

**MOODCOMPASS®**  
**A GUIDE TO THE MOOD CYCLES OF**  
**NATURE AND CIVILIZATION**

March 2010

Highlights: Social discontent • Extreme interest in terrorism and global violence • Widespread natural event(s) • Accelerating economic losses

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## March 2010 – Global Violence, Destabilization, and Disasters

March is said to come in like a lion, yet along with the nascent Chinese Year, it makes its entrance in 2010 as a tiger—and a ferocious one at that. The month begins with global tempers high and violence on the rise, as the mood factors indicate a period of global destabilization and violence. It is likely that concerns with civil unrest and even terrorism are at extremes. Worries about geopolitical escalation should be elevated as well.

By the second week of the month, geopolitical escalation could well become a reality. There are indications of concerns during this period with resource availability, and the price of crude oil and other commodities could rise accordingly. Hoarding is a possibility.

As the mid-month point passes, the collective mood indicates a safety-seeking preference; economic losses are likely to accelerate with steep market declines possible. Concurrently, the human perception of the natural world signifies a high risk for event(s) of which losses of life and property are probable.

As the month comes to a close, global leaders are likely to be in panic mode as they attempt to keep up with the extreme pace of unfolding events. The U.S. government also shows indications of being in a crisis mode as it tries to forge a way forward. There should be an attempt to assess losses during this period and for markets to make their best efforts to stabilize. While valiant attempts may be made throughout the month to catch this tiger by the tail, it's sure to be a difficult, if not dangerous venture.

Highlights:

**March 1 - 9: *Violence and Destabilization.*** Global destabilization. Extreme focus on terrorism; concerns with global violence elevated. Increased social agitation and violence; possibly outrage. U.S. government perceived to be less stable followed by a shift to intense, directed action. Preoccupation with the availability of resources (e.g. crude oil). Markets volatile and confused.

**March 10-16: *Geopolitical Escalation.*** Global context of geopolitical escalation. Heightened military activity likely. U.S. government perceived to be in crisis mode; geopolitical focus likely. Preoccupation with resource availability; hoarding is possible. Decline in the U.S. Dollar is likely.

**March 17-24: *Economic and Other Disasters.*** Large economic losses with steep market sell-offs. High loss natural event(s) likely.

**March 25-31: *Regrouping.*** Global leaders in panic mode trying to keep up with the month's unfolding events. U.S. government in crisis mode, trying to forge a way forward. Markets attempting to stabilize. Damage assessment and grieving from natural disasters.

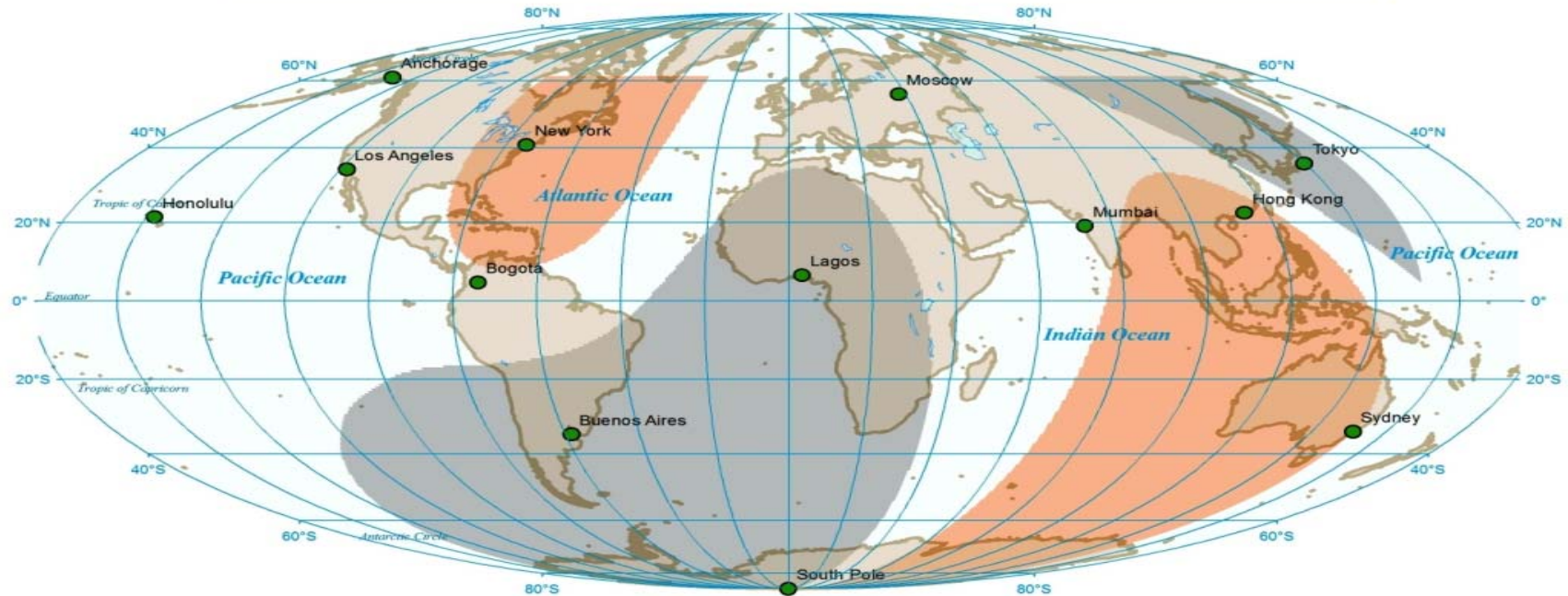
*The charts on the following pages will go into further detail of the social mood changes and corresponding market behavior for this time period. The last few pages of this document will give you a brief orientation to the MoodCompass.*

## SUMMARY OF CHART ANALYSIS

After the data is gathered for the month and the mood cycles recalibrated, as needed, the charts on the following pages are constructed from the projected social mood and perceptions for the period covered by this issue of MoodCompass. Themes and patterns within and between charts are looked for and analyzed. The final step is to take the information in this table (below), examine it for consistency and likelihood, and construct the narrative for the month and the “highlights” found on page 2 of this publication. The table below summarizes the findings for this month. Page numbers of corresponding charts are included in parenthesis ().

Date Range	Summary of Chart Indications
3/1-9	Global destabilization. Extreme focus on terrorism; concerns with global violence elevated (7b). Increased social agitation and violence; possibly outrage. Markets volatile and confused (8a, 9a). U.S. government perceived to be less stable followed by a shift to intense, directed action (8b). Nature perceived to be moderately panic-provoking (7a).
3/4-15	Preoccupation with the availability of resources (e.g. crude oil) (10). Likely decline in the U.S. Dollar (9b).
3/10- 16	Global context of geopolitical escalation. Heightened military activity likely (7b). Possible hoarding of resources (8a). U.S government perceived to be in crisis mode; geopolitical focus likely (8b).
3/17-24	Large economic losses, steep market sell-offs (8a, 9a). High loss natural event(s) likely (7a).
3/25-31	Global leaders in panic mode trying to keep up with the month’s unfolding events (7b). U.S. government in crisis mode, trying to forge the way forward (8b). Markets attempting to stabilize (8a, 9a). Damage assessment and grieving from natural disasters (7a).

