bloody and costly conflict for both sides that neither can win. Ukraine and Russia will achieve some success but not the operational momentum necessary to win. Putin, as well as other world leaders, are watching this fight in the context of the U.S. election cycle. Until next year, Putin will not embrace the idea of a negotiated settlement regardless of Xi's possible entry into this conflict as a peacemaker. By comparison, Zelensky's engagement with Xi has everything to do with examining the conditions for a ceasefire. The costs in life and treasure to sustain this level of combat are extraordinary."* – **General Spider Marks**

*"I doubt that Ukraine can launch a successful counterattack without increased arms, ammo, and support. This certainly seems to be the motivation for Zelensky's increased visits with potential partnering nations. The current G7 Summit (without Putin) certainly demonstrates that at a minimum Putin is being increasingly isolated. The next two months will be telling, especially if we follow through with training F-16 pilots."* – **General Mastin Robeson**

*"My view on Russia-Ukraine remains the same - no ceasefire until the Republican primary is over. I don't believe that Zelensky is ready to talk. He needs all of the promised resources and a summer/fall offensive to see what is possible."* – **General Frank Kearney**

*"The piecemeal fashion and "not just-in-time" delivery of equipment continues to give Putin hope in dragging out the conflict to the point of Western fatigue. While much has been written about the loss of Russian troops and equipment, the pool of Ukrainian fighters is not limitless. At some point, the attrition of Ukrainian manpower may become an issue and is problematic to judge given the lack of transparency between Ukraine and the West. Irrespective of the advent of F-16s, it will take some time to train the pilots and the numbers provided are unlikely to be decisive (but will clearly help). The maximalist goals of both sides make any near-term negotiations very unlikely.*

*While China wants to sustain its relationship with Putin given its commitment to a relationship without limits, those limits will likely emerge if China sees Europe beginning to reduce market access to China over their support (or fence sitting) regarding the war in Ukraine. Europe is also a top trading partner with China so both sides will seek to balance this moving forward. China is stepping outside of their historical role of "non-intervention", but this is not surprising as they get their "sea legs" by taking on a greater diplomatic role. This is yet another area of competition where they seek to engage with the West and fill any potential vacuum."* – **General Robert Ashley**

## China's Growing Relationship with Pakistan

As the U.S. continues to focus on India as a major counterweight to Chinese influence in the region (QUAD member, etc.), China has moved closer to Pakistan. While this relationship is not new (Pakistan participates in the Belt and Road Initiative and has \$30 billion in debt from China outstanding), the relationship is becoming more strategic. China has invested \$60 billion in the China-Pakistan Economic Corridor (CPEC) project and is a significant defense partner of Pakistan. China recently delivered two frigates to Pakistan's Navy completing the order of four that was placed in 2018. Pakistan is also acquiring eight attack submarines from China that will be delivered before 2028. Additionally, there is a concern that China will build a navy base at the Pakistani port of Gwadar, which is located on the Arabian Sea. This would allow China to not only project power into the Indian Ocean, but also into the Strait of Malacca, where a third of global crude oil passes through every year.



As China continues to find ways to project its sea, air, and space power, there is a concern that it is developing a new kind of cyber-weapon that could disable U.S. satellites in a time of war. While the U.S. does not publicly discuss



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the kinds of countermeasures or reciprocal capabilities it possesses on this front, satellites are a crucial tool used in navigation, communication, weapons systems, and intelligence collection and any kind of disruption during a crisis could be problematic for U.S. forces in the region. In addition, Microsoft warned earlier today that Chinese state-sponsored hackers had compromised “critical” U.S. cyber-infrastructure (in multiple industries) in order to gather intelligence. The Chinese hacking group responsible (codenamed “Volt Typhoon”) targeted communications infrastructure in Guam and in certain other parts of the U.S. as well. Guam is particularly sensitive because forces there would likely be involved in any U.S. response to a military move by China on Taiwan. These efforts were designed to disrupt “critical communications and infrastructure between the U.S. and Asia” during a crisis.

