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

October 2010

- Highlights: More Social Chaos and Violence · Growing Economic
Concerns/Impatience · Increased Terrorism Focus ·
Iran, Venezuela, and Korea Issues

http://www.anewstory.org

October 2010 – Tempers, Tantrums, and Twisters

People are sick and tired of bad news and empty promises. There is talk of an economic recovery and a recession being over, but things still look as shaky and uncertain as ever. They don't trust their governments to fix things, but no one seems to know exactly what to do. As collective mood continues to sink, governments focus on stimulating "the economy" and encouraging consumption. With governments treating symptoms, and not the larger problems much too inconvenient to publicly name and face, their interventions only forestall the inevitable. The rubber band will surely stretch as far as it can possibly go. When it does finally snap, it will not be pretty.

With frustration high, and tempers fragile, watch for increasing frustration to be expressed in rallies and protests. There will likely be heightened interest in the subject of terrorism. The geopolitical scene could be tricky, as global leaders are caught in the same sea of frustration and impatience as everyone else. Key hot spots to watch this month are Iran, Venezuela, N. Korea, and Nigeria. China is more likely than ever to make any attempted diplomatic solutions through the United Nations nearly impossible.

So how might October's unfriendliness show up in the natural world? With a lot of energy in the system, cyclones are a high risk, even at this late date in the season. Tornadoes and typhoons may not yet be done for the year in the northern hemisphere. The southern hemisphere is not likely to see the cyclones, but they could have their own version of storm to share in the global moment.

Highlights:

Oct 4 - 13: *Distrust and Dissatisfaction.* People in general concerned with ideologies and identities. Growing frustration and impatience with the economy. U.S government perceived as all talk; willing to lie to obtain/retain power (likely election related).

Oct 14 - 19: Too little, too late. Global leaders scrambling to minimize risks. People in general concerned with ideologies and identities. Growing frustration and impatience with the economy. U.S government perceived as all talk; willing to lie to obtain/retain power (likely election related).

Oct 20 - 26: Something's snapping.   High concerns with deflation; increasing economic concerns. Increasing civil unrest and protests. Heightened interest in terror and terrorism. Global leaders scrambling to minimize risks. U.S government perceived as all talk; willing to lie to obtain/retain power (likely election related).

 Oct 27 – Nov 2: Please remain calm.   Global leaders trying to sooth and reassure public. increasing civil unrest and protests. Heightened interest in terror and terrorism High concerns with deflation; increasing economic concerns.

Nov 2 - 7: What next? U.S. government perceived as weak or vulnerable. Increasing civil unrest and protests. Heightened interest in terror and terrorism.
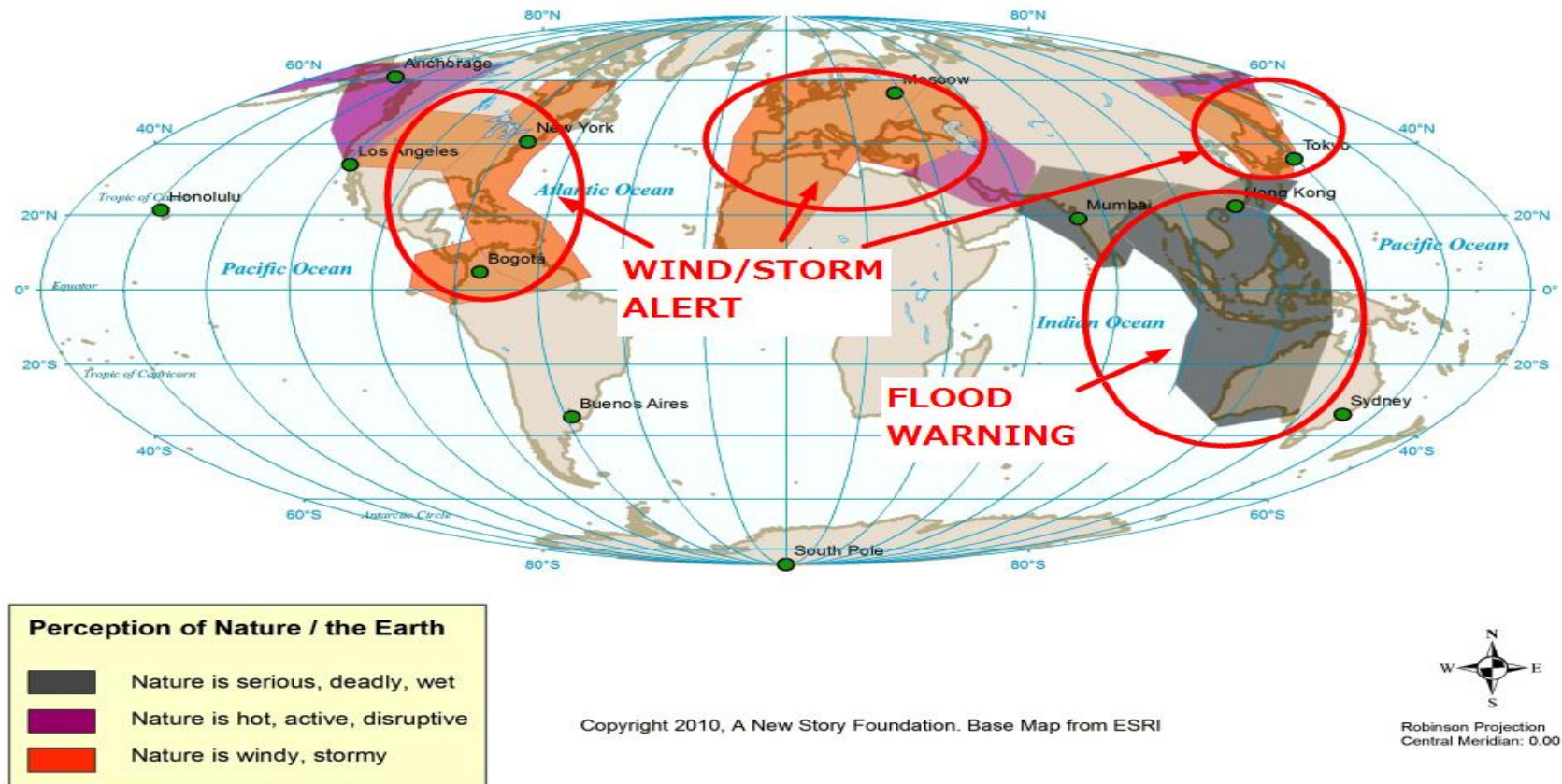
The charts on the following pages will go into further detail of the social mood changes and corresponding market behavior for this time period. The last few pages of this document will give you a brief orientation to the MoodCompass.

