

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

October 2009

4 Pages of Maps Now Included!

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October 2009 – Chaos, Mayhem, and Armageddon

October is seasonal for mischief, pranks, and random destructive acts. However, this year, the world may experience a much larger scale version of this phenomenon. Whether over fears of unknown change associated with health care reform, outrage at complacency with Iran, or economic problems yet to be solved, the United States could experience a level of civil unrest that it has not seen for many years. An even more extreme form of civil chaos could appear in Iran this month. There may be other outbreaks of this type of behavior throughout the world. Most especially pay attention to Afghanistan, Pakistan, India, Thailand, Western China, and Russia.

Strains on the global economy and infrastructure should continue in October. The budgets of states and local economies may be stretched to dangerous levels. The U.S. government will likely be working overtime keeping things together, and one of those all weekend crisis sessions is not out of the question.

And let's not forget Iran. It would not be unlikely during the month for discussion and conjecture to arise regarding the direction of the Iran regime, the U.S. position on sanctions or military action, and potential Israeli actions. Such topics as Armageddon may even become part of ordinary conversation in the most intense periods of suspense.

The month ends with a very violent social mood configuration. It is not clear how this may manifest, but it does indicate that November could be even more interesting than October.

Week by Week Highlights:

September 28 – October 4: *Looking Shaky.* U.S. government is caught between foreign and domestic issues. Stock market looking shaky. Large stock market decline is imminent.

October 5 – 18: *Chaos.* Civil unrest in the U.S. and elsewhere. World leaders try to maintain stability. Possible E. Asia event (Japan earthquake?). Stock market lower. U.S. Dollar stable, and likely up.

October 19 – 25: *A Solution?* U.S. government crisis resolved one way or another. U.S. Dollar declines sharply. Inflation concerns up sharply.

October 26 – Nov 1: *Volatility.* Resolution of global tension received as “bad news” (i.e. a negative event). Geopolitical concerns rise sharply. People are angry. Violence is increasing.

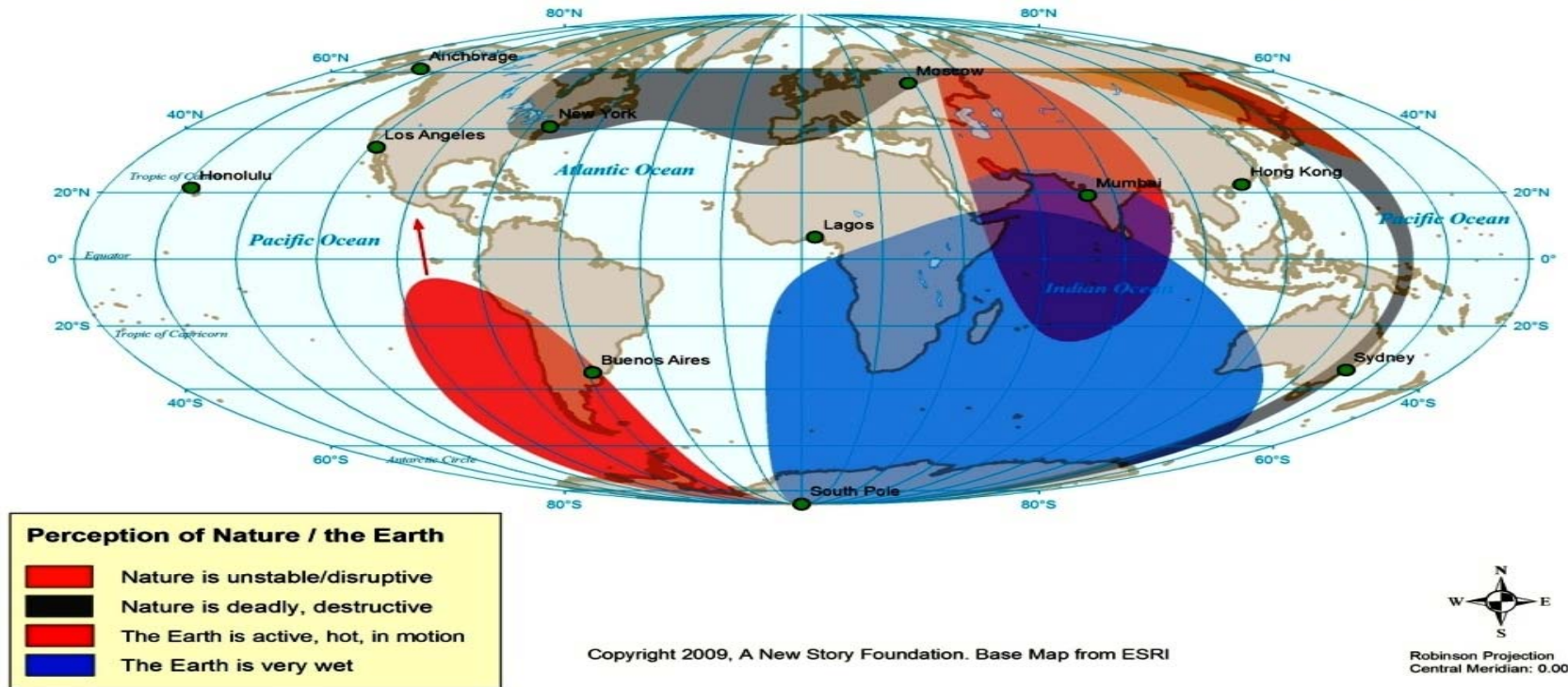
The charts on the following pages will go into further detail of the social mood changes and corresponding market behavior for this time period. The last few pages of this document will give you a brief orientation to the MoodCompass.

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 3 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
9/28 – 10/6	Decreasing global “friendliness”; global leaders take hard-line stance into Iran meeting, and in denial/delusional going out of it (9). Decreasing “good news” (10). Stock market lower (11). Nature seems “benevolent” (8).
10/8 – 14	Nature seems “malevolent”; most likely time for E. Asia event (Japan earthquake?) (8). World leaders focus on maintaining stability (9). Civil unrest in the United States and elsewhere (6,10).
10/15 – 29	Myriad of strains on the global system (6,7,9).
10/12 – 16	Stock market down (11).
10/15 – 19	U.S government not well. Public opinion low. Critical decisions likely. U.S. Dollar stable, and may climb (13). Most likely period for heavy rains in southern Africa and southern India (8).
10/20 – 27	U.S. government crisis resolved one way or another. Critical decision made (12). U.S. Dollar declines sharply (13)! Inflation concerns up (14). Possible tectonic activity in South America and/or the Pakistan/Afghanistan area (8).
10/27 – 11/1	People are angry. Violence is up (10). Resolution of global tension is received as “bad news” or a negative event (9). Geopolitical concerns rise sharply (14).