## Human Perception of Nature - March 2010



### Perception of Nature / the Earth

- Nature is active, disruptive
- Nature is serious, deadly

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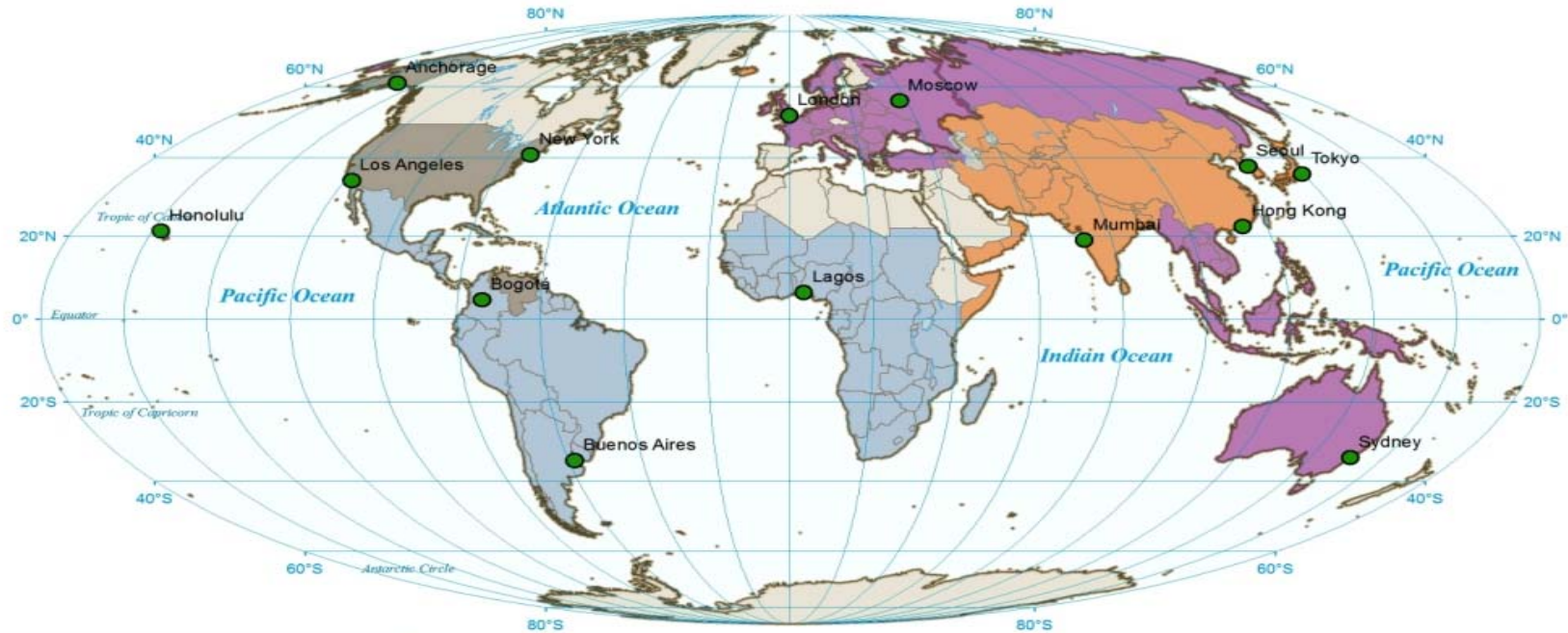


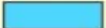

Robinson Projection  
Central Meridian: 0.00

**In anthropomorphic terms** – The Earth is **SEEKING BALANCE**. Pent up pressures and built up energies are likely to seek release this month.

**Possible physical manifestations** – The issue this month is global, and systemic pressures may be released anywhere at any time throughout the month. Losses and even casualties due to natural causes are likely in the month of March. While E. Asia appears particularly vulnerable, it is best to be prepared this month for disruptive and destructive events to occur anywhere on the planet.

### Social Instability Factors - March 2010



Social Instability Factors	
	Economic
	Anarchy
	Panic
	Delusion/Denial

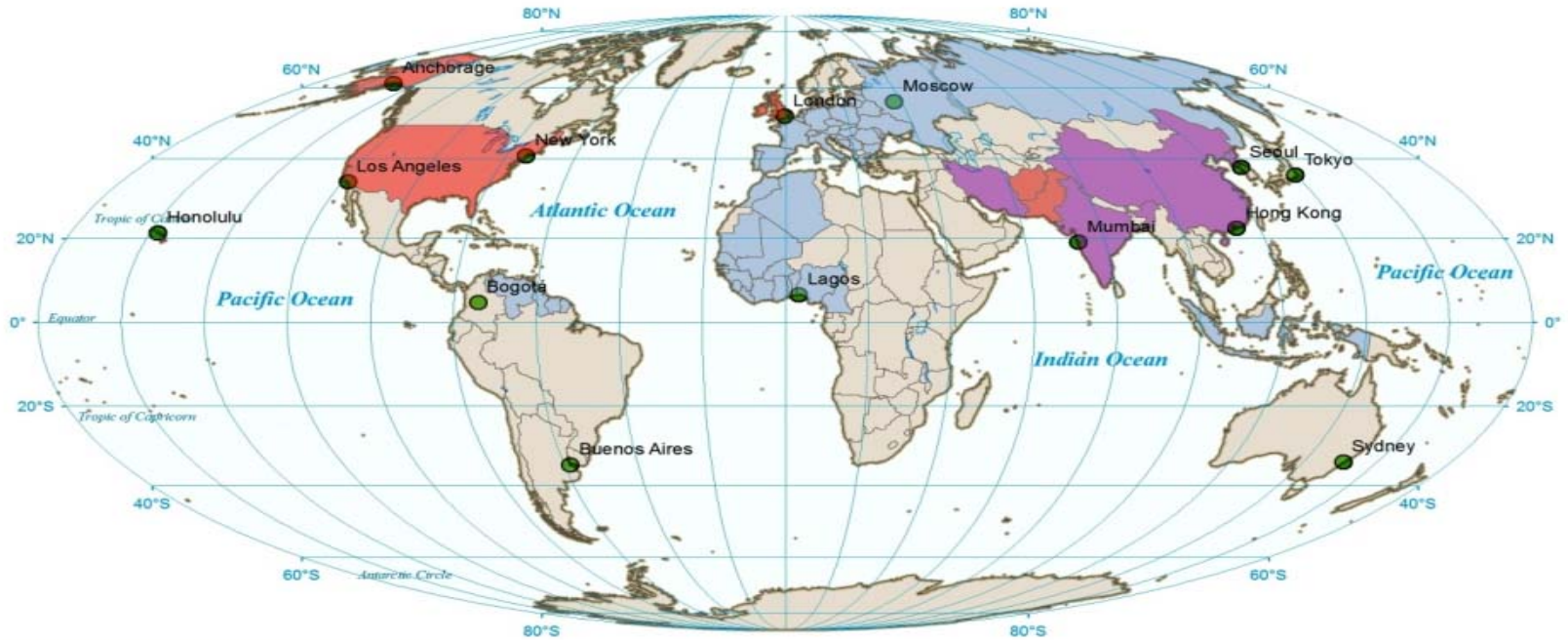
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There are serious global problems in March. The world is faced with quickly growing economic concerns (again); emerging or developing regions could be hit particularly hard. There is increasing concern with displays of civil discontent, particularly in Asia. Europe, Russia, Australia, and Indonesia may be subject to panic responses to global events, including high market volatility. Global concerns with terrorism are extreme, and anxiety regarding geopolitical instability and military escalation are elevated. The people of the United States and to some extent Venezuela are singled out as relatively oblivious to what is going in on the world and to how serious their own situation actually is.