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 ().

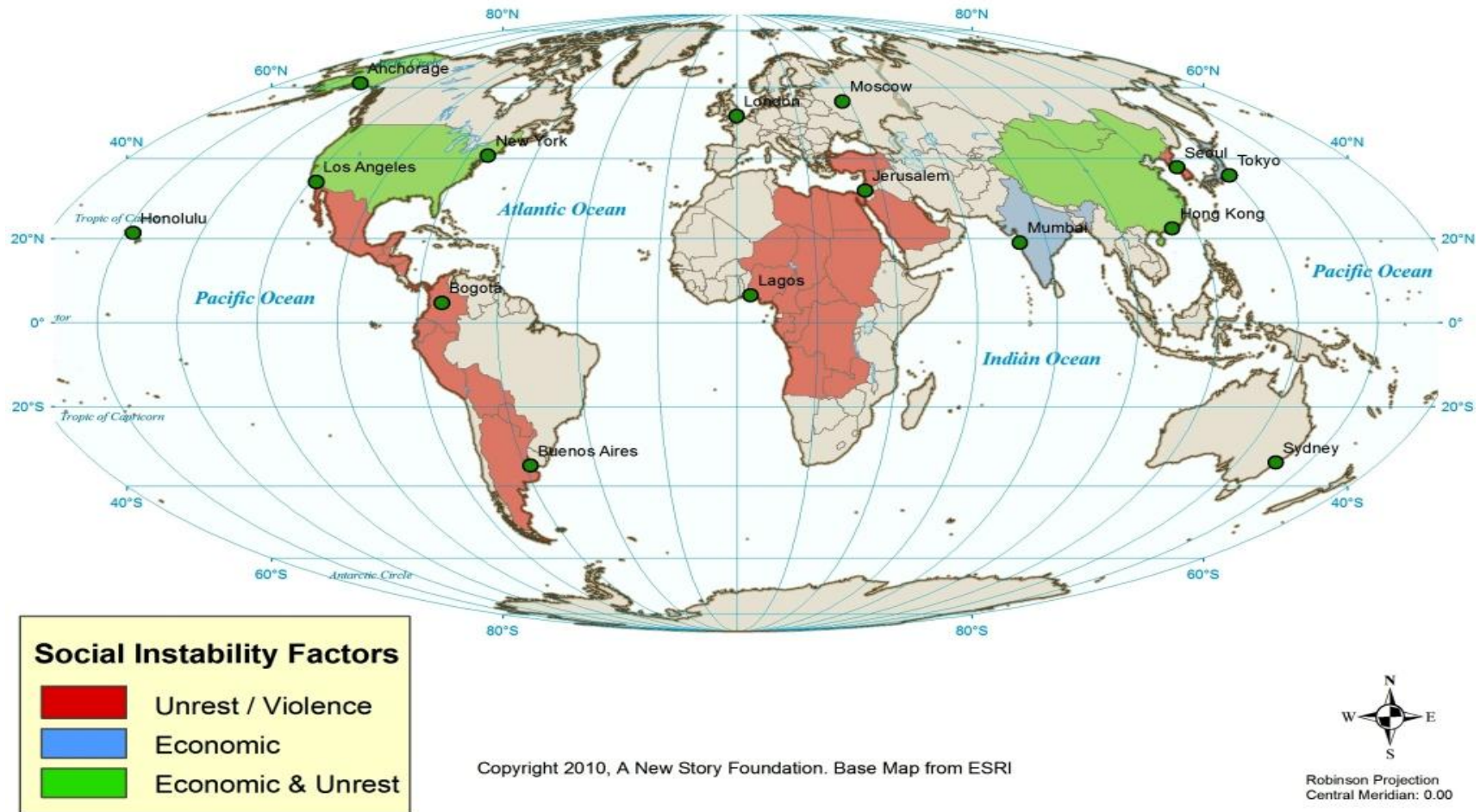| Date Range	Summary of Chart Indications
10/4 - 20	People in general concerned with ideologies and identities. Growing frustration and impatience with the economy (8a).
10/4 - 27	U.S government perceived as all talk; willing to lie to obtain/retain power (likely election related) (8b).
10/14 - 26	Global leaders scrambling to minimize risks (7b).
10/20 - 11/2	High concerns with deflation; increasing economic concerns (10).
10/21 - 11/8	Increasing civil unrest and protests. Heightened interest in terror and terrorism (8a).
10/27 - 11/4	Global leaders trying to sooth and reassure public (7b).
11/2 - 8	U.S. government perceived as weak or vulnerable (8b).

