

World News

The tensions between China and the US increased. The President signed a bill supporting the Hong Kong protestors and this has angered China [1]. This comes after the pro-democracy movement scored a major victory in Hong Kong elections [2]. The unrest has hurt the Hong Kong economy. For instance, one piece indicated this has been the worst retail decline in its history [3].

The rivalry between the US and China is often measured in military metrics. However, there is an ongoing trade war that is impacting China. And the measure is not limited to US companies doing business in China. Case in point, in response to the trade war, after 30 years there Samsung moved its smartphone manufacturing out of China; leaving behind a ghost town where thousands once worked [4]. The economic impact threatens the income source needed by China to fund its programs. For instance, the Chinese government is also providing monetary support to private companies but failures rates continue [5]. Perhaps this was a motivating factor in China agreeing to a phase 1 trade agreement with the US [6].

When considering the threat from China's navy, consider they can apply nearly everything to conflict near the South China Sea. In contrast, the US Navy has ships around the world with only a portion available to counter China. In the long term, China is preparing for conflict in the waters near its shore. Meanwhile, China continues to expand its Navy. For instance, two more 056A corvettes entered service [7]. This comes as China is committed to at least four aircraft carriers [8].

1. O'Reilly, Andrew, Fox News, Trump signs bill supporting Hong Kong protestors despite strong opposition from China, November 27, 2019.
2. Cheung, Gary, South China Morning Post, *Can polls' biggest loser become a winner again? Pro-Beijing party must reinvent itself quickly, as it did before*, November 27, 2019.
3. Klebnikov, Sergei, Forbes, *Hong Kong Unrest Causes 'Worst Ever' Retail* (Continued on page 2)

Security

The security of information technology has been reactive to incidents. When the Morris Worm stuck the then Internet back in 1988, this was a serious wakeup call [1]. Similarly, the public was treated to the world of cyber espionage that took place in 1986 [2]. Likewise, back in 1990/1991, there were thoughts that computer viruses could be used for electronic warfare [3]. Unfortunately, market driven forces where security was

not a basic metric ruled the day. So the software that emerged has culminated in products that stand little chance of removing all vulnerabilities. Instead, we have become followers to patch management. Case in point, the Mycroft Patch Tuesday for December addresses 36 vulnerabilities [4].

Another security problems is counterfeit products including goods, identifications, and currency. For example, in Louisville, KY,

U.S. Customs and Border Protections seized \$95 million in illegal goods, including 5,000 fake identification cards [5]. The fakes came from China and included bogus IDs for Florida, Michigan, Illinois, Missouri, New Jersey and Ohio [6].

1. Stoll, Cliff, *The Cuckoo's Egg: Tracking a Spy Through the Maze of Computer Espionage*, 1989.

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Special points of interest:

- DJIA, S&P 500, and NASDAQ Record Highs
- Terror in the US

Security

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4. Cimpanu, Catalin, Zero Day/ZDNet, *Microsoft December 2019 Patch Tuesday plugs Windows zero-day*, December 10, 2019.
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The idea is to go to bed every night with fewer enemies than you had in the morning.—David Petraeus

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5. Yu, Sun, and Liu, Xin-ning, Financial Times, *China's bailout of private companies fails to halt de-faults*, December 5, 2019.
6. Menton, Jessica, USA Today, *Trade agreement: Stocks little changed after Trump and China reach partial trade deal*, December 13, 2019.
7. Tate, Andrew, Jane's Defence Weekly, *Two more Type 056A corvettes in service with the Chinese navy*, December 12, 2019.
8. Chan, Minnie, South China Morning Post, *Chinese navy set to build fourth aircraft carrier, but plans for a more advanced ship are put on hold*, November 28, 2019.

Terrorism

The violence in Mexico has not gone completely unnoticed. The President indicated he plans to designate the drug cartels as terrorist groups [1]. This follows the attack on Mormon offshoot communities with dual U.S. and Mexican citizenship [2]. Separately, in a town near the US border, gunmen staged a one hour gun battle that left 4 police and 16 gunmen dead [3].

In places where guns are difficult to acquire, terrorist will use other methods to carry out their crimes. For example, on London Bridge, two people were killed by a terrorist suspect who was previous arrested for planning attacks [4]. Then in the Netherlands, three people were stabbed in an incident still under investigation [5].

Elsewhere, in Burkina Faso, Africa, terrorist gunmen attacked a church killing at least 14 people [6]. Then hundreds of jihadists attacked a remote Nigerian military camp killing at least 71 [7].

The US is not immune from terrorist attacks launched foreign nationals. Case in point, at the Pensacola Naval Air Station in Florida, a student from Saudi Arabia used a gun to kill at least 3 people [8]. Then on December 10, in Jersey City, two gunmen at-

tacked a Jewish kosher market killed at least four people [9]. It appears the two gunmen were members of the Black Israelite group [10]. One opinion piece describes the group as opposed to whites, Jewish, and LBGT (Lesbian, Bisexual, Gay and Transgender) people [11].

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2. Agren, David, USA Today, *After ambush in Mexico, family sees Trump's 'terrorist' designation for cartels as a reality*, November 27, 2019.
3. Woods, Amanda, and Fitz-Gibbon, Jorge, New York Post, *Mexican drug cartel gunmen kidnapped locals after weekend blood-bath*, December 2, 2019.
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5. BBC News, *The Hague stabbing: Three injured on shopping street aged 13-15*, November 30, 2019.
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7. CBS News, *Niger military*

camp attacked by "many hundreds" of jihadists, leaving scores dead, December 12, 2019.

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9. Caspani, Maria, Reuters, *New Jersey gun battle leaves six dead, including cop and both suspects*, December 10, 2019.
10. New York Dailey News, *Hate kills again: A fatal anti-Semitic shooting in Jersey City, coupled with rising attacks in New York City, demands a united and forceful response*, December 11, 2019.
11. Adams, Becket, Washington Examiner, *Jersey City gunman was a Black Hebrew Israelite, so don't expect to hear much more about the shooting*, December 11, 2019.

Anyone in a position of power is either corrupt or assumed to be corrupt, and the assumption of corruption is as bad as the reality of it.—Stanley A. McChrystal

Economy

This news cycle starts with strong stock market strength. On November 25, the DJIA, NASDAQ, and S&P 500 closed at record highs [1]. Then again on November 26, the three indices closed at new record highs [2]. Continuing the upward trend, on November 27, the three indices closed at record highs [3]. After a few days pause, on December 12, the three stock indices again closed at record highs [4]. Finally, the three indices closed at record highs on December 13 [5].

Strength on the unemployment front remained strong. For the week ending November 23, the number of first time unemployment claims was 213,000 [6]. For the week ending November 30, the number fell to 203,000 [7]. Finally, for the week ending December 7, the number rose to 252,000 [8]. What's more,

the unemployment rate fell to 3.5% [9].

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2. Matthews, Chris, and Wiltermuth, Joy, Market Watch, *U.S. stocks end at all-time highs, major indexes clinch 10th record close of November*, November 26, 2019.
3. Riquier, Andrea, and McKeef, Clive, Market Watch, *Stocks close at new records on rosier U.S. economic data, trade deal hopes*, November 27, 2019.
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7. Department of Labor, *Unemployment Insurance Weekly Claims*, December 5, 2019.
8. Department of Labor, *Unemployment Insurance Weekly Claims*, December 12, 2019.
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Rallies On New Trump Tweet, December 12, 2019.

*Facts are stubborn things;
and whatever may be our
wishes, our inclinations, or
the dictates of our
passions, they cannot alter
the state of facts and
evidence.—John Adams*
