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

November 2010

Highlights: Global paradigm shift · High terror risk · Increased intolerance
and violence · Market volatility · High impact natural event(s)

November 2010 – Insecurity, Insolvency and Indifference

Change is in the air, and projected collective mood indicates the beginning of a new paradigm. However, this approaching new reality may not bode well for the optimists. On a societal level, November holds a disheartening mixture of collective apathy, discord, despair, and intolerance. Such wide scale dysphoria is difficult to contain for long, and may result in some individuals or groups acting out in bursts of violence or other anti-social behaviors. Global leaders and governments, needed to keep the ever illusive recovery on track, as well as maintain a stable geopolitical environment, will likely find it difficult to accomplish anything of substance where cooperation is required. Things could even get more interesting should a less stable individual who also happens to be a head of state gets too caught up in the tide of antipathy.

According to projected collective mood and perception, there is high risk for terrorist activity as well as large impact natural disaster(s), especially in the first half of the month. With coffers lean and ammunition for economic remedies running thin, the clock continues to tick on an ever nearing market meltdown. There is continued discussion of a possible currency war, and such a scenario would fit well within the November "look out for number one" attitude. The next episode in the "new normal," however it plays out, does not look pretty. Rather than a next chapter in global recovery, it may turn out to be the early stages of a systemic breakdown.

Highlights:

Nov 2 – 10: Paradigm shift. A decided change in global context; previous assumptions are not valid. Heightened vulnerability, risk aversion, especially after 11/3. High terror risk. Polarization in U.S. government higher than ever, not resolved by elections. High risk of large impact natural event(s).

Nov 11 – 22: Panic, violence, and discord. Mild panic giving way to outrage and violent outbursts. Global leaders focused on economic issues and stabilization. U.S. government dysfunctional, gripped by malaise, gridlock, and malevolence.

Nov 23 – 26: Denial, apathy, and intolerance. Global leaders in denial, or perceived as delusional; expressed optimism entails ignoring the facts. Apathy and despair on a societal scale. Increased hate and intolerance. U.S. government dysfunctional, gripped by malaise, gridlock, and malevolence.

Nov 27 – Dec 5: System Breakdown. Systemic breakdown is underway and apparent. Apathy and despair on a societal scale. Increased hate and intolerance. U.S. government dysfunctional, gripped by malaise, gridlock, and malevolence.
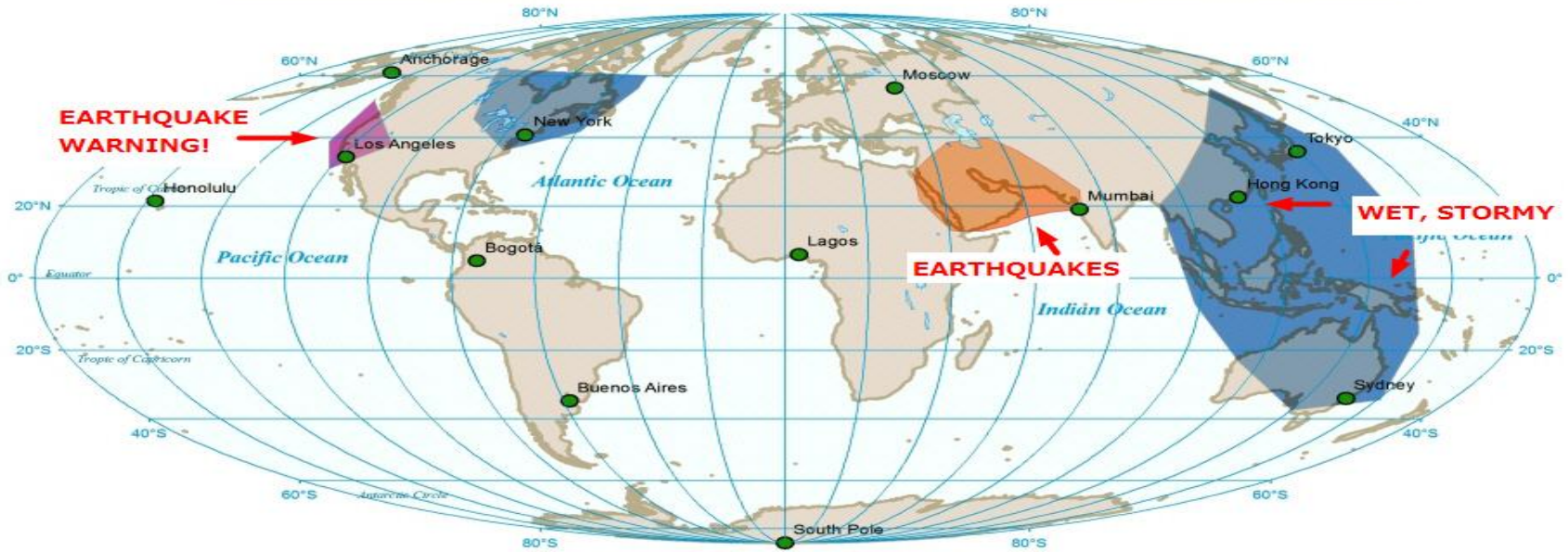
The charts on the following pages will go into further detail of the social mood changes and corresponding market behavior for this time period. The last few pages of this document will give you a brief orientation to the MoodCompass.