Human Perception of Nature - October 2010

In anthropomorphic terms – Nature is *STORMY* – watch for cyclonic events (i.e. tornadoes, hurricanes, typhoons), and heavy rainfall issues throughout the month.
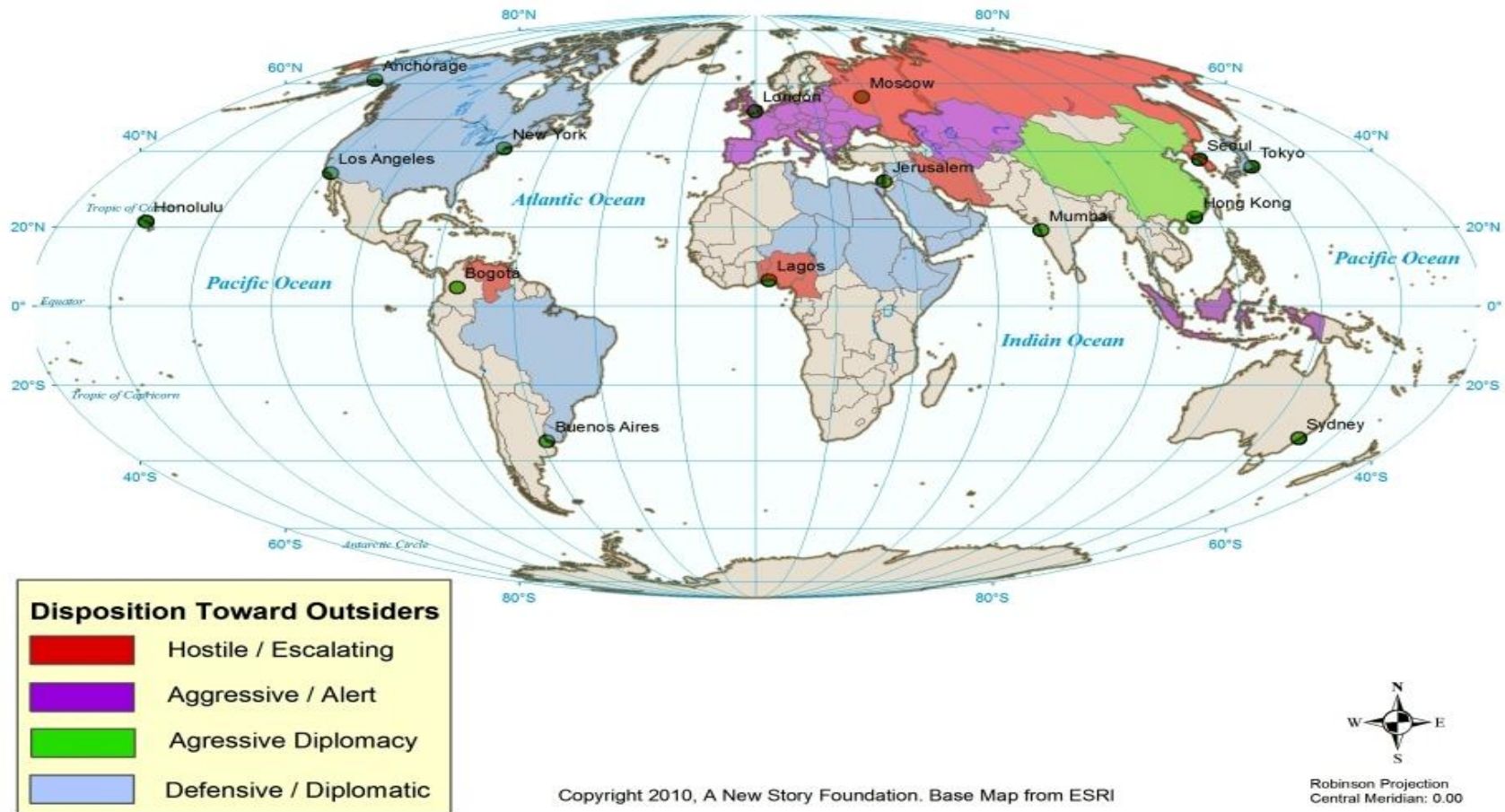
Possible physical manifestations – Nature is viewed as **WINDY/STORMY** in parts of the Americas, Europe, and E. Asia. Watch for **heightened cyclonic activity** in these areas. Nature is **SERIOUS, DEADLY, and WET** for residents of S. Asia, Indonesia, and Australia. **Heavy rainfall** is likely. The Earth is **HOT/ACTIVE/DISRUPTIVE** for Northwestern N. America, Kamchatka, the Zagros Mountains and the Hindu Kush. Watch for a possible increase in **tectonic activity** in these areas.