*“The growing rivalry between China and a rising India is challenging stability in South Asia. The developing fault lines for influence are opposite of the Cold War relationships where Russia supported India and the U.S. supported Pakistan. Now we see U.S. relations with India getting better while China and Pakistan grow closer. India joined with the U.S., Australia, and Japan to form the Quad (a strategic security dialogue group) aimed at countering China in the Indo-Pacific region, while China is selling warships to Pakistan to aid their growing military alliance. Pakistan received four frigates from China and will receive Chinese Hangor-class submarines in the future. The Chinese moves with Pakistan are an attempt by China to secure the maritime domain between its base in Djibouti in the Horn of Africa and China to protect the flow of oil. The shift in geopolitical relations represents another segment in the new Cold War between the U.S. and China.” – General Robert Walsh*

*“Pakistan needs an interlocutor to deal with India as they see India as an existential threat. China and India may not trust each other, but they will have economic dialogue which can allow them to broker any India-Pakistan military issues. China sees an opportunity with a port on the Pakistani coast that sits near a significant maritime choke point (makes good military sense). Cyber threats will not diminish. The Chinese dominate so much of the global telecom market, and this gives them unrestricted access to most data, and they can use that network to influence outcomes with their clients.” – General Frank Kearney*

*“Pakistan’s internal protests seem significant and troubling. The Pakistani military has always been held in very high esteem by the people. As I understand it, PM Khan has been released by the Supreme Court in an attempt to calm things down. He is calling for elections, and for both the Chief of the Army Staff and the Director of the ISI to step down. A Corps commander was relieved for not firing into a crowd of civilians, two others were re-assigned, and the public has attacked two Corp Commanders’ homes and burned them down. I think that it is conceivable that this could end up in either a civil war or martial law (instability either way). Not a good place for a nuclear state to be in, especially with the shifting landscape between India and China.” – General Mastin Robeson*

*“No one should be surprised by China’s expansion of its military footprint in order to ensure the continuity of global commerce. However, in this case, the effort is focused on protecting Chinese commerce (Belt and Road). China has been a key supplier of weapons to Pakistan as they balance their regional interests and leverage Pakistan as a counterbalance to India with whom they have ongoing border disputes. China sees information warfare as a critical capability and therefore cyber remains a top priority and they realize how much the U.S. depends on space-based capabilities. The crux of the Chinese strategy is to come after the U.S. asymmetrically and in a “great power” war, China would try to blind us in space. As far as the U.S. and Taiwan are concerned, both should harden their networks. We need to be ruthless on cyber defense.” – General Robert Ashley*

*“China’s Belt and Road Initiative is stalling after many years of heavy investment. However, China’s military has achieved a near-peer competitor status with the U.S. across all domains of war, but unlike America, has never pressure tested its military. Its vision is to create a collection of client states (China calls them partners) where the U.S. appears to be losing influence. It is not unlike America’s grand strategy of containment that facilitated the collapse of the Soviet Union. For Beijing, the ends, ways, and means are aligned. China will not reclaim Taiwan (ends) through military means, but will pursue an economic and information strategy of pressure (means) through a persistent and continual state of conflict online (ways).” – General Spider Marks*

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*“Cyber experts in the U.S. predict that if China invades Taiwan, they will execute a coordinated cyber campaign against the U.S. and its allies defending Taiwan as well as escalate attacks on mainland Taiwan. U.S. cyber and intelligence experts anticipate that these attacks would primarily be focused on critical infrastructure in the U.S. (particularly transportation systems - railroads and ports), the business/financial sectors, and against the energy and water sectors to interfere with military support activities. This could cause massive disruptions and chaos throughout the U.S. and undermine U.S. support for Taiwan. It could also divert the attention of the U.S. government and military back to protecting the homeland. This would include not only attacks on military networks, but also on commercial companies and infrastructure providers that support their efforts (specifically targeting key supply chains). In recent testimony before Congress, Representative Mike Gallagher, the Chair of the House Select Committee on China, stated that, “If Xi Jinping moves on Taiwan, we should assume that he’ll launch cyber-attacks against the United States as part of the operation. This would likely include attacks on our electrical grid, water systems, and communications infrastructure — especially near key military installations.” Additionally, Jen Easterly the Cybersecurity and Infrastructure Security Agency Director also recently noted that the U.S. and its allies must “be prepared for China to create panic and chaos in cyberspace”.*