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
11/2 – 15	High risk of extreme natural event(s) (7a).
11/2 – 10	Paradigm shift. A decided change in global context; previous assumptions are not valid. (7b, 8a). Heightened vulnerability, risk aversion, especially after 11/3 (7b). High terror risk (8a). Polarization in U.S. government higher than ever, not resolved by elections (8b).
11/11 – 22	Mild panic giving way to outrage and violent outbursts (8a). Global leaders focused on economic issues and stabilization (7b). U.S. government dysfunctional, gripped by malaise, gridlock, and malevolence (8b).
11/23 – 26	Global leaders in denial, or perceived as delusional; expressed optimism entails ignoring the facts (7b).
11/23 – 12/5	Apathy and despair on a societal scale. Increased hate and intolerance (8a). U.S. government dysfunctional, gripped by malaise, gridlock, and malevolence (8b).
11/27 – 12/5	Systemic breakdown is underway and apparent (7b).

Human Perception of Nature - November 2010

EARTHQUAKE WARNING!

WET, STORMY

EARTHQUAKES

Perception of Nature / the Earth

- Nature is destructive, deadly
- The Earth is unstable, disruptive
- Nature is wet, stormy

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Robinson Projection
Central Meridian: 0.00

In anthropomorphic terms – Nature is *DESTRUCTIVE* – serious and destructive natural event(s) are probable..

Possible physical manifestations – Nature is viewed as **DESTRUCTIVE/DEADLY** in the California area. This generates a **large earthquake** warning. It is possible however, that some other type of destructive natural event is indicated. The Earth is seen as **UNSTABLE/DISRUPTIVE** in South Asia. Increased **earthquake** activity is likely. Nature is **WET/STORMY** for residents of S.E. Asia, Indonesia, and Australia. **Heavy rainfall** is likely.
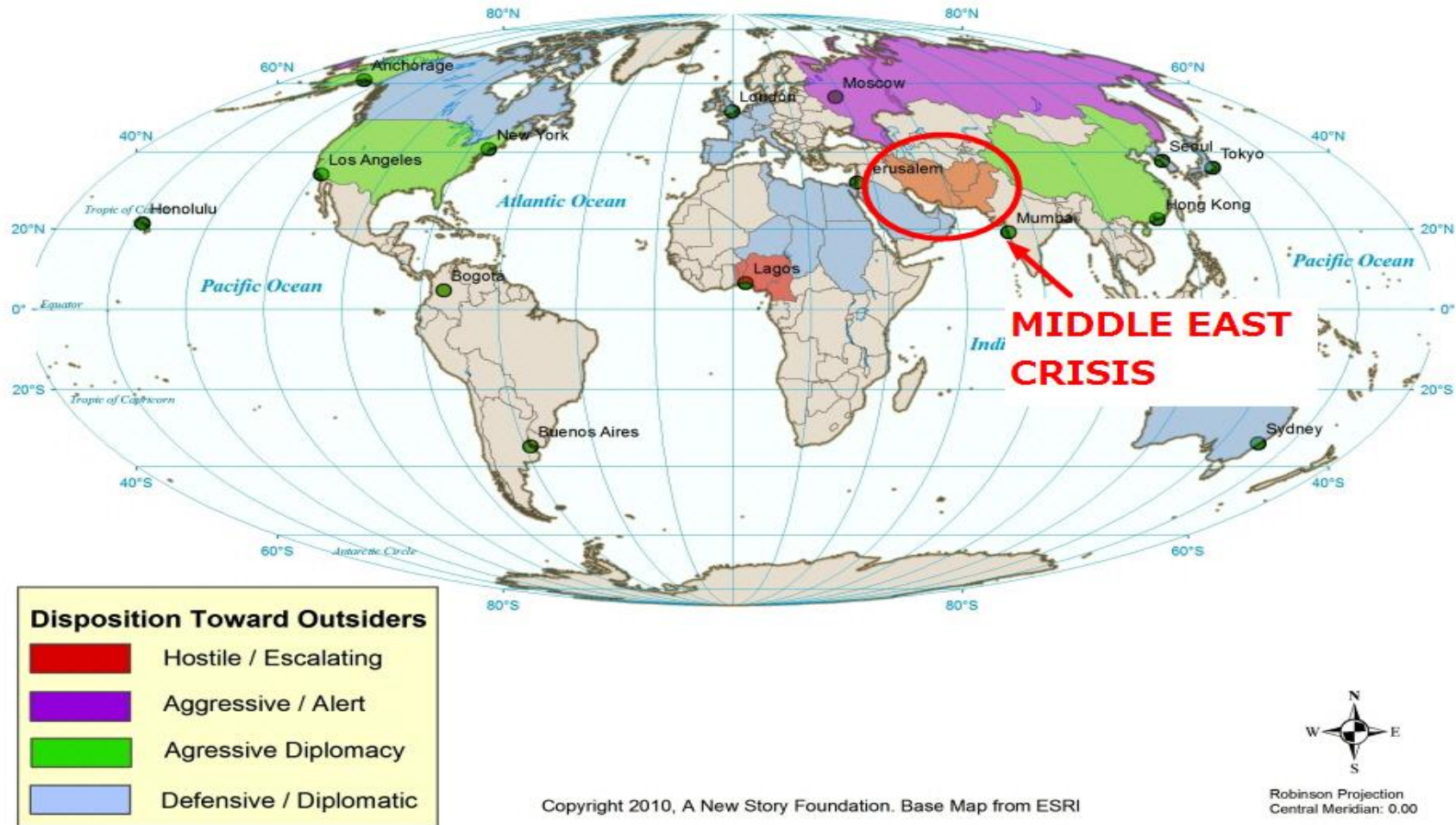
Social Instability Factors - November 2010

