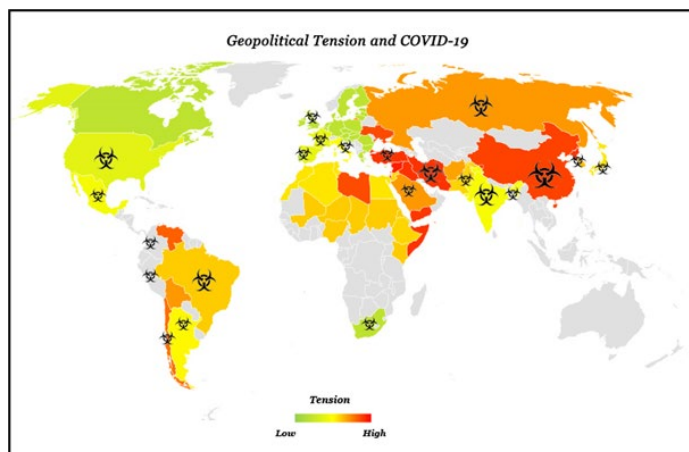


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It is difficult to believe that it has been 19 years since September 11th. A moment in time that we certainly will not forget. A sad day that brings back so many emotions. In some ways, the sense of loss, shock, and what to do next, reminds us of the emotions of March and April when the virus was wreaking havoc on the country and was very poorly understood. However, just like after 9/11, we will adapt and, ideally, come out stronger as we rebuild the make-up of this economy.

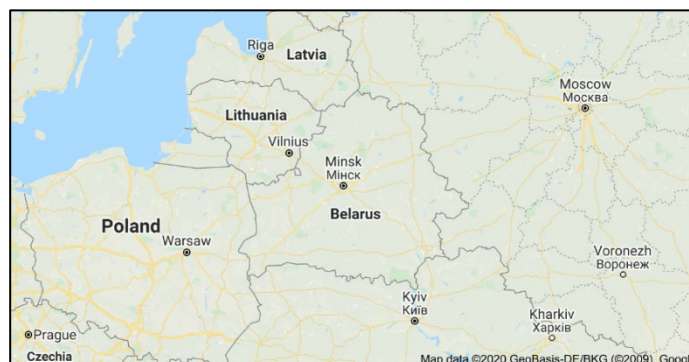
“A soldier’s first duty is “to remember” ... to remember those before us who carved out this amazing republic and then the generation after generation that stepped up selflessly to defend it. All of us have a duty to continue to defend, to build, and to create “a more perfect union.” It is ours to honor and hold. The alternative to our diligence is unimaginable but persistent and real. May God continue to nourish our strength and focus. God bless America.” **General Spider Marks**



In this week’s ATW, we revisit the crisis in Belarus as the protests continue. We also keep an eye on Russia and Putin’s support of Lukashenko. We comment on the poisoning of Russian opposition figure Alexey Navalny and the potential fallout that has put the completion of the Nord Stream 2 pipeline into question. We also address the tension with China and the shots fired (by both sides) on the Chinese/Indian border as well as the recent incursions by Chinese fighters into Taiwanese airspace. In the Middle East, with the arms embargo expiring, the fear is that if left unchecked, Iran will continue to sow instability in the region. Finally, we address Venezuela and how Chinese and Russian investment in the country is allowing those countries to continue to establish a foothold in the region and undermine U.S. sanctions.

Front and Center – Crisis in Belarus

As we reported in our previous [ATW](#), President Alexander Lukashenko won a 6th term as President of Belarus. However, the opposition claims that the election was rigged and protests continue to this day. The police reaction has been brutal and thousands have been detained. Many opposition leaders have left/been forced out of the country. Sviatlana Tsikhanouskaya, who ran against Lukashenko, met with the Prime Minister of Poland last week in Warsaw. This week, another opposition leader, Maria Kolesnikova, was abducted by “masked men” and



was thrown from the car at the Ukrainian border. She tore up her passport to stop the officials from forcing her to leave the country. Meanwhile, the EU has threatened additional sanctions on Belarus as the violence continues. The question is whether or not Russia will get more involved. We believe that Russian security forces are possibly (covertly) in Belarus and Lukashenko is rumored to be heading to Moscow in the “coming days” and he will be seeking further integration with Russia. What is clear is that Putin will not allow Belarus to move towards NATO or the West and while he does not think highly of Lukashenko, he would rather him keep in power than lose influence in Belarus.