Social Instability Factors - October 2010

Social Instability Factors

🟥	Unrest / Violence
🟦	Economic
🟩	Economic & Unrest

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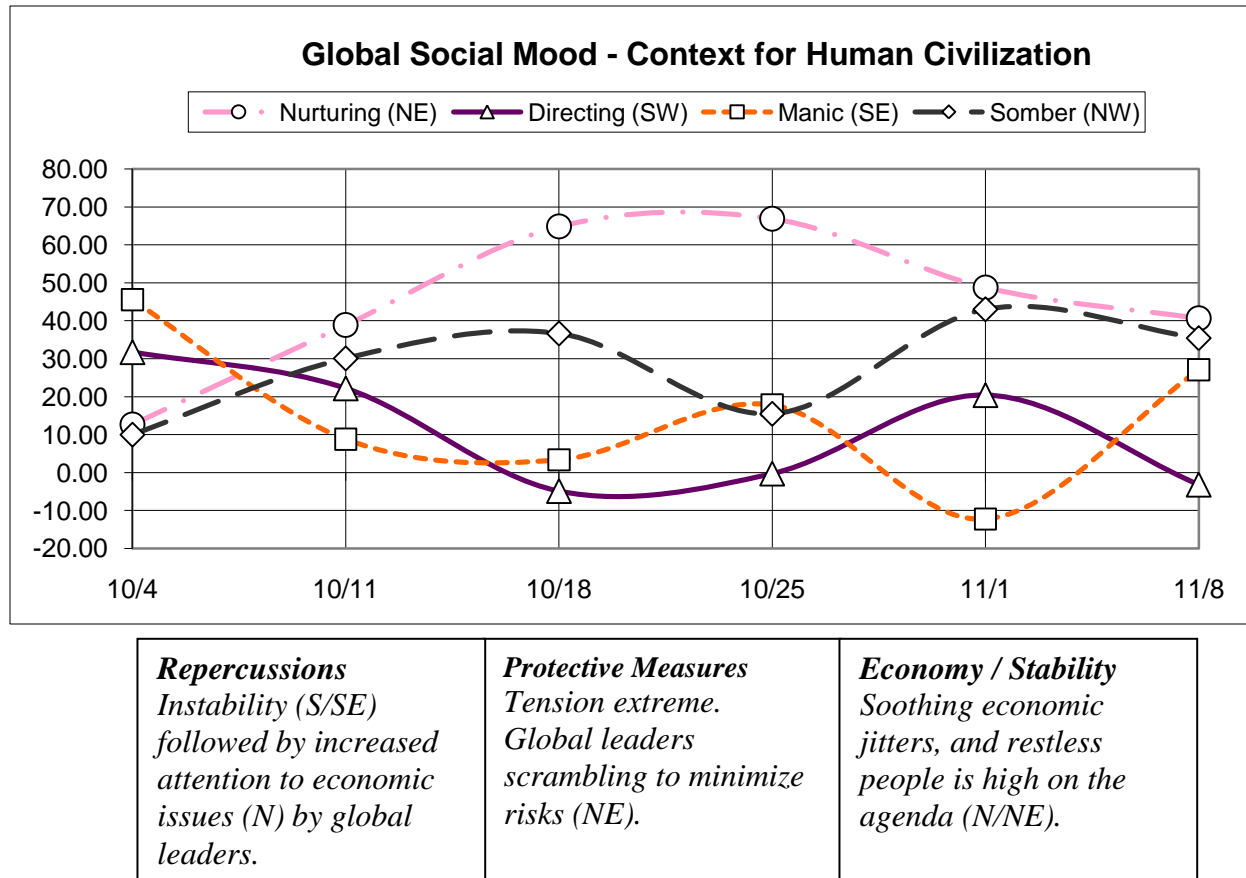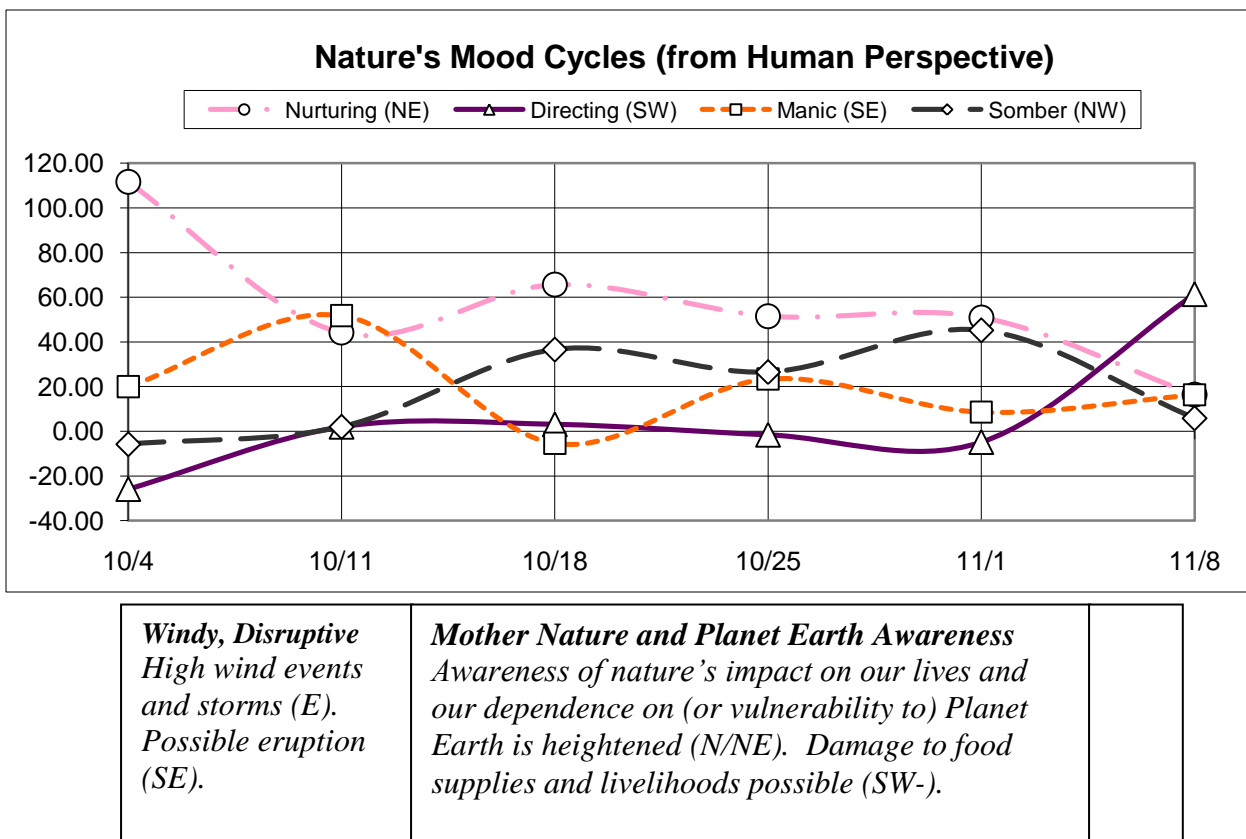Robinson Projection
Central Meridian: 0.00
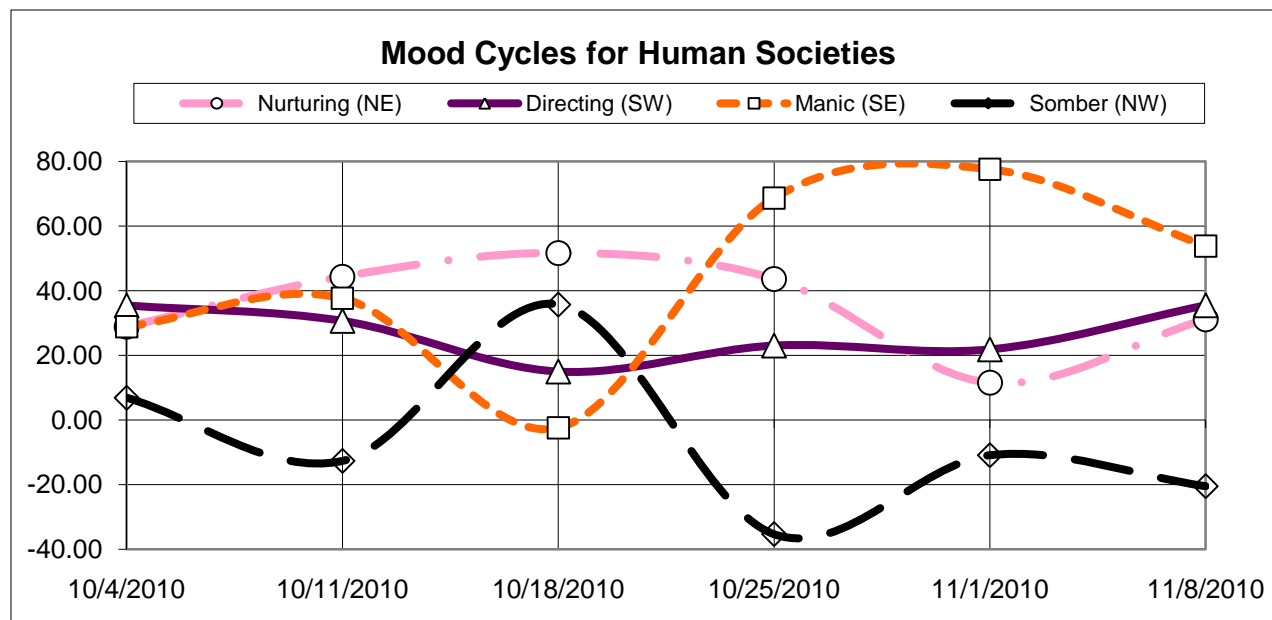
Civil unrest and violence continue to be high concerns in October. Economic apprehension is on the rise, and people, in general, are becoming inpatient with a recovery that fails to touch them in any meaningful way. With the "unrest" or high Manic configuration a dominant global theme, terror attacks, attempts, or terror-related concerns are likely to be a subject of increased attention.