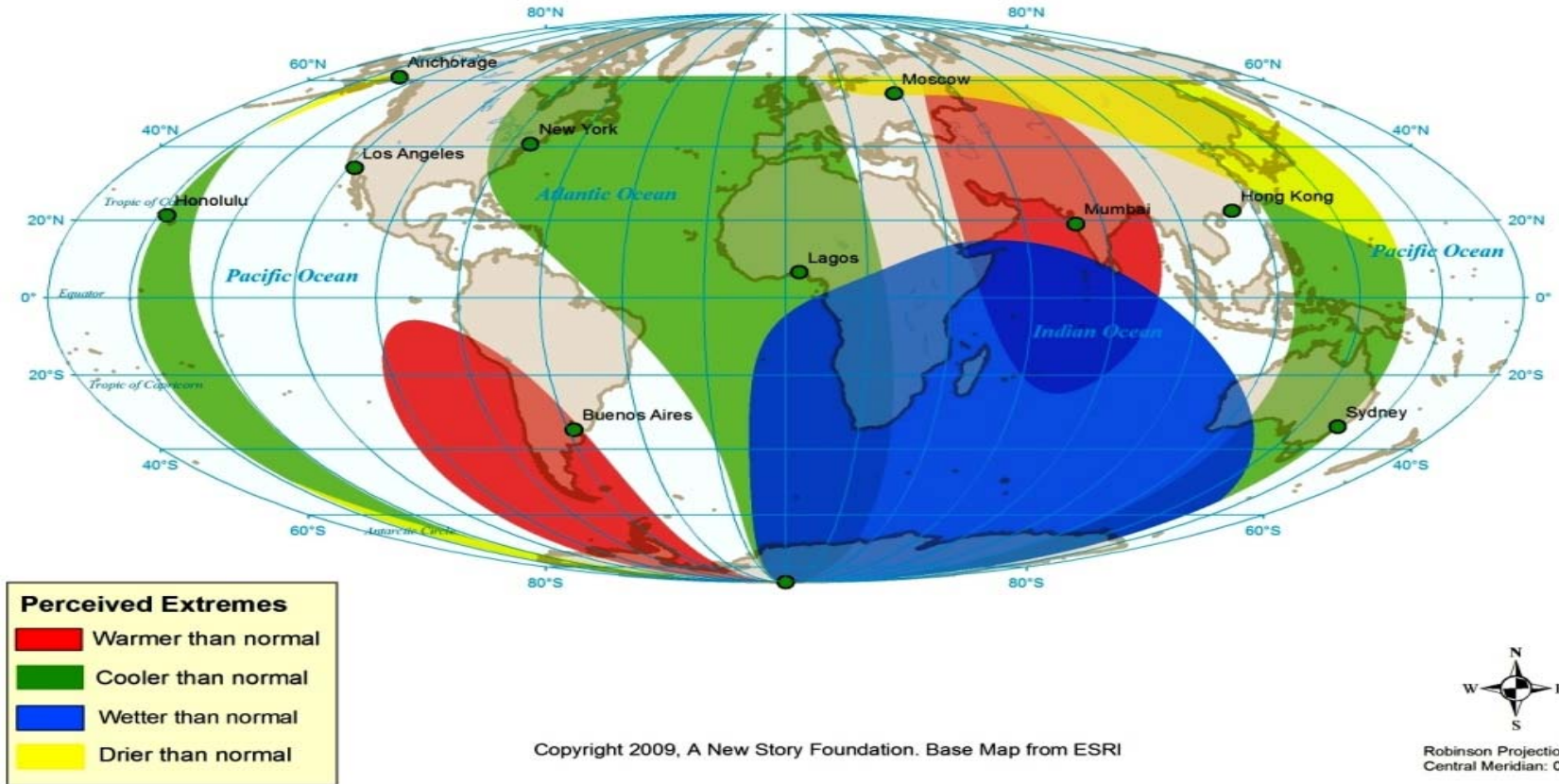
Human Perception of Nature - October 2009



In anthropomorphic terms – The Earth is “**In Transition.**” As seasons change from summer to winter in the North and winter to summer in the South, a potpourri of possibilities arise. Earth as “Life-Giver” and Nature as a culling mechanism have equal time and force.

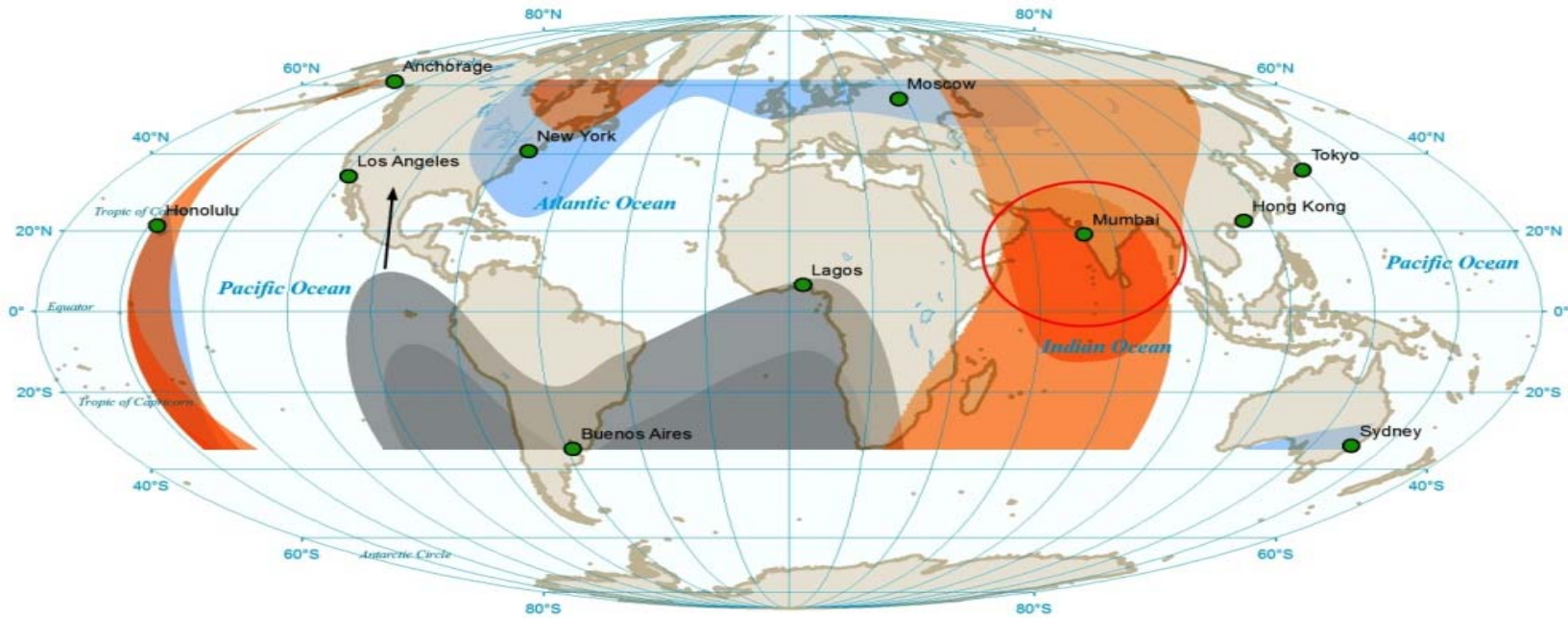
Possible physical manifestations – A destructive and/or disruptive event is possible in East Asia; the probability of a moderate **earthquake** in Japan is elevated. **Disease concerns** in North America, Europe, Russia, East Asia, and Australia may be related to an increasing preoccupation with **swine flu**. While there is a higher likelihood of **tectonic or volcanic activity** in South America, and a higher probability of a moderate **earthquake** in the Afghanistan/Pakistan area, there is no indication of anything unusually destructive. Southern India could receive well needed **rain** even though the Monsoon season has passed. Some areas, such as Bangladesh, may be concerned with **flooding**.

Projected Weather Extremes - October 2009



Weather Extremes – Expect drier than normal conditions in Russia and East Asia; wetter than normal in southern Africa and southern India. Hotter than usual temperatures may be experienced in southern and western South America, and western Asia. Cooler than usual temperatures should be felt in Hawaii, eastern North America, western Europe, western Africa, Papua New Guinea, and Australia.