*China has also long displayed ambitions of creating and deploying weapons that could take control of satellites owned by their adversaries and disrupt/destroy the satellites during times of conflict. A document recently disclosed by a U.S. Air National Guardsman this spring on a public site revealed that the U.S. believes that Chinese goals on achieving dominance in space are advanced. They intend to interfere with the ability of the satellites to “communicate” with each other (and ground stations that control them) and degrade their ability to send signals to critical weapons systems used by all of the military services. They would also disrupt ISR activities. Those assets can be attacked using electromagnetic means or cyber-attacks. The commander of the recently established Space Force, General Saltzman, testified before Congress in the Spring of 2023 that “China was aggressively pursuing counter-space capabilities in an effort to realize its “space dream” of becoming the foremost power beyond the Earth’s atmosphere by 2045.” To that end, China has deployed 347 satellites (35 alone this past spring). All of these assets are designed to interfere with the ability of U.S./allied countries to wage war against them or successfully defend Taiwan.” – **Admiral Danelle Barrett***

## Israel Strikes Iran-Backed Islamic Jihad in Gaza

While a ceasefire brokered by Egypt on May 13<sup>th</sup> between Israel and the Islamic Jihad ended the most recent violence that killed 33 Palestinians and two Israelis, the tension in the region continues. During the fighting, over 1,200 rockets (with thousands in reserve) were fired by the Islamic Jihad into Israel and the IDF responded by targeting senior Islamic Jihad commanders killing several of them and destroying command centers and rocket production sites. Iran is the primary backer of Islamic Jihad financially and provides much of the rocket technology (and components) used to attack Israel. However, one group noticeably absent in the recent fighting was Iran-backed Hamas. Hamas controls the Gaza Strip and is focused on improving the quality of life there. It is likely that they stayed out of this most recent round of violence in order to limit the risk of escalation and the economic impact in Gaza. Both Hezbollah and Hamas were involved in the exchange of fire with Israel in Lebanon in April (see [ATW](#)). However, what this all means in the broader strategy is that Iran achieved its goal of once again testing Israel via its Islamic Jihad proxy force and distracting all parties involved from its main objectives in the region.

In addition, earlier this month, Iran’s Islamic Revolutionary Guard Corps seized a Panama-flagged oil tanker as it was transiting the Strait of Hormuz. This seizure was preceded by another one in late April. In response, the U.S. has announced that it is increasing its naval presence in the region. Meanwhile, in a recent meeting with Israeli



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officials, Chairman of the Joint Chiefs of Staff General Mark Milley, Secretary of Defense Lloyd Austin, and CENTCOM commander General Erik Kurilla announced that the U.S. would engage in joint military planning with Israel related to the Iranian threat. While joint exercises are nothing new, this increased focus is clear at a time when Iran continues to move closer to building an atomic weapon and causing more instability in the region.

*“ Hamas has thus far stayed on the sidelines during the current Gaza conflict while the Palestinian Islamic Jihad (PIJ) is responsible for firing of over 1,200 rockets at Israel. While Hamas has remained clear of the conflict by looking out for its own interests, Iran is tightening its grip and influence on its proxy (the PIJ) as evidenced by Iranian President Raisi meeting with the terrorist group in Syria earlier this month. Iran is trying to use the conflict to drive a wedge between Israel and the Arab states after the signing of the Abraham Accords with Israel during the Trump administration. Iran benefits from instability in Gaza by refocusing the Arab countries on Israel and not itself. Iran’s goal is to achieve a united front against Israel. Israel’s goal in this round of clashes was to isolate the PIJ (not target Hamas) and defeat Iran’s attempt to broaden the conflict. The clashes are key to Iran’s strategy of keeping Israel focused on Gaza and not on building relations with its Arab neighbors. In that sense, there is risk to Israeli and U.S. objectives in the Middle East by creating tension between the Arab states and Israel over Gaza.” – **General Robert Walsh***