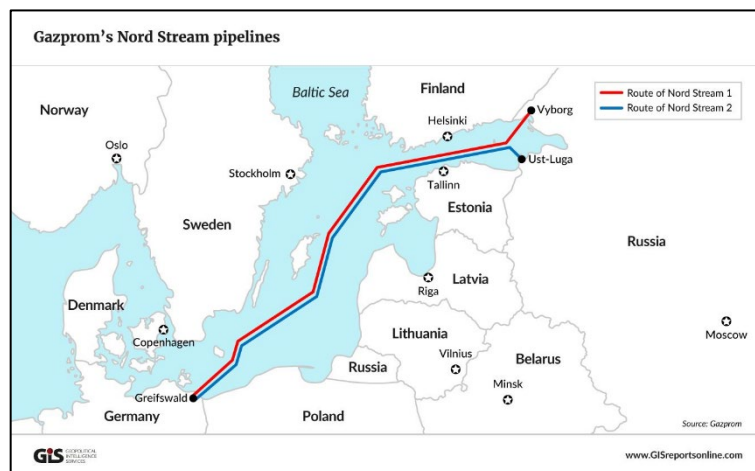
“The European Union’s newly proposed economic sanctions on 31 Belarus officials are in response to the rigged election of Alexander Lukashenko, the resulting ongoing mass demonstrations, and the detention of Belarus citizens on political grounds following the elections. Lithuania, Latvia, and Estonia have also imposed sanctions on 30 Belarus

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leaders including Lukashenko. The sanctions follow the disappearance of opposition leader Maria Kolesnikova, who was last seen being taken into a van by security forces on Monday. The EU elected to keep Lukashenko off the list for now as it reviews his involvement. The EU steps are aimed at pressuring Lukashenko's regime to ease the crackdown on the demonstrators and calling for new elections. Vladimir Putin's support for Lukashenko remains shaky at best and is key to preventing either of these two demands from occurring. Putin continues to support Lukashenko but has not shown his cards on how far his support will go or what actions he may take. He threatened to standup a Russian security force on the border that would go into Belarus to support the government if there were any moves towards the West and away from Moscow." **General Robert Walsh**

Russia

Russian opposition leader Alexey Navalny was poisoned on a flight to Moscow on August 20th. While Russia has denied any involvement, tests conducted by a German medical team have indicated that the evidence is irrefutable. Navalny is now out of a medically induced coma and is being treated in a German hospital. A critic of Putin, Navalny is suspected of having been poisoned with Novichok, a banned nerve agent that was used in an attack on former Russian spy Sergei Skripal in 2018. Since Russia is the only known country to be in possession of the substance, many believe it proves once again that Russia will not hesitate to use the weapon on



individuals critical of Putin. As a result, there is now discussion of whether or not Germany will move forward with the Nord Stream 2 natural gas pipeline. The pipeline, which travels under the Baltic Sea, bypassing Ukraine, is designed to supply natural gas to Europe. While ending the project, which is almost completed, could hurt Germany and other nations, it has long been opposed by the U.S. as a threat to Europe's energy security.

"Merkel has been an unwavering proponent of the Nord Stream 2 gas pipeline that is almost complete and will take gas from Russia to Germany. However, she is under pressure from within Germany and the U.S. to cancel the pipeline due to Russian influence. Putin has been instigating mischief throughout Europe and the rest of the world for Russia's self-interests with the intent of driving a wedge between NATO, the U.S., and western aligned countries wherever he can. If Putin is willing to use a nerve agent on Navalny, why wouldn't he use gas as leverage against European Union countries down the road?"

