

**MOODCOMPASS<sup>®</sup>**  
**A GUIDE TO THE MOOD CYCLES OF  
NATURE AND CIVILIZATION**

March 2011

Highlights: Civil unrest/violence · U.S. instability · Asia environmental  
crisis · Stock market sell-off · Storms, volcanoes, and earthquakes

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## March 2011 – The Bigger They Are...

The wave of unrest and violence which began in North Africa, continues to sweep around the world and arrives in the Americas in the month of March. With tension between parties and ideologies at extremes in the United States, it should not be surprising if it takes an explosion of violence to restore a semblance of sanity, even if only for a brief moment. This could be the beginning of a long and painful decline; QE2 or 3 or 4 not enough to put Humpty together again. The Empire has no clothes.

Human perception of nature in March is “stormy” in North America; a fitting parallel. Asia, becoming increasingly troubled or ill this month in a socioeconomic sense, shows a parallel in a potentially destructive natural event associated with sickness or disease. As the month comes to a close, and the geopolitical picture becomes more ominous, don’t be surprised if a volcano or two joins in the chorus.

### Highlights:

**March 1 - 9: Looking Shakey.** The news or facts are against the U.S. government. Global context is “bad news” or data. U.S. government is constrained; can’t get anything done. Stock market top should be in place from the March 9, 2009 low; the long rally should be finished. Natural events disruptive to civilization are likely (transportation, electric power, food availability, etc.).

**March 10 - 16: The Enemy is US.** Extreme polarization, increasing risk of violence in the United States. Global leaders focused on economic issues. U.S. government charging full-speed ahead in opposite (party) directions. Possible environmental events corresponding with sick or diseased ecosystem.

**March 17 – 22: Consequences.** A new paradigm defines the global context. Extreme polarization, likely occurrence of explosive violence or event in the United States. U.S. government extremely constrained as to what it can or cannot do. Possible environmental events corresponding with sick or diseased ecosystem.

**March 23 – 29: Enough Already!** U.S. society fed up with polarization and bickering. Civility reconsidered. Global theme of safety seeking, risk management and protectionism. U.S. government extremely constrained as to what it can or cannot do. Heightened risk of increased tectonic activity.

**March 30 – April 3: War Sounds.** Geopolitical picture becomes sharply more ominous. U.S. government extremely constrained as to what it can or cannot do. U.S. society resumes fighting. Civility forgotten, polarization restored.

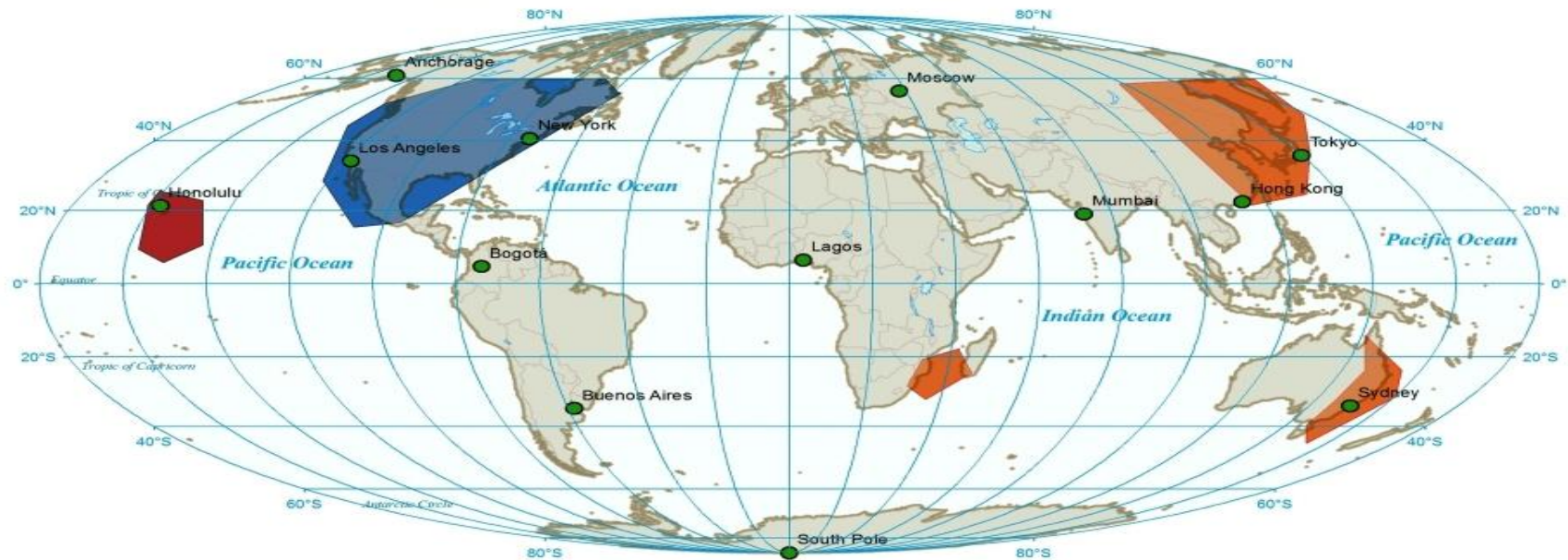
*The charts on the following pages will go into further detail of the social mood changes and corresponding market behavior for this time period. The last few pages of this document will give you a brief orientation to the MoodCompass.*

## 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 – 2	The news or facts are against the U.S. government (8b).
3/3 – 9	Global context is “bad news” or data (7b). U.S. government is constrained; can’t get anything done (8b). Stock market top already in place from the March 9, 2009 low; rally should be completed (9a).
3/1 – 9	Natural events disruptive to civilization are likely (transportation, electric power, food availability, etc.) (7a).
3/8 – 21	Extreme polarization, increased risk of explosive violence or event in the United States, especially near 3/17. (8a).
3/10 – 16	Global leaders focused on economic issues (7b). U.S. government charging full-speed ahead in opposite (party) directions (8b).
3/10 – 22	Possible environmental events corresponding with sick or diseased ecosystem (7a).
3/17 – 22	A new paradigm defines the global context (8a).
3/17 – 4/3	U.S. government extremely constrained as to what it can or cannot do (8b).
3/22 – 30	U.S. society fed up with polarization and bickering. Civility reconsidered (8a).
3/23 – 31	Global theme of safety seeking, risk management and protectionism (7b). Heightened risk of increased tectonic activity (7a).
3/29 – 4/3	Geopolitical picture becomes sharply more ominous (10).
3/31 – 4/3	U.S. society resumes fighting. Civility forgotten, polarization restored (8a).

