

IN THE NEWS

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Economy

Once again, the U.S. is about to enter into a trade agreement that will export more jobs overseas. This time, the agreement with South Korea is expected to increase that nation's trade by \$10-11 billion with growing imports by only \$6.5-7.0 billion [1]. Why would we want to sign a trade agreement that benefits South Korea by billions of dollars every year? Consider, the US trade deficit for February was \$44 billion [2]. Of that, the trade deficit just for China was \$18.8 Billion [3]. Meanwhile, China's foreign reserves have passed three trillion dollars [4].

Standard and Poor's (S&P) lowered its long term outlook for the U.S. economy but still retained the highest credit rating [5]. After the S&P announcement, gold reached a new record high exceeding \$1,480 per ounce [6]. By April 22, gold had reached a new record \$1512 per ounce [7].

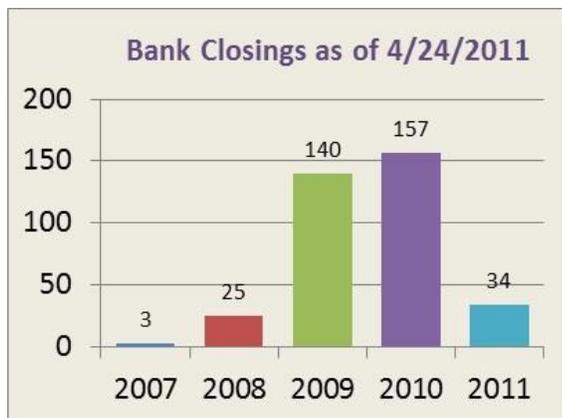
For the week ending April 9, the number of first time unemployment claims increased to 412,000 [8]. Then, for the week ending April 16, the number of claims was 403,000 [9].

On April 15, regulators closed the following six financial institutions: 29) Bartow Bank in Georgia; 30) New Horizons Bank in Georgia; 31) Nexity Bank in Alabama; 32) Superior Bank in Alabama; 33) Rosemount National Bank in Minnesota; and 34) Heritage Banking Group in Mississippi [10]. On good Friday, April 22, regulators took a break without any closures.

It seems likely the price of oil will remain high. Case in point, Saudi Arabia announced it will cut back oil production [11]. Elsewhere, one article suggests the Gulf of Mexico is nearly as healthy now as before the BP oil spill [12]. Ecologically, this is good news and could result in revised impact assessments for future oil wells.

Currently, the way inflation is calculated does not include energy and food.

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Security

Keeping applications current with the latest security fixes highlights how many vulnerabilities exist in commercial applications.

For instance, Microsoft released its largest patch Tuesday fixes for 64 vulnerabilities [1]. Following this, Adobe patched a critical zero-day vulnerability in the flash player [2]. Not to be

left out, Apple released a software update to address vulnerabilities from digital certificates stolen during March [3].

Meanwhile the U.S. is starting to catch-up with Europe regarding credit cards. For example, Wells Fargo is testing micro-chip technologies in its Visa credit cards [4].

Apparently, the Social Security Administration sold copies of its master death list that included privacy information on 36,000 people [5]. Overseas, South Korea is investigating a possible cyber-attack on one of its large banks [6].

A hacker claimed to have broken into the New Mexi-

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Special points of interest:

- U.S. Vogtle nuclear reactor unexpectedly shutdown
- U.S. readies another job exporting one-sided trade agreement with South Korea
- Standard and Poor's downgrades U.S. economic outlook
- Gold hit new all-time high
- 34th Bank Closed

Security

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co wind turbine facility; however the facility owner claims they have seen no indication of a successful break-in [7]. The question here is did the break-in occur and the plant operation not detect the attack or is this someone making a bogus claim? In another power related incident, the Vogtle nuclear reactor in Georgia shut down for no reason [8]. The cause of the shutdown is still unknown but equipment failure has been ruled out [9]. Could this have been another critical infrastructure SCADA cyber-attack? Overall, cyber-attacks on critical infrastructure industries, such as gas, electric, and water are on the rise [10].

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Adversity is the foundation of virtue—Japanese Proverb

Economy

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These key elements of our society have been experiencing rapid inflation. To this end, Federal Reserve Bank President James Bullard suggested the method for calculating inflation should include food and energy prices [13]. Perhaps the biggest risk comes from the high price of oil. A potential problem area is Saudi Arabia; that is experiencing protests from Shi'ite community in in the oil producing east [14].

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Crisis in Japan

In Japan, the nuclear evacuation zone will be expanded beyond 20 Km for certain areas [1]. What's more, Japan declared the accident at the Fukushima Daiichi nuclear power plant level 7, a major accident [2].

After over a month, a robot has finally entered two damaged reactors (units 1 and 3) and determined the radiation too high for workers to enter [3]. Interestingly, the robot used to check the reactors was made in the U.S.A [4]. It is unclear why it took so long to get robots involved in the recovery process. Meanwhile, Japanese officials were trying to explain why it took a month to report large-scale radioactive material releases [5]. Interestingly, Japan is considering requiring other power companies to compensate victims of the Fukushima Dai-ichi nuclear power plant [6]. As only the Japanese government could enact such a charge, this shows how Japan operates as a huge monopoly making fair trade an illusion.

Currently, it's estimated the time required to shut down the reactors could be nine months [7]. To cover the lost electric power, Tepco plans using gas to electric generators [8]. Meanwhile, Japan will start fining people up to \$1,200 if they enter the 20 KM radiation restricted zone [9].

What is confusing is the message on the reactor state keeps changing. For instance, after reporting the discovery of chlorine-38 and arsenic-74; Tokyo Electric retracted the announcement [10].

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*Nine times of ten an army
has been destroyed because
its supply lines have been
severed—Douglas
Macarthur*

World News

One news article suggests that hackers working for the Chinese government stole terabytes of sensitive data [3]. Meanwhile, China's economy grew at a 9.7% rate for the first quarter with inflation at 5.4% [2]. Elsewhere in China, citing parts shortages, Toyota announced it planned to cut production 50–70% until June [3]. Moreover, Toyota does not expect full production to return until the end of the year [4]. In Thailand, Toyota plans to suspend vehicle production on Mondays and Fridays [5]. This is a further example showing Toyota ships parts to a country for final assembly; thereby skirting import laws that might otherwise kick in.

Protests in Syria continued with tens of thousands taking to the streets [6]. Then on April 22, scores of protesters were killed during Syrian protests [7]. On the next day, security forces fired into crowds of mourners killing another six [8]. In signs of further unrest, Yemen's Presi-

dent has agreed to step down [9]. Elsewhere in the Middle East, the U.S. is sending drone aircraft to help rebels in Libya [10]. The first strike was confirmed on April 23 [11]. At this time, it appears the war in Libya is at a stalemate [12].

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*No matter where you go -
there you are—Confucius*

Fraud

We often think of robbery in terms of cash. However, in Silicon Valley, one target is semiconductor chips. For example, five people were arrested for stealing \$37 million worth of chips at gun point [1]. Elsewhere, the FBI and Justice Department

started taking down a ring of international cyber thieves responsible for infecting over 2.3 million computers and stealing hundreds of millions of dollars [2].

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