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

November 2009

Highlights: U.S. centered economic chaos, display(s) of military force, possible Hawaii event, and more swine-flu.

4 Pages of Maps Now Included!

November 2009 – Desperate Measures

There is a sense of desperation to the month of November which is likely to challenge world leaders to find new and creative solutions to long standing problems. There are economic concerns that "stimulus" has not yet been able to make go away, and chronic geopolitical issues that continue to go unresolved. In the first half of the month, the primary focus is economic and currency issues. There may be one last big panic over the fate of the U.S. Dollar, after which it should continue to show new strength. As the seriousness of the economic situation begins to become clear, inflation worries will be replaced with concerns about deflation, and global markets could see a sharp, but likely brief, sell-off. The yet unresolved unemployment situation may require new and innovative responses from federal and state governments.

The focus shifts in the second half to the world arena. A polarization develops between "good guys" and "bad guys" (the identification of the good guys and bad guys would be in the eye of the beholder). There is a societal sense of righteousness and unity against an enemy or cause. While it would make sense that a specific event would cause such a response, there is no direct indication as to whether such an event is likely to occur or what it might be. Because there appears to be some relationship to this polarization with the energy markets, there is a good possibility that it involves Iran and possibly Russia.

Week by Week Highlights:

November 2- 8: *How about that U.S. Dollar?* Possible currency or Treasuries crisis. Declining social volatility and agitation. News/data is perceived as negative. Nature is perceived as active and causing panic.

November 9 - 15: *Market Meltdown.* Safety seeking. Inflation concerns are replaced with concerns of deflation. Likely commodity sell-off and Dollar rise. U.S. centered economic crisis. Markets may decline sharply

November 16 - 22: A *Waiting Game.* A pause or transition period. The appearance of stability. A sharp rise in geopolitical concerns. The U.S. government is perceived to be bluffing or exaggerating.

November 23 - 29: *Good Guys and Bad Guys.* Geopolitical focus continues. People feel "righteous" opposing an enemy or cause. Nature is perceived as disruptive to "business as usual" (more swine-flu?)

November 30 – December 6: *Falling off the Edge.* Issues from last week continue. Markets begin to turn down. The Dollar makes gains against other currencies.
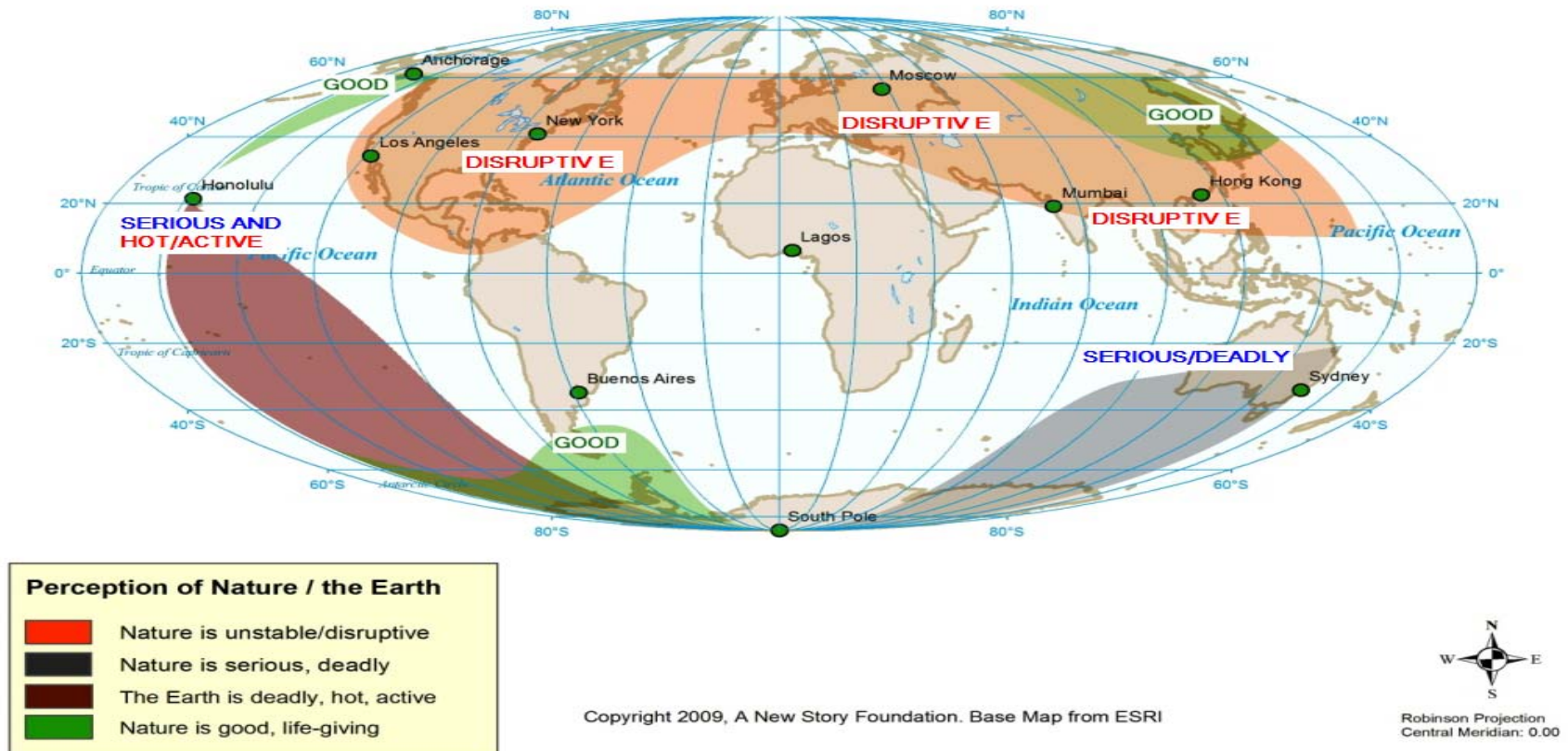
The charts on the following pages will go into further detail of the social mood changes and corresponding market behavior for this time period. The last few pages of this document will give you a brief orientation to the MoodCompass.

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 week by week 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 ().

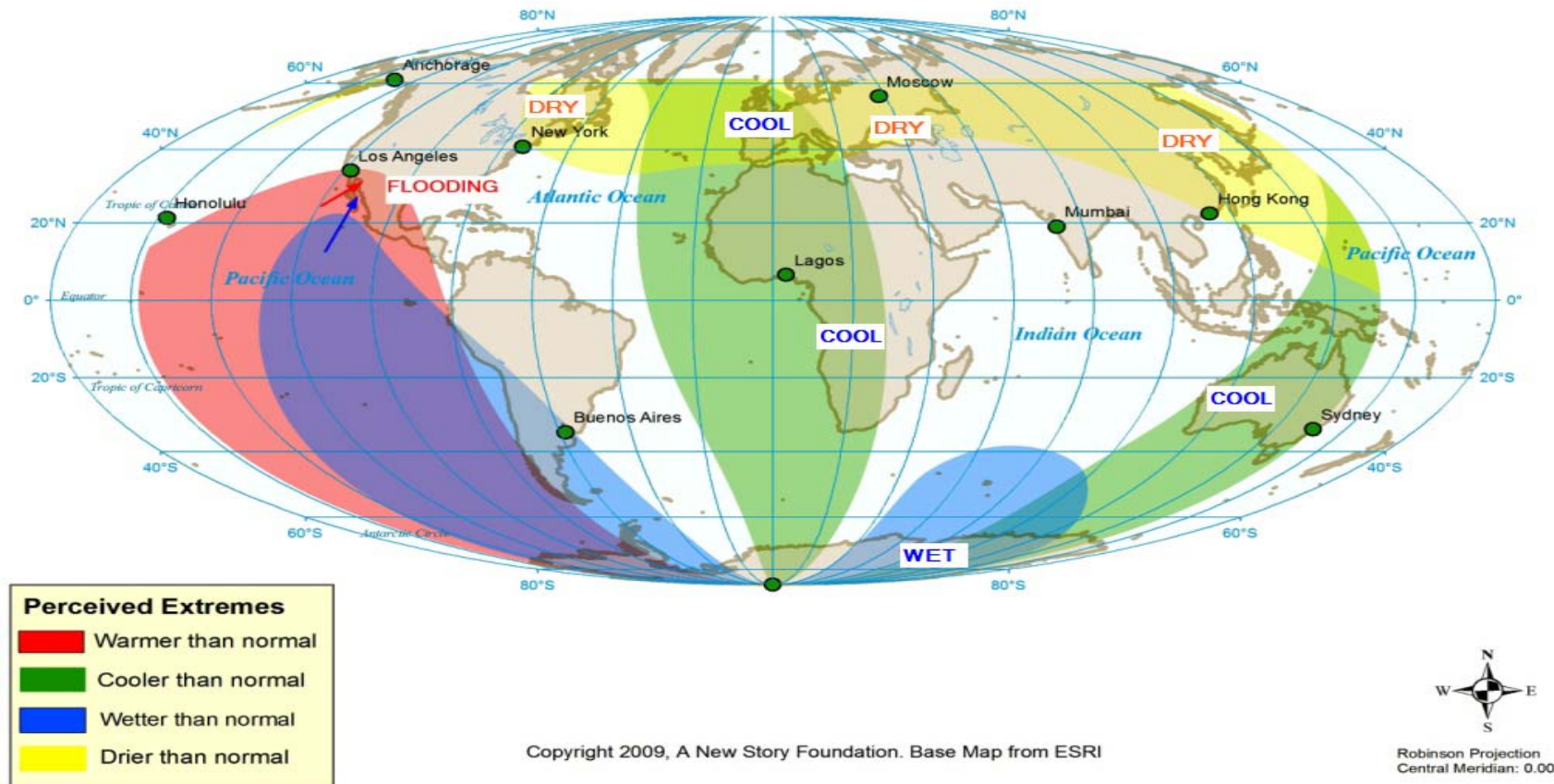| Date Range	Summary of Chart Indications
11/2 – 23	Inflation concerns are replaced with concerns of deflation (14). Likely commodity sell-off and Dollar rise (13, 14).
11/24 – 12/4	People feel "righteous" opposing an enemy or cause (10). Nature is perceived as disruptive to "business as usual" (more swine-flu?) (8).
11/2 – 9	Declining social volatility/agitation; the news/data are perceived as negative (10). Nature perceived as active and causing panic (8). Possible Hawaii event (4).
11/10 – 13	Safety seeking (10). Likely economic crisis (14). Markets may decline sharply (10, 11).
11/2 – 16	Economic and/or currency crisis (9).
11/16 – 23	Pause or transition period. Appearance of stability (9).
11/6 – 20	U.S Government all talk. Perceived to be exaggerating or bluffing (12).
11/19 – 30	Sharp rise in geopolitical concerns (14).