### Projected Geopolitical Posturing - March 2010



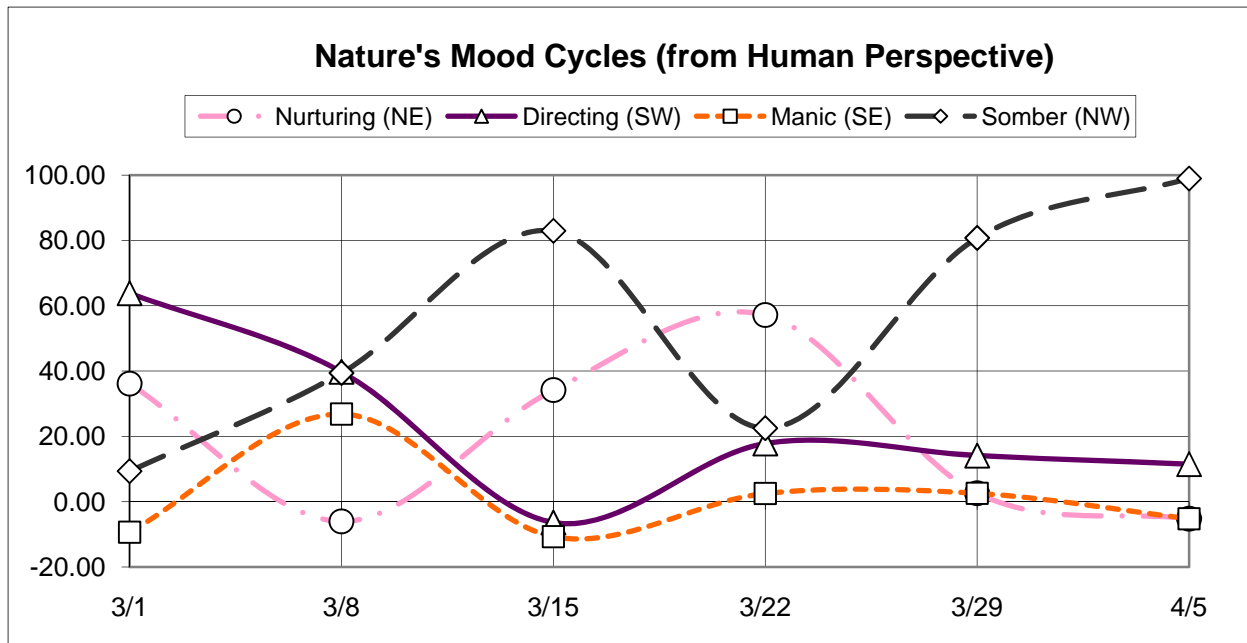
**Disposition Toward Outsiders**

- Red: Hostile
- Purple: Aggressive
- Light Blue: Defensive / Diplomatic

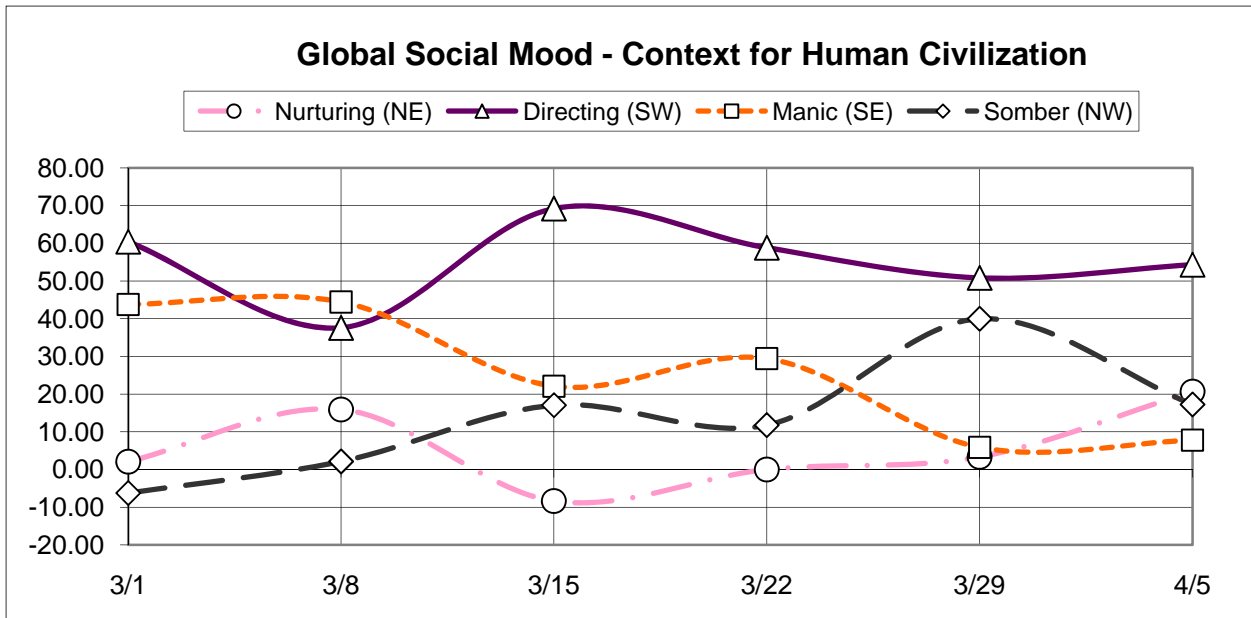
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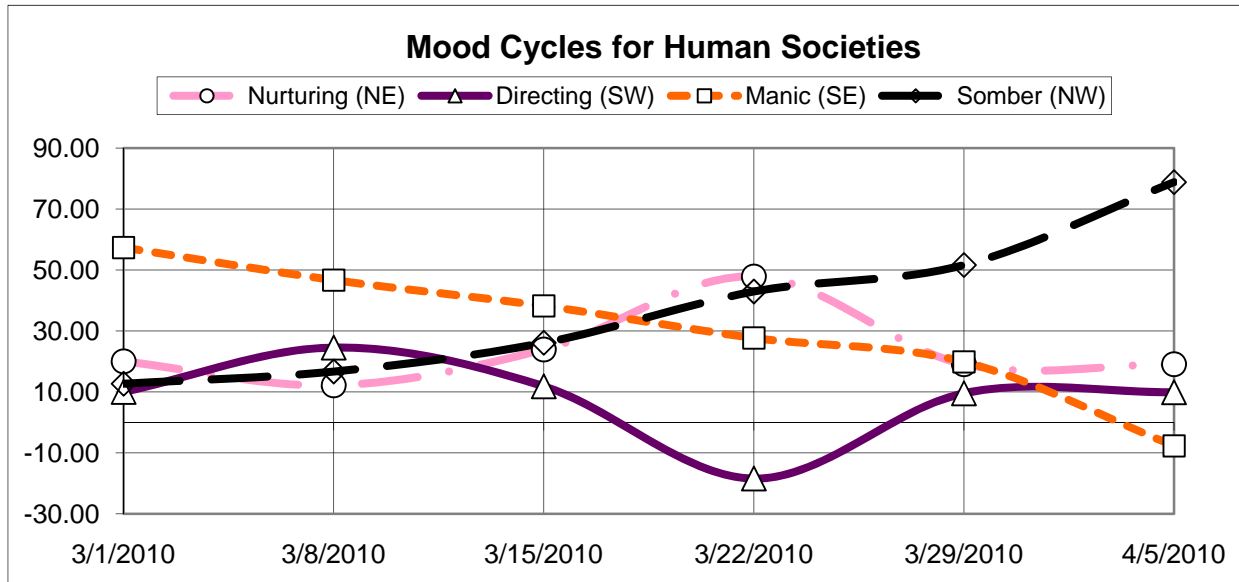
The United States and perhaps Great Britain are intent on taking action against a perceived enemy. The Afghanistan/Pakistan region is a key area to pay attention to in March as a source of heightened geopolitical escalation. China is aggressive in asserting its position in the geopolitical arena, as is Iran. With the heightened economic instability this month, the U.S. may find it difficult to get active or tangible support from the rest of the world in any new pursuit of joint military endeavors.



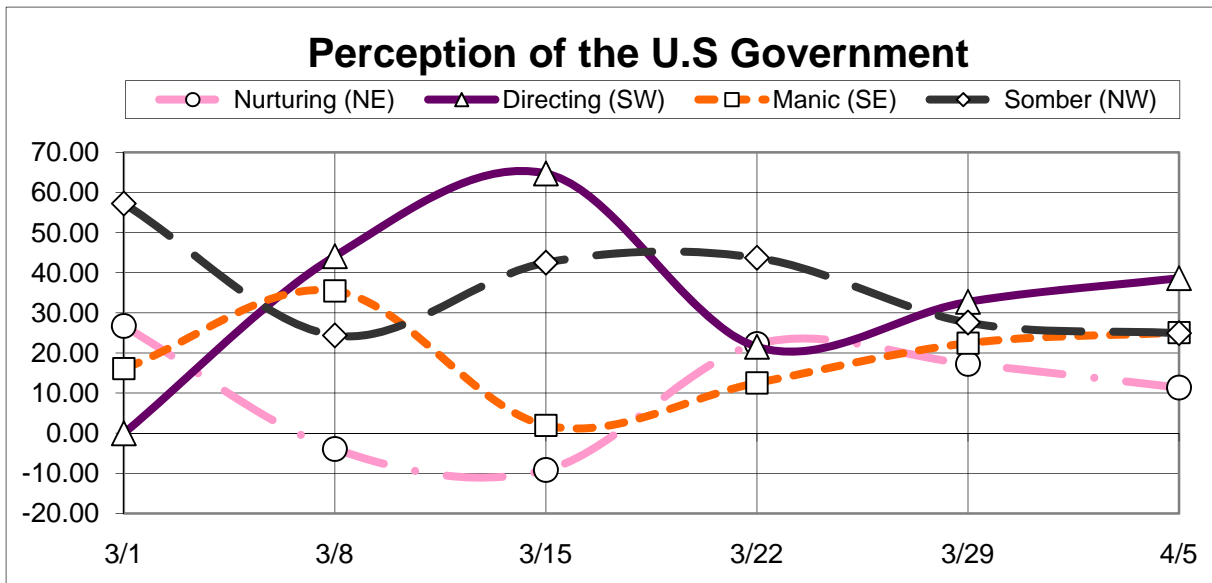
