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IN BRIEF

The integrity of the euro zone is at risk once Britain leaves the European Union (EU), JPMorgan Chase CEO Jamie Dimon said. Such a scenario “unfortunately could be one of the fat tail outcomes of a Brexit,” Dimon stressed.

A video attributed to Islamic State (IS) urged jihadists to stage attacks in Russia. The threat comes amid Russia’s repeated warnings that IS terrorism in Syria and Iraq could soon spread to other parts of the world.

Tokyo elected its first female governor as it prepares to host the 2020 Olympics, with voters turning to a leader promising clean politics.

Pope Francis said that it was wrong to identify Islam with violence and that social injustice and idolatry of money were among the prime causes of terrorism.

Ali Akbar Velayati, a senior adviser to Iran’s Supreme Leader reiterated Tehran’s support for Turkish people and government in the face of threats. According to Turkish ambassador Hakan Tekin, bilateral relations have reached their highest level over the past 10 years.

The UK military is not adequately equipped to deal with the growing threat of a world war, a top British military commander has warned, renewing calls for more funding.

French citizens or residents of Asian descent have demonstrated peacefully waving French flags in order to demand government more security and to express their anger as for the racism they’ve been suffering from.

China, Russia could question US dominance by 2035.

According to a report delivered by the Pentagon’s Defense Technical Information Center (DTIC), « the future world order will see a number of States » becoming able to take advantage of a « contested and disordered » environment to promote and build alliances with a view to decreasing US dominance – and more generally that of the West. Mainly China, Russia and even India, Iran and Brazil to a certain extent will be the main actors of such change. Demographic and fiscal pressures should amplify it by weakening NATO capacities and thus the whole Euro-American military-economic architecture. As the Western share in the global economy reduces, the clout of great emerged powers like China increases. However, the “mediocre” growth won’t only concern western economies considering that Russia’s was negative in 2015 and that China’s has been slowing for some time as part of the “new normal.” The data confirmed for sure that a new world era has started in which leadership moves to the Asia-Pacific region, Islamism spreads across Europe and America wonders how to continue its leadership.

Concern for US economy on weaker growth figures.

US economic growth grew a worrying 1.2% well below the 2.5% rate expected in Q2 2016, raising more questions about the health of the US economy after growth in Q1 has been revised lower from 1.1% to 0.8%. Now that business investment has been down for 3 consecutive quarters, analysts wonder to what extent the US economy could be slowing down sharply and how much has the Brexit weighed on the investors’ mind. Indeed, consumer sentiment slipped in line with UK’s PMI that fell more than expected at 48.2 instead of 49.1. The anemic pace of US growth in Q2 worried analysts about a similar if not worse Q3 which may signal the US economy could be “Europeanizing” itself toward a 1% rather than a 2% dynamic – for the first time since 2011 and the Euro area sovereign debt crisis – pushing any additional rate hike by the Fed further away. The consequences of Brexit remain unknown since the process of the UK’s exit from the European Union (EU) has yet to start from an institutional standpoint. The US Presidential Election also brings more interrogation than usual with both Democratic and Republican candidates questioning US Free Trade policy abroad, with the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) outstanding.

U.S. political tensions over the Iran Nuclear Deal.

The E3+3 (or P5+1) group of world powers, including the United States, signed in July 2015 a nuclear deal with Iran. Since then, U.S. and European companies have been frantically searching for profitable business opportunities in Tehran and elsewhere, announcing a number of contracts for oil, automobile or aircraft industries. Simultaneously, U.S. elected politicians including former candidates having sought their party’s nomination for the 2016 presidential election have deployed important activity with a view to cancelling the deal and reactivating tough sanctions against Iran. Their efforts are beginning to bear fruit in DC considering the important political impact of the USD 400 million in cash given by the Obama administration to the Iranian government for the release of four American nationals in January 2016. Three months later, Cyceon warned French and Italian companies that the guarantees provided by the U.S. State Department did not constitute a sufficient legal basis for the smooth continuation of their activities without risking the consequences of possible new U.S. sanctions. Cyceon therefore renews its warning today as such a hypothesis is strengthening in proportion to the possibility of Republican nominee Donald Trump being elected as the next POTUS in November 2016.