Human Perception of Nature - November 2009

Perception of Nature / the Earth

- 🟥 Nature is unstable/disruptive
- ⬛ Nature is serious, deadly
- 🟫 The Earth is deadly, hot, active
- 🟩 Nature is good, life-giving

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Robinson Projection
Central Meridian: 0.00

In anthropomorphic terms – The Earth is **UNBALANCED,** seeking to call attention to overlooked and neglected excesses.
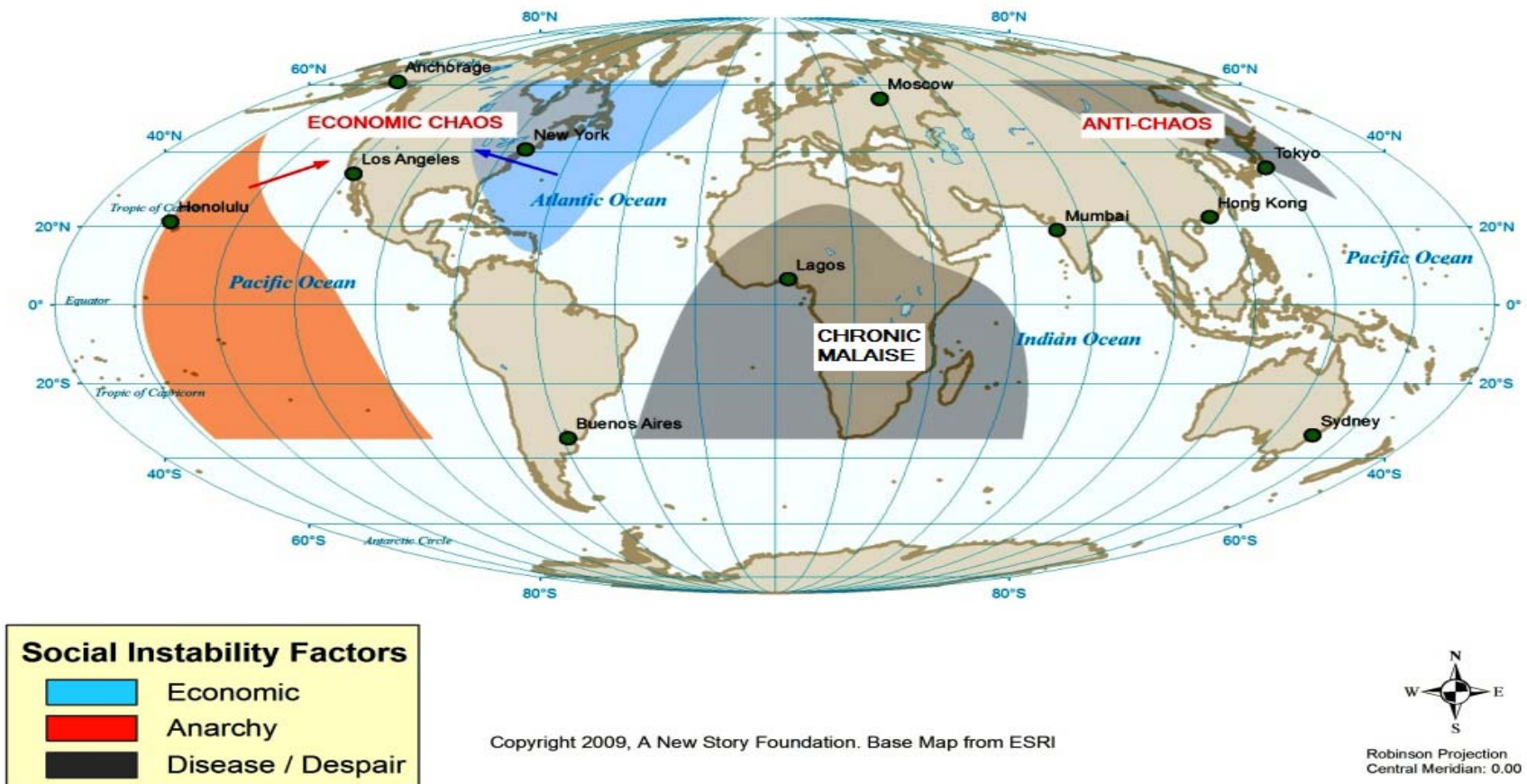
Possible physical manifestations – Much of the Northern Hemisphere views Nature as **disruptive** to business as usual. This is likely due to the inconveniences caused by increasing cases of **Swine Flu**. A view that Nature is **serious or even deadly** in Australia may also be reflecting increasing cases of **Swine Flu**, or increased concern with its severity. In Hawaii, there is an interesting mixture of the perceptions that Nature is **serious or deadly** with that of the Earth being **hot and active**. This indicates that a **volcanic eruption** is more likely than usual. The best **feel good** places in Nature are Alaska, NE Asia, the Patagonia area of South America, and Hawaii for most of the month.
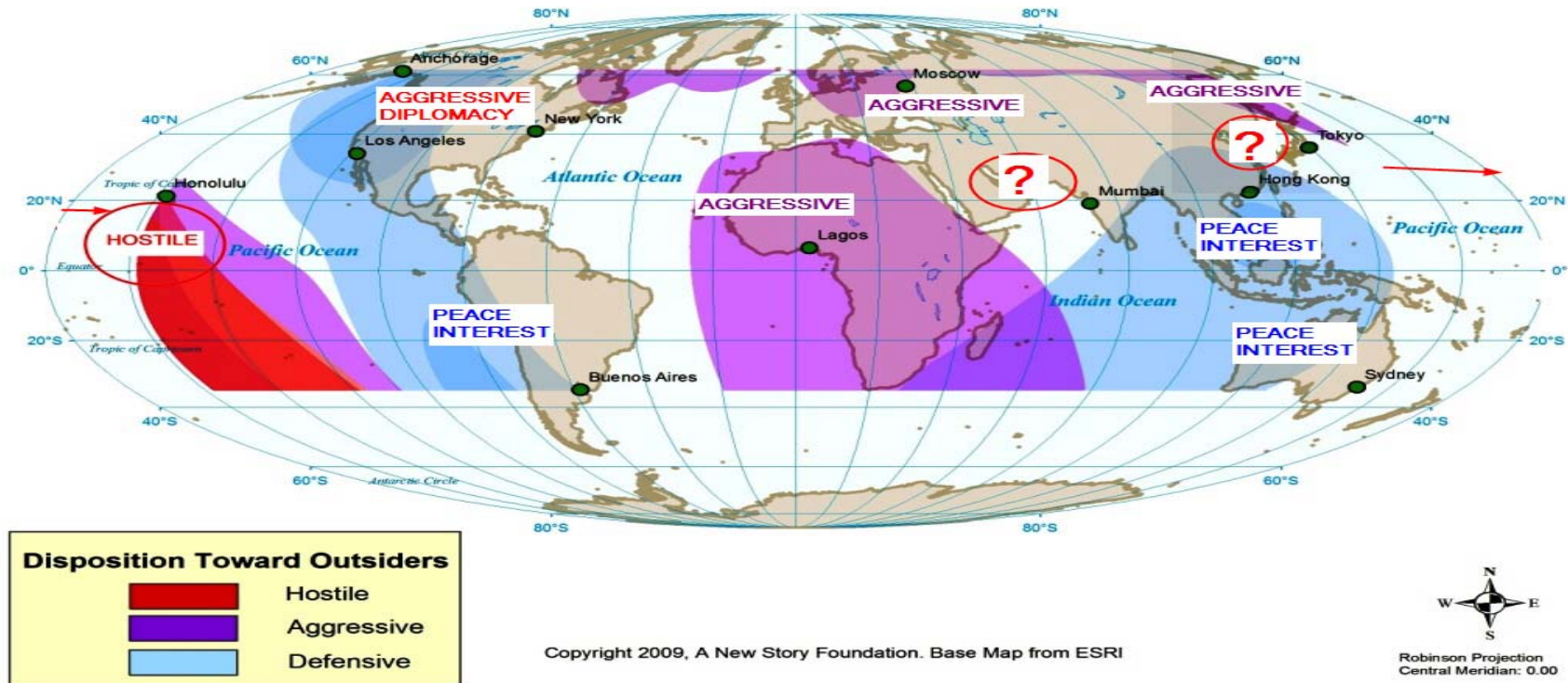
Projected Weather Extremes – November 2009