Projected Geopolitical Posturing - October 2010

Disposition Toward Outsiders

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

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Robinson Projection
Central Meridian: 0.00

High level global engagement regarding a number of issues is likely in October. Key "hot spots" are Iran, Venezuela, N. Korea, and Nigeria. As usual, China is likely to stand in the way of any serious attempt to resolve issues through punitive diplomatic actions such as increased sanctions.

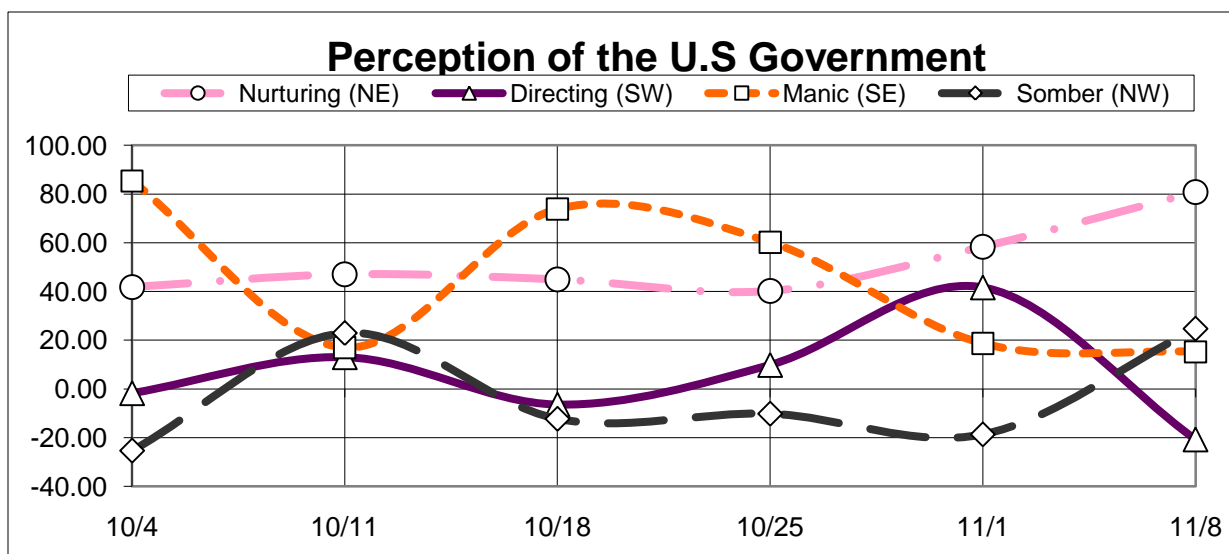## Nature's Mood Cycles (from Human Perspective)

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

Windy, Disruptive	*Mother Nature and Planet Earth Awareness*	
High wind events and storms (E). Possible eruption (SE).	Awareness of nature's impact on our lives and our dependence on (or vulnerability to) Planet Earth is heightened (N/NE). Damage to food supplies and livelihoods possible (SW-).	

Global Social Mood - Context for Human Civilization

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

Repercussions	*Protective Measures*	*Economy / Stability*
Instability (S/SE) followed by increased attention to economic issues (N) by global leaders.	Tension extreme. Global leaders scrambling to minimize risks (NE).	Soothing economic jitters, and restless people is high on the agenda (N/NE).

Mood Cycles for Human Societies

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

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

X-axis: 10/4/2010, 10/11/2010, 10/18/2010, 10/25/2010, 11/1/2010, 11/8/2010

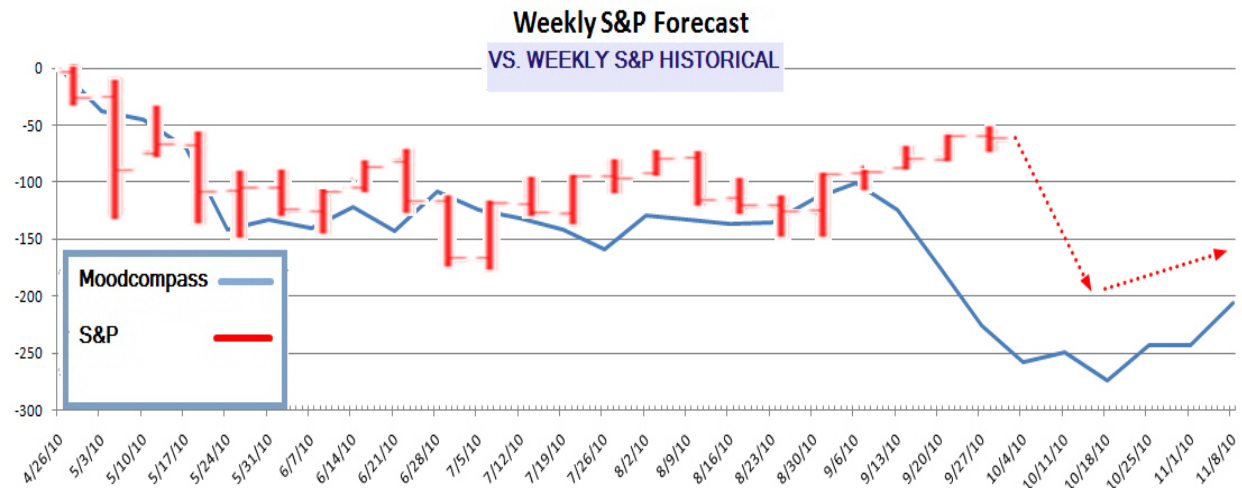| *Ideologies Rule*	*Economy / Identity*	*Mania and Mayhem*
It's all about ideologies, agendas, and "whose side" one is on (-NW).	*Issues of economy and identity are primary (N/NE).*	*Civil unrest and protests are likely to increase. Heightened interest in terror and terrorism also likely during this period.*