## Human Perception of Nature - March 2011



### Perception of Nature / the Earth

- Nature is destructive
- Nature is serious, deadly
- Nature is stormy

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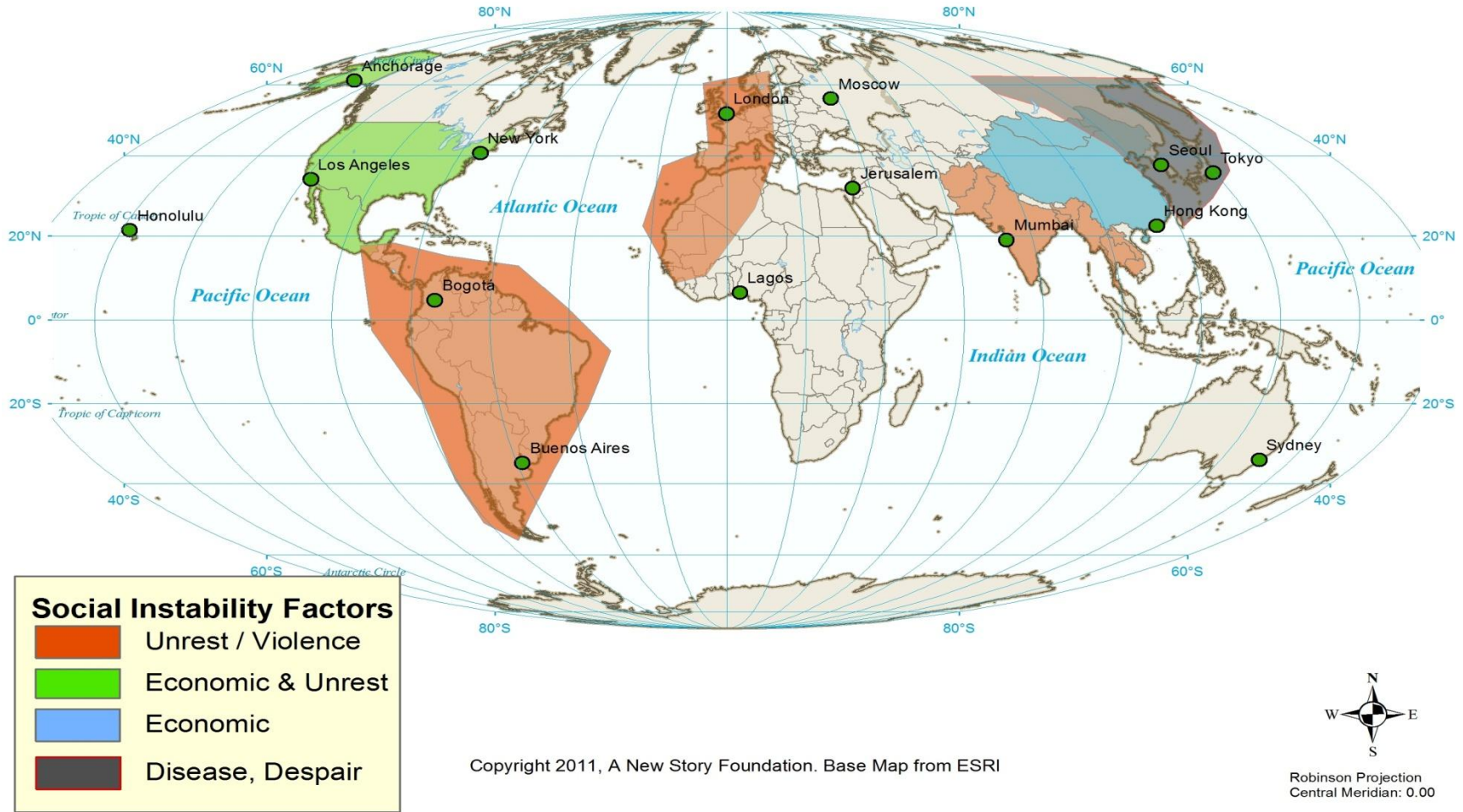


Robinson Projection  
Central Meridian: 0.00

**In anthropomorphic terms** – Nature is **AT WAR WITH CIVILIZATION**. Events disruptive to modern civilization are likely (transportation, electric power, food availability etc.); also events affecting large population centers.

