

IN THE NEWS

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World News

Once again, North Korea made news with its nuclear weapons program. The latest was a ICBM that reached an altitude of 2,780 miles before reentering the Earth's atmosphere [1]. The new missile now appears to have the range necessary to reach Washington DC and New York City [2]. Of concern to neighboring countries; the missile landed within Japan's exclusive economic zone [3]. Additionally, the Communist North is advancing test and development of submarine launched ballistic missiles [4]. With all the nuclear weapons development, there are those that believe we are getting ever closer to armed conflict with the North [5]. Sanctions have not been effective against the rogue nation. Case in point, Russia provide the North with Internet access [6]. Perhaps the only country that could bring North Korea to cut back on its nuclear weapons program is China. However, when prompted to act on North Korea, China resists [7].

Next door, China continues to expand its military influence. For instance, China has finally admitted to deploying fighters in the South China Sea [8]. Additionally, China introduced two Type 056/056A Jiangdao-class corvettes designed for anti-submarine missions [9]. Then the Chinese DF-41 mobile ICBM capable of delivering 10 warheads anywhere on Earth is expected to be deployed within six months [10]. One of the consequences of China military rise is to encourage other countries to militarize. Case in point, India announced plans to build and deploy six nuclear powered attack submarines [11].

1. Reuters, *N.Korea says new ICBM puts U.S. mainland within range of nuclear weapons*, November 29, 2017.
2. Cheng, Jonathan, Wall Street Journal, *North Korea Says It Launched New, More Advanced ICBM*, November 28, 2017.
3. Higgins, Tucker, CNBC, *North Korean missile lands in Sea of*

(Continued on page 2)

Security

The race to fix security bugs continues. For instance, Microsoft releases patches to fix 20 security vulnerabilities [1]. Additionally, Adobe patches fixed 62 vulnerabilities [2]. Then Intel released a security patch to address multiple security vulnerabilities [3]. Finally, Cisco released patched to fix WebEx vulnerabilities [4].

Concurrent with security vulnerabilities are successful exploits. For instance, in

the UK, the world's largest shipbroker, Clarkson, fell victim to a cyber attack and vowed not to pay a ransom [5].

With the number of security patches we see, it should be obvious that new programs will contain security vulnerabilities. At the extreme end, there are some recommendations to maintain paper as the ultimate backup for failures in information technology systems [6].

1. Olenick, Doug, SC Magazine, *Microsoft Patch Tuesday: 20 critical issues addressed*, November 14, 2017.
2. Olenick, Doug, SC Magazine, *Adobe Patch Tuesday: 62 vulnerabilities for Reader/Acrobat, 5 critical for Flash Player*, November 14, 2017.
3. Newman, Ily Hay, *Wired, Intel Chip Flaws*

(Continued on page 2)

Inside this issue:

Terrorism	3
Economy	4

Special points of interest:

- DJIA 24,000
- Market drops after false news report

Security

(Continued from page 1)

Leave Millions of Devices Exposed, November 25, 2017.

4. Abel, Robert, SC Magazine, *Cisco patches multiple vulnerabilities in WebEx platforms*, November 30, 2017.
5. Rogers, James, Fox News, *Shipping giant hit by*

cyberattack, refuses to pay hackers' ransom, December 1, 2017.

6. Nichols, Shaun, The Register (UK), *Expert gives Congress solution to vote machine cyber-security fears: Keep a paper backup*, December 1, 2017.

It's very certain that North

Korea is developing nuclear weapons for offensive purposes. They don't need nuclear weapons to defend their own country.—Kim Youngsam

(Continued from page 1)

Japan, Pentagon says, November 28, 2017.

4. Daniels, Jeff, CNBC, *North Korea appears ready to accelerate submarine weapons tests, adding to nuclear threat*, December 1, 2017.
5. Bruggeman, Lucien, ABC News, *McMaster: North Korean threat increasing every day*, December 2, 2017.
6. Newton, Matthew, and Park, Donghui, Forbes, *Russia Is Now Providing*

North Korea With Internet: What That Could Mean For Cyber Warfare, December 1, 2017.