Perception of the U.S Government

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

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

X-axis: 10/4, 10/11, 10/18, 10/25, 11/1, 11/8

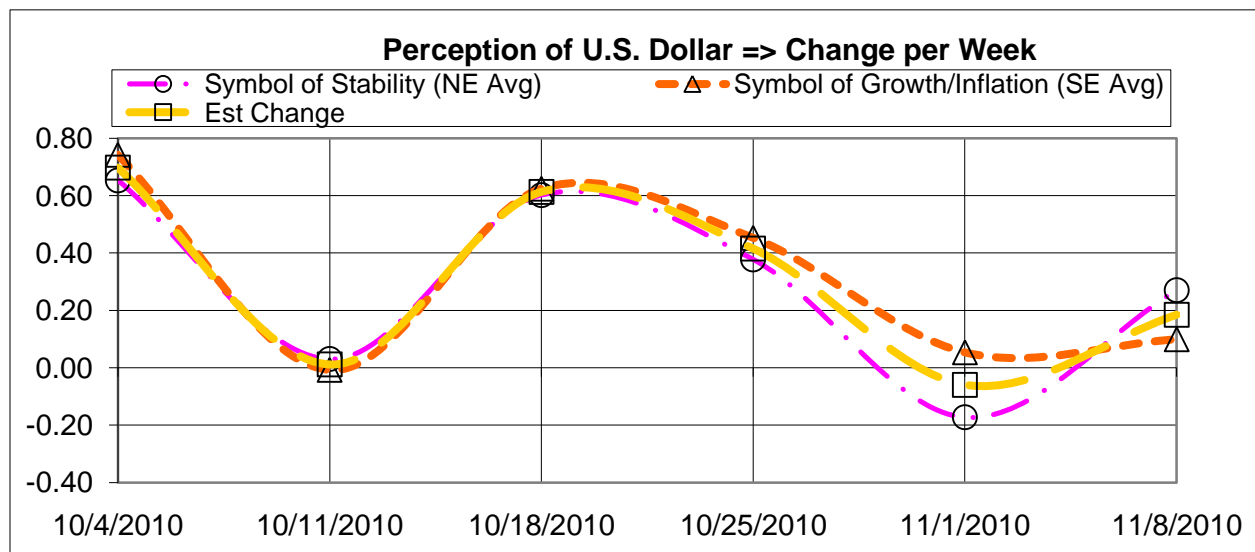| *All Talk, and None of it Believable*	*New Start / Weakness*
High E factors indicate a government perceived as all talk. SE high signifies a government all about power and the willingness to use deception to get whatever it wants.	*High phi factors accompany election day indicating a new start, but this quickly changes to a perception of weakness or vulnerability (NE).*

Weekly S&P Forecast
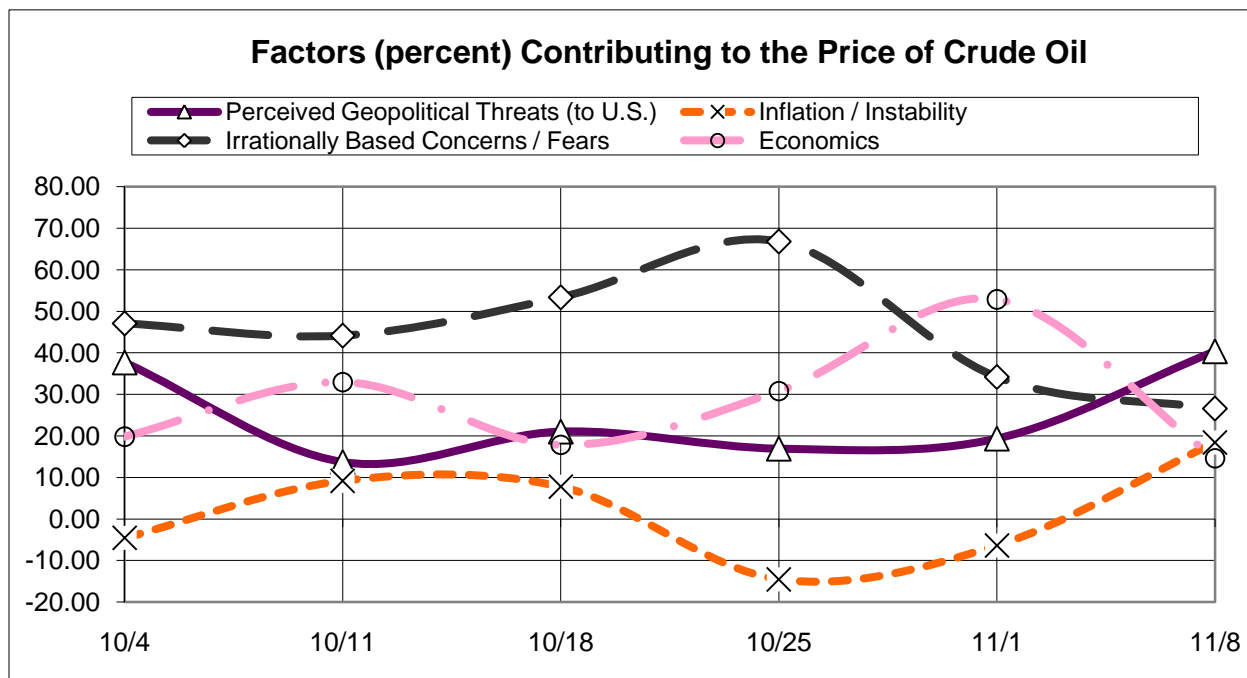**VS. WEEKLY S&P HISTORICAL**

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.*

Collective mood has just broken below its July 2010 low (also the March 2009 lows); markets should soon follow suit. While markets should drop below the early July 2010 lows in October, it is always possible that government shennanigans could forestall the big drop for yet another month. The danger with such intervention in the marketplace is that it only serves to stretch the rubber band out even further. Doing so insures that when the market finally snaps to reconnect with the collective mood, it will do so with even more violence and greater losses.