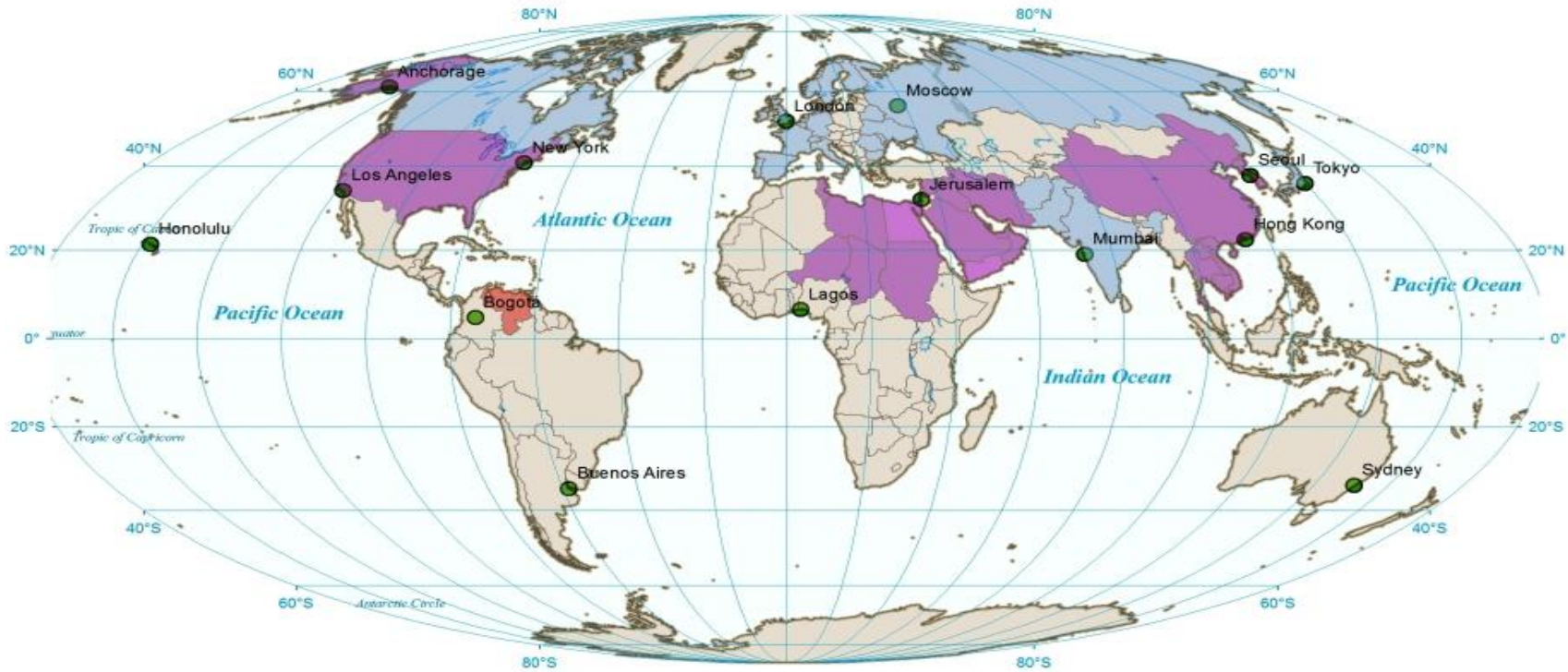
**Possible physical manifestations** – Nature is seen as **DESTRUCTIVE** in East Asia, Australia, and Southeastern Africa. This generates a **DESTRUCTIVE EVENT WATCH**. Nature is **STORMY** in much of N. America. **Heavy precipitation and high winds** are likely. Nature is seen as **SERIOUS OR DEADLY** in Hawaii. Increased volcanic activity may be indicated.

## Social Instability Factors - March 2011



Unrest and violence continue to sweep across the globe, finding their way west to the Americas and further east in Asia. Economic concerns run high, especially in China and the United States. The area highlighted in E. Asia, concurrent with the high risk of a destructive natural event, imply a heightened risk of an environmental disaster and/or disease outbreak.