Perceived Extremes

- Warmer than normal
- Cooler than normal
- Wetter than normal
- Drier than normal

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Robinson Projection
Central Meridian: 0.00

Weather Extremes – A combination of weather that is "warmer than normal" and "wetter than normal" could produce heavy rains or flooding in Mexico and southern California. Cooler than normal conditions are likely in western Europe, western Africa, Australia and Papua New Guinea. Expect drier than normal conditions in north eastern United States and Canada, western Europe, and northern Asia. Wetter than normal conditions in Antarctica could spell trouble in terms of rapidly melting ice as climate change conditions continue to worsen.

Social Instability Factors - November 2009

Social Instability Factors

- ▢ Economic
- ▢ Anarchy
- ▢ Disease / Despair

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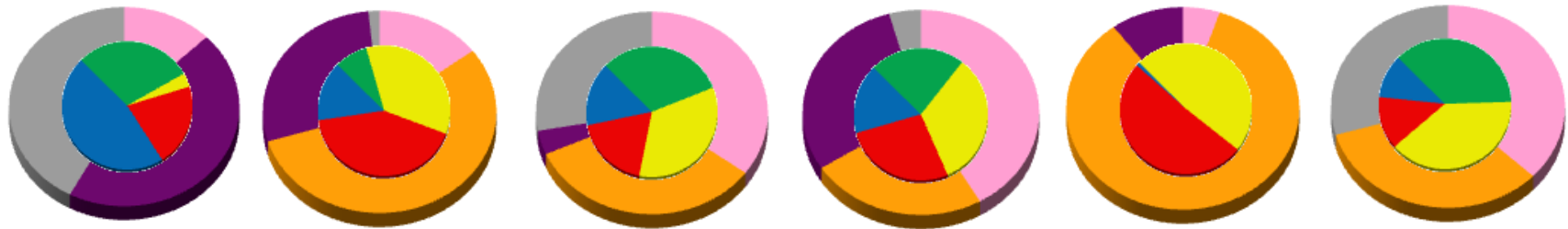
Robinson Projection
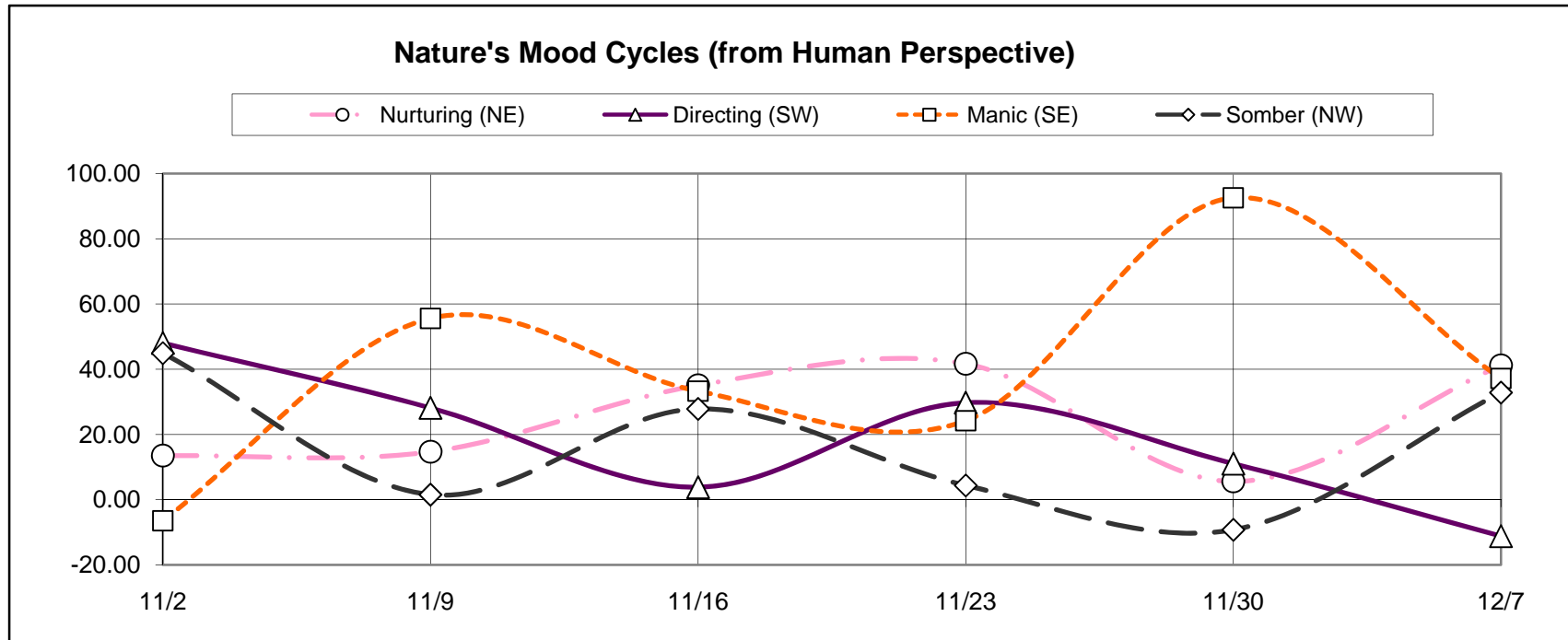Central Meridian: 0.00

With both economic and chaos factor elevated, the United States should be the center of economic chaos for the month. There could be brief periods where stock market losses are extreme enough that some markets around the world close in anticipation of a return to 2008 behavior. E Asia might be regarded this month as an anti-chaos factor or opposing force which brings stability in the midst of what would otherwise be a more extended market selloff. In Africa, chronic problems such as disease and a general sense of despair continue to contribute to social instability.