Social Instability Factors - October 2009



Social Instability Factors

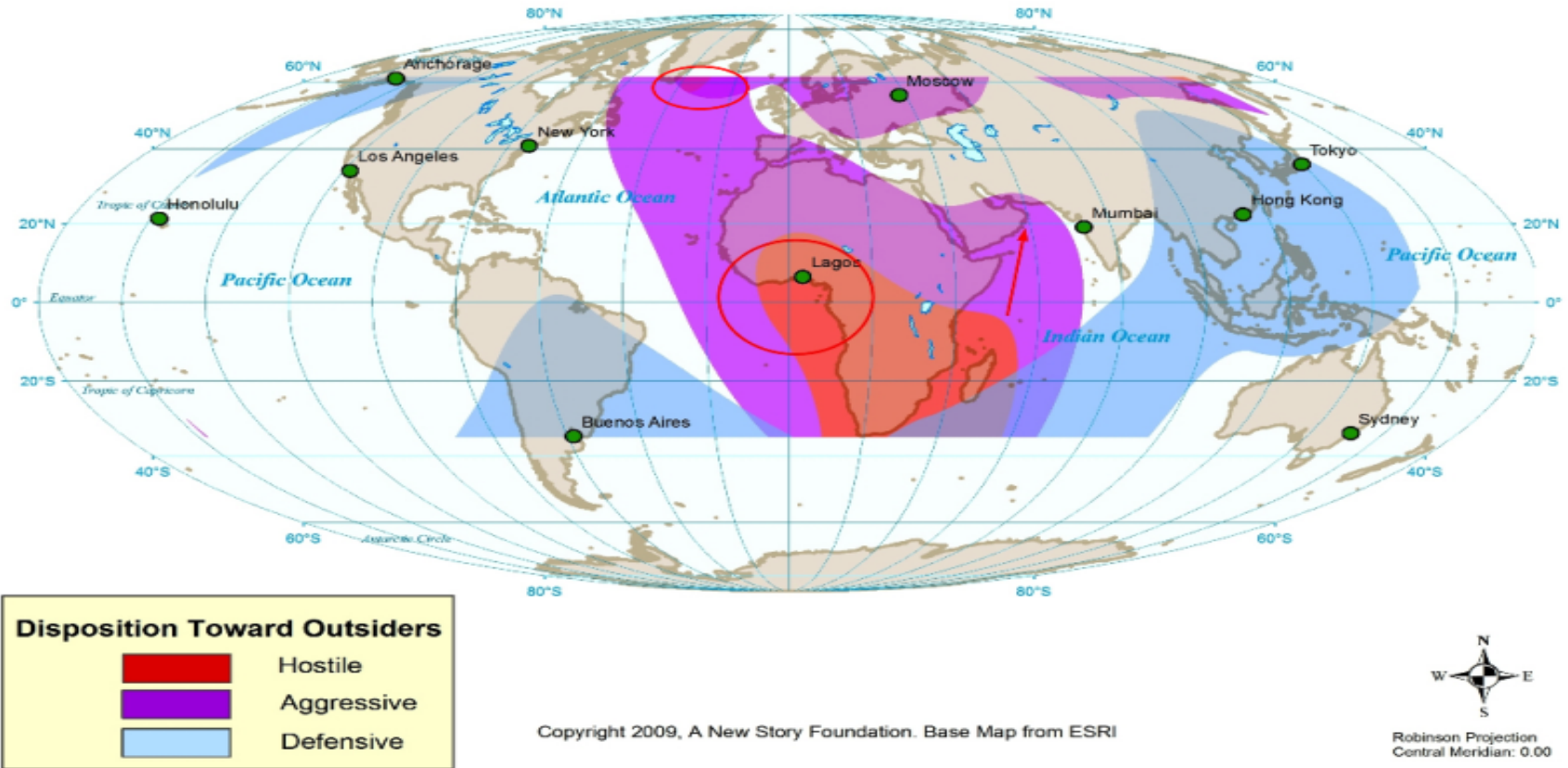
- Economic
- Anarchy
- Disease / Despair

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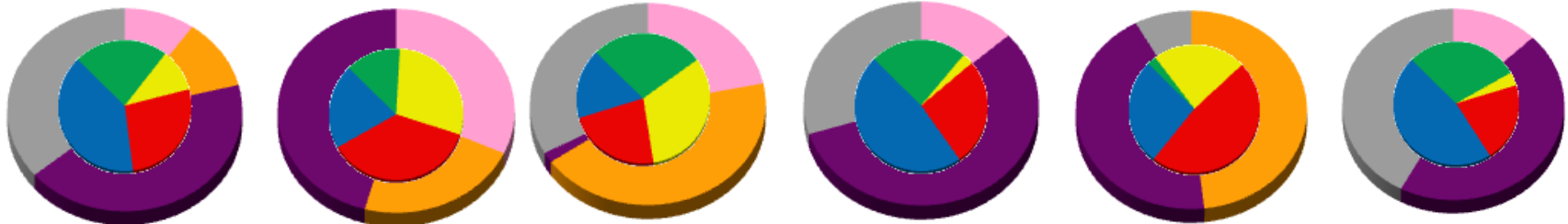
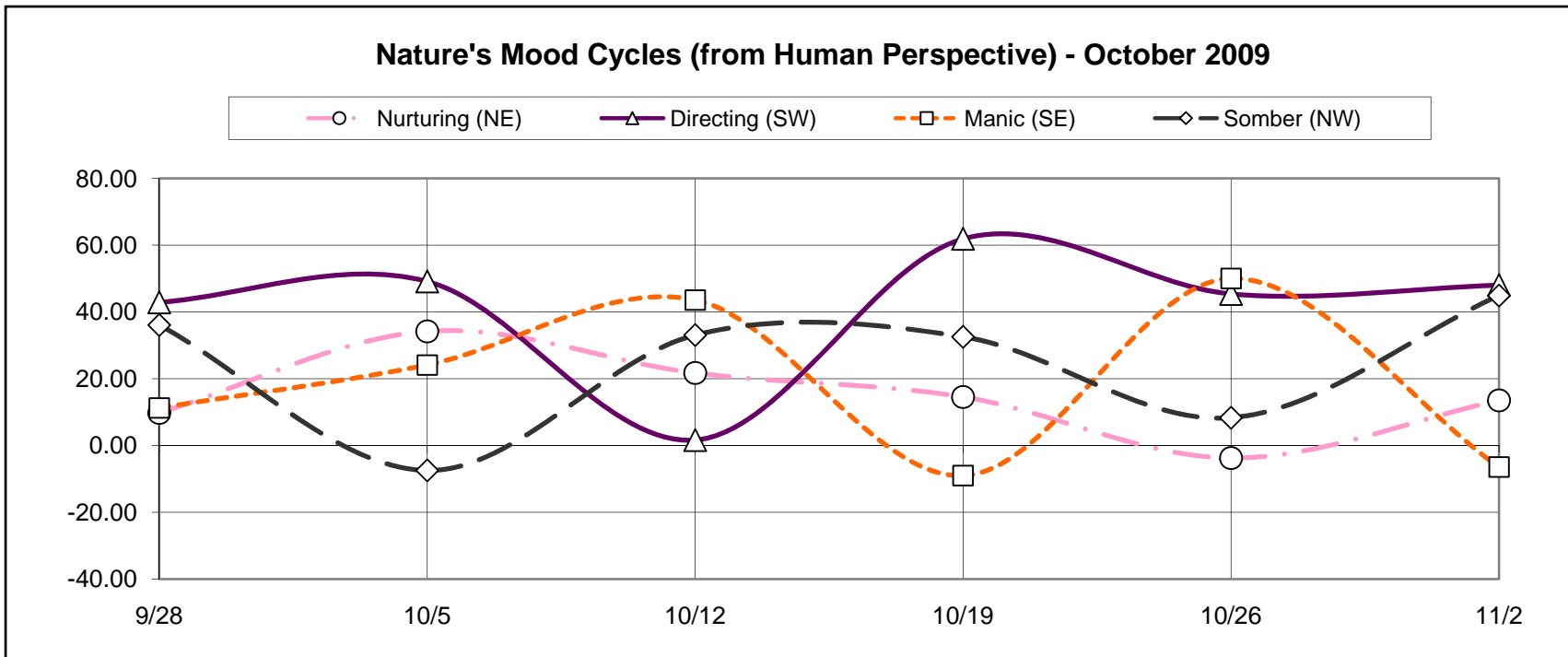
Robinson Projection
Central Meridian: 0.00

Economic concerns continue, but are most noteworthy in the United States, Europe, Russia, and Australia. The chaos factor is elevated around the globe indicating heightened civil unrest and a higher concern with possible terror threats. Extreme unrest is likely in Iran, and is also possible in Afghanistan, Pakistan, and India. Also, watch Thailand, Western China, Israel and Russia for outbreaks of unrest. In the United States, look for increased protest, demonstrations, and random acts of violence as people frantically search for ways to express their fear, frustration, and outrage. Disease concerns continue to be elevated in South America, and begin to move toward Middle and North America along with focus on the swine flu. Chronic conditions in southern and western Africa may be exacerbated this month.