**Projected Geopolitical Posturing - March 2011**



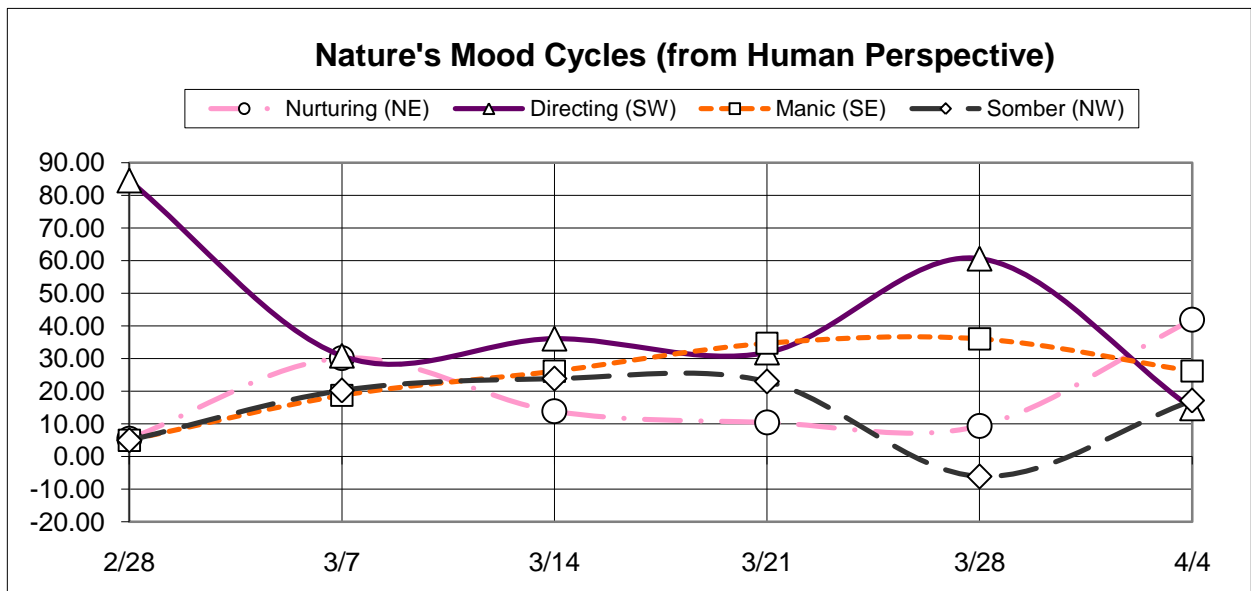
**Disposition Toward Outsiders**

- Hostile / Escalating
- Aggressive / Alert
- Defensive / Diplomatic

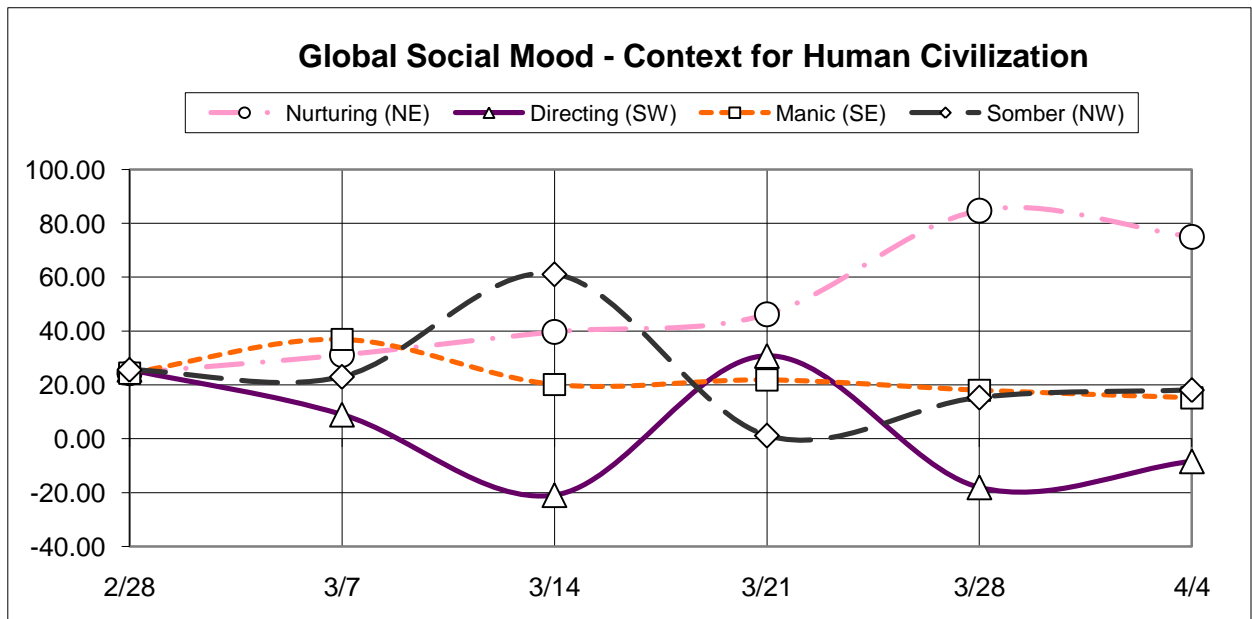
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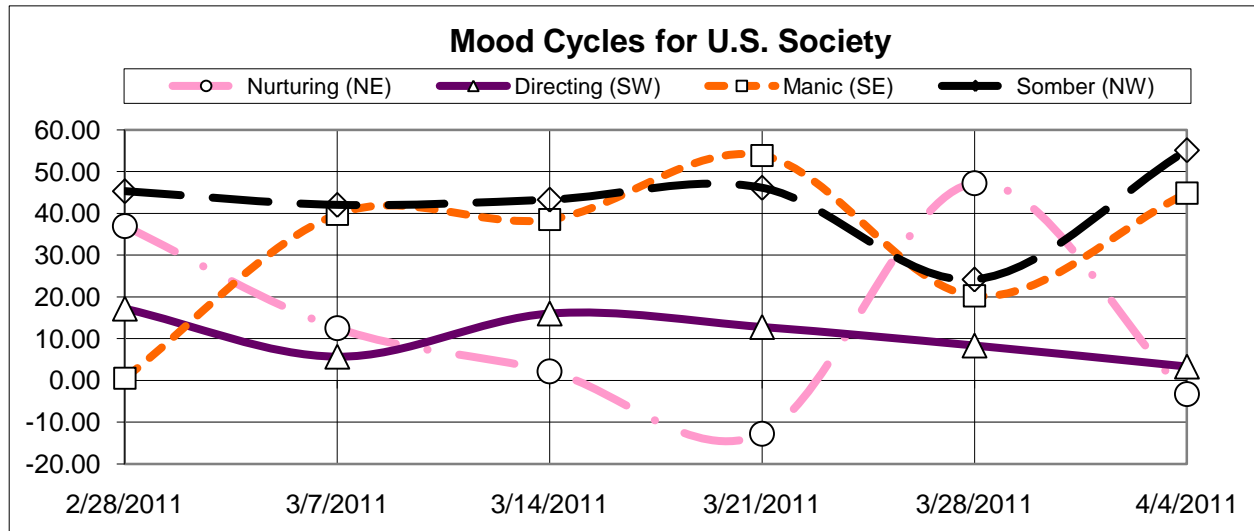
Global tension is less incendiary than last month, but tough talk on the part of the United States, China, Middle Eastern nations and Northeastern Africa nations continues. Venezuela continues to be high on the watch list.