WIDESPREAD UNREST, VIOLENT EPISODES

Social Instability Factors

🟥	Unrest / Violence
🟩	Economic & Unrest
⬛	Disease / Despair

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Robinson Projection
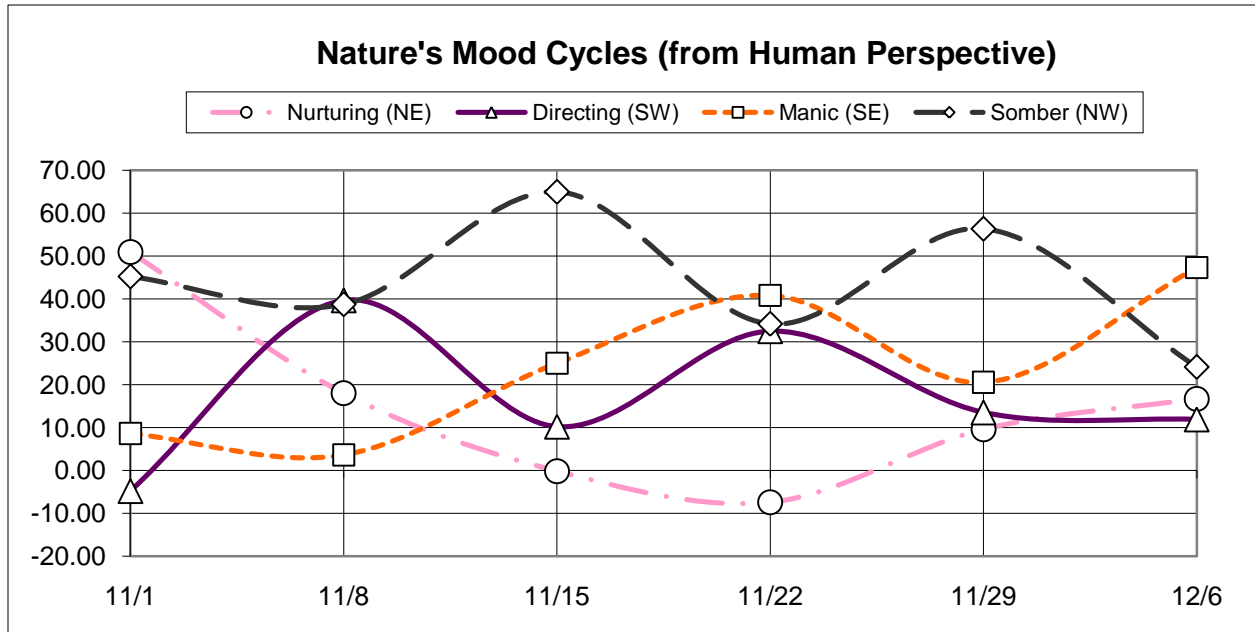Central Meridian: 0.00

Civil unrest and violence may become extreme in November. With the "unrest" or high Manic configuration a dominant global theme, terror attacks, attempts, or terror-related concerns are likely to continue to be a subject of increased attention.
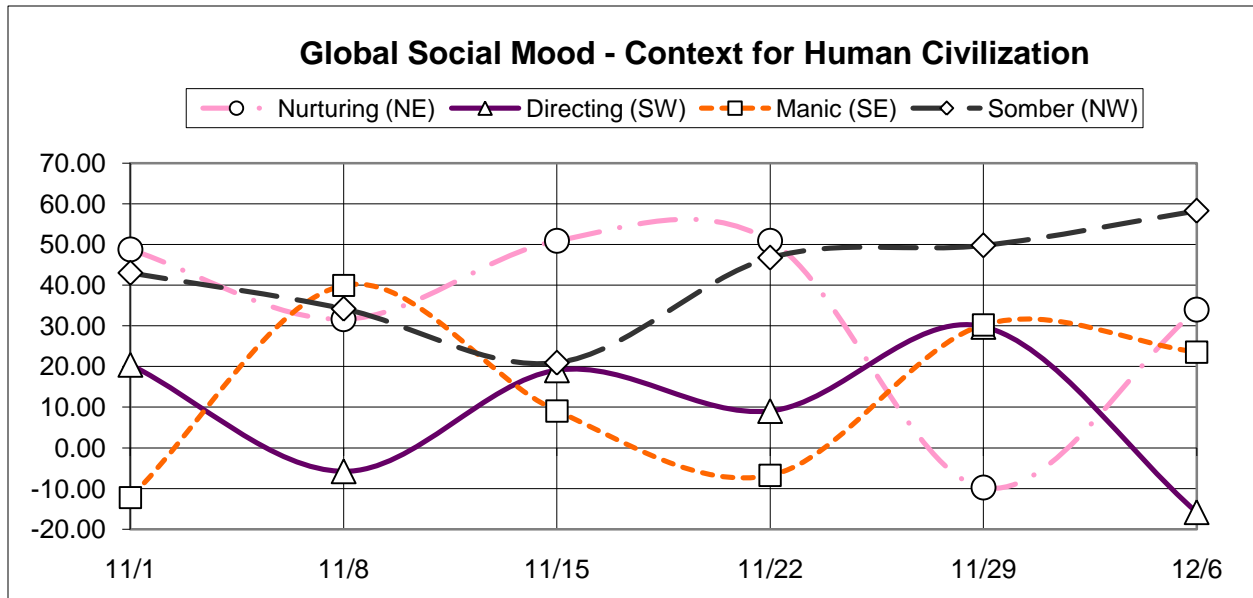
Projected Geopolitical Posturing - November 2010