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.*

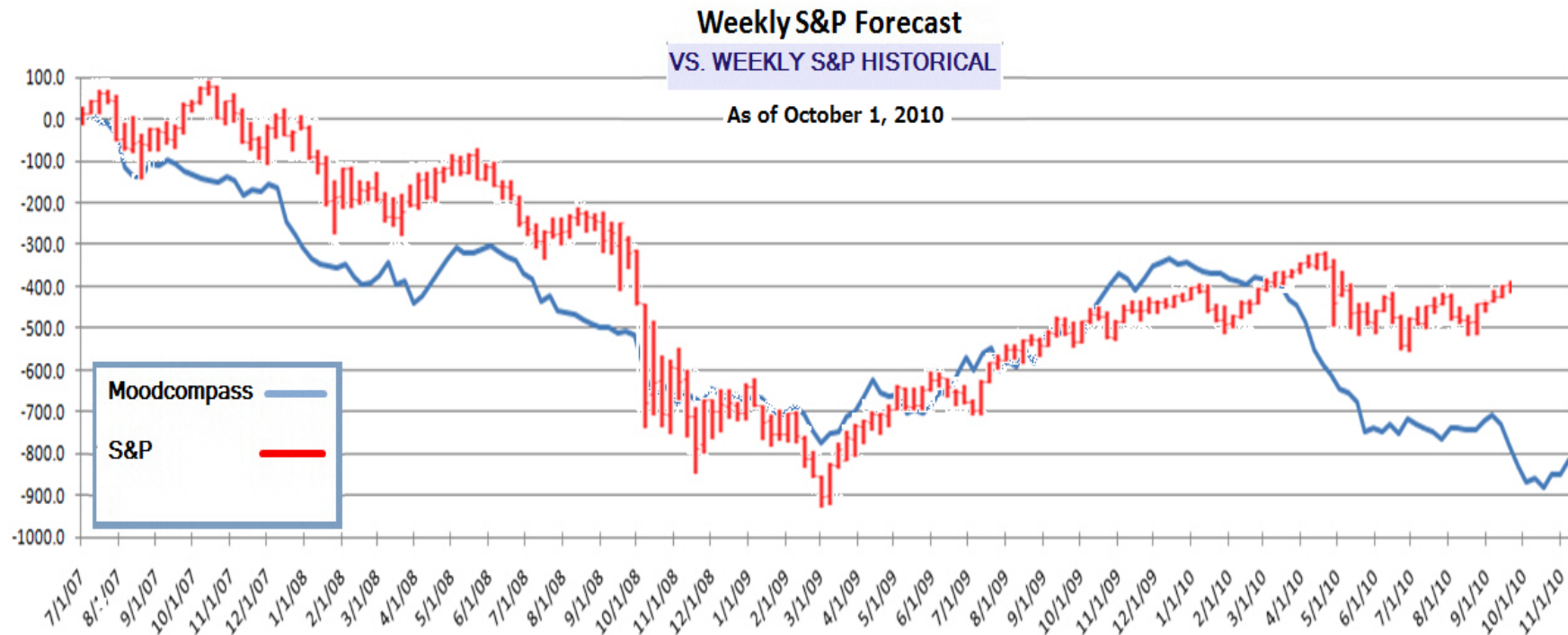The U.S. Dollar is undergoing the process of changing its trend from negative to positive.

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.*

Deflation is a concern this month as the U.S. Dollar is in process of changing course to an uptrend. Geopolitical concerns throughout the month are insufficient to prop up oil prices. In fact, there is little rational basis to determine crude prices. Energy markets (and likely many commodities) are likely to manifest this uncertainty and confusion. November begins with rising economic issues as well as geopolitical concerns.

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 1, 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.
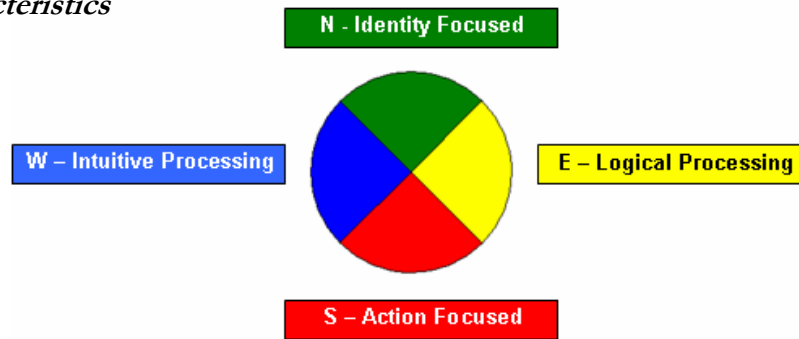
Researchers spent the rest of 2007 analyzing these correlations and identifying the mood configurations corresponding with various social responses and market reactions. By the end of 2007 they had successfully generated a model for each segment that very accurately predicted whether its corresponding market was trending up or down and when the trend was likely to shift.
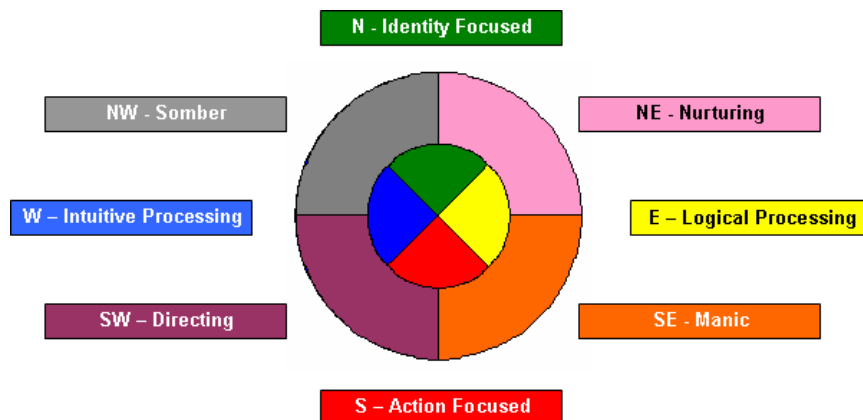
MoodCompass was Born