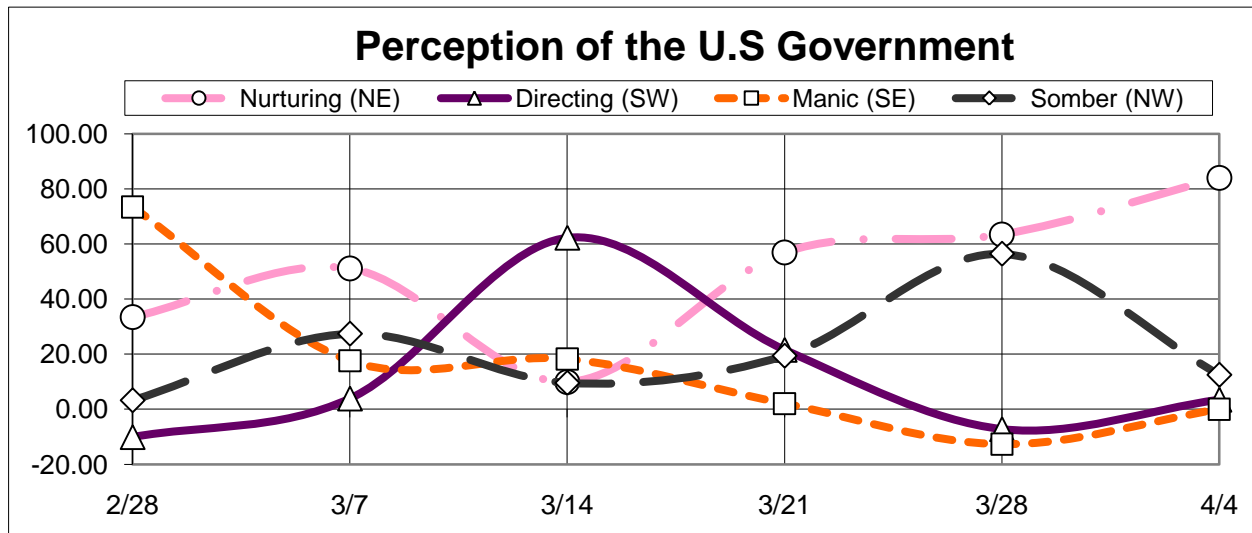
<p><b>Nature Against Civilization</b> Events disruptive to civilization are likely (transportation, electric power, etc.).</p>	<p><b>Sick or Diseased Theme</b> Configuration that may correspond with sick or diseased ecosystem.</p>	<p><b>VOLCANO!</b> Sudden release of energy often associated with volcanic eruptions; also earthquakes.</p>	
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<p><b>Bad News</b> The facts aren't so good (SE, NE).</p>	<p><b>Economy</b> Focus is global economy (N).</p>	<p><b>New Thing</b> New paradigm emerges.</p>	<p><b>Run For Cover!</b> Theme of seeking safety and protectionism.</p>
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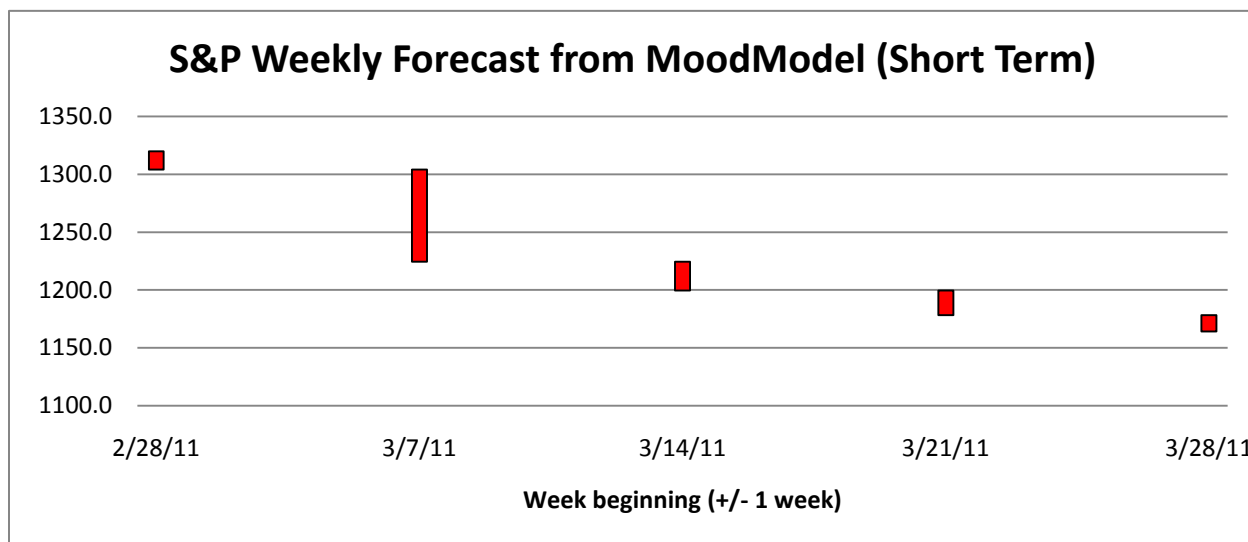