Disposition Toward Outsiders

🟥	Hostile / Escalating
🟪	Aggressive / Alert
🟩	Agressive Diplomacy
🟦	Defensive / Diplomatic

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Robinson Projection
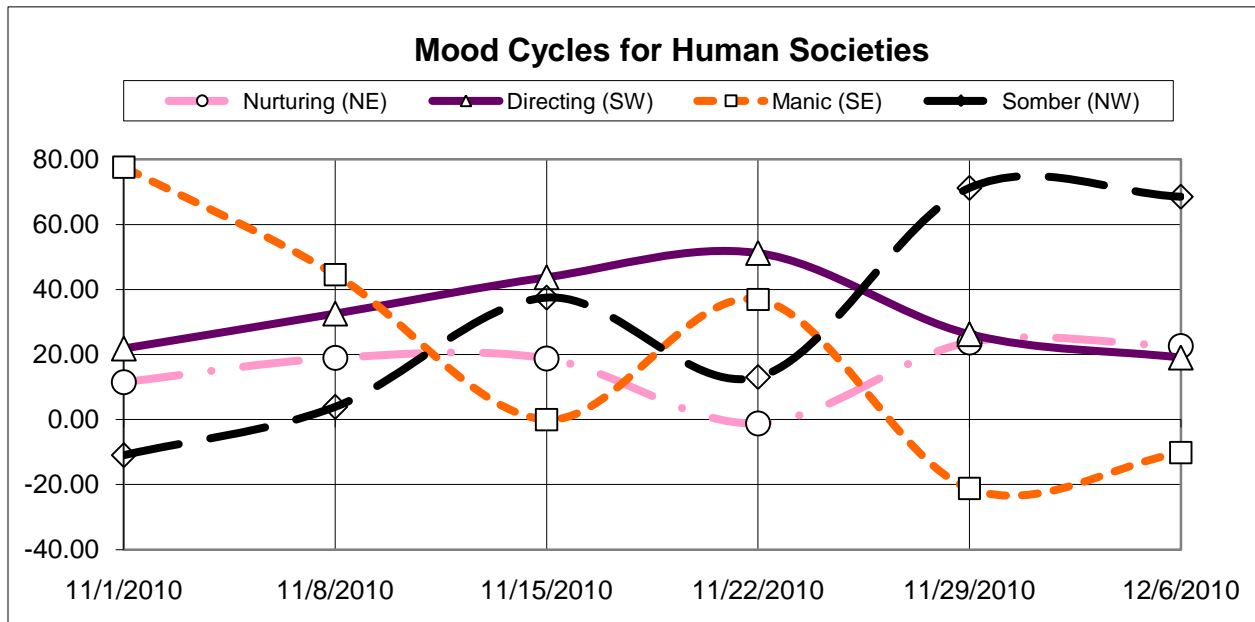Central Meridian: 0.00

The geopolitical focus of the month is the Middle East. The situation may reach critical levels and require high level diplomacy and decision making.
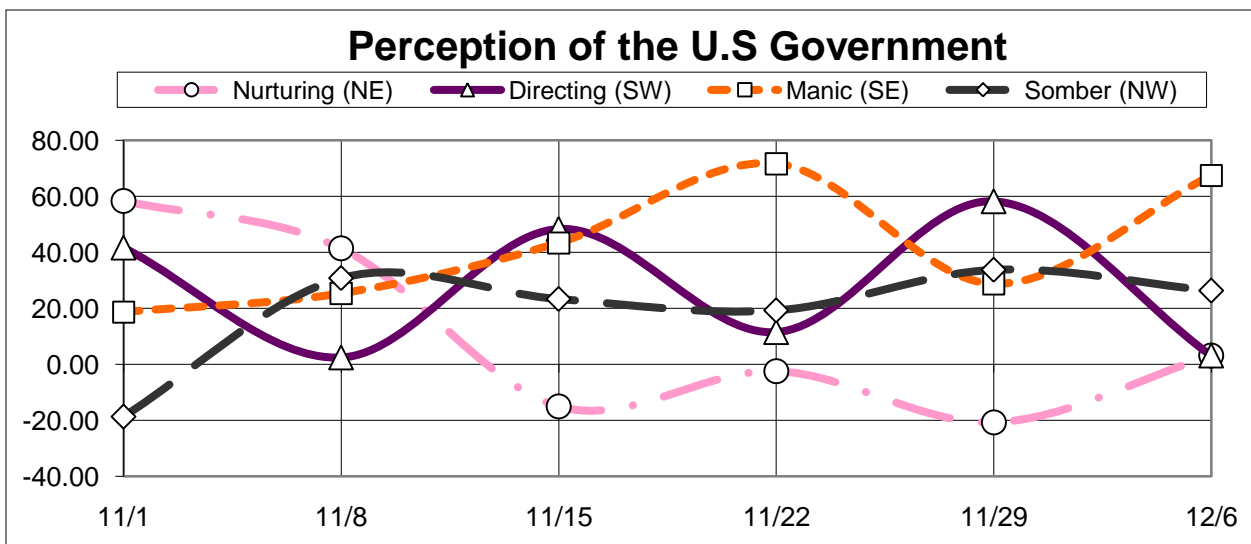
Nature's Mood Cycles (from Human Perspective)