Projected Geopolitical Posturing – November 2009

Disposition Toward Outsiders
- Hostile
- Aggressive
- Defensive

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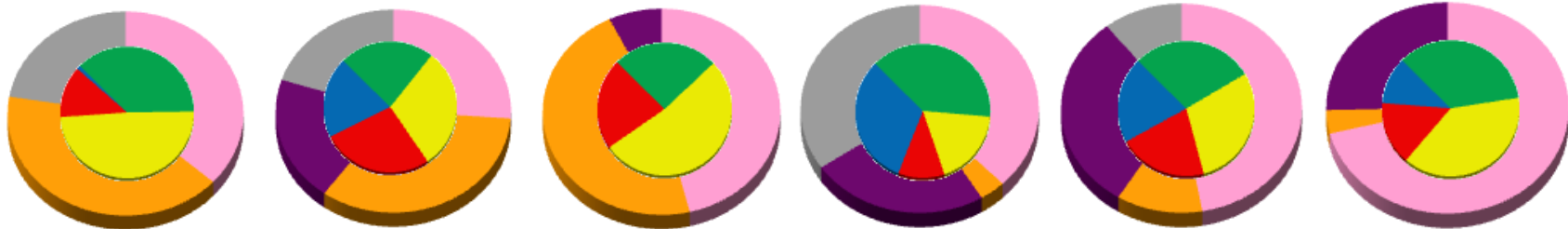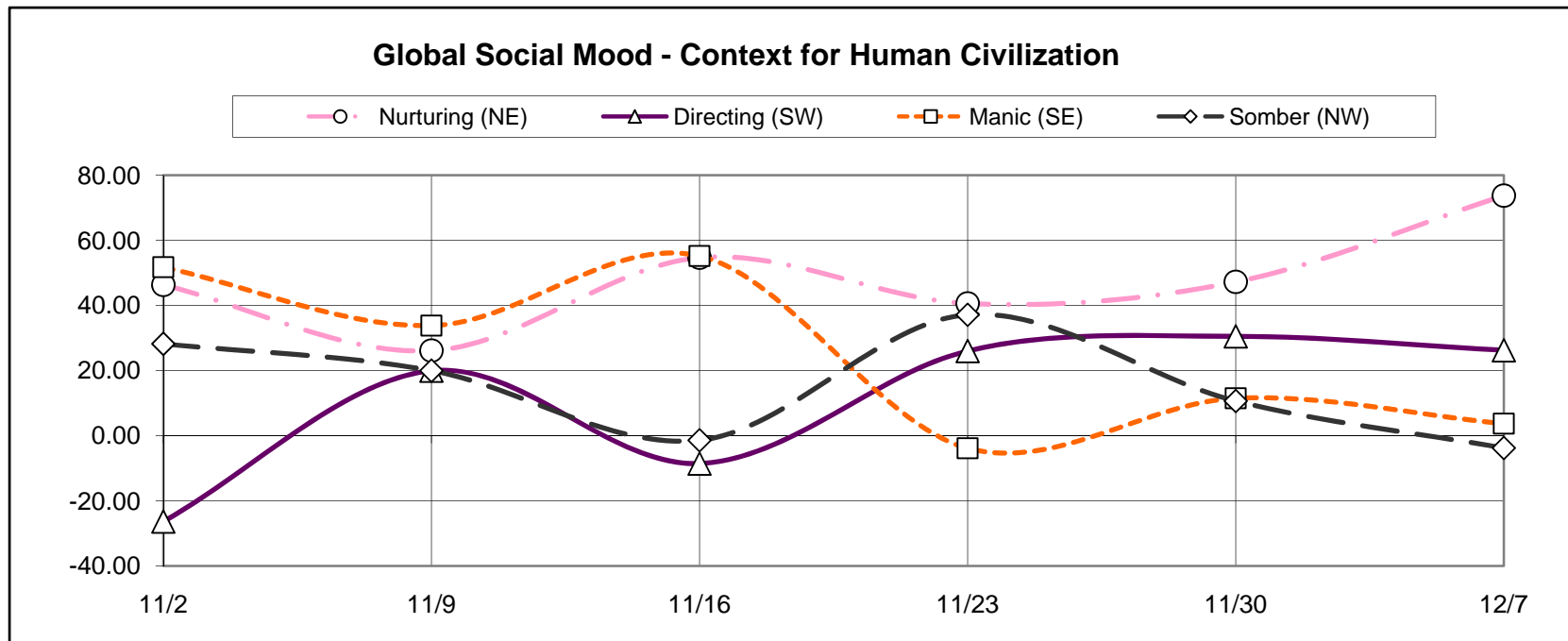
Robinson Projection
Central Meridian: 0.00

There's an indication of increased hostility or military show of force in November, and there are two primary candidates for where this will be coming from. The area labeled on the map as "hostile" has previously represented hostile gestures from N. Korea such as missile launches towards Hawaii. That may be what is indicated here as well. However, another possibility is that at some point in the month, the United States makes a decision to show increased military force. With Iran suddenly showing up as neither aggressive nor defensive, it is possible that they find themselves in both positions. N. Korea is also a potential target of a U.S. display of force, should that occur. However, the best label for the U.S. position for most of the month is aggressive diplomacy; strongly desiring of diplomatic solutions, but keeping all options on the table.

Russia and China may take strong positions which may seem antagonistic or uncooperative to some. Much of Africa is at odds with neighboring countires and less than amicable towards the rest of the world.
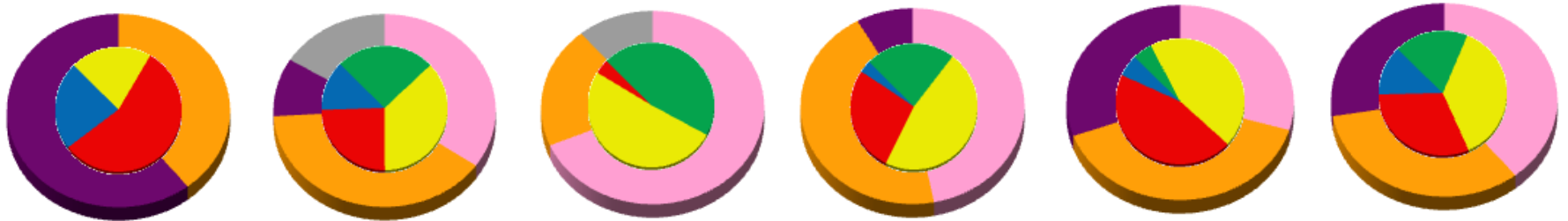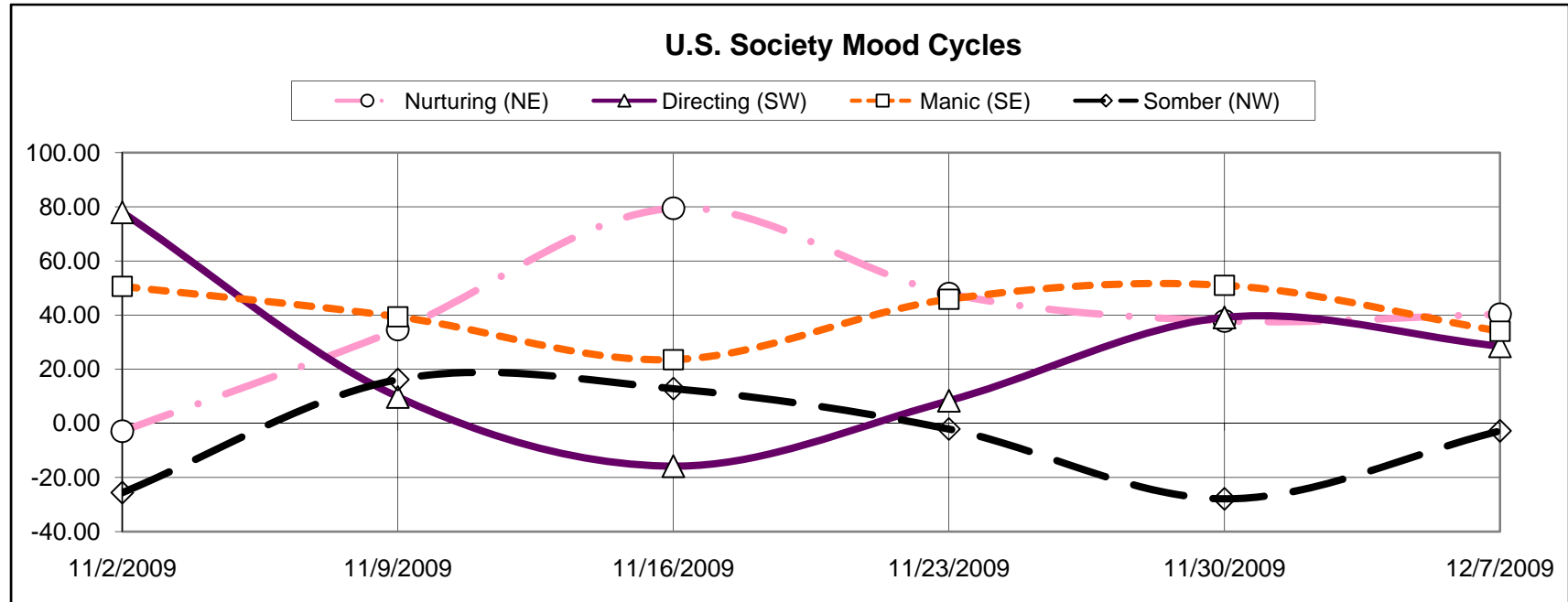
Nature's Mood Cycles (from Human Perspective)

Legend: Nurturing (NE) · Directing (SW) · Manic (SE) · Somber (NW)

Panic	*Active, Disruptive*	*Transitioning*	*Chaotic and Disruptive*
Nature seen as panic-causing (SW/NW).	*Nature is seen as somewhat active and disruptive (S/SE) in some locations.*	*Seasons continuing to shift cooler in the North and warmer in the South. Weather may be much cooler than normal in some areas; also watch for possible cold wind events.*	*Nature is seen as disruptive to business as usual, especially 11/24-12/2 (high SE).*

Global Social Mood - Context for Human Civilization

Legend:
- ○ Nurturing (NE)
- △ Directing (SW)
- □ Manic (SE)
- ◇ Somber (NW)

Dealing with Bad News, Economy Shaky
Impact of late October bad news lessens somewhat the week of November 2nd. Then the bad news, data etc. picks up again quite dramatically. High E factors indicate the focus is economic and/or currency centered (E=symbol; currency is a prime symbol of the global system).

