

IN THE NEWS

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World News

The Syrian civil war continues to expand. For instance, rebels used mortars to attack the Syrian information ministry located in Damascus [1]. In ground bombings, rebels killed a member of the Syrian ruling party [2]. In a new development, Syrian rebels may have shot down a helicopter using a surface to air missile [3]. One report suggests the rebels may be in possession of 40 such missiles [4]. On the Syrian side, warplanes bombed an olive press plant killing dozens of people [5]. What's more, there are reports that Syria may be preparing to use its chemical and biological weapons in the ongoing civil war [6].

It seems there are many locations around the world bent on military threats. For instance, North Korea is in the process of testing another strategic missile test [7]. If successful, this could place many locations in the US at risk from a North Korean nuclear attack. While the chances of an attack are low, they are not zero. After North Korean announced plans for the missile launch; China urged calm [8]. Concurrently, North Korea is continuing to build another nuclear reactor [9].

Meanwhile, China continues to press its will in the South China Sea. This includes changing Chinese passports to include a map with the disputed islands [10]. Following the new format, Vietnam is refusing to stamp the new passports [11]. Likewise, the Philippines announced they will not stamp the new Chinese passports [12]. Additionally, China announced plans to patrol and search foreign ships that enter the contested areas [13]. So essentially, China considers the claims to contested areas solved and they are the rightful owners. However, the Japanese response has been to slowly increase its military [14].

The real game changer is the rise of China's military at a time of US cutbacks. For example, China reached another milestone by landing a fighter jet on its new aircraft carrier [15]. Concurrently, China claims its double digit military increases are nothing to worry about [16]. However, others are not buying the argument. Case in point, the Association of Southeast Asian Nations (ASEAN) top diplomat warns the South China Sea disputes could start a violent military conflict [17].

Elsewhere, Pakistan test fired an 810 mile range nuclear capable missile [18]. The main rival of Pakistan is India.

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Security

All too often, security is an afterthought. For instance, following the loss of a laptop containing privacy information; NASA is now requiring laptop encryption [1]. NASA is not the only space agency with security problems. For example, Japan's space agency is examining a data leak related to a computer virus [2].

Elsewhere, The UN nuclear

agency had information stolen from one of its servers [3]. However, a UN official claims sensitive nuclear information was not stolen in the hacking incident [4].

One of the richest targets for hackers is the banking industry. For example, one malicious software (malware) program referred to as Shylock, targets online banking and detects hides

from virtual environments used as a security control [5]. Another virus called Narilam is active in the Middle East is targeting accounting applications and is designed to tamper with databases [6].

1. Crowe, Greg, GCN, *After theft, NASA orders laptops encrypted, but is that enough?*, No-

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Special points of interest:

- Iran looking at 50 kiloton nuclear weapon yield
- Syria preparing to use chemical weapons
- North Korea plans to launch strategic missile

*When the cat mourns for
the mouse do not take her
seriously—Japanese Proverb*

(Continued from page 1)

- ember 16, 2012.
2. AP, *Japan's space agency probes possible data leak*, December 1, 2012.
 3. Reuters, *U.N. nuclear agency says hackers stole information*, November

(Continued from page 1)

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3. Bar, Herve, AFP, *Syria rebels use new arms to down chopper*, November 28, 2012.
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5. AP, *North Korea preparing for missile test, satellite photos suggest*, November 27, 2012.
6. Jerusalem Post, *Report: West worried by Syria chemical weapons activities*, December 2, 2012.

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- 27, 2012.
4. Reuters, *Hackers did not steal sensitive nuclear information: IAEA*, November 29, 2012.
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6. Walker, Danielle, SC Magazine, *Narilam virus targets Middle East, but isn't like others*, November 28, 2012.

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7. Reuters/The Guardian (UK), *North Korea preparing for missile test, satellite photos suggest*, November 27, 2012.
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11. BBC News, *Vietnam refuses to stamp new Chinese passports over map*, November 26, 2012.
12. AP, *Manila says will not stamp new Chinese passport*, November 28, 2012.
13. VOA, *China Border Patrols to Search, Expel 'Illegal' Foreign Ships*, November 29, 2012.
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15. Page, Jeremy, Wall Street Journal, *China Aircraft Carrier Passes Landmark*, November 25, 2012.
16. Jones, Terril Yue, Reuters, *China defense chief says military buildup no threat to the world*, November 27, 2012.
17. Bland, Ben, Financial Times, *Asean chief warns on South China Sea disputes*, November 27, 2012.
18. AP, *Pakistan test-fires nuclear-capable missile*, November 28, 2012.