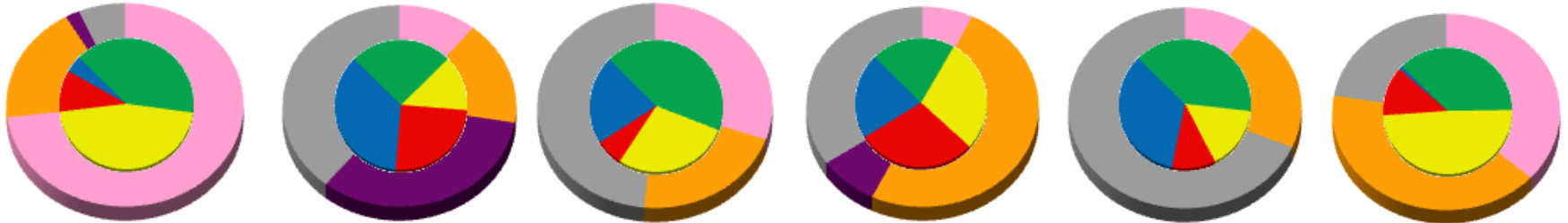
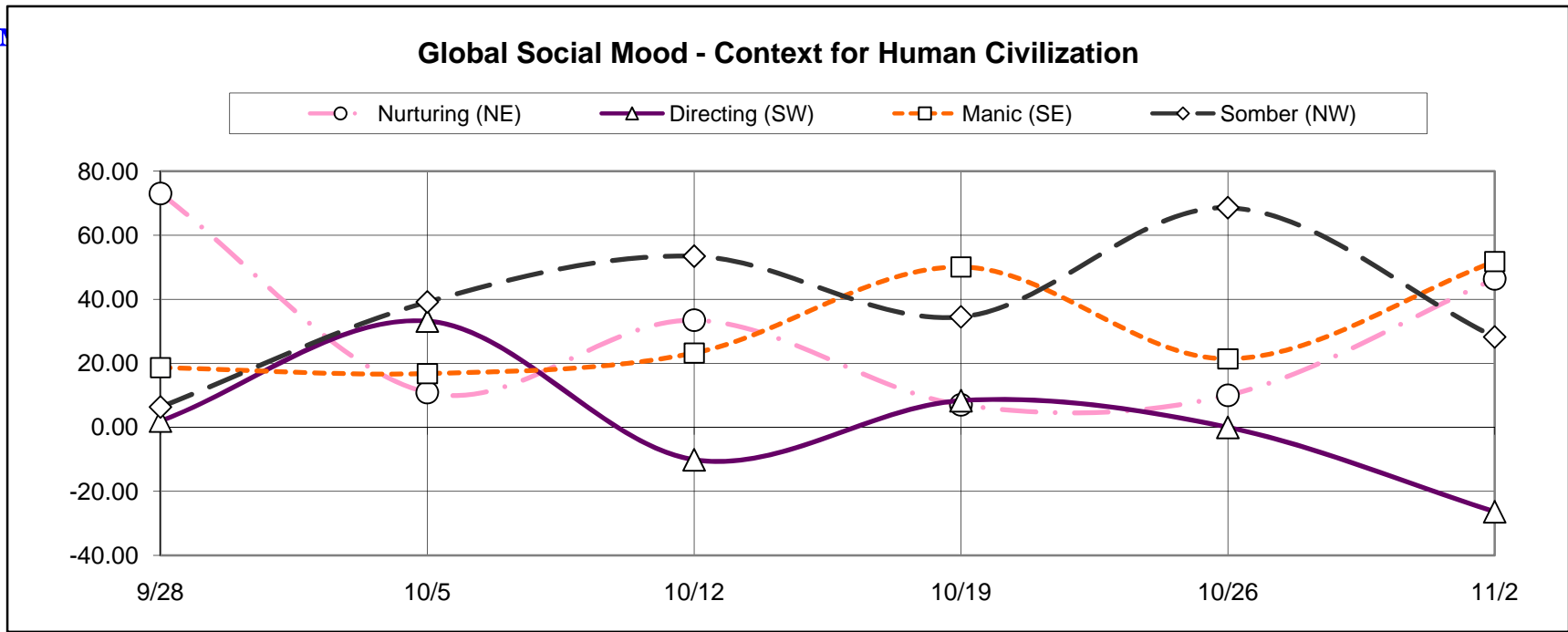
Projected Geopolitical Posturing - October 2009



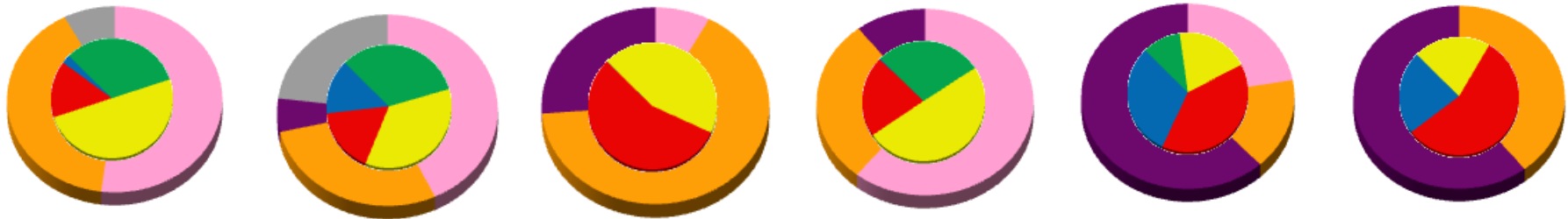
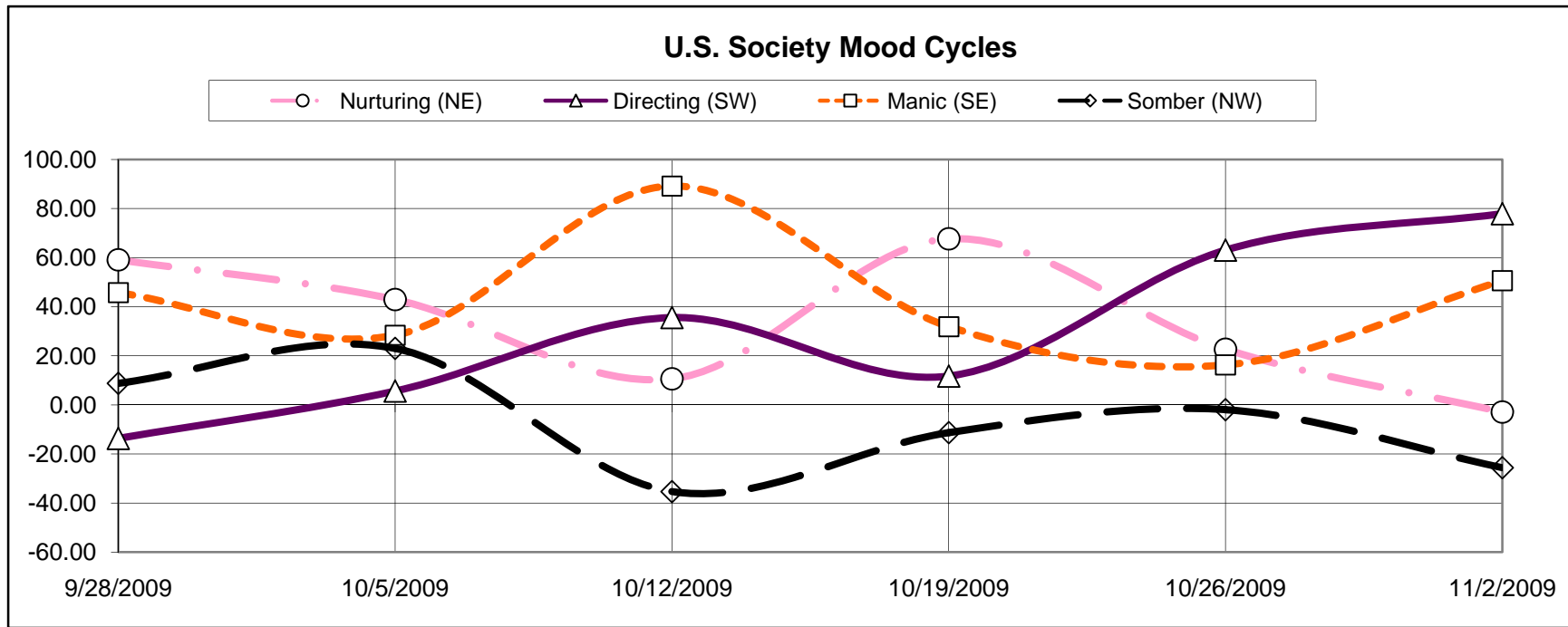
Much of the world is interested in keeping the peace as global tensions rise. Nations most interested in purely diplomatic solutions are found in South America, and Southeast Asia. The United States finds itself in a crucial decision somewhere between pure diplomacy and outright hostile military action. Russia and China take an aggressive-diplomatic stance and may be less cooperative and congenial than some countries might desire. The key hotspots most likely to be of concern for violent escalation are southern and western Africa, and the Middle East. In Africa, pay close attention to Nigeria for potential violence against the oil industry. In the Middle East, all eyes may be particularly focused on Iran as a possible area of violent escalation.