Pause
A transition period. It may appear that stability is returning after the brief crisis (both North factors high), especially after the 18th.

Good Guys vs. Bad Guys
A polarity between life (phi) factors and entropy factors indicates a global good guy vs. bad guy paradigm. Geopolitical escalation(s) with global ramifications is likely.

U.S. Society Mood Cycles

Legend: Nurturing (NE) · Directing (SW) · Manic (SE) · Somber (NW)

X-axis: 11/2/2009, 11/9/2009, 11/16/2009, 11/23/2009, 11/30/2009, 12/7/2009

Y-axis: -40.00, -20.00, 0.00, 20.00, 40.00, 60.00, 80.00, 100.00

| *Declining Volatility*	*Head for the Hills!*	*Righteous and Confused*
Violence in society and volatility in the markets begin to dissipate (declining S factors).	*High NE/low SW indicates a proclivity for safety seeking behavior. In the markets, look for a surge in Treasuries, the US Dollar, and for a decline in the stock market.*	*People may be feeling "righteous" (SE + Phi factors), but tension is extreme. Markets may have difficulty finding the appropriate direction.*

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

Legend: —△— Aggressive (+) vs Protective (-)   —☐— 'Greed (+) vs Fear (-)   ----- Est. Trend
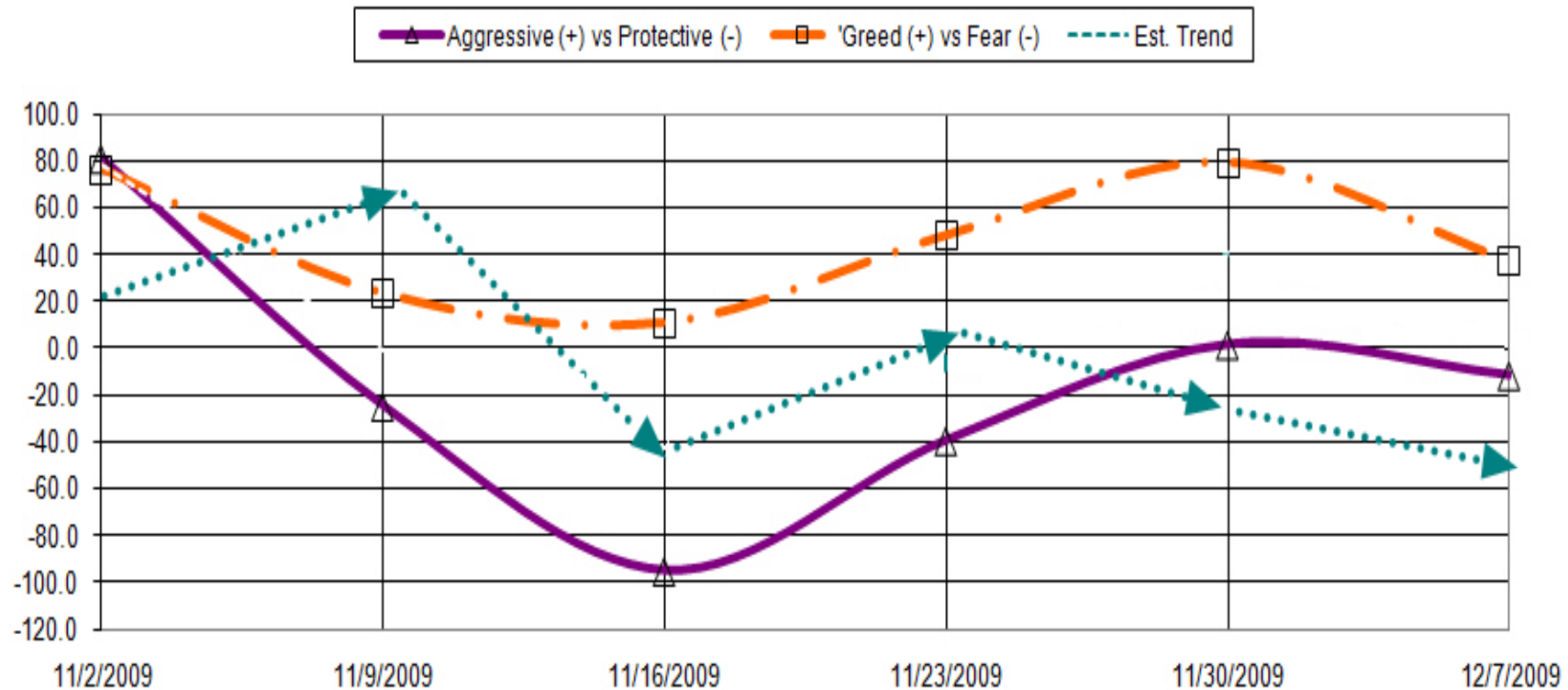
Explanation of chart lines: It is common knowledge among traders that movement in the stock market is based on a "tug of war" between pairs of sentiment. This charts the two primary pairs which correspond to the general stock market trend. "Aggressive vs Protective" is the difference of the values of the two Moodlines "Directing" and "Nurturing." "Greed vs Fear" is the difference of the values of the two Moodlines "Manic" and "Somber."

The overall trend has likely turned down, but may be choppy and confused for much of the month. The clearest directional period is the sell-off indicated the week of November 9th. There is destabilization in the markets after the 23rd. Although the configuration is ambivalent, given the overall picture, the most likely direction is down.

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Perception of the U.S Government

Legend: Nurturing (NE) — Directing (SW) — Manic (SE) — Somber (NW)
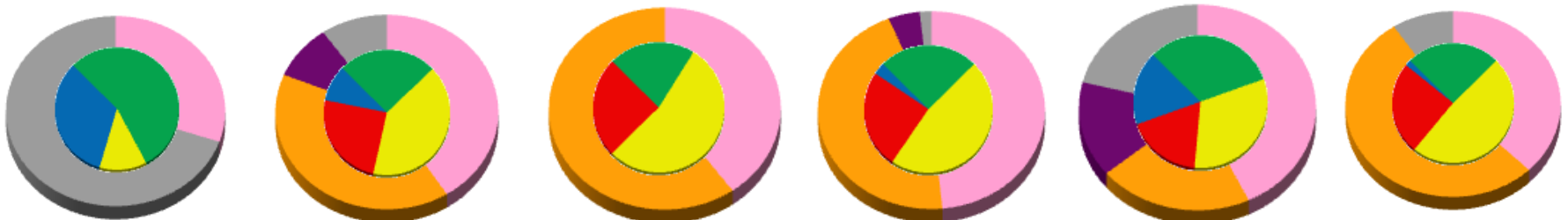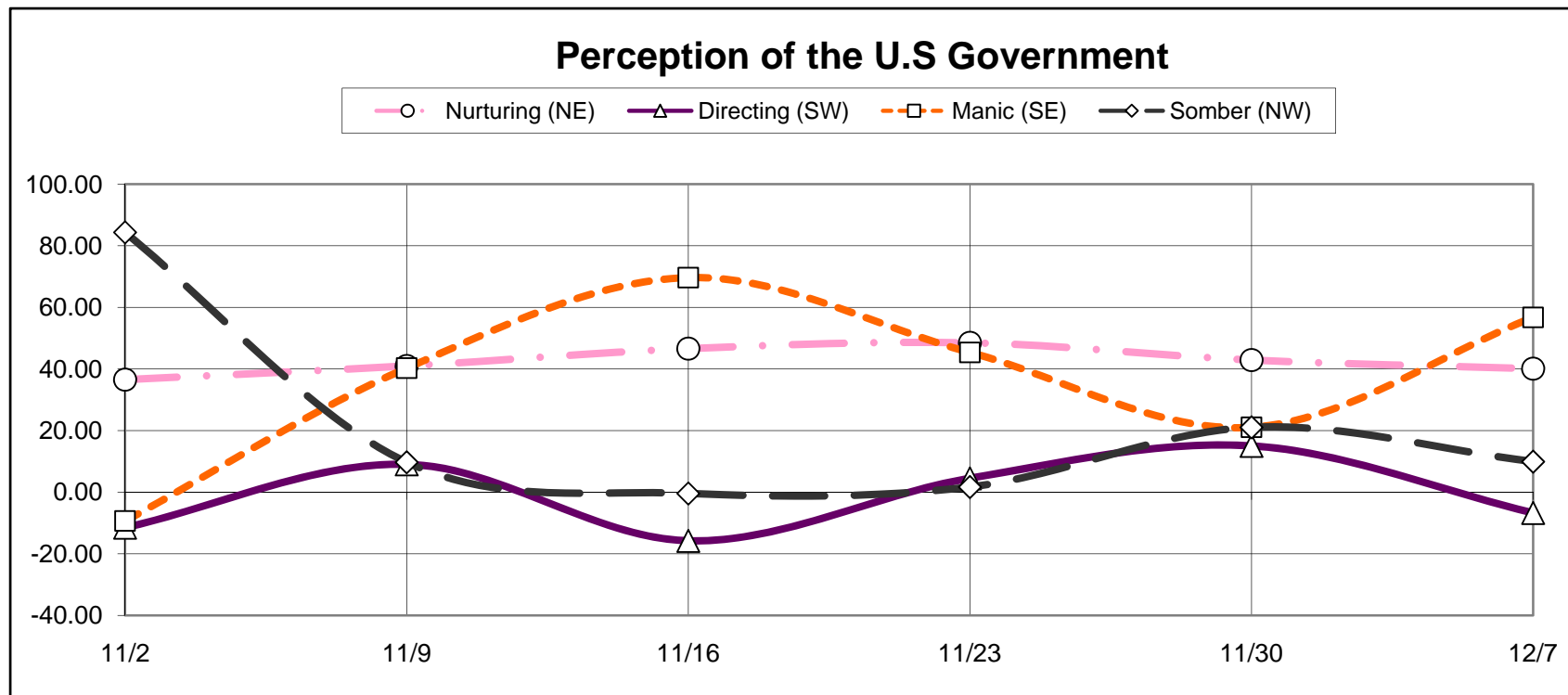
|		
Returning to Life *Stagnation (NW/NE) fades and something finally gets accomplished.*	***A Lot of Talk, and Likely Some Bluffing*** *High E factors show a government doing a lot of talking. SE high indicates the talk is likely a bluff or exaggeration.*	***A Little More Straight Forward*** *Things are more out in the open. This may be a critical decision point.*