	<p><b>Mini Civil War</b>  <i>Extreme polarization.                  Explosive violence likely.                  Climax near March 17<sup>th</sup>                  (Prime polarities extremely stretched, NE-).</i></p>	<p><b>War against the War</b>  <i>Brief consideration of civility, possibly in response to casualties of last week (sharp NE surge).</i></p>	<p><b>Fighting Again</b>  <i>Civility quickly forgotten.</i></p>
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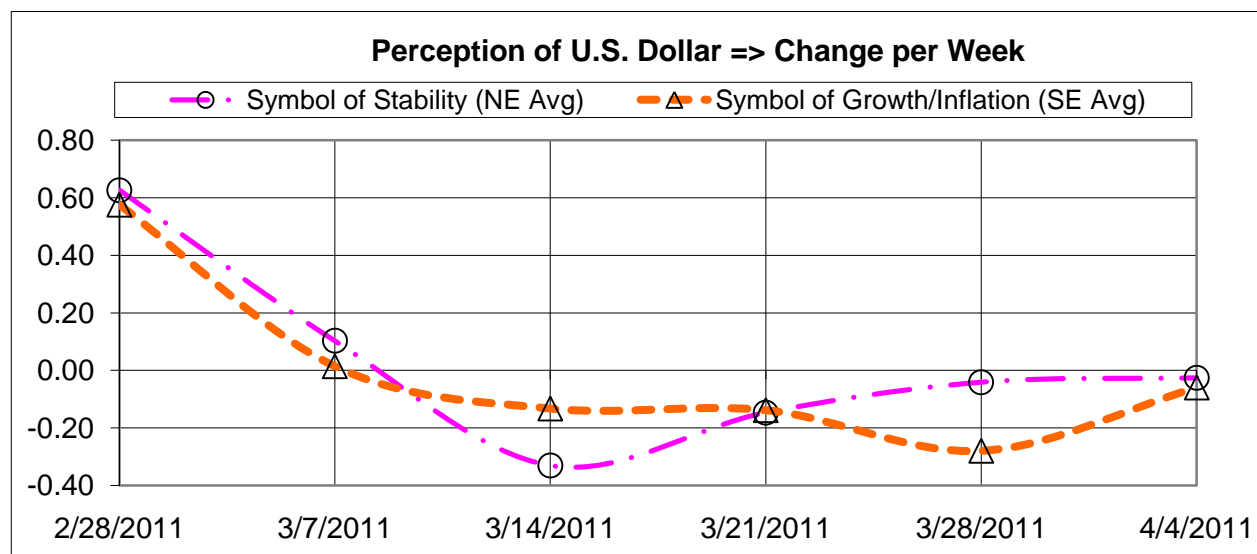
<p><b>Bad News</b>  <i>The facts are against U.S. (SE/NE)</i></p>	<p><b>Constrained</b>  <i>Gov't is limited in ability to get anything done (NE,N).</i></p>	<p><b>Charging Ahead</b>  <i>Both parties give it everything they got in mutually exclusive directions (SW, S).</i></p>	<p><b>Constrained</b>  <i>U.S. government is extremely constrained as to what it can or can not do (NE, N).</i></p>
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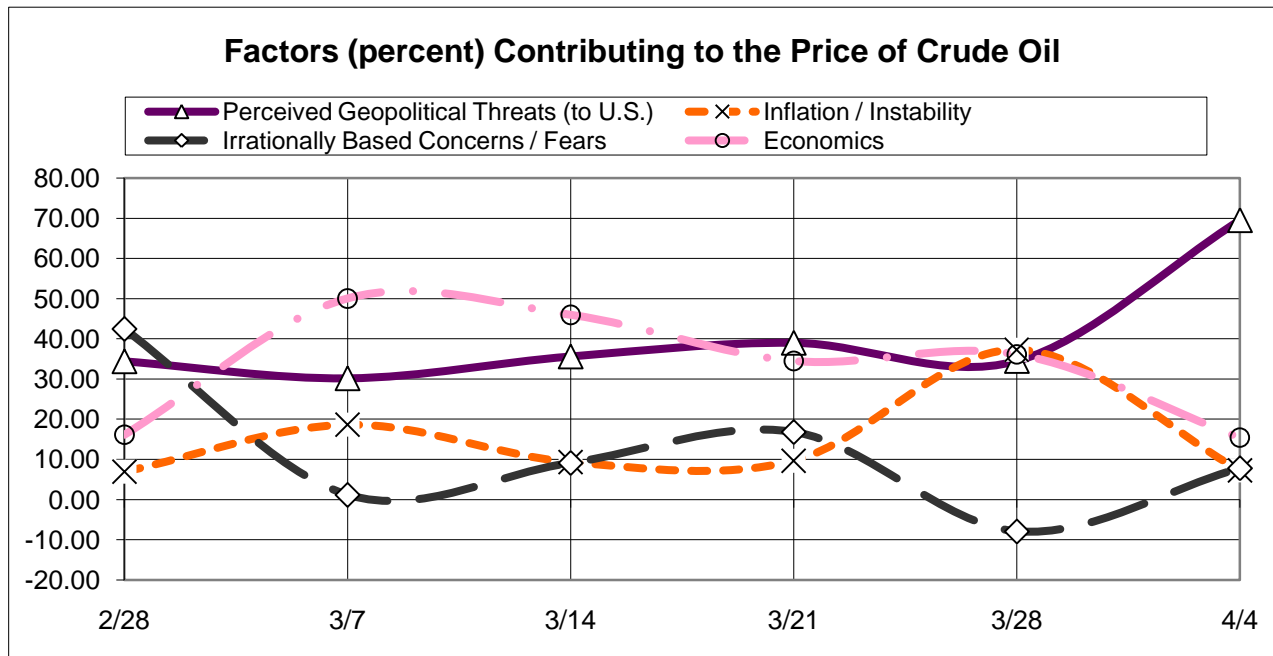
Explanation of chart: *The MoodCompass stock market forecast is the output of a model that assesses the patterns of the Human Society Moodlines and converts them into stock market prices.*

The top of the rally from March 9 appears to be in. Socioeconomic decline should begin to show itself more clearly within the United States. The entire month of March is bearish for the stock market.



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 U.S. Dollar does not seem to be doing well in the month of March, especially after the first week. Currency markets are likely turbulent and slightly biased against the Dollar.