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.
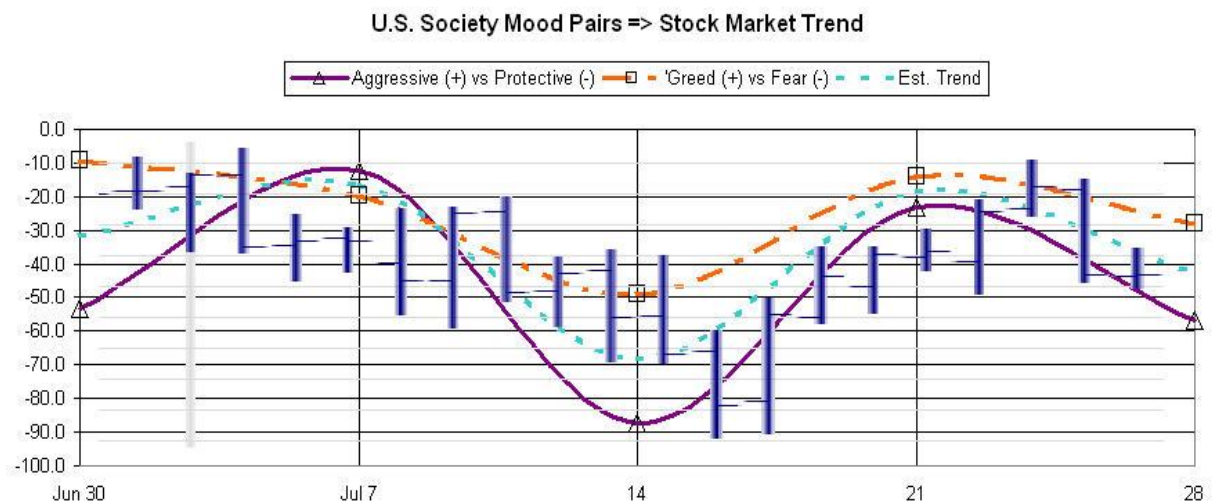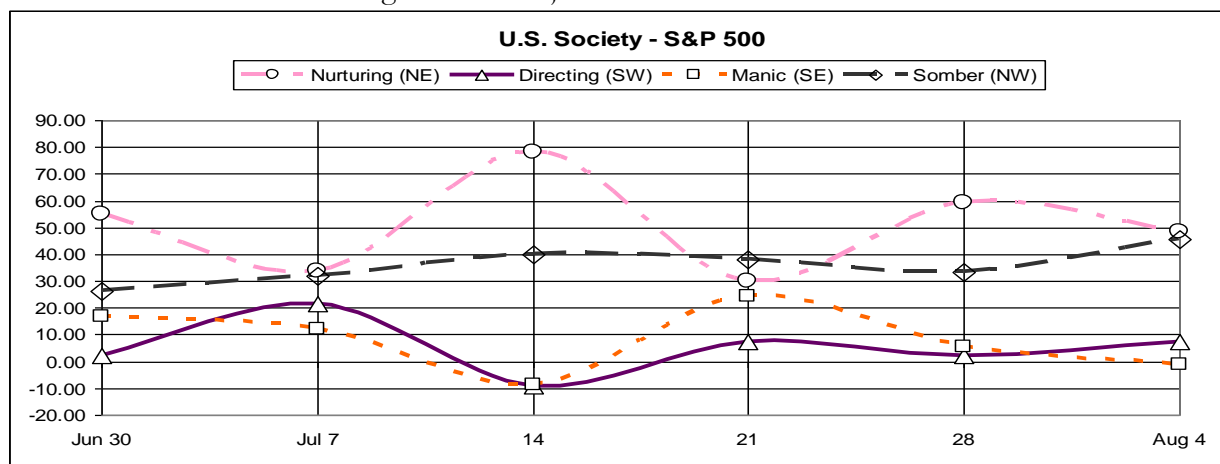

Tracking Profiles Over Time

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.

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: _____

              _____

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Phone: _____

Email: _____

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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:

From U.S. Chaos and Global Volcanoes, September 2010--

"Helplessness and fear left unchecked will find "resolution" in hate and release in violence. Economic stagnation with no end in sight, media rhetoric that exacerbates fear and feelings of powerlessness, and high uncertainty about what lies ahead, all simmer together under increasing pressure in the social milieu. "…could take the form of isolated incidents of violence or property destruction, or on the more extreme end, could be expressed as anti-group or anti-government acts of terror."

U.S. Chaos Headlines
09/01/10: Gunman takes hostages at U.S. Discovery Channel

09/07/10: Los Angeles: Police in riot gear fire non-lethal projectiles at crowd of protesters.

09/09/10: Woman fired after 15 years at Kraft kills 2 people.

09/11/10: Six dead in mass KY shooting.

09/16/10: Doctor shot at Johns Hopkins hospital; gunman kills himself and mother.

09/20/10: Shooting at Fort Bliss Army base; 3 dead.

09/25/10: Five shot at NJ frat party.

09/28/10: University of Texas: Gunman opens fire in library; commits suicide.

Global Chaos Headlines
09/07/10: France: over a million protest pension reform.

09/11/10: Greece: protesters clash with police after union rally.
Kashmir: tens of thousands of protesters/violence.
Afghanistan: thousands of protesters clash with security forces over Koran burning threat.

09/29/10: Europe hit by wave of anti-austerity protests.

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.