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

Y-axis: 70.00, 60.00, 50.00, 40.00, 30.00, 20.00, 10.00, 0.00, -10.00, -20.00
X-axis: 11/1, 11/8, 11/15, 11/22, 11/29, 12/6

NATURE IS DESTRUCTIVE

With both entropy factors running in parallel through mid-month, and polarized opposite phi factors the remainder of the month, serious and destructive natural event(s) are probable.
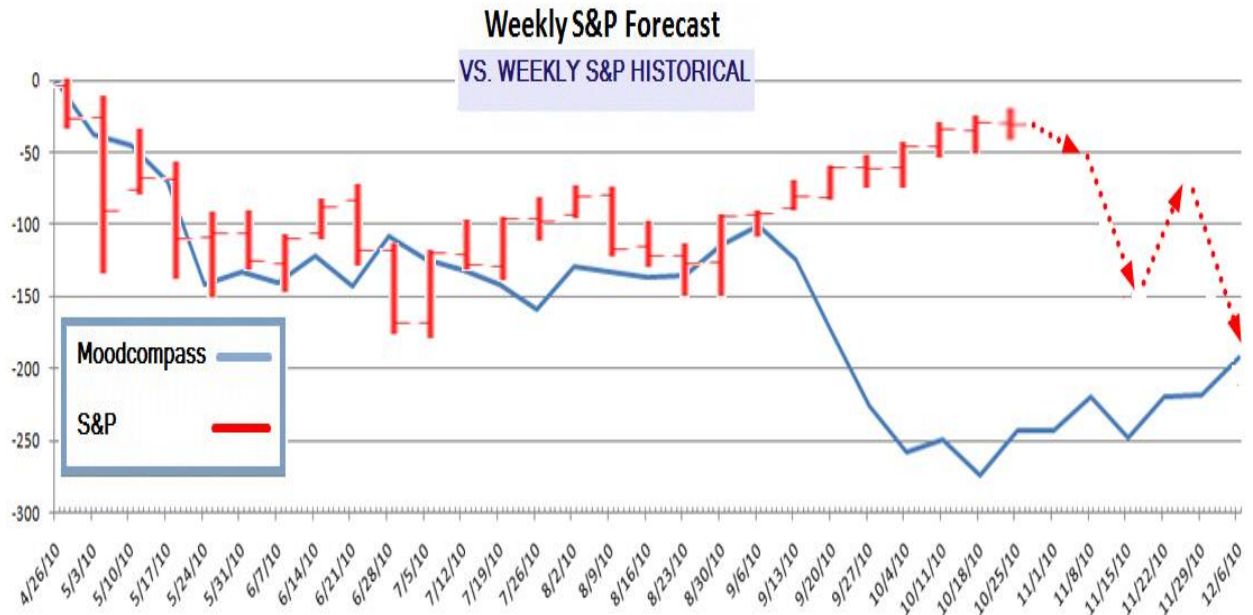
Global Social Mood - Context for Human Civilization

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

Y-axis: 70.00, 60.00, 50.00, 40.00, 30.00, 20.00, 10.00, 0.00, -10.00, -20.00
X-axis: 11/1, 11/8, 11/15, 11/22, 11/29, 12/6

Paradigm Shift	*Economy / Stability*	*Denial*	*Breakdown*
There is a decided change in global context; previous assumptions are not valid. Heightened vulnerability/risk aversion 11/4-10 (SW-).	*Global leaders focused on economic issues and stabilization (N, NE).*	*If we just ignore the facts it can get better (W, NW).*	*System breakdown apparent (high entropy factors).*