7. Lockie, Alex, Business Insider, *China snaps at the US over pushing Beijing to cut off North Korea*, December 1, 2017.
8. Johnson, Jesse, Japan Times, *China confirms deployment of fighters to South China Sea island for first time*, December 2, 2017.
9. Gady, Franz-Stefan, The Diplomat, *China's Navy Inducts 2 More Sub Killer*

Stealth Warships, November 30, 2017.

10. Dailey Mail (UIK), *China's multi-nuke hypersonic missile, that can strike ANYWHERE in the world, will be ready 'within a few months'*, November 21, 2017.
11. The Economic Times, *India kickstarts process to build 6 nuclear-powered attack submarines*, December 1, 2017.

Terrorism

A religious terrorist group attacked an Egyptian mosque leaving at least 200 people dead [1]. In Nigeria, a suicide bombing at a mosque left at least 50 people dead [2]. Elsewhere in Nigeria, at least 13 people were killed as a result of a market suicide bombing [3].

In Pakistan, five terrorist dressed as women wearing burkas entered a government building and killed at least nine people [4]. Taliban terrorists claimed responsibility for the attack [5]. In Afghanistan, a motorcycle bomb to kill at least five people [6].

1. Gomez, Alan, USA Today, *Islamic State-Sinai Province: What is the ISIS-linked terrorist group?*, November 24, 2017.
2. NPR, *At Least 50 Killed In Bombing During Mosque's Morning Prayers In Nigeria*, November 21, 2017.
3. AP/Fox News, *13 killed in suicide bombing at north-eastern Nigeria market*,

December 2, 2017.

4. Parker, Nick, The Sun (UK), *Gunmen in burkas massacre nine and wound 35 in Pakistan terror attack*, December 2, 2017.
5. AP/CBS News, *Taliban claims deadly attack on research students*, December 1, 2017
6. AP/Fox News, *Afghan official: Motorcycle bomb kills 5 in country's east*, December 3, 2017.

In North Korea, grass is a vegetable eaten by the people, and they've got nuclear weapons and intercontinental ballistic missiles. So, something more stringent than what's been done to North Korea is going to have to work; otherwise, a military strike is the only option.—Oliver North

Economy

According to the Labor Department, for the week ending November 11, the number of first time unemployment claims was 249,000 [1]. Then, for the week ending November 18, the number of claims was 239,000 [2]. Finally, for the week ending November 25, the number of claims was 238,000 [3].

On the good news side, the Gross Domestic Product (GDP) grew at a three year high rate of 3.3% [4]. Then on November 30, the Dow Jones Industrial Average broke through the 24,000 barrier for the first time [5].

In the past we have explored how “Algos” (artificial intelligence trading applications) respond to the news. On December 1, ABC news reported a story that sent the stock market on a deep decline [6, 7]. The initial market fall was approximately 300 points [8]. We later discovered the key

part of the story was false [9]. ABC suspended the source of the incorrect report for four weeks without pay [10]. Nevertheless, market volatility resulted from false information.

1. CNBC/Reuters, US weekly jobless claims unexpectedly rise,
2. Market Insider, U.S. *Weekly Jobless Claims Pull Back To 239,000*, November 22, 2017.
3. Market Insider, U.S. *Weekly Jobless Claims Edge Down To 238,000*, November 30, 2017.
4. Chandra, Sho, Bloomberg, *during the last quarter, U.S. Third-Quarter Growth Revised to Three-Year High of 3.3%*, November 29, 2017.
5. Thomas Jr., Landon, New York Times, *Markets Pass Another Milestone, as Investors Remain Fearless*, November 30, 2017.
6. Imbert, Fred, and Gibbs, Alexandra, CNBC, *Stocks close lower after Michael Flynn report sends Wall Street on wild ride*, December 1, 2017.
7. Oyedele, Akin, Business Insider, *Stocks tumble, gold spikes on report that Flynn is prepared to testify against Trump*, December 1, 2017.
8. Reuters/.NBC News, *Dow Jones drops 300 points on news that Flynn charged in Mueller probe*, December 1, 2017.
9. Darcy, Oliver, CNN, *ABC News suspends Brian Ross for 4 weeks over erroneous Flynn story*, December 2, 2017.
10. Mark, Michelle, Business Insider, *ABC News suspends Brian Ross over 'serious error' in Michael Flynn story*, December 2, 2017.

The larger picture here is that a North Korea with nuclear weapons adds to the larger proliferation risk.

—Susan Rice