<p><b><i>Panic</i></b> Nature is likely provoking panic (SW/NW).</p>	<p><b><i>Preparations</i></b> Things look OK for a moment, but trouble is brewing.</p>	<p><b><i>OUCH!</i></b> Large loss event is likely (N/NE).</p>	<p><b><i>Nature-caused Grief</i></b> Period of mourning over nature-induced losses (W/NW).</p>
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<p><b><i>Terror/Violence</i></b> Highly volatile period (S factors high). Global focus on terrorism elevated, esp. 3/3 – 3/9 (high SE, low NW).</p>	<p><b><i>Geopolitical Escalation</i></b> Global context of geopolitical escalation(s). Heightened military activity likely (very high SW, very low NE).</p>	<p><b><i>Panic</i></b> Global leaders in panic mode or causing panic at least through the end of March. (high SW/NW).</p>
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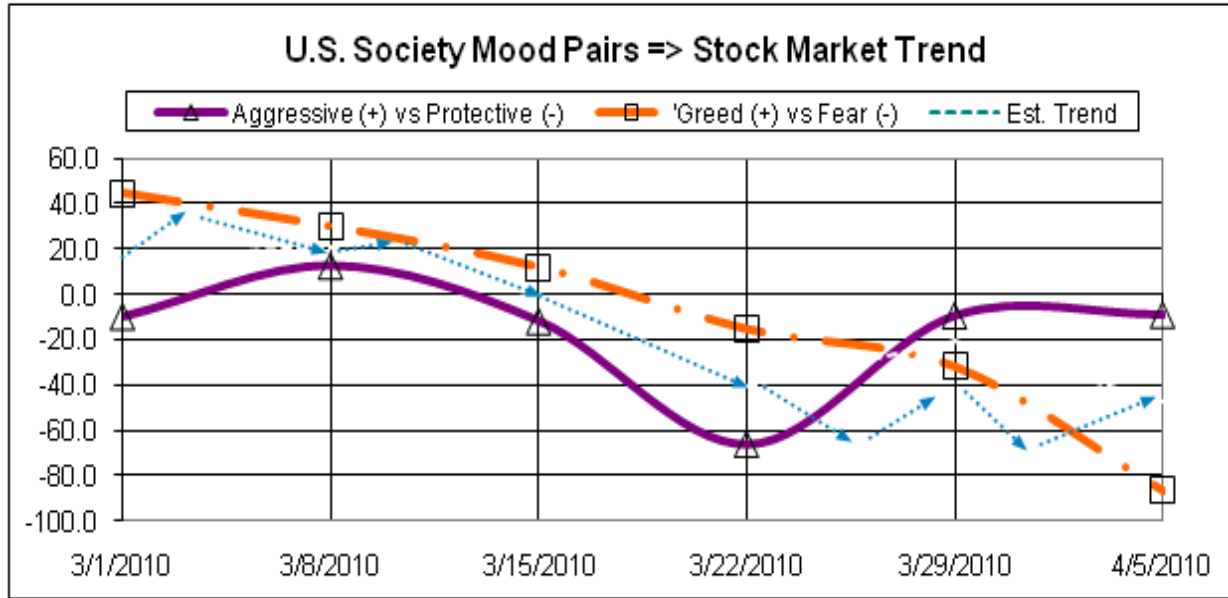