IMF gives Egyptian economy very needed oxygen.

Egypt and the IMF agreed a USD 12 billion loan to boost national economy and ease the serious foreign exchange crisis over the next three years. “Egypt is a strong country with great potential but it has some problems that need to be fixed urgently,” said Chris Jarvis, the IMF’s mission chief for Egypt. These problems are quite big indeed with tourism having been hit hard again especially after the crash of flight Egypt Air 804 on May 19, 2016 – possibly a terrorist attack, the July 2016 14% jump of inflation according to official figures and the loss in value of almost 40% of the Egyptian pound (EGP) against the U.S. dollar (USD) since 2012. In the short term the IMF’s loan is “much needed oxygen to keep Egypt’s economy alive,” Cairo-based Hussein Keshk, a Telecom Manager and a graduate of the American University in Cairo (AUC) told Cyceon. Most important will be now how Egypt



After quick worrisome nuclear developments by North Korea (DPRK) and despite a strong military alliance with the United States, the debate about South Korea going nuclear has been growing, showing the long-term risk of letting threats developing almost unabated.

Nicolas Sarkozy announced that he would seek to win back the French presidency in 2017 should he win November's conservative Les Républicains (LR) party primaries. "I felt I had the strength to lead this battle at a troubled time in our history," Sarkozy wrote.

US Secretary of State John Kerry warned South Sudan's warring leaders that **Washington's aid** would evaporate if they failed to halt the spiraling violence that **has plunged the world's** youngest nation into a humanitarian emergency.

The FBI's year-long investigation of Hillary Clinton's private email server uncovered 14,900 emails and documents from her time as Secretary of State that had not been disclosed by her attorneys, and a federal judge pressed the State Department to begin releasing emails sooner than mid-October as it planned.

The Russian military said its aircraft operating from an Iranian air base to conduct strikes in Syria had completed their tasks, but left open the possibility of using the Hamadan base again if circumstances warranted.

A North Korean (DPRK) ballistic missile fired from a submarine flew about 310 miles in the longest flight by that type of weapon, Seoul officials said, a range that can place much of South Korea within its striking distance.

Interior ministers of France and Germany, Bernard Cazeneuve and Thomas de Maizière, have called for new regulations to let police read encrypted messages. Many "jihadist" groups use messaging apps like Telegram.

Germany's GDP grew a better-than-expected 0.4% in the second quarter of 2016,

spends this money because "if it's not invested rationally then the problem will deepen," Keshk added. Finally the security situation, "that improved significantly except for a small area of Sinai" according to Keshk, still remains the most important criterion for both tourism and foreign investment.

Western room for operations in Syria has shrunk.

Summer 2016 may go down in geopolitical history of the United States as one of the worst ever recorded strategically and diplomatically speaking. After **Russia's** military involvement since September 2015 has been successfully consolidated in situ by its Syrian ally Bashar al-Assad whose troops are progressing although toughly against the Islamic State (ISIS) as against the groups backed by the West, the Russian air force now takes off from Iran to strike targets in Syria with Iraq overflight permission. Simultaneously emerged in just a few days two more developments potentially damaging to US interests in the Middle East namely the rapprochement initiated by Turkish President Recep Tayyip Erdogan vis-à-vis its Russian counterpart Vladimir Putin while the Chinese military announced it will provide Assad's forces with aid and training. Even if the current game on the grand regional chessboard largely depends on the high-skilled **Putin's way of playing**, it seems that Michael J. Morell, former acting director of the CIA, explaining that the United States should kill "Russians and Iranians" to put the pressure on Assad has been well heard in the Kremlin, hence perhaps the sudden acceleration from both diplomatic and operational standpoints. In addition to the growing popular suspicion about the "moderate" groups backed by the US and its allies, the latter's operation window may have significantly shrunk.