Mood Cycles for Human Societies

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

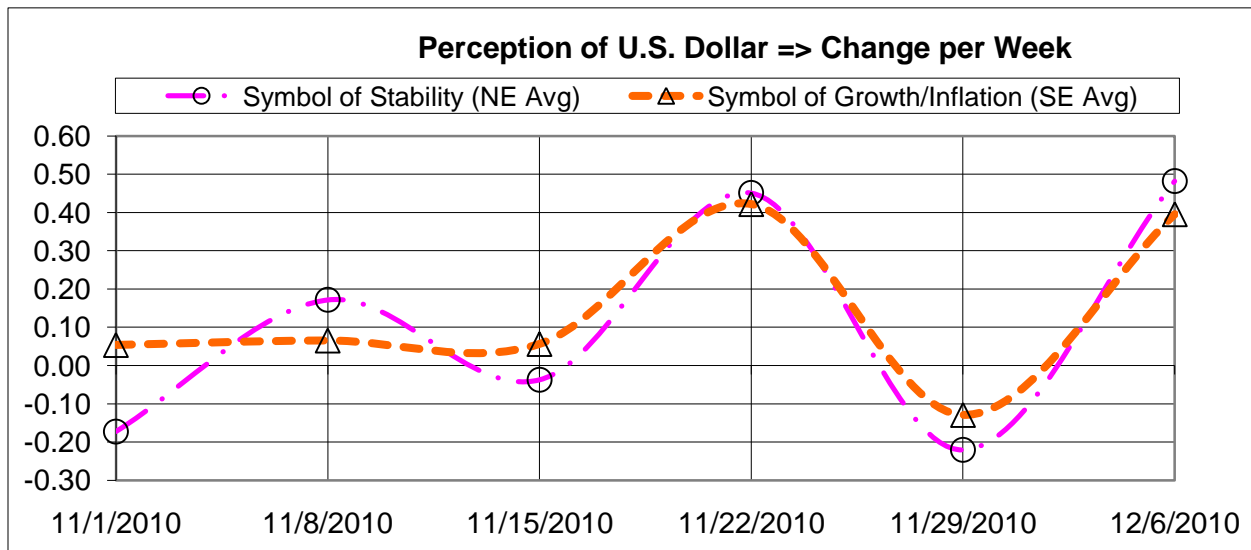| New Paradigm	Mild Panic, Acting out, & Violence	Apathy, Despair
There's a "new reality"; old assumptions are invalid (parallel phi factors). High terror risk (SE, NW-).	Mild panic (W, SW) gives way to outrage and increased violent outbursts (S, SW).	Little to care about, no joie de vivre on a societal scale. Increased hate and intolerance (NW, 0 phi).

Perception of the U.S Government

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

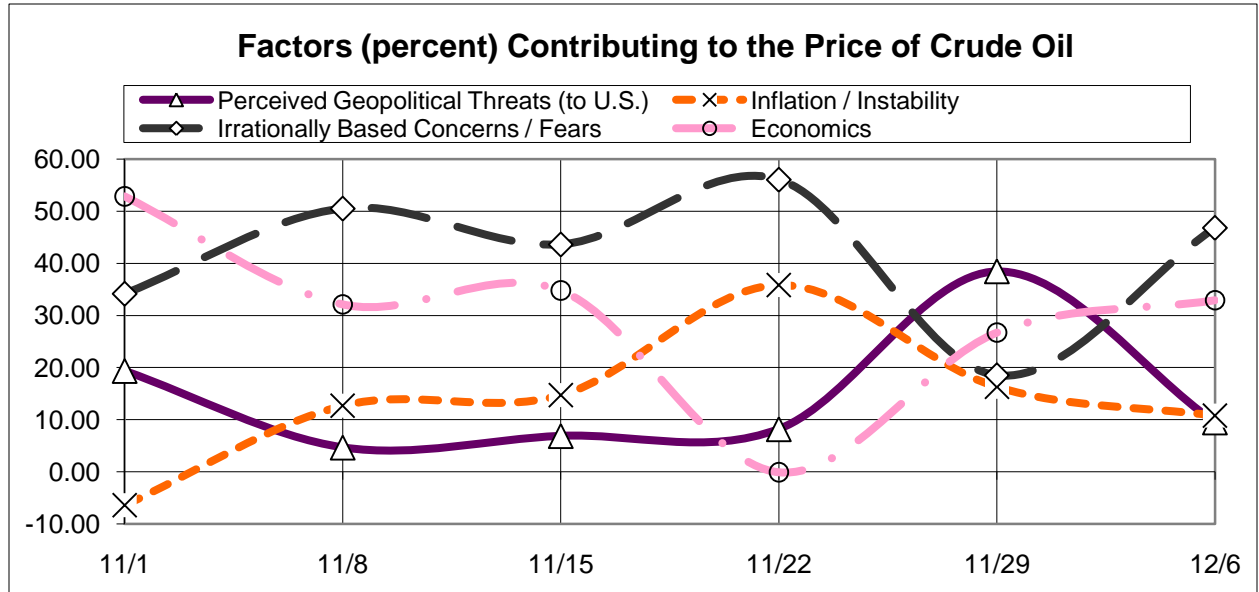| New Chapter	Sick and Dysfunctional
After elections, polarization is higher than ever (phi factors parallel, entropy factors coalesce).	Malaise, gridlock, and malevolence grip the government at a time when high functioning is needed to address rapid global and domestic challenges (high entropy factors, NE-).

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. Historical stock market prices are from futuresource.com.*

The snap back towards collective mood is long overdue. A violent correction has become the most likely move for the markets.