<p><b>Bad News, Aggression, Confusion</b>  <i>Bad news (SE/NE) turns to aggression (S factors high) to mix of mania (SE), fear, and possible hoarding of resources (N). Markets likely volatile and directionless.</i></p>	<p><b>Vulnerable!</b>  <i>Domestic focus, safety seeking behavior likely (N/NE)</i></p>	<p><b>Grief and Despair</b>  <i>Large surge in Somber indicates period of grief and licking of wounds.</i></p>
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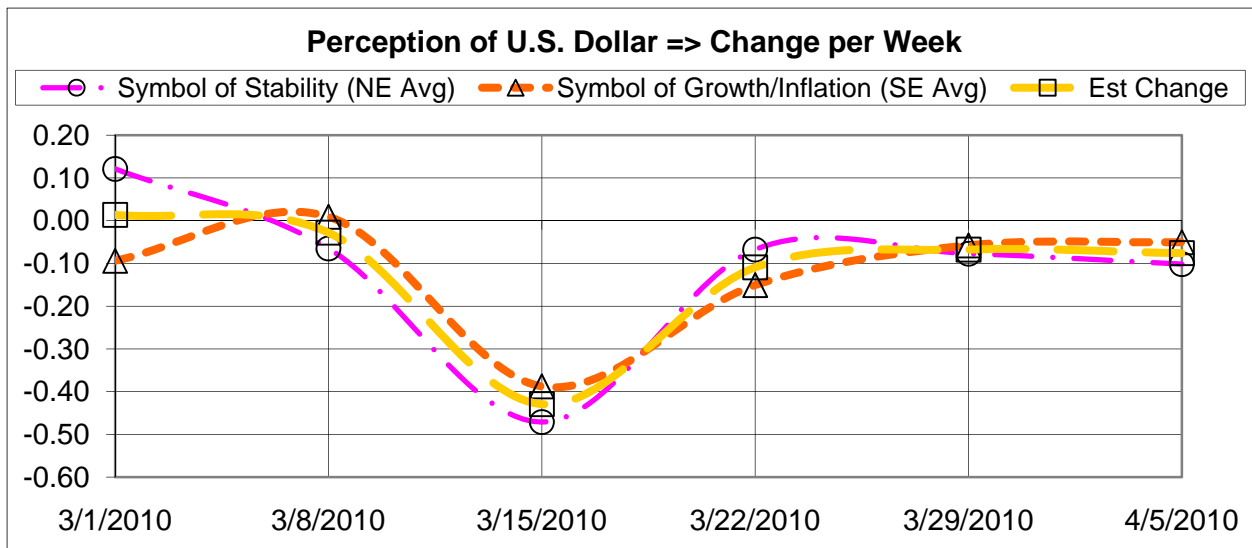
<p><b>Decreased Stability</b>  <i>South factors rising.</i></p>	<p><b>Crisis Mode</b>  <i>U.S. moves into high gear March 4-9 (high S), and is either in a state of panic or creating panic through 3/17 (high SW/NW).</i></p>	<p><b>Time to Regroup</b>  <i>Assessing losses and evaluating mistakes.</i></p>	<p><b>The Way Forward</b>  <i>Moving ahead again, but almost in survival mode (high SW/low NE; collapsing entropy polarity).</i></p>
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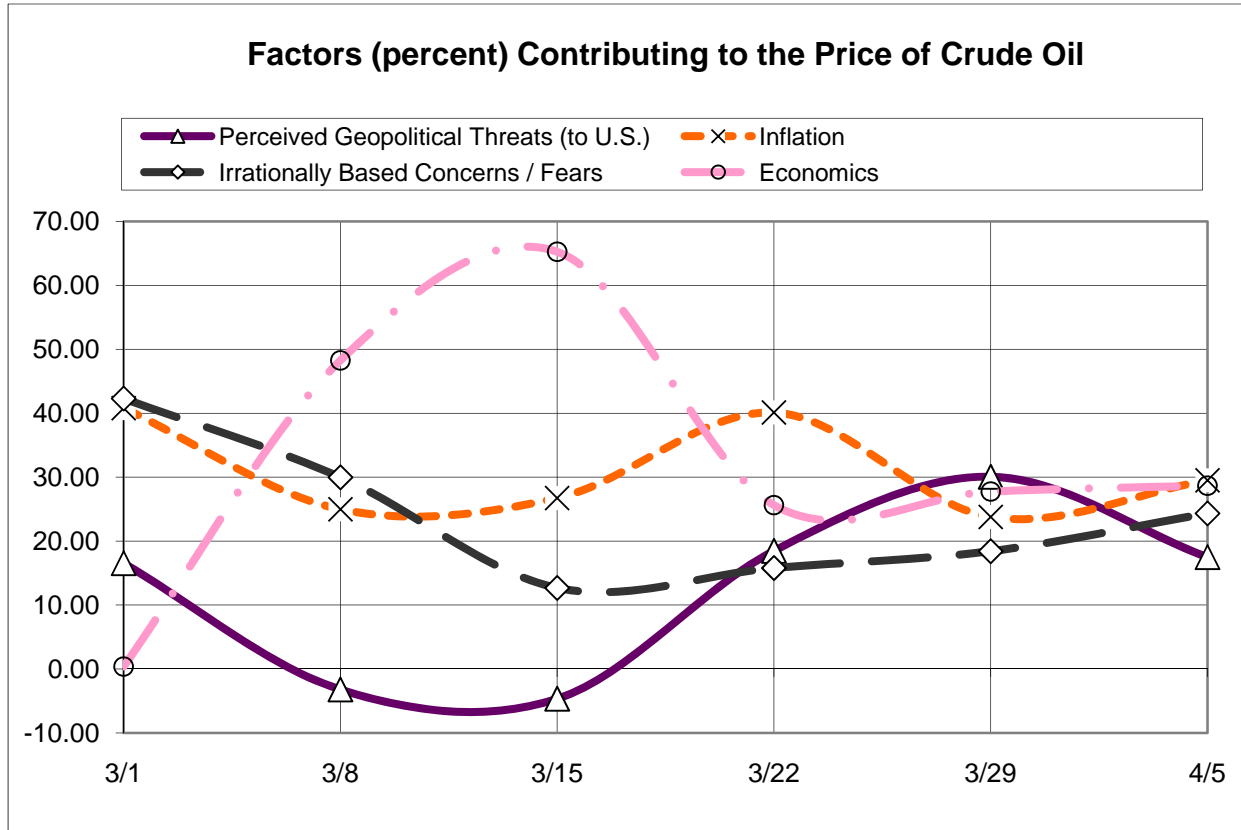
Explanation of chart lines: It is common knowledge among traders that movement in the stock market is based on a “tug of war” between pairs of sentiment. This charts the two primary pairs which correspond to the general stock market trend. “Aggressive vs Protective” is the difference of the values of the two Moodlines “Directing” and “Nurturing.” “Greed vs Fear” is the difference of the values of the two Moodlines “Manic” and “Somber.”