He certainly has not earned the trust of any of the NATO or European Union countries or any other Western-aligned countries. The U.S. has been advocating for Merkel and the EU countries to purchase more liquified natural gas from the U.S. This could be a key strategic win for the U.S. and the Trump administration in the run-up to the elections. Adding to the controversy is the fact that some are arguing the demand for gas in Europe has stabilized and there will be less need for Russian gas. Germany must extract concessions from Russia over the Navalny poisoning or take the more strategic view on Russia. Russia has been no friend to the West since the end of WWII. This is a case where national security interests should outweigh economic interests until Russian behavior changes." **General Robert Walsh**

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China Update

As we discussed in our June 19th [ATW](#), the situation along the Chinese/Indian border continues to deteriorate. On June 16th, 20 Indian troops were killed in a skirmish with Chinese forces, but no shots were fired. On September 8th, for the first time in 45 years, both sides accused the other of firing warning shots. While both countries are now moving reinforcements to the region, neither side really wants a conflict. Both are nuclear powers, but the Chinese military is stronger.



Meanwhile, tension in the East and South China Seas has continued to build as Taiwan’s president recently announced that she is urging other “like minded” democratic nations to form an alliance to counter aggressive regional actions by China. While Taiwan is calling for a strategy to avoid war, how China views these words is starting to play out. As we addressed in our recent [SITREP](#), on September 9th (and again on the 10th) China sent fighter jets briefly into Taiwanese airspace. Back in August, China flew its fighters over the Taiwan Strait, likely in response to HHS Secretary Azar’s visit to Taiwan. The U.S. recently finalized a deal to sell additional F-16s to Taiwan and the island nation is ramping up its defensive capabilities. Taiwan views China’s actions in the South China Sea as destabilizing and the U.S. has continued its freedom of navigation patrols, recently with two aircraft carrier strike groups.

“Tensions between India and China continue to rise as the Himalayan border crisis became even more contentious as shots were fired for the first time in decades. On the technology front, India had previously banned 59 Chinese apps including TikTok over national security concerns. Last week, India added an additional 118 apps to the list. India claims that the apps are being used to steal user’s data and ultimately “impinges upon the sovereignty and integrity of India.”

*India is becoming a close ally of the U.S. in its views towards China’s intellectual property and cyber theft. The U.S. has threatened to ban TikTok and has directed that U.S. companies stop doing business with Tencent’s WeChat platform. All of this is ironically happening as China announced their “global data security” initiative that would place China in a global tech security leadership role by outlining the principles that countries should follow for personal information, cyber theft, and how data should be stored and used. These are the exact areas that the U.S., India, and others have accused China of violating by collecting user data and sharing it with the Chinese government.” **General Robert Walsh***

*“U.S. deterrence of China has worked in the East China Sea (ECS) and with Taiwan, but it is not working as we would like in the South China Sea (SCS). In the ECS, Prime Minister Abe has been a key player in the successful deterrence of China - with respect to the Senkaku Islands dispute - by astutely leveraging the U.S. alliance. With PM Abe’s resignation, we will need to watch closely as the new Japanese government is formed and whether it will be more accommodating to China. With respect to Taiwan, we continue to actively improve the relationship, and all our partners and allies are watching as we work to counter Chinese expansion in the region. In the SCS, countries in the past have not stood firm against China, but lately many have been leaning towards the U.S. and our support. Our center of gravity is our allies and partners in the region, so it is important that we become an alliance builder with the U.S. in the center as a protector (of a free and open Indo-Pacific). We must rebuild alliance cohesion and multi-lateral institutions to respond to China’s long-term strategic vision.” **General KK Chinn***

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Middle East

Iran

In our previous [ATW](#), we reported that the U.S. was actively trying to reimpose sanctions on Iran for violations of the nuclear deal. The near-term impetus for the request is that conventional arms transfer restrictions are set to expire in the coming weeks. The concern is that the sale of Iranian weapons in Lebanon, Syria, and Yemen have further contributed to regional instability. Additionally, Iranian uranium enrichment has now reached 10x the agreed upon limits and its testing of “space vehicles” is feared to be a cover for the regime’s long-range missile program. However, most of the Security Council members have rejected the U.S. snapback sanction request, and the Council president has not taken action. While the U.S. can exercise its veto power in the event the Security Council suspends the sanctions, this is an outcome the UN will try to avoid. Other nations in the Middle East are watching this closely. If the UN fails to act, the feeling is other countries may take matters into their own hands and seek partnerships like the Israel/UAE peace deal. In fact, today it was announced that Bahrain, the island nation off the coast of Saudi Arabia (which is home to the U.S. Fifth Fleet), would also establish full diplomatic relations with Israel. In addition to further partnerships, countries in the region may also look to build up their own military capabilities and ignite a regional arms race, which could further contribute to instability. However, the hope is that these peaceful partnerships will act as a more effective deterrent.