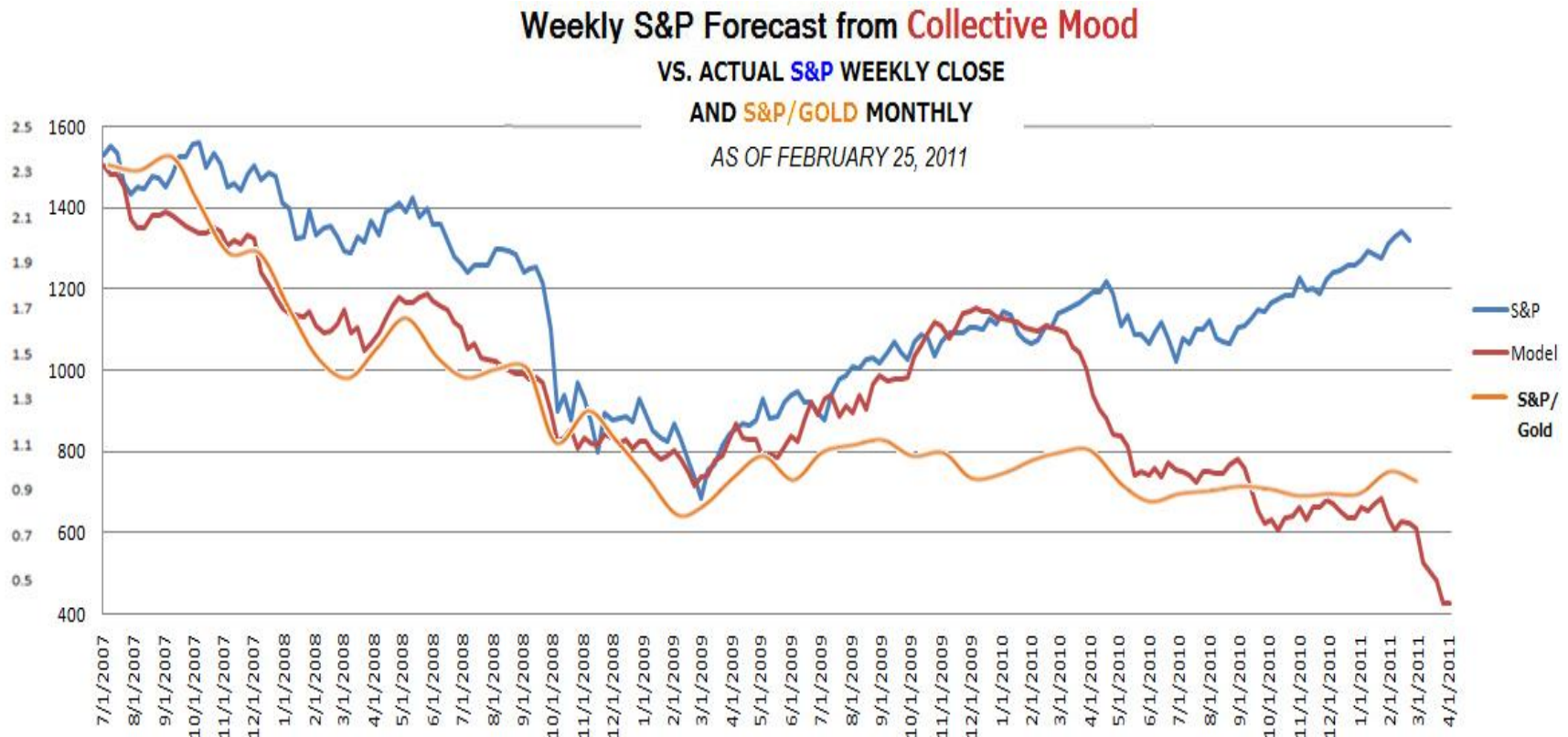


Explanation of chart lines: *The values for the Moodlines (Directing, Manic, and Somber) for U.S. View of “the World” are used to produce this chart. This chart is useful in searching for potential geopolitical events, and escalated irrational fears of supply disruption. It is also useful as a check 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 and geopolitical concerns are elevated throughout the entire period. As March comes to an end, the geopolitical picture becomes sharply more ominous. Crude prices may surge going into April.

## Tracking MoodCompass Performance

One of the best objective measures of the oscillations of social mood is the stock market. The stock market goes up and down with *expectations* of how well (or bad) things will be in the near future, and there is an abundance of minute by minute data. The chart below compares the output of a model generated from published *Moodlines*, and compares them with actual weekly S&P prices and monthly S&P/Gold ratio (S&P data from Yahoo Financial; Gold data from futuresource.com). While market trend generally follows this collective mood generated model, it may be of interest to note that at the beginning of major trend changes, especially downturns, markets (investors) tend to oppose the trend change. This is later resolved in what is referred to as capitulation (realigning with the mood trend, then accelerating past the indicated mood level). Note that much of this “lag” is eliminated with the S&P/Gold ratio.



## 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.

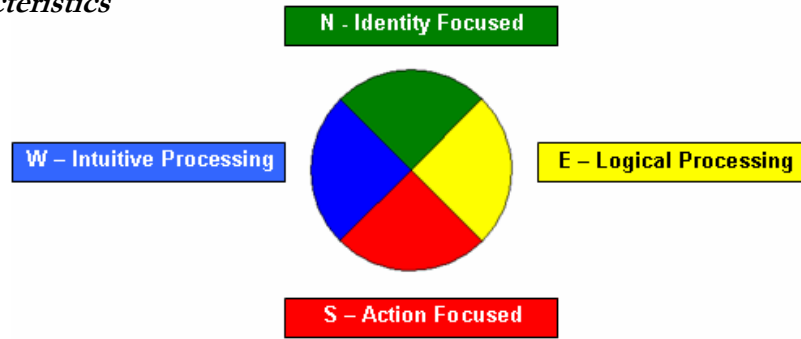
### MoodCompass was Born

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:

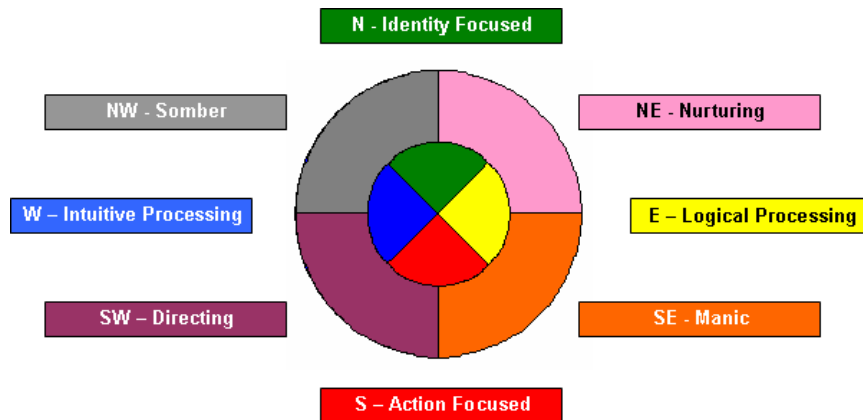
*Primary Characteristics*



*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.