A generally negative month for the stock market. A climax event with extreme negative market pressure is likely the week of the 15<sup>th</sup> and possibly into the following week. More downside possible following that, but not likely at as extreme a rate of decline.



Explanation of chart lines: The Dollar is a symbol of value, but it not attached to anything “real” such as gold as it was in the past. Its value is based on sentiment, and on the trust of a government to honor its debts. Because of this, its value ebbs and flows along with the oscillations of perception about the U.S. government. The mood factors we call “East” have to do with abstract rational notions such as symbols and ideas. “North” is related to stability, and “South” is related to activity, which in economics corresponds to growth and expansion.

The Dollar may take a tumble in the first half of the month. This is likely to be followed by a period of consolidation.

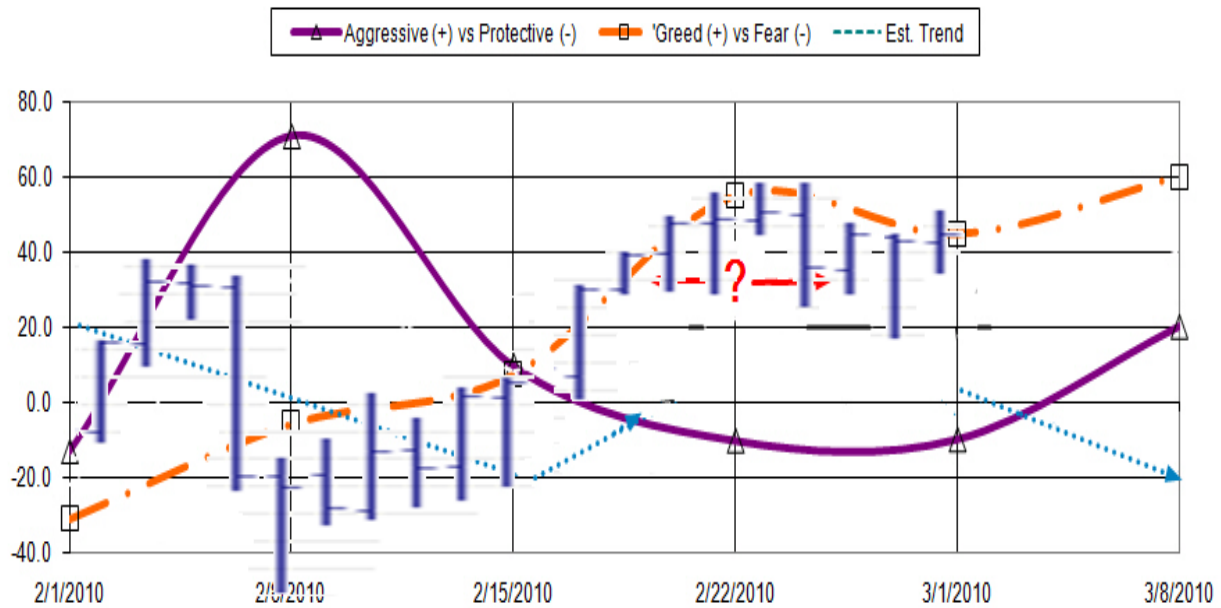


Explanation of chart lines: *The values for the Moodlines (Directing, Manic, and Somber) for U.S. View of “the World” are used to produce this chart. This chart is useful in searching for potential geopolitical events, and escalated irrational fears of supply disruption. It is also useful as a check to the direction of the Dollar, as high inflation concerns are often linked to a falling dollar. “Economics” refers to either supply or demand concerns.*

Economic concerns (which could include concerns of crude oil supply disruptions) are heightened the first and second week of March. Crude price volatility leads to concerns about inflation near March 18<sup>th</sup> and into the following week. Geopolitical concerns are elevated after March 25<sup>th</sup>, but confusion regarding the overall situation is likely to bring confusion to the crude market.