	<p><i>Benevolent</i> Both Phi factors or "life" factors high indicate Nature feels like it's "on our side."</p>	<p><i>Malevolent</i> After 10/9, both entropy factors high indicate Nature takes on a more destructive tone. This is the most likely time for the E. Asia event.</p>
	<p><i>Active and Wet</i> Nature is busy ushering in the season change. Most likely period for heavy rains, especially in southern Africa and southern India and Bangladesh. Possible tectonic event in South America and/or the Pakistan/Afghanistan area 10/23 – 10/27.</p>	

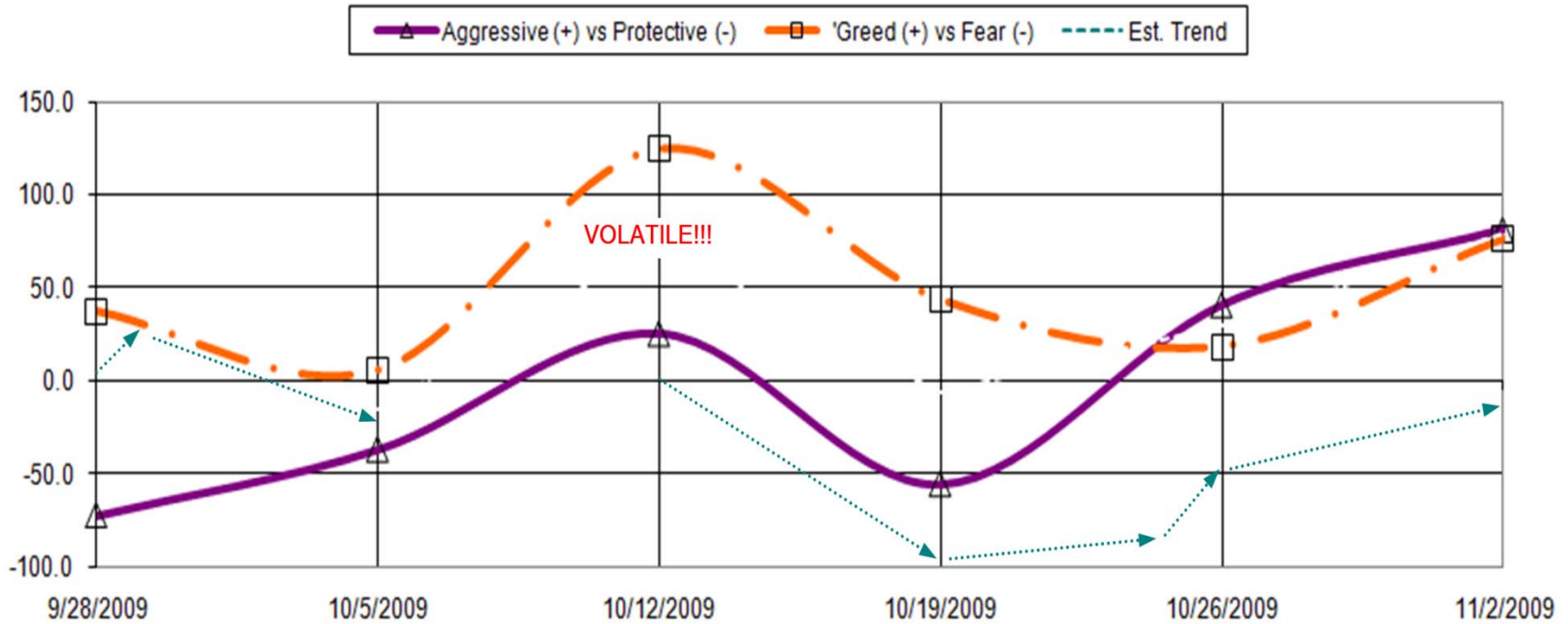


<p><i>Decreasing “Friendliness”</i> <i>Going into the 10/1 Iran meeting, leaders show a hard stance (decreasing NE). This is replaced at or after the meeting with delusion or denial (NW/SW).</i></p>	<p><i>Saving Stability</i> <i>High North factors indicate a struggle to maintain economic gains and world system stability.</i></p>	<p><i>Extremely Ominous</i> <i>High entropy factors point to a myriad of problems such as infrastructure stains, civil unrest, and terror concerns, in addition to extreme global tension. A resolution is apparent near Oct 30 which received negatively (SE/NE).</i></p>
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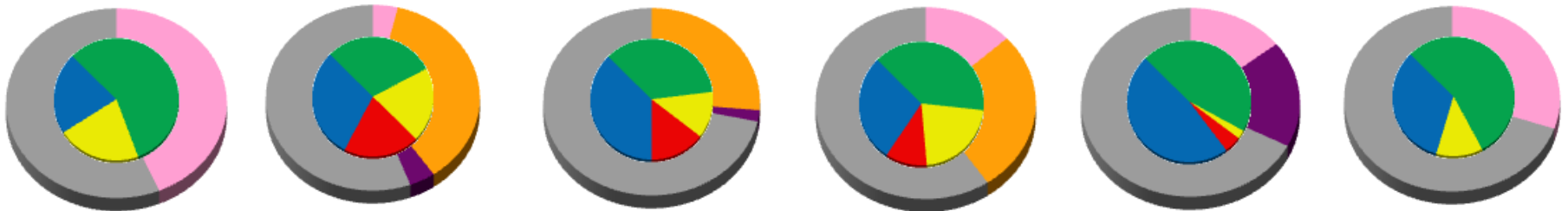
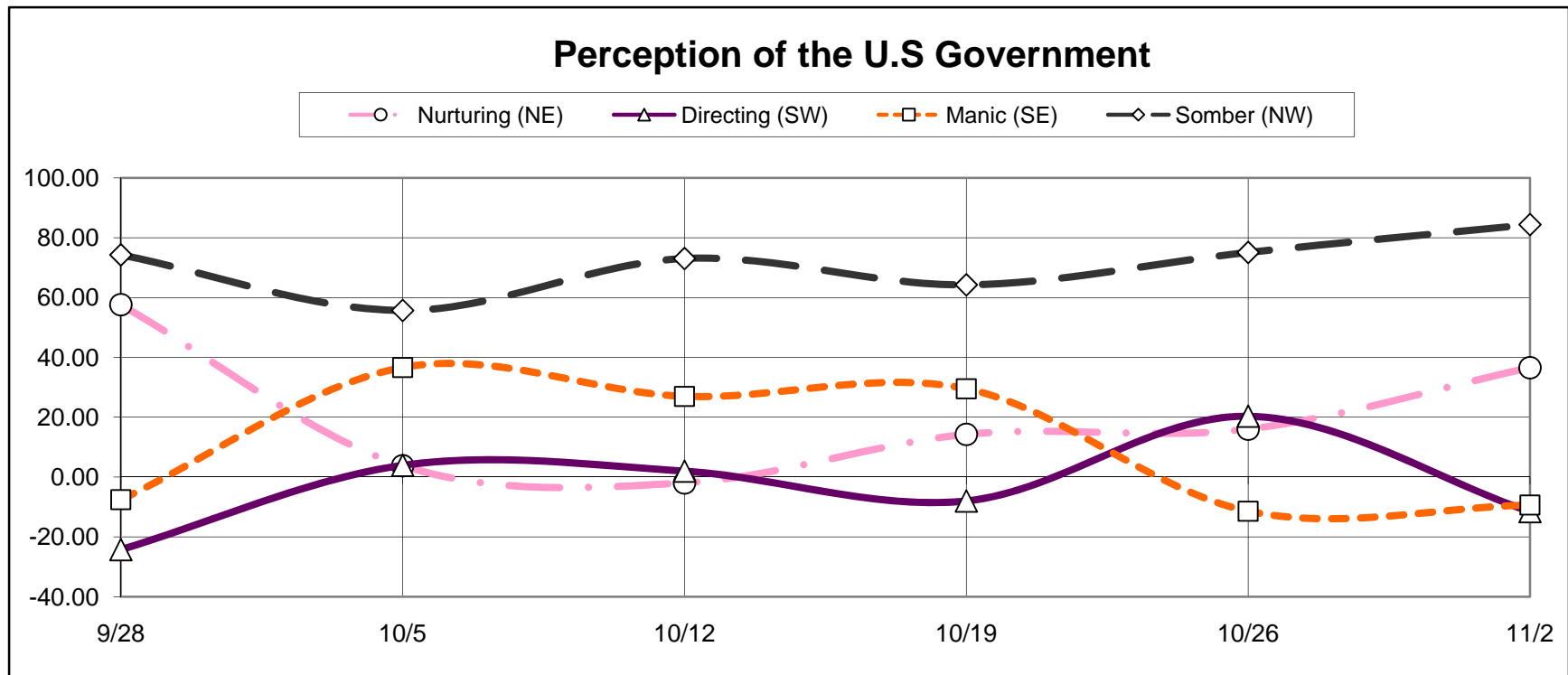
<p>Decreasing Good News Declining NE/SE indicates awareness that the facts are not supporting an optimistic outlook.</p>	<p>Chaos and Civil Unrest!!! Demonstrations, protests and random acts of violence are likely in the U.S. and elsewhere.</p>	<p>Ambivalence People are unsure of what to do or which way to turn.</p>	<p>Volatility!!! People are angry. Violence is rising (SW/SE) and focused.</p>
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U.S. Society Mood Pairs => Stock Market Trend