Energy

In the Middle East, Iran continues to use its energy surplus to help civil war torn Syria. For instance, Iran is building a \$10 billion gas pipeline to Syria [1]. Iran's nuclear weapons program is also in the news. A graph depicting a 50 kilo-ton nuclear bomb yield was leaked to the press [2]. What's more, there are indications Iran will be adding additional centrifuges to further speedup nuclear material processing [3]. The Iranian nuclear threat coincides with military expansion. Case in point, Iran showcased new warships including a frigate sized missile launcher [4]. While these ships may pose little risk to the US Navy, they could disrupt oil transport

through the Gulf.

Following the nuclear accident in Japan, the cost of energy has increased. Now one company, Panasonic, is threatening to move production overseas if a 19.23 % electricity rate high is approved [5].

1. AP/Washington Post, *Report: Iran starts building \$10 billion gas pipeline to Syria to boost its energy sector*, November 19, 2012.
2. Jahn, George, AP, *AP Exclusive: Graph suggests Iran working on bomb*, November 27, 2012.
3. Dareini, Ali Akbar, AP, *Iran: Uranium enrichment to be speeded up*, November 28, 2012.
4. AP, *Iran Showcases New*

Warships Near Strategic Waters, November 28, 2012.

5. Inajima, Tsuyoshi, and Okada, Yuji, Bloomberg, *Kansai Electric Seeks Tariff Increase on Rising Fuel Costs*, November 26, 2012.

Because we focused on the snake, we missed the scorpion—Egyptian Proverb

World Recession

In Japan, retail sales fell the most in 11 months raising fear the island nation is heading into another recession [1].

To our south, Argentina had its credit rating lowered by Fitch to a near default status [2]. This is a consequence of Argentina's Deeping recession [3].

In Europe, Spain is in a deep recession [4]. Likewise, Italy is in a recession [5]. Then Greece remains locked in a deep recession [6]. Meanwhile, Portugal is in its third year of a recession [7].

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Bloomberg, *Japan's Retail Sales Fall in October as Car Sales Drop*, November 29, 2012.

2. Bases, Daniel, Reuters, *Fitch slashes Argentina rating to near default status*, November 27, 2012.
3. AP, *NY appeals court stays Argentina debt ruling*, November 28, 2012.
4. AFP, *Spain still mired in recession: central bank*, November 28, 2012.
5. Winfield, Nicole, AP, *Italy votes in center-left primary amid recession*, November 25, 2012.
6. Reuters, *OECD sees Greek*

recovery in 2015, later than expected, November 27, 2012.

7. Reuters, *Portugal parliament approves austerity budget*, November 27, 2012.

Economy

The US is not the only country to lose its AAA credit rating. Case in point, the new socialist France was downgraded by Moody's by one notch from AAA to Aa1 [1].

For the week ending November 17, the number of first time unemployment claims was 410,000 [2]. Of particular interest, the previous week's numbers were increased from 439,000 to 451,000 [3]. For the week ending November 24, the number of claims was 393,000 and the previous week increased by 6,000 [4]. For the third quarter, revised numbers indicate the US Gross Domestic Product grew at a 2.7% rate [5].

The economic signs associated with new housing took a turn down. The number of new single family sales fell in October and the sales for the num-

ber for September was revised downward [5].

Once again, the Treasury Department refused to brand China a currency manipulator [6]. This means the unfair trade balance with China will continue.

1. Russell, Jonathan, The Telegraph (UK), *France stripped of prized 'AAA' credit rating by Moody's*, , November 19, 2012.
2. Rugaber, Christopher, AP, *Fewer seek US jobless aid as storm distorts data*, November 21, 2012.
3. Woellert, Lorraine, Bloomberg, *Jobless Claims in U.S. Decreased Last Week to 410,000*, November 21, 2012.
4. Mutikani, Lucia, Reuters, *Jobless claims fall for second straight week*, November 29, 2012.
5. Chandra, Shobhana, Bloomberg, *U.S. Economy Grew at 2.7% Rate, More Than First Estimated*, November 29, 2012.
6. Lange, Jason, Reuters, *New home sales stagnant, casts shadow on housing*, November 12, 2012.
7. Klimasinska, Kasia, and Katz, Ian, Bloomberg, *U.S. Treasury Declines to Name China Currency Manipulator*, November 27, 2012.

*It is painful enough to
discover with what
unconcern they speak of
war and threaten it. I
have seen enough of it to
make me look upon it as
the sum of all evils—
Thomas 'Stonewall'
Jackson*