Perception of U.S. Dollar => Change per Week
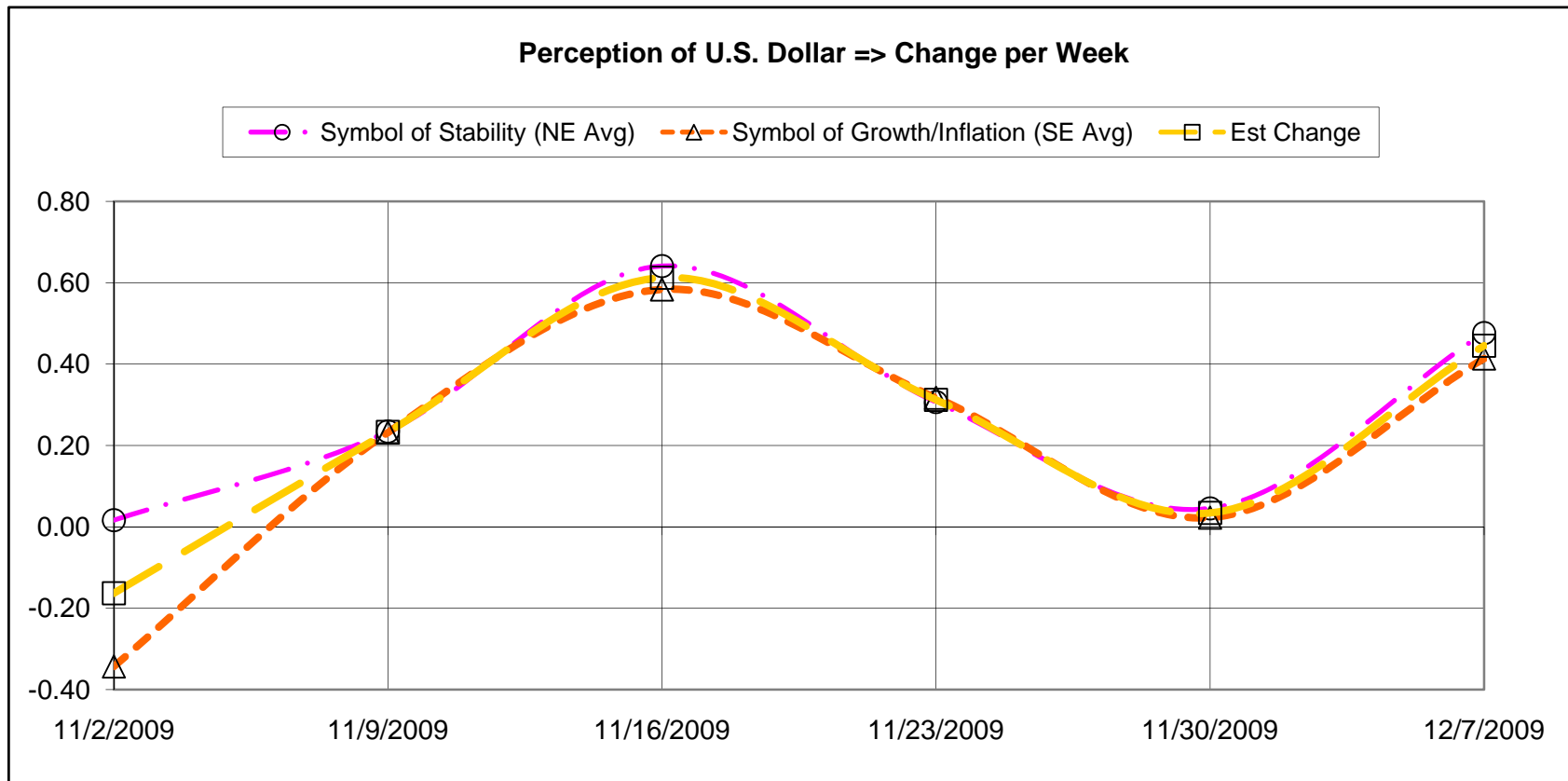
Explanation of chart lines: *The Dollar is a symbol of value, but it not attached to anything "real" such as gold as it was in the past. Its value is based on sentiment, and on the trust of a government to honor its debts. Because of this, its value ebbs and flows along with the oscillations of perception 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 trend for the U.S. Dollar should be primarily up for most of this period, although there may be a final "crisis" very early in November. The largest gains should be November 9 – November 20.

Factors (percent) Contributing to the Price of Crude Oil
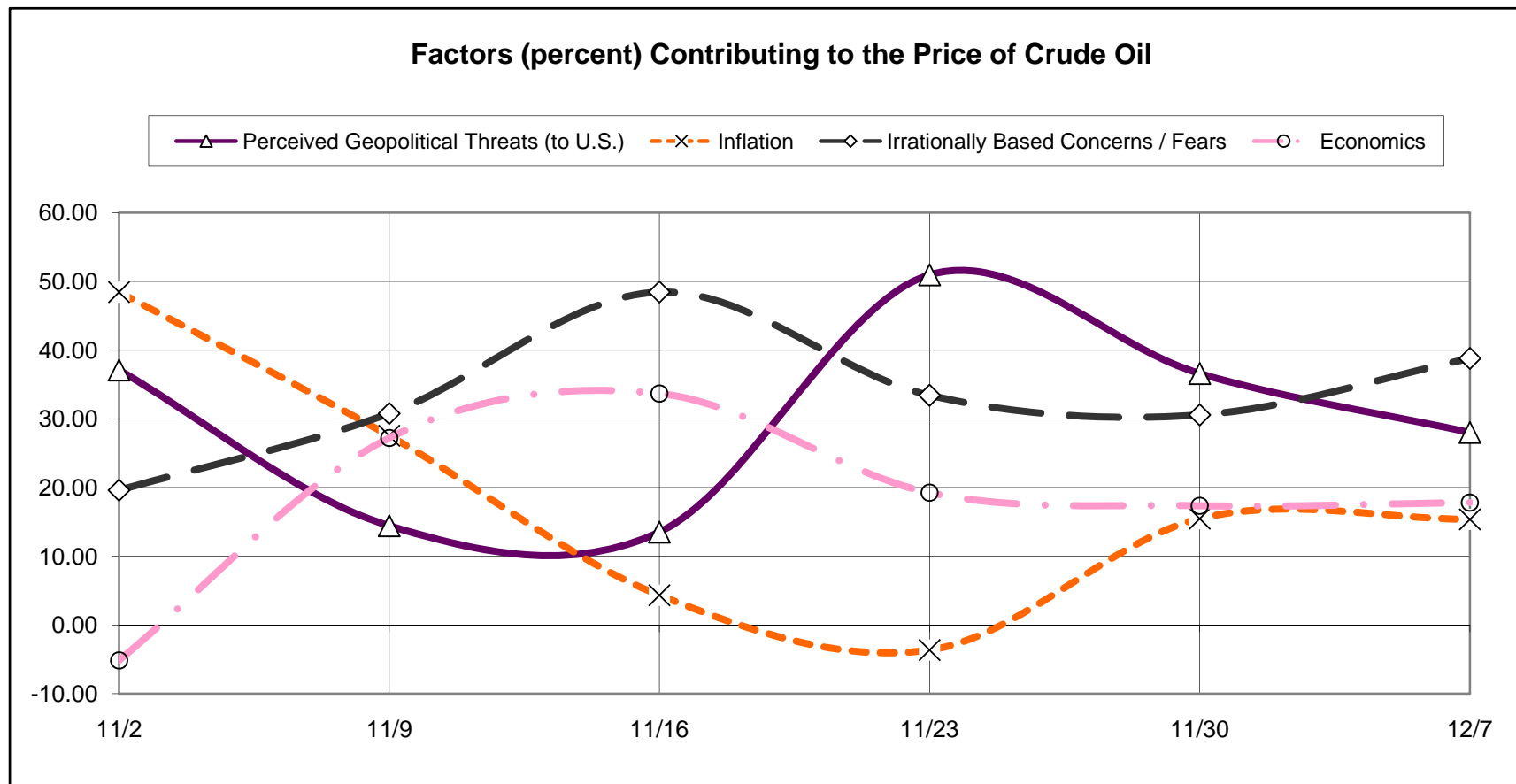
Explanation of chart lines: *The values for the Moodlines (Directing, Manic, and Somber) for U.S. View of "the World" are used to produce this chart. This chart is useful in searching for potential geopolitical events, and escalated irrational fears of supply disruption. It is also useful as a check 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.*