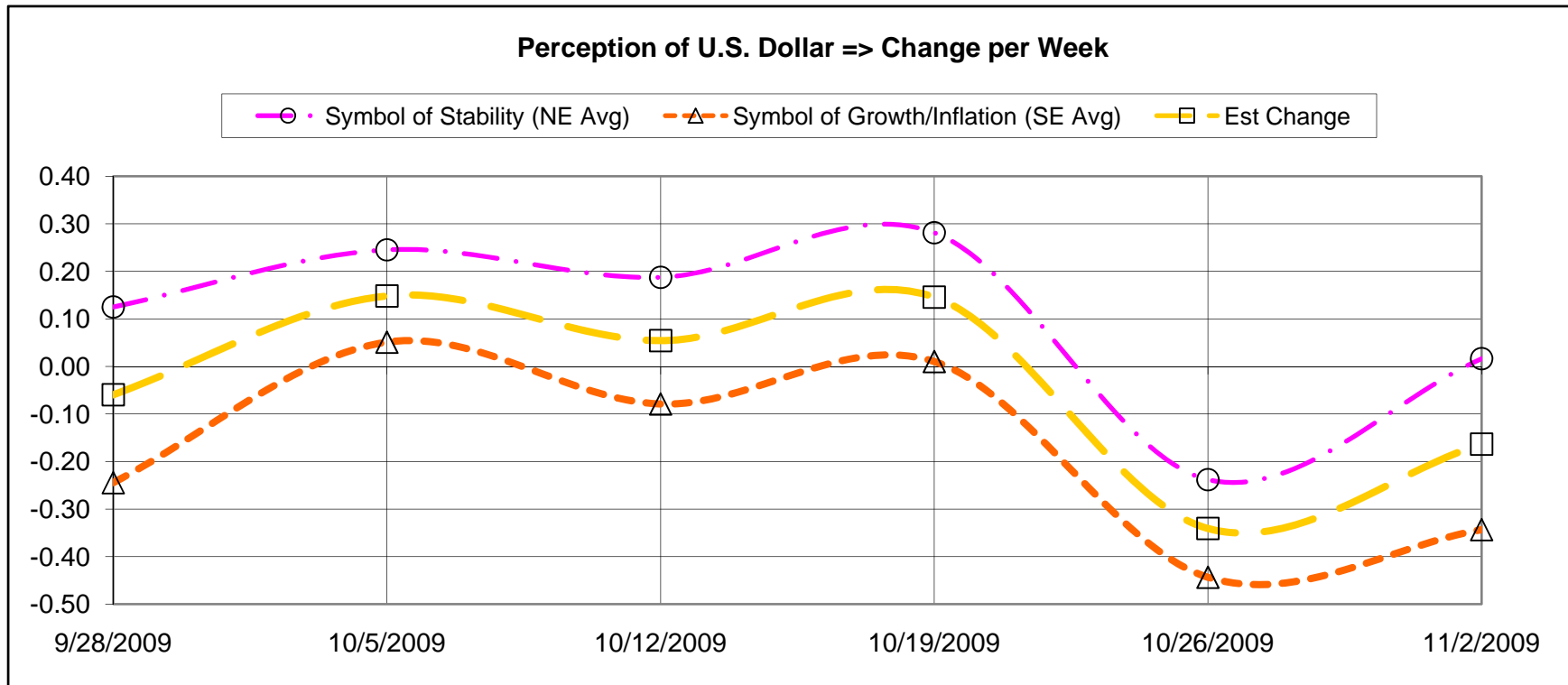


Explanation of chart lines: *It is common knowledge among traders that movement in the stock market is based on a “tug of war” between pairs of sentiment. This charts the two primary pairs which correspond to the general stock market trend. “Aggressive vs Protective” is the difference of the values of the two Moodlines “Directing” and “Nurturing.” “Greed vs Fear” is the difference of the values of the two Moodlines “Manic” and “Somber.”*

Markets are extremely unstable, making trend difficult to estimate at any particular point (although the overall direction should be a choppy down).

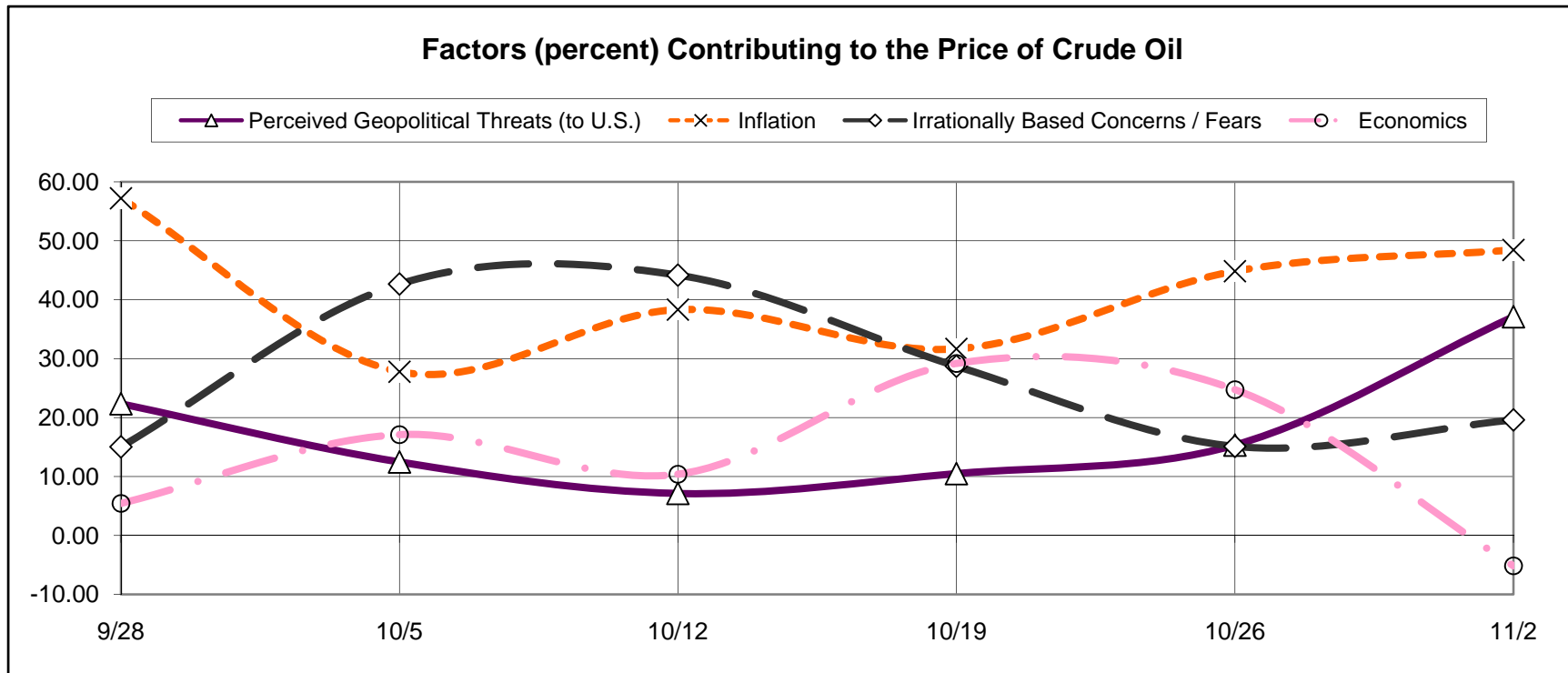


<p><i>Government Not Well; Held in Extremely Low Regard</i> <i>Both Entropy factors high over several weeks indicate a government in trouble. Confidence that it can solve the current problems is low; public opinion is extremely low.</i></p>	<p><i>Government Still Sick</i> <i>U.S. government is still not well (high NW). A decision or resolution to the situation is made 10/23 – 27.</i></p>
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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 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.