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 continues to be in the process of changing its trend from negative to positive. This should be completed by the end of November, very early December.
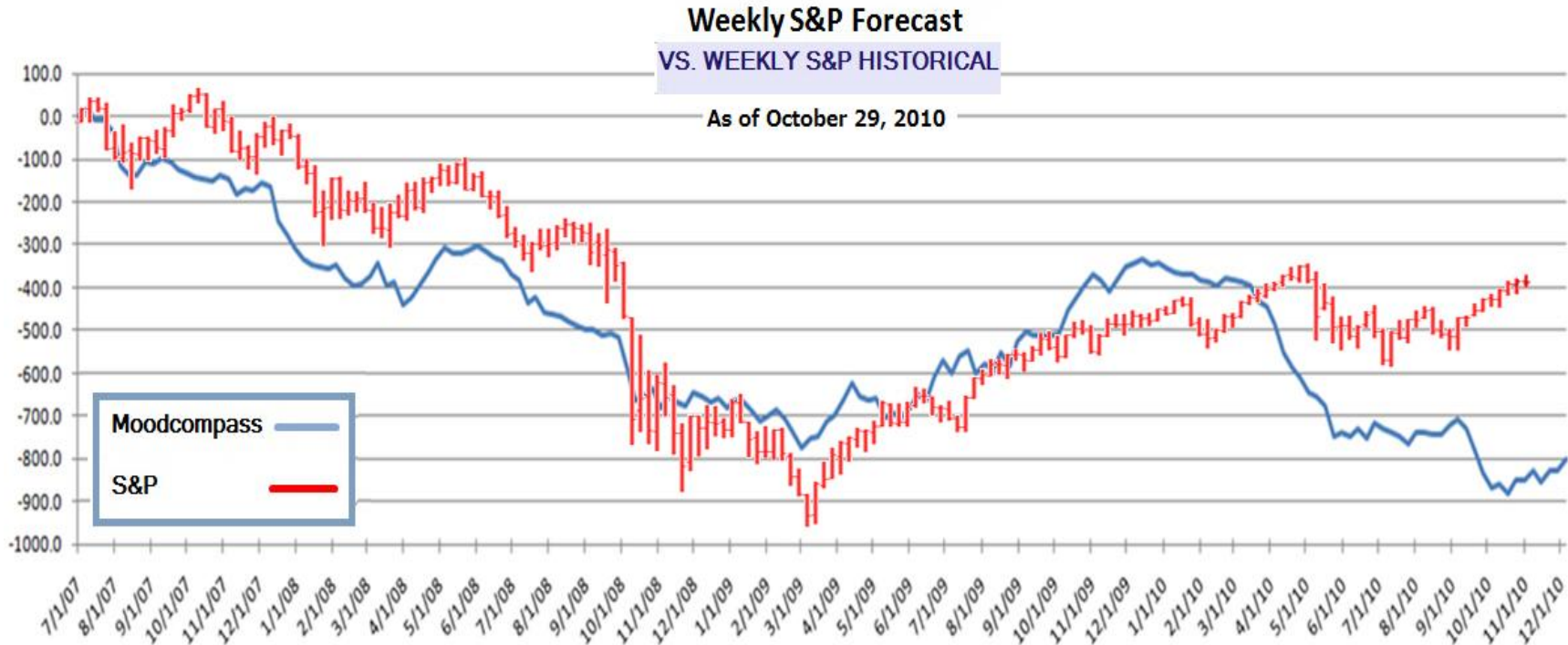
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Factors (percent) Contributing to the Price of Crude Oil

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.*

With irrationality a key player in market prices this month, it is difficult to determine anything specific regarding commodity markets. With this in mind, the week of the 15th may see a price spike as economic concerns are at a low and inflation becomes more of a concern.

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 (S&P 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.

Weekly S&P Forecast
VS. WEEKLY S&P HISTORICAL
As of October 29, 2010

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.
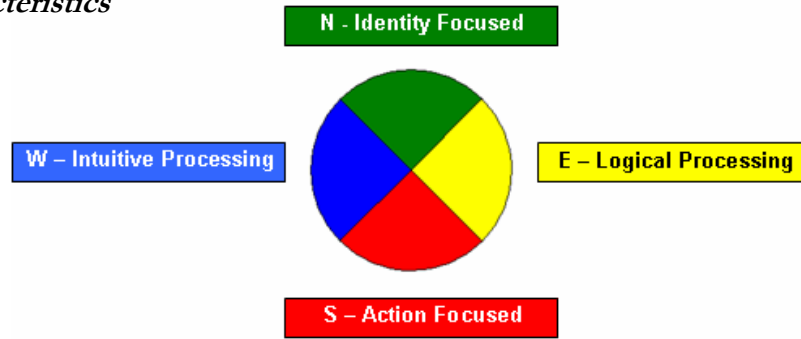
MoodCompass was Born

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:
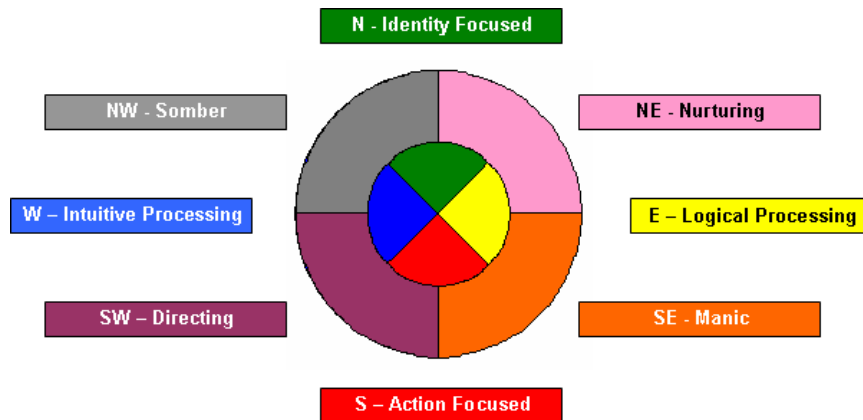
Primary Characteristics