The month begins with inflation concerns high. However, this quickly drops and deflation likely reappears as economic worries increase sharply through November 16. Between November 19 – 23, the geopolitical situation changes dramatically, and crude oil may experience a sharp spike. The geopolitical picture stabilizes somewhat as December begins.
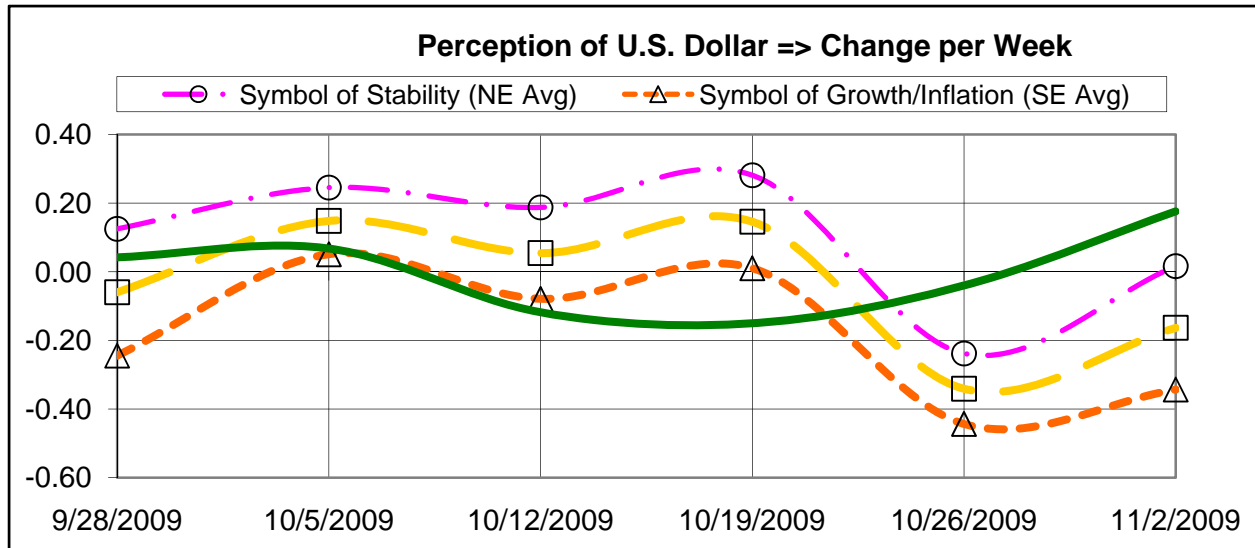
How We Did – Comparing our Charts with Actuals

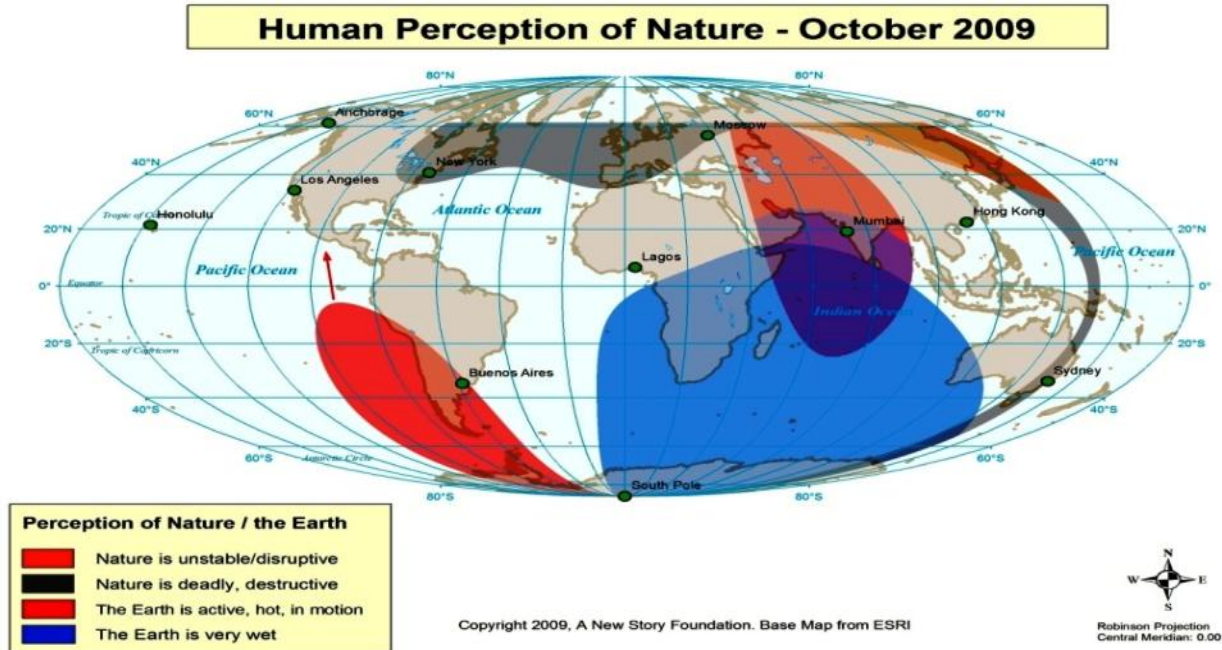### U.S. Society Mood Pairs => Stock Market Trend
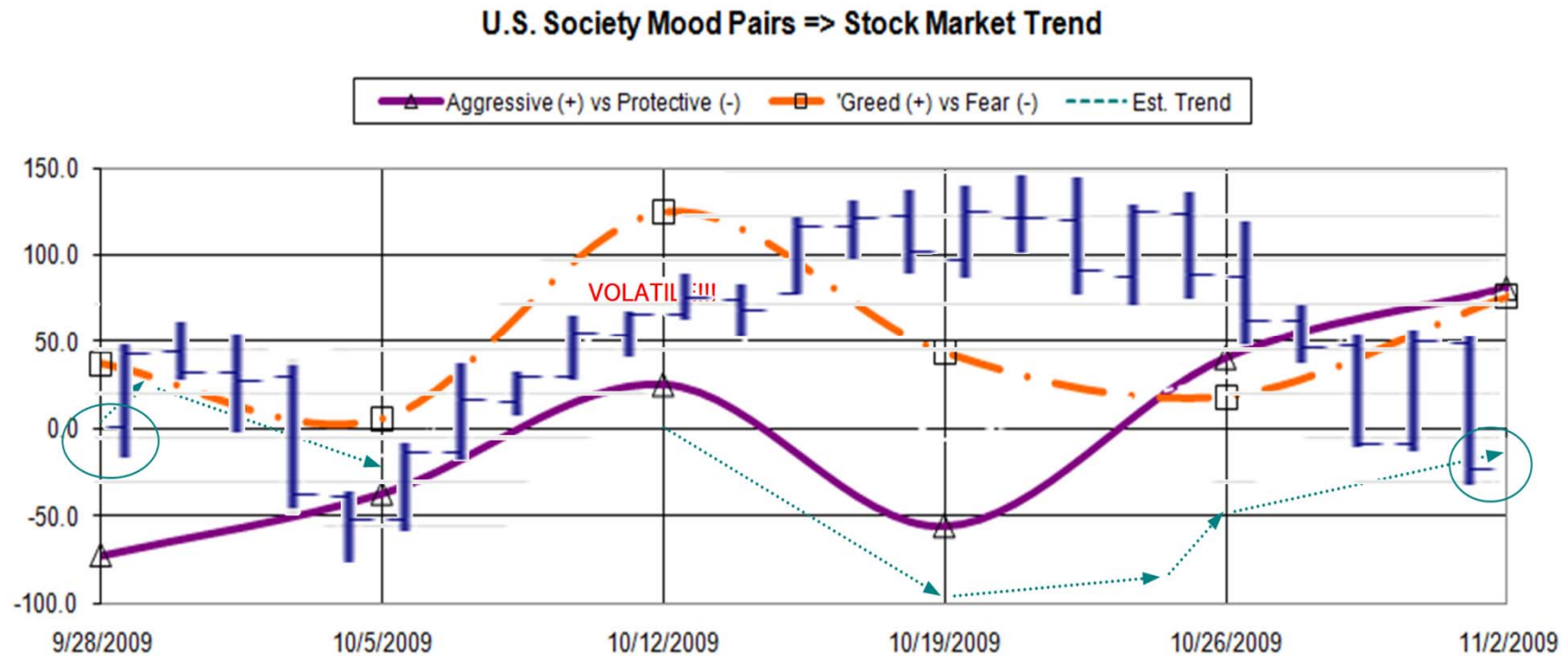
Actual data source: futuresource.com

S&P *(from previous issue): Markets are extremely unstable, making trend difficult to estimate at any particular point (although the overall direction should be a choppy down).* Actual: No correlation with forecast models after 10/12 indicating major trend change likely. Excellent match with overall change (beginning vs. ending points).

