

# IN THE NEWS

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## World News

Syria continues to expand its civil war. For example, insurgents fired mortars at the President Bashar al-Assad's palace in Damascus but missed the intended target [1]. Then there were terrorist bombings taking place throughout the Syrian capital, Damascus [2]. As the civil war progresses, the economic impact to the current government is taking a toll. Case in point, after three days of heavy fighting, rebels captured an oil field in the eastern part of Syria [3]. What's more, the Syrian civil war is starting to heat up along Israel's territory. For instance, after mortar rounds landed in Israel land, the Jewish state responded by destroying a Syrian armored vehicle [4]. Additionally, Syria is pulling Turkey closer to the civil war by bombing Syrian border towns [5]. Then two towns located in the buffer zone between Syria and Israel have been captured by rebel soldiers [6]. Meanwhile, France officially recognized the newly formed Syrian rebel coalition and hinted it may provide weapons to the group [7]. Finally, Turkey recognized the rebel group as the legitimate leader of Syria [8].

In yet another conflict, Israel responded to Hamas rocket attacks originating from sites in the Gaza by launching air strikes [9]. The tensions are rising and Israel is mobilizing troops for a possible invasion of Gaza [10]. To complicate matters, the new Egyptian government is promising to support Gaza against Israel [11]. Elsewhere in the Middle East, reports indicate that Iranian warplanes fired on a US unmanned drone aircraft [12]. Explaining its action, Iran claims the right to defend its territory [13].

As China continues to ramp up its military, the US continues to downsize. Case in point, another US aircraft carrier, the nuclear powered USS Enterprise, will be deactivated [14]. As a side note, a nuclear powered ship could be used to provide clean nuclear power and assistance to coastal areas ravaged by natural disasters. It seems a shame not to take advantage of the resources turned off.

1. BBC News, *Syria crisis: Damascus hit by deadly blasts*, November 6, 2012.
2. Oweis, Khaled Yacoub, and Abbas, Mohammed, Reuters, *Syrian rebels fire at, miss Assad's palace*, 2012.
3. AP/Wall Street Journal, *Syrian Rebels Capture Oil Field*, November 4, 2012.
4. AP/Fox News, *Israel reports 'direct hits' on targets in Syria*, November

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## Security

One of the risks associated with state sponsored cyber attacks is the collateral damage. Case in point, a virus directed against Iran also hit Chevron's Network [1].

US industry is experiencing a greater frequency of more sophisticated cyber-attacks. For instance, Lockheed is reporting increased attacks against suppliers with 20% considered state sponsored

in sophistication [2].

Unencrypted backup tapes containing information on 14,000 patients went missing in walk-in health facilities located in Massachusetts and Rhode Island [3]. Meanwhile, Microsoft released patches to fix 19 security vulnerabilities, 4 of which are categorized as critical [4].

1. King, Rachael, Wall

Street Journal, *Virus Aimed at Iran Infected Chevron Network*, November 8, 2012.

2. Shalal-Esa, Andrea, Reuters, *Lockheed says cyber attacks up sharply, suppliers targeted*, November 12, 2012.
3. Walker, Danielle, SC Magazine, *Backup tapes missing from health facili-*

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### Special points of interest:

- \$21.9 billion September trade deficit with China
- First time unemployment claims spike to 1½ year high
- 49.7 million American in poverty
- 50<sup>th</sup> bank shuttered

## Security

Windows RT, November 13, 2012.

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- ties in Mass. and R.I., November 12, 2012.
4. Keizer, Gregg, Computer World, *Microsoft patches critical flaws in Windows 8*,

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5. Arsu, Sebnem, and Gladstone, Rick, New York Times, *Syria Presses Bombardment of Border Town*, November 13, 2012.
6. Greenwood, Phoebe, et al., The Telegraph (UK), *Syrian rebels seize territory north of Golan Heights*, November 13, 2012.
7. Erlanger, Steven, and Gladstone, Rick, New York Times, *France Recognizes New Syrian Rebel Group, Hints It May Provide Weapons*, November 13, 2012.
8. Arsu, Sebnem, New York

Times, *Turkey Recognizes New Syrian Rebel Group as Legitimate Leader of Syria*, November 15, 2012.

9. Kershner, Isabel, and Akram, Fares, New York Times, *Attacks Resume After Israeli Assault Kills Hamas Leader*, November 15, 2012.
10. Fox News, *War looms over Gaza as Israel mobilizes troops near border*, November 16, 2012.
11. BBC News, *Gaza crisis: Egyptians back under-fire Palestinians*, November 16, 2012.
12. Starr, Barbara, CNN, *Tehran mum over Pentagon claim Iran warplanes*

*opened fire on US drone*, November 9, 2012.