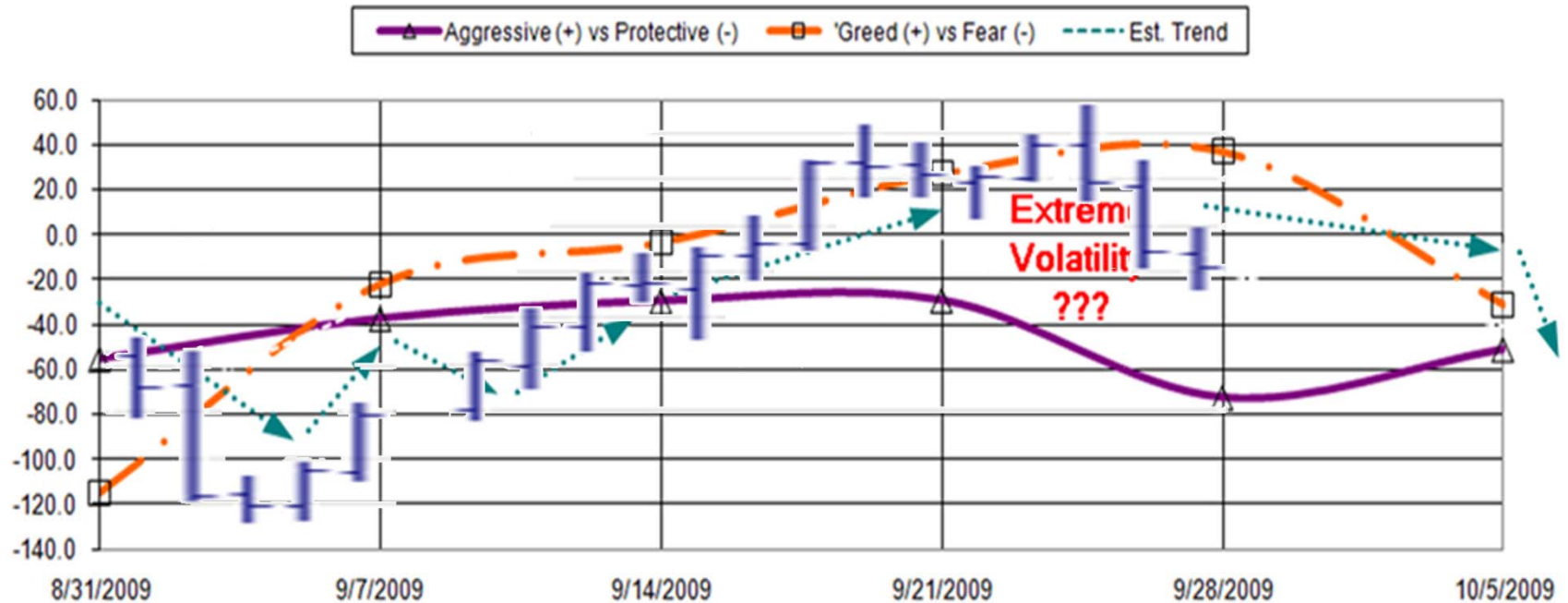


Explanation of chart lines: *The values for the Moodlines (Directing, Manic, and Somber) for U.S. View of “the World” are used to produce this chart. This chart is useful in searching for potential geopolitical events, and escalated irrational fears of supply disruption. It is also useful as a check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

Inflation concerns drop dramatically as September winds down, and the initial reactions to the Iran announcement fade. Yet, inflation worries remain somewhat elevated, and return to the forefront the week of October 19th, when the Dollar will likely plunge. Geopolitical concerns remain in the background as hypotheticals until the week of the 26th, at which point they rise quite sharply and continue into early November.

How We Did – Comparing our Charts with Actuals

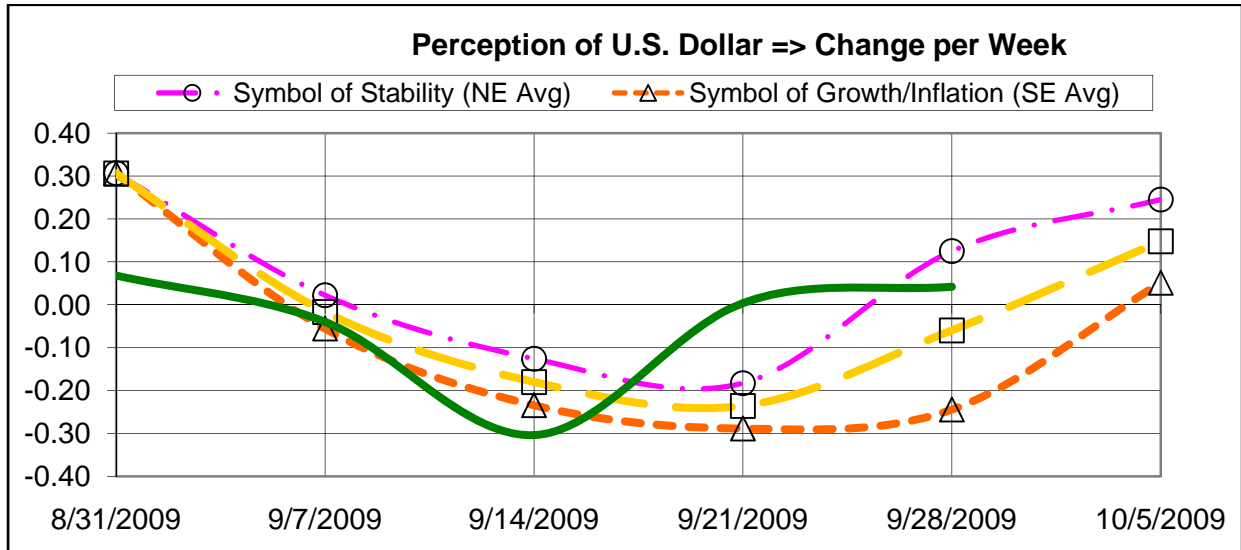
U.S. Society Mood Pairs => Stock Market Trend



Actual data source: futuresource.com

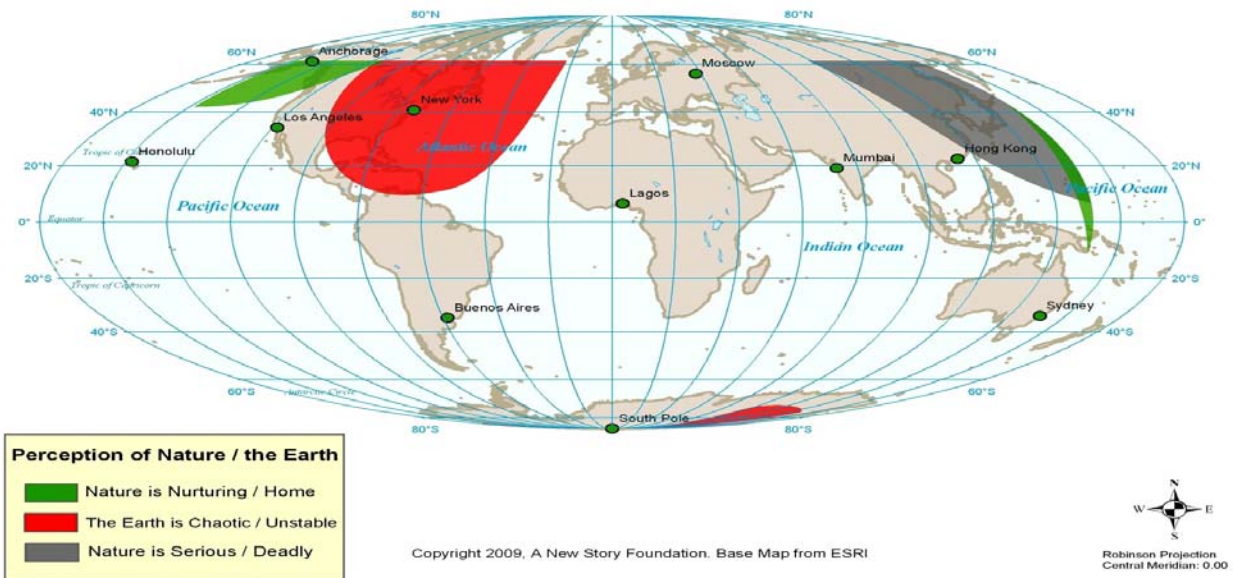
S&P (from previous issue): The “safety seeking” from the end of August should taper off around September 3rd. In the midst of global economic crises, and possible geopolitical uncertainty, the market still shows a tenacious tendency to climb. However, this could be due to government intervention of some sort. **By the end of the week of September 21st, there should be little left to keep the rally going, no matter how hard the government tries.** It is possible that this could be the last gasp of the great bear market rally that began in March. Actual: Excellent correlation with the actual price movement!