How We Did – Comparing our Charts with Actuals

Perception of U.S. Dollar => Change per Week

—○— Symbol of Stability (NE Avg)   --△-- Symbol of Growth/Inflation (SE Avg)

	9/28/2009	10/5/2009	10/12/2009	10/19/2009	10/26/2009	11/2/2009

(y-axis: 0.40, 0.20, 0.00, -0.20, -0.40, -0.60)

Dollar (*from previous issue): The Dollar may look like it has bottomed and started a new upward trend through the week of the 12th. After that, the Dollar may fall quite sharply through the end of the month.* Actual: Stability through the week of the 5th, sharp sell-off through the week of the 18th; beginning of upward trend/correction the final week.

Human Perception of Nature - October 2009

Perception of Nature / the Earth
- Nature is unstable/disruptive
- Nature is deadly, destructive
- The Earth is active, hot, in motion
- The Earth is very wet

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Robinson Projection
Central Meridian: 0.00

 Actual: Orange and Gray - Typhoon Melor makes landfall in Japan (8). Gray- Italy has worst mudslide in a decade (3). Strong earthquakes rock South Pacific (7). Sharp increase in US swine flu deaths (9). Blue and Red - More than 200 dead in S. India floods (2-5). Red - Hurricane Rick approaches S. Mexico.

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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
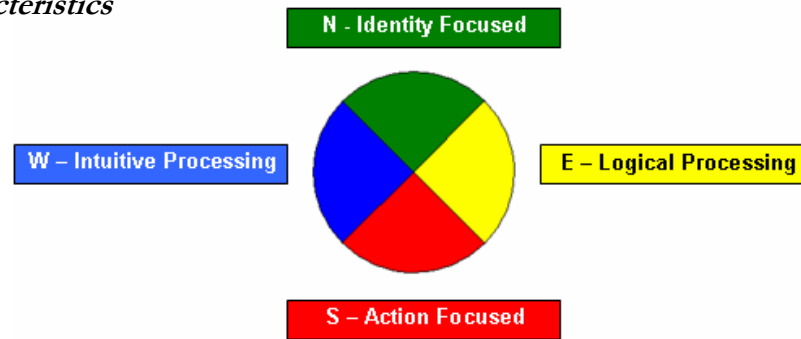
Hybrid Characteristics

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.
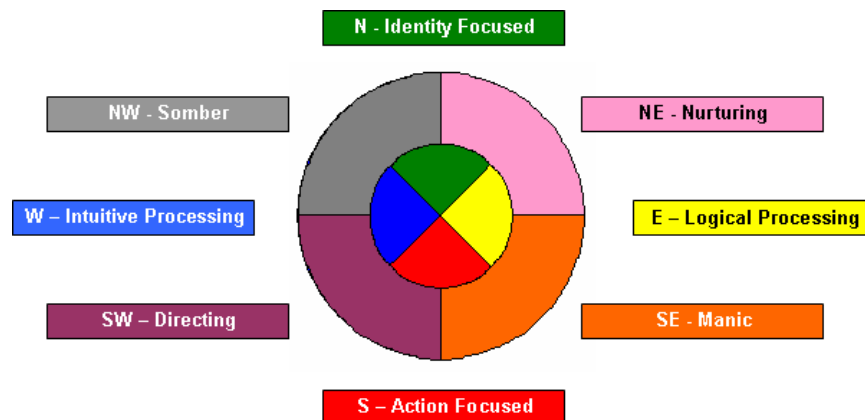

Tracking Profiles Over Time

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.

U.S. Society - S&P 500

U.S. Society Mood Pairs => Stock Market Trend
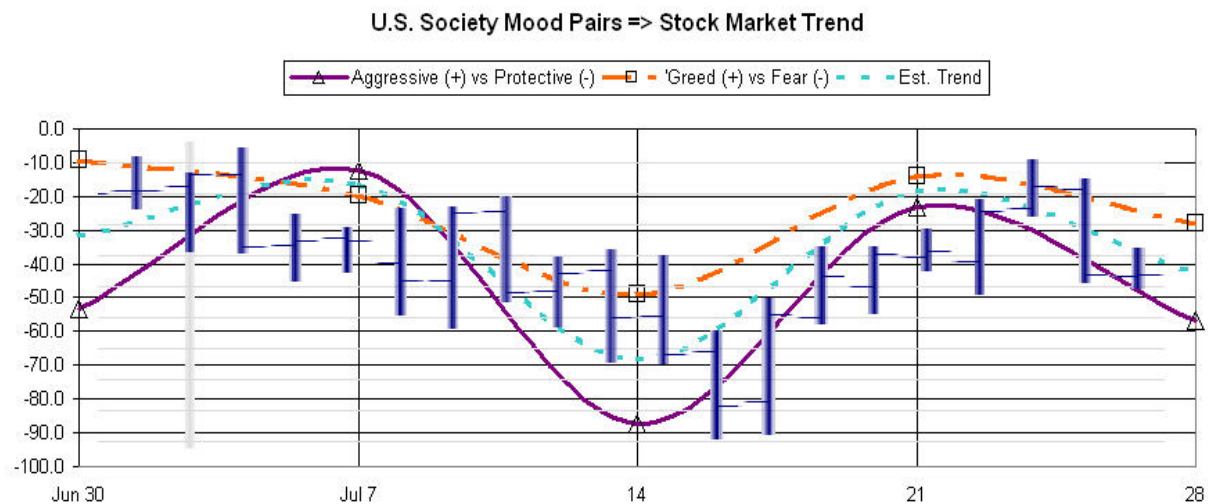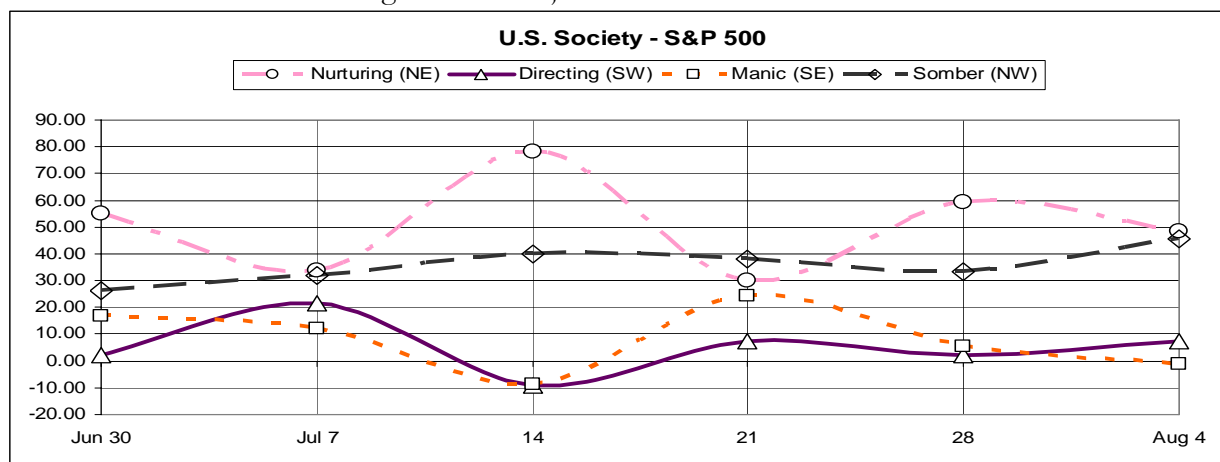
Philosophy and Methodology: For more information on our research and methodology, please see: http://anewstory.org/documents/methodology.pdf.

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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Our Website: http://anewstory.org

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Thanks for your support!