

IN THE NEWS

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World News

In Korea tension between the North and South continued to rise. The latest unrest started when North Korea warned its South Korean counterparts to stop loud speaker broadcasts along the border [1]. Then, both sides exchanged artillery fire [2]. Following the artillery exchange, the North placed its military on heightened alert [3]. Finally, the US and South Korea halted an ongoing military exercise [4].

In more troubling news, it appears that North Korea has been beefing up its military capabilities for some time. For instance, satellite images indicates the North is expanding its uranium extraction facility [5]. Additionally, one piece indicates North Korea is now operating an underground missile complex that restricts monitoring [6].

Meanwhile, Russia and China continue to expand their military capabilities. For instance, the Russia and Chinese navy plan their largest joint exercise in the Pacific with over 20 ships [7]. Additionally, China tested two independently targeted warheads on its new DF-41 nuclear capable mobile ICMB [8].

Currently, China's defense spending is three times more than Japan [9]. Furthermore, one piece highlights China's military expansion on recently created islands [10]. To counter the increased risk, Japan is looking for ways to strengthen remote islands and plans to expand its submarine fleet from 16 to 22 boats [11].

Finally, the Middle East continues to expand in military conflict. For instance, Turkey continues to bomb Kurdish targets [12].

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Security

Once again, China hacking is in the news. One report indicates China has been hacking private government email since 2010 [1]. Additionally, Chinese hackers were blamed for a penetration at the University of Virginia [2].

In the commercial world, patch management illustrates the race between fixing security holes and being breached. For instance, the Mozilla Firefox

browser was upgraded to fix several security flaws [3].

Then Microsoft release patched addressing 14 security bulletins in its new Windows 10 operating system [4]. Microsoft later released another patch to fix a critical remote code execution flaw in Internet Explorer [5]. At Adobe, security patches were released to fix 35 bugs [6].

Among the worst case scenarios is a zero-day vulnerability in hardware. With

this as a backdrop; researchers found a zero-day vulnerability in Intel processors manufactured between 1997 and 2010 [7].

Once a breach is detected, the true magnitude is sometimes not known immediately. Case in point, the number of taxpayers compromised during the one IRS breach was increased by 220,000 for a revised total of 334,000 [8].

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Special points of interest:

- More unfair trade as China devalues the yuan

Security

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1. Reuters, *China Hacked Private Emails of U.S. Officials Since 2010*, August 10, 2015.
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8. AP, *IRS hack hit 220,000 more taxpayers than originally disclosed*, August 17, 2015

Mischief springs from the power which the moneyed interest derives from a paper currency which they are able to control, from the multitude of corporations with exclusive privileges... which are employed altogether for their benefit.—

Andrew Jackson

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2. Park, Ju-Min, and Munroe, Tony, Reuters, *North and South Korea exchange artillery fire*, August 20, 2015.
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World News

Terrorism

Terrorism continues to expand globally. Case in point, bombings in Bangkok, Thailand, left at least 20 people dead [1]. Meanwhile, police have identified the suspect as a Muslim named Mohamad Museyin [2].

In Afghanistan, a car bomb explosion near the Kabul airport killed at least 4 people [3]. Then there was another car bombing that killed at least 12 people, including 3 Americans [4].

In the Middle-East, the Islamic State (IS) has been busy launching multiple terrorist attacks. For instance, in Iraq, the IS claimed terrorist attacks that claimed at least 60 lives [5]. Separately, the IS claimed responsibility for a truck bomb in Baghdad that claimed at least 76 lives [6]. In Egypt, the IS claimed responsibility for a car bomb in Cairo that injured a number of policemen [7].

Meanwhile, Europe continues to grapple with terrorism. For instance, a 26-year old Moroccan terrorist riding a train from Amsterdam to Paris was subdued by three Americans [8]. One report indicates, Eu-

ropean counterterrorism agencies were tracking the terrorist for his radical jihadist views [9].

Finally, terrorists are going after US targets overseas. For instance, a US consulate in Turkey was attacked by two gunmen [10].

1. Olarn, Kocha, et. al., CNN, *Police: Woman not believed linked to Bangkok bombing*, August 22, 2015,
2. Drill, Stephen, Herald Sun, *Bangkok bombing: Thai police name blast suspect as Mohamad Museyin*, August 21, 2015.
3. Hassib, Sayed, Reuters, *Car bomb explodes near Kabul airport*, August 10, 2015.
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6. Rasheed, Ahmed, Reuters, *Islamic State claims huge truck bomb attack in Baghdad's Sadr City*, August 13, 2015.
7. Cunningham, Erin, Washington Post, *Islamic State claims responsibility for massive car bombing in Cairo*, August 20, 2015.
8. BBC News, *France train shooting: President thanks 'heroes' who overpowered gunman*, August 22, 2015.
9. Karimi, Faith, et. al., CNN, *Americans, French national tackle, overpower suspected Islamist gunman on train*, August 22, 2015.
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*He who tampers with the
currency robs labor of its
bread.—Daniel Webster*

Economy

The US trade deficit with China for June was \$31.5 billion [1]. However, once again, China continues its state sponsored unfair trade practices. In the latest case, China devalued its currency, the yuan, following poor economic data [2]. Then the next day, China again devalued the Yuan [3]. To understand what's at stake for China, consider the manufacturer of many Apple products, employs 300,000 in the walled facility referred to as "iPhone City" [4]. With the lower value, it makes US products more expensive while lowering the cost of Chinese goods. This makes foreign companies less competitive [5]. Consequently, China was blamed for significant global market falls [6]. Consider the following example of market turmoil; on 21 August, the Dow lost 530 points and Apple lost 6% of its value [7]. For the week ending August 8,

the number of first time unemployment claims reported by the Labor Department was 274,000 [8]. Then, for the week ending August 15, the number of claims was 277,000 [9].

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*China needs a currency
that reflects underlying
economic fundamentals.—
Henry Paulson*