How We Did – Comparing our Charts with Actuals



Dollar (from previous issue): This chart shows the Dollar declining through the week of September 21st, yet the chart on the following page shows low inflation concerns for much of this time. One possibility is that a lack of trend is indicated, or even an inversion with our model. **However, this ambivalence could also indicate a major trend change, i.e. the final bottoming process for the U.S. Dollar.** If so, the week of the 28th could be the beginning of a long climb in relative strength for the Dollar. Actual: The Dollar slowed its decline the week of the 14th, and made a new low and ended slightly up the week of the 21st. Good correlation with model.

Human Perception of Nature - September 2009



Actual: **Red-** [Tropical storm Erika](#) alters cruise ship routes. [Flash floods](#) hit southeastern U.S. [Flash floods](#) in Missouri. For some, [Georgia flooding](#) as bad as Katrina. **Gray-** [China syringe](#) attacks cause concern of HIV infections. [H1N1 widespread](#) in South Asia. [Typhoon Koppu](#) hits China. [China warns of stability threat](#) from H1N1. [Storm kills dozens](#) in Philippines.

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.

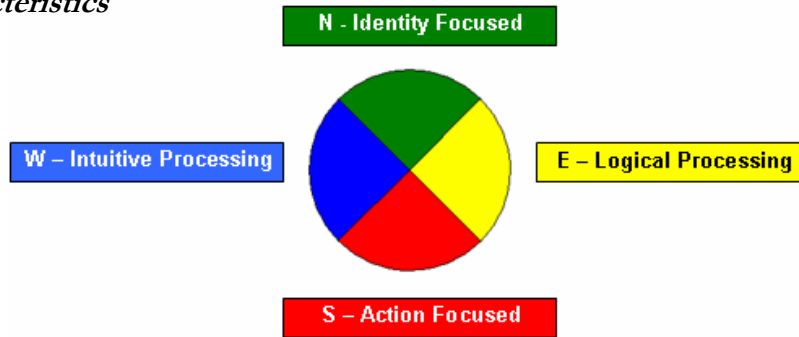
MoodCompass was Born

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:

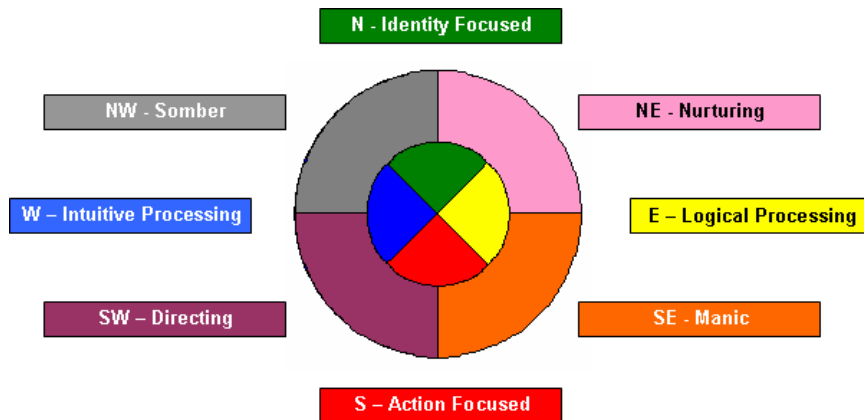
Primary Characteristics



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.



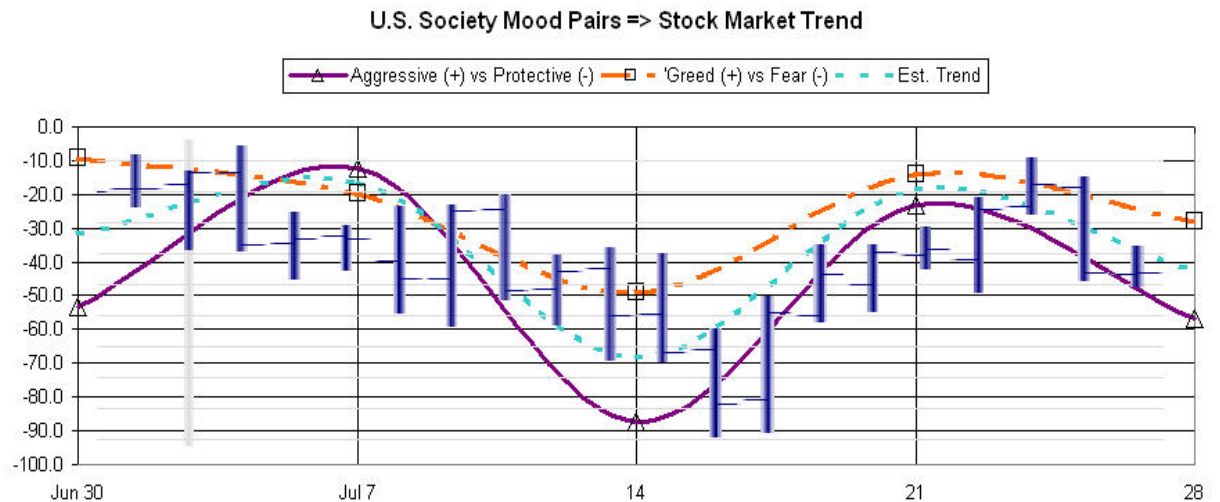
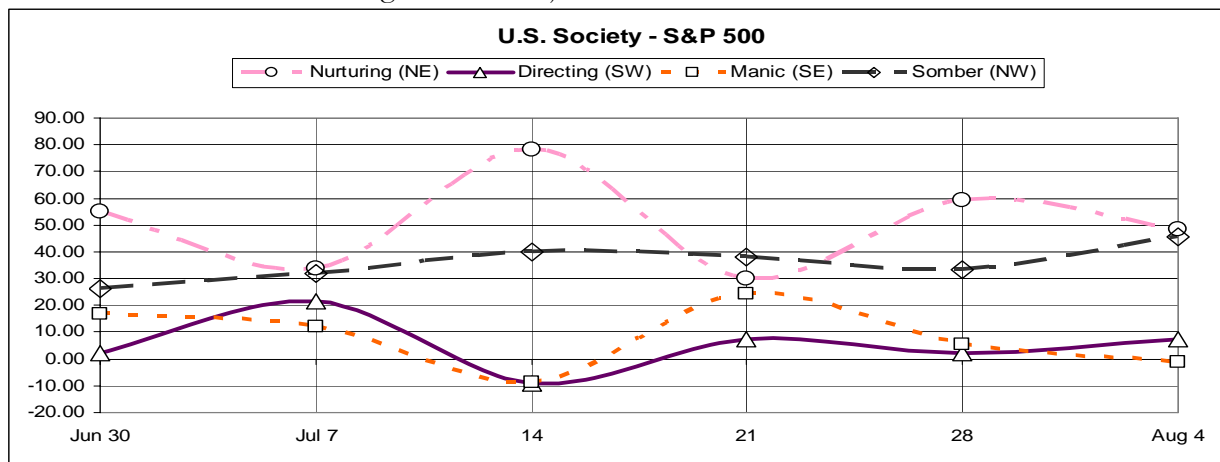
Tracking Profiles Over Time

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.



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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