## How We Did – Comparing our Charts with Actuals

### U.S. Society Mood Pairs => Stock Market Trend



Actual data source: futuresource.com

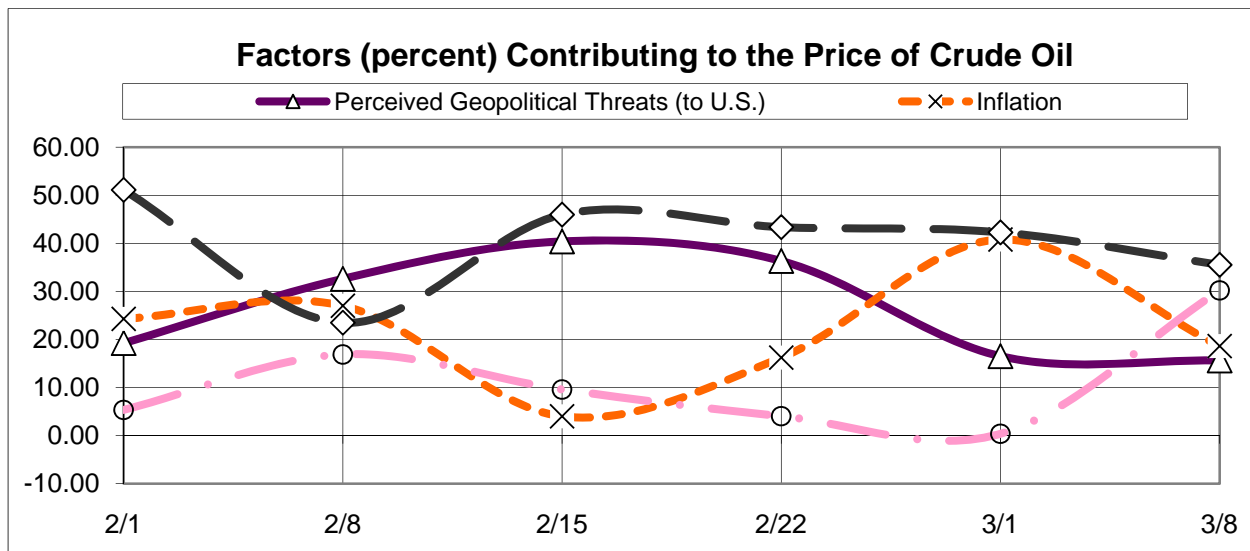
S&P (from previous issue): Markets may try to rebound from the recent sell-off, but it is likely that gains will be limited by geopolitical or other “surprise” events. It is unclear how “bad news” type events likely between 2/17 and 2/25 will affect the markets. Actual: Markets did try to rebound, but overall market progress within narrow range. Bad news events during the period indicated included: small plane intentionally crashed into IRS building in Texas, entire Greek nation went on strike to protest proposed austerity measures, resulting in violence.

### How We Did – Comparing our Forecasts with What Happened

Verifiable statements from Highlights, February issue, page 2:

Date	MoodCompass Statement	Actual Events
Feb 1 - 11	The world becomes polarized into “good guys” and “bad guys.” The U.S. government is focused on geopolitical issues.	Big focus on Iran and sanctions. U.S and Iran each seeking allies. Sino-U.S. relations tense.
Feb 12 - 16	Social polarization; people are choosing sides. The U.S. government looks weak or vulnerable.	Nations choosing to support UN sanctions against Iran or not. U.S. choosing either China or meeting with Dalai Lama.
Feb 17 – 25	Increased social discontent or unrest. Heightened interest in terror and terrorism. The U.S. government is metaphorically “jarred awake” by some bad news or event. A panic response to geopolitical events is likely.	Small plane intentionally crashed into IRS building. The entire nation of Greece goes on strike; protests turn violent. EU financial concerns increase market volatility; Euros fall dramatically vs. other currencies.

In graphic form (from February issue, page 10):



Text from pg. 10: Economic concerns take a back seat to geopolitical worries and “what if” scenarios through 2/25. The following sharp rise in inflation concerns through the beginning of March would be consistent with either a sharp U.S. Dollar sell-off, a sharp U.S. Treasury sell-off or both. Economic concerns (which could include concerns of crude oil supply disruptions) are heightened by the end of the first week of March.

## About MoodCompass

### Originally Developed to Study Sustainability

MoodCompass is based on a systems analysis tool developed by A New Story Foundation, a non-profit organization researching sustainability, that quantitatively measures and tracks the emotions and behavior—or “mood”—of a society. The tool can also be used to measure a society’s perception of other organized entities such as governments and other societies. Since 2006, researchers have used this tool to track the mood of US society as well as its perception of the US government and the rest of the world through the lens of US society. They use this data to gain a better understanding of the underlying dynamics of US society—i.e., “what makes it tick”—and its role in sustainability.

### Then They Stumbled Onto Something...

In July of 2007, after tracking these three segments for over 18 months, researchers noticed a correlation between patterns in their profiling data and the movement of the financial markets. Specifically, the profile of US society correlated with the movement of the US stock market, the profile of its view of the US government with the movement of the dollar, and the profile of its view of the world with the movement of crude oil.

Researchers spent the rest of 2007 analyzing these correlations and identifying the mood configurations corresponding with various social responses and market reactions. By the end of 2007 they had successfully generated a model for each segment that very accurately predicted whether its corresponding market was trending up or down and when the trend was likely to shift.

### MoodCompass was Born

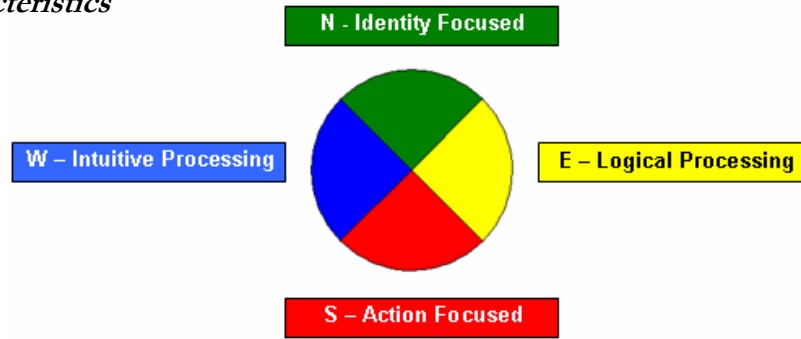
Researchers at A New Story Foundation knew they were on to something big. If they could predict changes in social mood and the potential for instability, and demonstrate that with accurate predictions of the direction and timing of trends of the stock market, the dollar, and crude oil, that information would surely be valuable to managers, planners, and even the investment community. They could not only use it to raise money for the foundation, but more importantly to raise awareness about issues surrounding sustainability. They decided to make their global mood and market forecasting information available to research sponsors, and MoodCompass was born.

### How It Works

The MoodCompass profiles an entity based on the relative presence of four primary characteristics or of four hybrid characteristics. A profile expressed in terms of primary characteristics weighs the entity’s relative focus on identity (north), focus on activity (south), use of intuition (west), and use of logic (east). A profile expressed in terms of hybrid characteristics weighs the entity’s relative amount of nurturing behavior (northeast), directing behavior (southwest), manic expression (southeast), and somber expression (northwest). It was named the MoodCompass because the eight characteristics are best viewed in circular relation to one another like points on a compass:



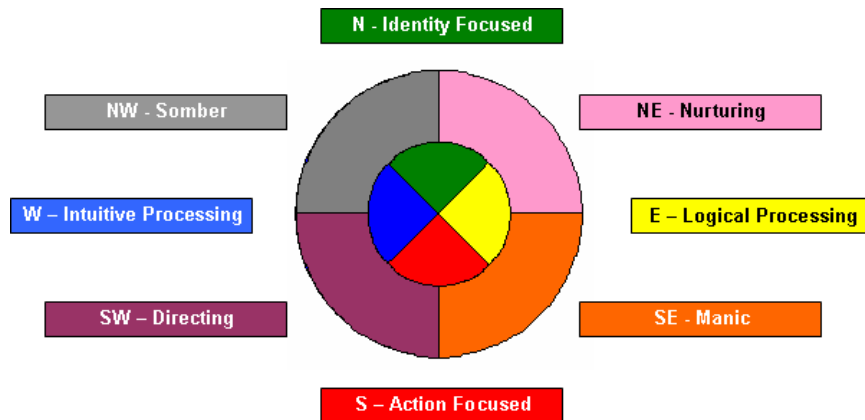
*Primary Characteristics*



*Hybrid Characteristics*



The two sets of characteristics are inter-related. Each characteristic is a combination of the two that surround it. This relationship can be viewed by embedding a pie chart of the primary characteristics inside a pie chart of the hybrid characteristics: For example, the primary characteristic (W) Intuitive Processing is a combination of the two hybrid characteristics (SW) Directing and (NW) Somber. Likewise, the hybrid characteristic (NE) Nurturing is a combination of (N) Identity Focused and (E) Logic Processing.