*“The storm in Gaza and in Israel has been brewing for some time. The current Israeli government needs an enemy to solidify its support by stoking nationalism. The Middle East remains unstable, and my view is that the Iran-KSA deal is transactional and won’t last long. KSA, while not always our closest partner, is a critical player in the region and their dalliance with China is dangerous. China doesn’t care about their politics.” – **General Frank Kearney***

## Election in Turkey

As initially covered in our [February ATW](#), the election in Turkey has been a key event on the geopolitical front for the last several months. A struggling economy (50% inflation/currency collapse) and a heavily criticized response to the earthquake that killed over fifty-thousand people earlier this year left many to doubt that Erdogan could maintain his 20-year run on power in Turkey. The polls initially had Erdogan at a significant disadvantage against the opposition party. However, Erdogan finished the May 14<sup>th</sup> election solidly ahead with 49.5% of the vote. Kilicdaroglu, the opposition candidate, finished with 44.9%. Since neither candidate won more than 50% of the vote, the election will go to a runoff on May 28<sup>th</sup>. Since Erdogan did much better than expected, this differential will be difficult for his opponent to overcome in the run-off vote this upcoming weekend. However, we still need to consider what would happen if Erdogan were to lose. Turkey is a NATO member that has opposed Sweden’s membership in the alliance. At times, his relationship with Putin in Russia has come under scrutiny and even resulted in U.S. sanctions over the purchase of the S-400 missile system. However, Turkey has also been a key mediator and brokered the Black Sea grain export deal to alleviate some of the pressure on the global food market following Russia’s invasion of Ukraine. However, there are some who believe that a political change in Turkey might be good for NATO and the EU. Kilicdaroglu, the opposition candidate, has said that under his leadership, there would be more cooperation and trust with the U.S., EU, and NATO. While the U.S. has not indicated its support for either side, if Erdogan were to lose this election, the tone and direction of the relationship with the West could materially change.



*“It is expected that Turkey’s President Erdogan will win and remain in power even though he was forced into a runoff election. He has managed to hide Turkey’s economic woes by distracting the Turkish population’s attention from the economy and focusing it on a perceived threat from Greece/a rift with NATO. He relies on the Turkish population’s*

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*strong nationalistic feelings to take their eyes off of the troubled economy. Putin will benefit from an Erdogan win while NATO and the U.S. will see continued challenges. The “unpredictable” Erdogan works only in his best interests and not as a team player within NATO.” – General Robert Walsh*

*“Hard to say what a change in leadership would mean. I would speculate that Erdogan has also lost some internal political support due to his historical ties to Russia (especially his arms purchases). The past year in Ukraine (and Russia’s poor performance) has likely not enhanced confidence in a Russian-equipped Turkish military. I am less concerned about his push back against Sweden (I see that more as an attempt by him to enhance his influence in NATO than to keep Sweden out). We are still better off with Turkey in NATO if for no other reason than to have leverage considering the historical friction between Turkey and Greece (i.e., it is better having them inside than outside given Article 5).” – General Mastin Robeson*

*“Since Erdogan got 49.5% of the vote, surprising many, it seems that his reelection is almost assured going into the second round. Turkey is an important NATO partner and while it is a challenging relationship with Erdogan, he won’t abandon NATO, but will always seek to press on core issues (such as the PKK/Kurds). This strategy plays well with his base, especially regarding threats and adversaries that don’t always align with NATO. Not sure if Sweden will accommodate his asks to get over the Turkey hurdle for NATO. Eventually they will compromise if NATO can figure out the right incentive for Erdogan.” – General Robert Ashley*

*“My sense in Turkey is that Erdogan will squeak by. While he didn’t get over 50%, he was close, and his opponent is a consolidated opposition candidate whose support may not hold (and it wasn’t enough to win outright). Turkey has always acted in its own self-interest even as a NATO member. It will likely continue to do so.” – General Frank Kearney*

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