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.
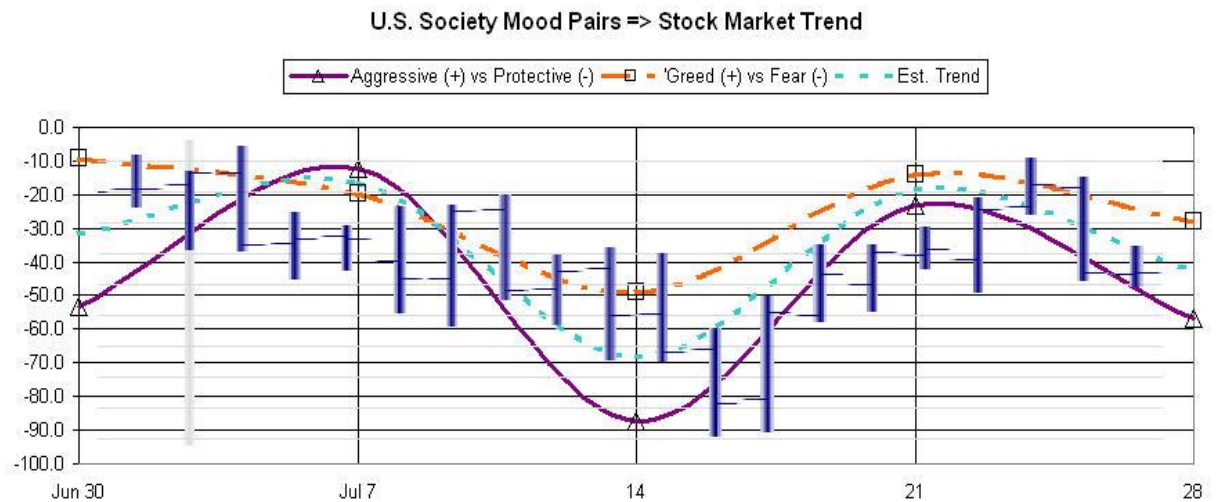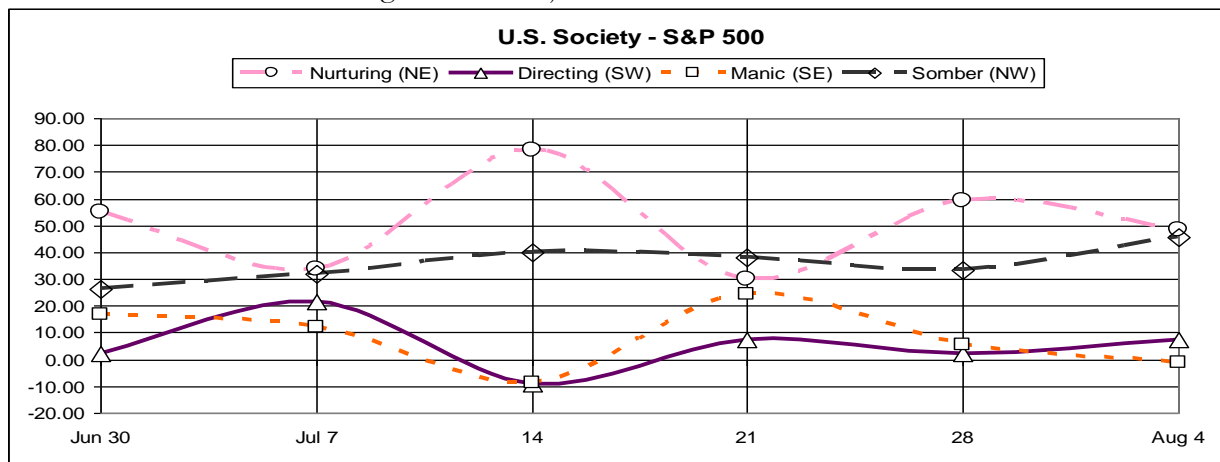

Tracking Profiles Over Time

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.

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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:

_____

_____

_____

_____

Name: _____

Address: _____

            _____

            _____

Phone: _____

Email: _____

A New Story Foundation
603 E 11th Ave
Bowling Green, KY 42101
Email competed application to: mcapp@anewstory.org
Our Website: http://anewstory.org

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:

October 2010, Tempers, Tantrums, and Twisters

10/1/10:   The Twister of 2010

10/2/10:   Violent protests after Dutch outlaw squatting

10/5/10:   Bible college student shot dead in dorm room.

10/6/10:   IMF warns against currency wars. 25 NATO Fuel Tankers Torched.

10/8/10:   Man dressed in black with jack-o'-lantern opens fire at elementary school in Carlsbad, CA.

10/09/10:   8 year-old stabbed while playing video games by stranger.

10/13/10:   Continuing French Strike, Unions vs. Sarkosy may result in fuel shortages

10/15/10:   Greece: Police clash with protesters at the Acropolis.

             Woman in anger management class stabs classmate

10/16/10:   Thousands protest in both China and Japan over disputed islands.

10/17/10:   Off duty police detective killed over parking space dispute.

10/19/10:   Gunman, suicide bomber attack Chechnyan parliment

             5 shots fired at Pentegon, shattering windows.

10/20/10:   France in turmoil as strikes continue

10/21/10:   Major N. California mall set ablaze by man w/ possible bomb.

10/29/10:   North, South Korea soldiers exchange gunfire at DMZ.

             Shooting at Walmart by ex-employee.

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.