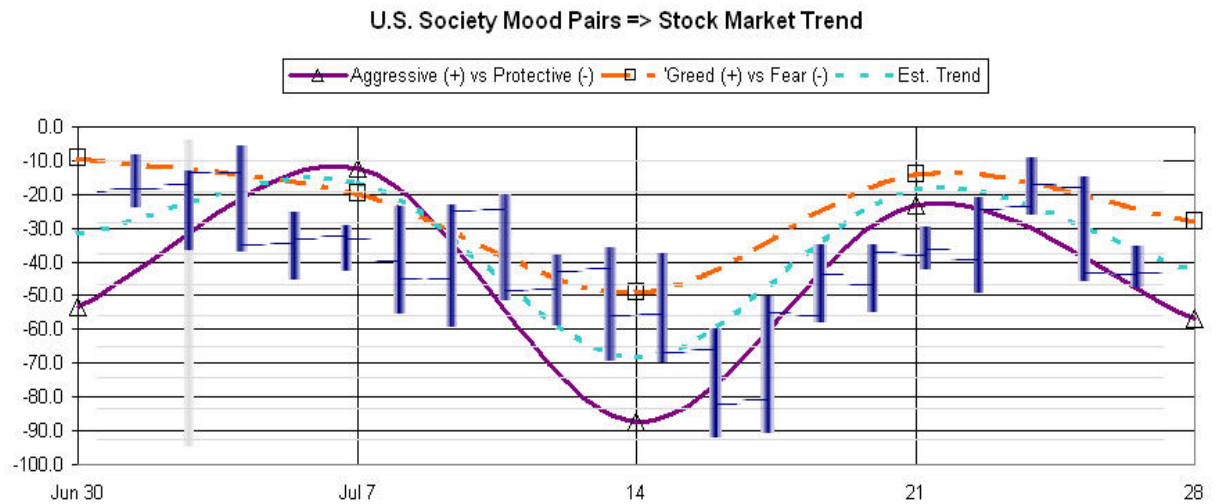
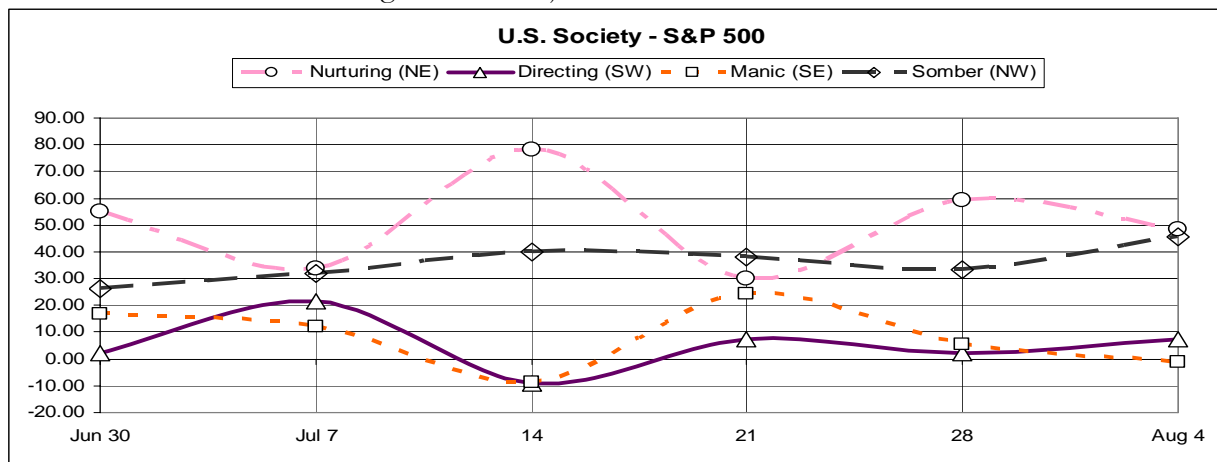
**Tracking Profiles Over Time**

During the course of each month, researchers collect information surrounding current events and perceived future events, and qualitatively assess how much of each of the eight characteristics the entity under observation manifests. This assessment is ultimately plotted (as “mood lines”) and extended into the future to generate the MoodCompass forecasts. The four primary characteristics and four hybrid characteristics are evaluated separately, and analyzed in

conjunction. Researchers have found that when plotted over time, each set of the four characteristics tends to oscillates in a somewhat regular pattern. The pattern can be extended into the future by estimating a best fit sine wave function. Researchers periodically ‘recalibrate’ the mood lines with the current events data, and readjust the best fit sine function. For convenience, and ease of presentation, only the moodlines of the four hybrid characteristics are presented in the MoodCompass.

Future forecasts are examined for indications of significant changes in social stability, government focus or activity level, and ways the outside world is perceived. Market models have been developed which accurately forecasts stock market movement from the U.S. society moodlines, U.S. Dollar value from changes in the way the U.S. government is perceived, and factors affecting the price of crude oil from the way the U.S. views the world.

The two figures below show the July 2008 moodlines for U.S. society and the derived stock market forecast (as published June 27, 2008). Actual stock market data from futuresource.com has been overlaid on the bottom figure to show just how well the data matched the forecasted trend.



**Philosophy and Methodology:** For more information on our research and methodology, please see: <http://anewstory.org/documents/methodology.pdf>.

### MoodCompass Subscription Application

I am interested in the work of A New Story Foundation, encouraging “new stories” that lead to a culture of sustainability, as well as its work in tracking and forecasting social and economic risks of instability.

Please write a few sentences describing how you can support the work. Suggested monetary pledge is \$40 per month. For support other than a monthly monetary pledge, let’s discuss it. Future issues will be sent upon receipt of either your pledge or documentation of your alternative support as agreed. Here is how I can help in the work:

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Bowling Green, KY 42101  
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Thanks for your support!