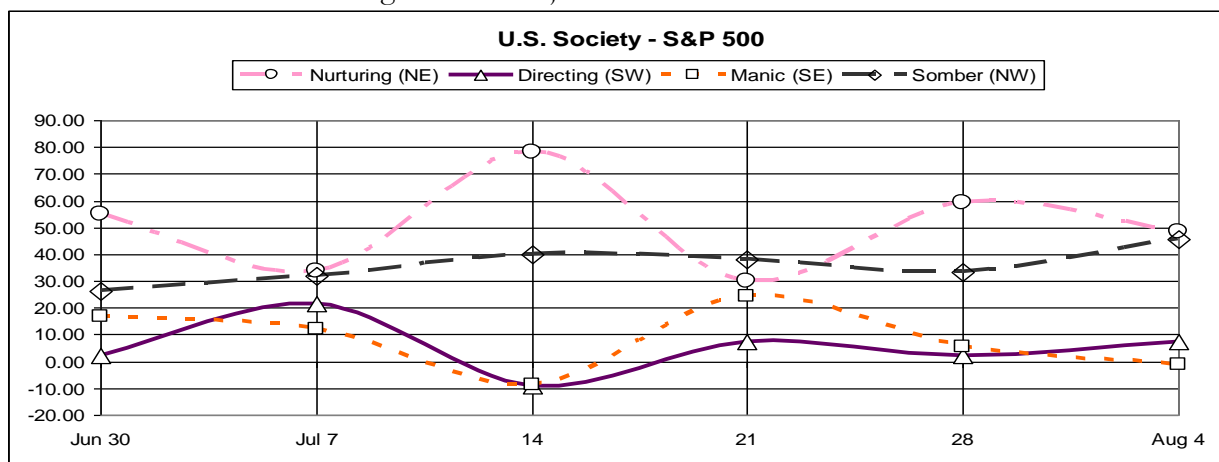
**Tracking Profiles Over Time**

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

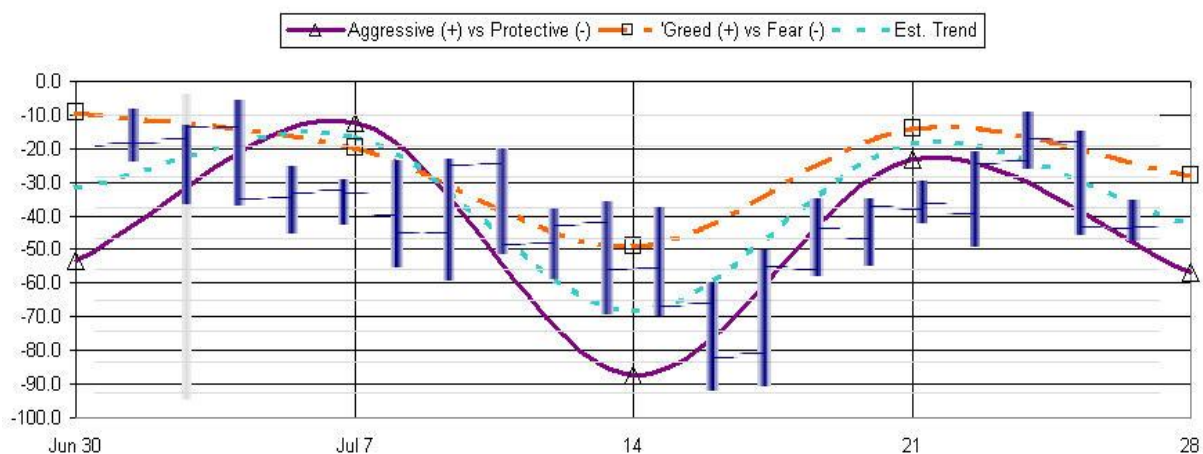
conjunction. Researchers have found that when plotted over time, each set of the four characteristics tends to oscillate in a somewhat regular pattern. The pattern can be extended into the future by estimating a best fit sine wave function. Researchers periodically ‘recalibrate’ the mood lines with the 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.



**U.S. Society Mood Pairs => Stock Market 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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Name: \_\_\_\_\_

Address: \_\_\_\_\_

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Phone: \_\_\_\_\_

Email: \_\_\_\_\_

A New Story Foundation  
603 E 11<sup>th</sup> Ave  
Bowling Green, KY 42101  
Email completed application to: [mcapp@anewstory.org](mailto:mcapp@anewstory.org)  
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Send no money now. Upon approval of your application, you will receive the current issue of MoodCompass. Monthly pledges can be automatically processed through Paypal. We also accept checks. We reserve the right to deny any application or terminate any subscription at any time for any reason.

Thanks for your support!

**How We Did - Themes from MoodCompass in the News:****War Talk:**

- 2/1/11: [Act as if Iran could have a nuke next year](#)
- 2/4/11: [Iranian leader links risings in N. Africa to Iran's revolution](#)  
[Thai, Cambodian forces exchange gunfire](#)
- 2/9/11: [North-South Korea talks collapse as N. Korea walks out](#)
- 2/16/11: [Iranian warships pass through Suez canal; Israel warns it might act](#)
- 2/26/11: [N. Korea to shoot at S. Korea if campaign continues](#)

**Civil Unrest/Violence:**

- 2/8/11: [At least 297 killed in last two weeks of Egypt unrest](#)
- 2/12/11: [Man goes on bizarre, deadly stabbing spree in NYC](#)  
[25 hurt as taxi rammed into crowd](#)
- 2/13/11: [Protests expand across Arab nations](#)
- 2/16/11: [Angry protests in Wisconsin as big cuts loom](#)
- 2/18/11: [Protests grow violent across the Middle East](#)
- 2/24/11: [Saudi national arrested in Texas on terror charge](#)>

**Blizzards and other anti-civilization natural events:**

- 2/1/11: [Huge winter storm threatens U.S. wheat and cattle](#)  
[Category 5 cyclone Yasi to hit 26 sugar mills, 4 coastal terminals in Queensland](#)
- 2/9/11: [Blizzard roars through U.S.'s snow-weary midsection](#)
- 2/20/11: [Winds cut power, spread fires, topple national Christmas tree in D.C.](#)
- 2/22/11: [6.3 quake hits Christchurch, New Zealand; 75 dead, 400 missing](#)

**For MoodCompass subscribers who trade and invest:**

The *MoodCompass*® combines the holistic-systems framework of the OneWheel® paradigm with the mathematical scaling and modeling of the Compass System®. It gives an overview of forecasted mood, perception, and behavior of global human society and the world in which we live. While the MoodCompass predicts mood, and not events, its usefulness arises in the relationship between certain mood configurations and often accompanying real world events. While a course of conduct regarding investments can be formulated from the implications presented in MoodCompass, at no time will A New Story Foundation make specific recommendations for any specific person, and at no time may a reader, caller or viewer be justified in inferring that any such advice is intended. Investing carries risk of losses, and trading futures or options is especially risky because these instruments are highly leveraged, and traders can lose more than their initial margin funds. Information provided by A New Story Foundation is expressed in good faith, but it is not guaranteed. The measurements that form the Moodline data, as well as the interpretations of presented Moodlines are made with care and experienced judgment, however, they are subject to human error. Long-term success trading or investing in the markets demands recognition of the fact that error and uncertainty are part of any effort to assess future probabilities. Please ask your broker or your advisor to explain all risks to you before making any trading and investing decisions.