*“The UN Security Council is expected to ignore the U.S. sanctions request and keep it off the agenda. The rationale is the U.S. is no longer a participant in the decision-making process after withdrawing from the JCPOA as an original signer. This presents the Security Council with a problem since Iran has continued to increase its uranium enrichment well beyond what was agreed to in the JCPOA. The U.S. demands that the original sanctions prior to the 2015 agreement be restored. This week the president of the Security Council said there is not enough support within the Council to revive the sanctions. Making this a bigger problem for the U.S. is the potential \$400 billion investment and security deal between Iran and China that will undercut U.S. sanctions. If the deal takes place, Iran will be able to reduce some of the pressure imposed by the U.S. by dealing directly in Chinese currency and bypassing the U.S. sanctions. Expect the UN Security Council to take a deep breath and wait for the results of the U.S. elections and see where U.S. policy and actions may lead. Vice President Biden has said that he would take the U.S. back into the JCPOA as originally signed under the Obama administration. Additionally, we can expect the Gulf Arab states to continue to work in conjunction with the U.S. to further isolate Iran.” **General Robert Walsh***

Syria

As we discussed in our August 14th [ATW](#), both Russia AND Iran have played key roles in the decade long civil war in Syria. Iran has funded proxy forces and spent \$30 billion to establish a foothold in Syria. This week, Russia’s Deputy Prime Minister announced that Russia will lead the effort to help Assad’s government survive the U.S. economic sanctions and assist in the rebuilding. Russia has made a significant investment in Syria and wants to position itself to lead the \$400 billion infrastructure reconstruction effort. Meanwhile, the U.S. has called for the removal of Iranian forces from Syria, but not Russian. The U.S. State Department has said its position has not changed and it is intent on defeating ISIS, finding a political solution in Syria, and removing Iranian forces. The oil and gas assets in the country continue to be a primary focus for the U.S. and the goal is to not let them fall into the hands of ISIS.

“The U.S. State Department’s reassertion of its policy in Syria is no surprise. The larger issue is limiting Iran’s influence throughout the Middle East. Iran seeks to develop an arc of influence from Iran through Iraq and Syria and into Lebanon with their ultimate goal being the removal of Israel as a state. The U.S. plans to keep a presence in Syria to

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counter Iran’s influence, stop any resurgence of ISIS, and protect oil fields in the northeast that are providing revenue to the U.S. allied Syrian Defense Forces and the Syrian people. It was reported that a U.S. company has agreed to a deal to develop and export oil from the Kurdish-led Autonomous Administration and the deal was approved by the U.S. government. We can expect the U.S. to keep a small footprint in Syria to achieve these goals.” **General Robert Walsh**

South America

Venezuela

As we have discussed in our previous ATWs, the situation in Venezuela continues to deteriorate. With the economic crisis and COVID-19 taking a toll on an insufficient healthcare system, the country will look to other nations for support. With U.S. sanctions in effect, Venezuela has turned to China and Russia in particular. Both countries see an opportunity to step in and create a foothold in South America. With Chevron ceasing operations in the country, we expect the void to be filled by Rosneft, the Russian oil company.



“There will be no return to democracy this year for Venezuela. Conditions will continue to deteriorate with COVID-19 running rampant as the population sinks further into a humanitarian crisis. Both Chinese (\$42 billion repaid out of \$62 billion) and Russian (\$14 billion repaid out of \$17 billion) loans were being repaid by Venezuela with “payback oil” prior to the sanctions in AUG 2019. China has also provided around 70 tons of medical supplies to Venezuela to assist them in the COVID-19 fight. With respect to Chevron ceasing operations due to U.S. sanctions, Russia will leverage the opportunity by continuing to support Venezuela as they take over, but it is not clear whether they have the technical ability at this time to keep producing at the same level as Chevron. Both China and Russia will continue to support Venezuela as there is minimal risk that their loans will not be repaid over time since they control the oil in Venezuela through their state-owned companies.” **General KK Chinn**

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