13. Starr, Barbara, CNN, *After attack on U.S. drone, Iran backs right to defend territory*, November 9, 2012.
14. Vergakis, Brock, AP, *USS Enterprise completes its final voyage*, November 5, 2012.

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*Mindless habitual  
behavior is the enemy of  
innovation—Rosabeth  
Moss Kanter*

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## Energy

New technology continues to make previously hard to get energy cost effective. Moreover, one report suggests the US could overtake Saudi Arabia as the largest oil producer and become nearly energy sufficient by 2020 [1]. However, this prediction is based on government regulators not stopping the current technological progress [2]. One advantage of the worldwide recession is the reduced demand for energy. For instance, one forecast estimates oil consumption for the last quarter will be 300,000 barrels

per day less [3]. Meanwhile, Iran continues working on its nuclear program. For instance, the U.N. nuclear agency claims Iran is ready to double its Uranium processing capability located in its deep underground facility [4].

1. Nguyen, Lananh, Bloomberg, *U.S. Oil Output to Overtake Saudi Arabia's by 2020*, November 12, 2012.
2. Mills, Mark, Forbes, *The International Energy Agency Catches Up With America's*

*Oil Producers*, November 13, 2012.

3. Kent, Sarah, Wall Street Journal, *IEA Cuts Oil Demand Forecast*, November 13, 2012.
4. Jahn, George, AP, *UN nuclear agency: Iran poised to expand nuke work*, November 16, 2012.

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*It is not the strongest of  
the species that survives,  
nor the most intelligent  
that survives. It is the one  
that is the most adaptable  
to change—Charles Darwin*

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## Economy

The US trade deficit for September was \$41.5 billion with China accounting for a \$29.1 billion deficit [1]. For the week ending November 3, the number of first time claims reported by the Commerce Department was 355,000 [2]. Then for the week ending November 10, the first time claims surged to 439,000, a 1½ year high [3]. Meanwhile, regulators closed another financial institution: 50) the Hometown Community Bank in Georgia [4].

According to the US Census, 49.7 million Americans are now living in poverty [5]. Meanwhile, retail sales for October fell 0.3%, the first decline in four months [6].

The US is not the only region struggling to recover. For instance, the Eurozone contracted by 0.1% for the second quarter in a row, indicating it has slid back into a recession [7].

In more bad economic news, the US Postal Service reported a loss of \$15.9 Billion for the fiscal year ending September 30 [8].

More US industry is set to reduce the workforce. For example, following a crippling labor strike, Hostess Brands Inc. plans to sell its assets and lay off most of its 18,500 workforce [9]. Then Texas Instruments plans to cut 1,700 jobs [9].

1. Crutsinger, Martin, AP, *US Trade Deficit Narrows to \$41.5 Billion*, November 8, 2012.
2. Fox News/Reuters, *Weekly Jobless Claims Fall; Sandy Distorts Data*, November 8, 2012.
3. NBC News, *Sandy yields surge in jobless claims*, November 15, 2012.
4. Tadena, Nathalie, Wall Street Journal, *Regulators Close Georgia Bank*, November 16, 2012.
5. CBS DC/AP, *Census: U.S. Poverty Rate Spikes, Nearly 50 Million Americans Affected*, November 15, 2012.
6. Mutikani, Lucia, Reuters, *Retail sales sag on autos, wholesale prices subdued*, November 14, 2012.
7. Thompson, Mark, CNN Money, *Eurozone slips back into recession*, November 15, 2012.
8. Keane, Angela Greiling, Bloomberg, *U.S. Postal Service on a 'Tightrope' Lost \$15.9 Billion*, November 15, 2012.
9. Gelsi, Steve, Market Watch, *Hostess to lay off thousands, sell assets*, November 12, 2012.
10. Mlot, Stephanie, PC Magazine, *Texas Instruments Cuts 1,700 Jobs in Shift from Mobile Chip Market*, November 15, 2012.

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*What prudent merchant will hazard his fortunes in any new branch of commerce when he knows not that his plans may be rendered unlawful before they can be executed?—*

*James Madison*

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## Japan's Industry

The impact of China's trade war with Japan is further impacting the Japanese auto industry. For the first time since 2009, sales of Japanese cars in China fell below 100,000 vehicles representing a falling market share from 13% down to 6.7% [1]. Moreover, Japan welcomed the exiled Dalai Lama; an action that has irritated China [2].

Overall, Japan's gross domestic product fell 3.5% during the quarter ending September [3].

1. Wall street Journal, *Japanese Car Sales in China Remain in Funk*, November 9, 2012.
2. Sposato, William, Wall Street Journal, *Japan's Public Welcome for Dalai Lama Irks China*, November 13, 2012.
3. Ujikane, Keiko, and Hidaka, Masahiro, Bloomberg, *Japanese Economy Contracts at Fastest Pace Since Earthquake*, November 11, 2012.