Acceleration and worsening of Syria's context.

After Cyceon assessed that the West's operational window in Syria has shrunk and Russian President Vladimir Putin has succeeded again in pushing his advantage, three facts confirmed our finding and are now illustrating the West's response. Large media operation using the photo of Syrian child Omran Daqneesh, victim of a bombing in Aleppo (Syria), was launched lately but would not have brought as much attention as the one done using the body of Aylan Kurdi a year earlier. Backed by US airstrikes and without authorization from the Syrian government, Turkey has sent tanks and Special Forces, helped by "moderate" rebels, to fight the Islamic State (ISIS) and "Kurdish groups" - which also fight against ISIS - in and around the border town of Jarablus (Syria). This military operation has been unwelcome surprise to Moscow where one might question - like Washington - the reliability of Turkish President Recep Tayyip Erdogan. Finally, a UN report concluded that Syrian helicopters did spread chlorine gas while ISIS did use mustard gas. Western countries hoped a resolution confirming the report could be voted at the Security Council, even though the chances of a Russian veto are high. The day before, Syrian officials accused French intelligence agencies of being behind these chemical attacks whose goal was allegedly to discredit Syrian President Bashar Al-Assad. Rumors have emerged simultaneously saying the Syrian government would still possess chemical weapons, something that contradicts with the Russian-American agreement of September 2013. All of these developments illustrate the accelerated deterioration of the conflict in Syria and increase the risk of a larger scale military confrontation. Also, Europe is because of NATO, Islamist terrorism and the migration crisis on the frontline of a serious conflict in which its contribution has been limited to a few specific intelligence and/or Special operations, in which it doesn't weigh enough diplomatically. Finally, Syrians remain the main victim of renewed tensions in this war of which no belligerent sincerely seems to seek the end.

After Syria, Putin is pushing his advantage in Ukraine.

Russian President Vladimir Putin accused Ukraine of preparing "terrorist acts" against Russian interests in Crimea, focus of the Russian-Ukrainian war since 2014. This rise in tension, said Putin, resulted from the choice of "escalation" by his "partners in Kiev." Conversely, his Ukrainian counterpart Petro Poroshenko believed that the deployment of S400 air defense and missile systems in Crimea confirmed the risk of a "large-scale" Russian invasion. Ukrainian fears have been downplayed by Western analysts and several objectives would explain the tactics of Putin vis-à-vis Ukraine. Putin is starting a new election cycle, both inside Russia with legislative, local and municipal elections on September 18, 2016 and outside Russia with the US presidential elections in November 2016 and the French ones in April-May 2017. It is also meant to weaken the Ukrainian government by showing the West it's not a reliable partner, in order to force

compared with the first three months of the year, while France stalled at 0%.

Negotiators seeking to end the 52-year-old bloody insurgency in Colombia said in Havana that they had reached a final peace deal after 44 months of talks. The conflict killed 22,000 and displaced 6 million people.

A dozen Algerian generals have allegedly petitioned Gait Salah, Chief of Defense Staff to testify about the decade (1992-1999) of war between the Military and the Islamic Salvation Front (FIS). Some would interpret this as a move of political leadership against recently sacked high-ranking officials of the DRS and the military.

"Everybody has to do their bit," German Chancellor Angela Merkel told ARD television. "What I continue to think is wrong is that some say, 'We generally don't want Muslims in our country regardless if there is a humanitarian need or not.' We're going to have to keep discussing that."

France will seek the suspension of negotiations on the transatlantic free trade agreement (TAFTA), announced Matthias Fekl, Secretary of State for Foreign Trade. "At the end of September 2016, I will ask on behalf of France the halt of TAFTA negotiations."

The main spokesman and second most senior leader for the Islamic State (ISIS) armed group, Abu Mohamed Al-Adnani, has been killed by a US air strike in the Syrian province of Aleppo, while monitoring terrorist operations.

France's Economy Minister 38-year-old Emmanuel Macron has resigned, breaking away from embattled president and mentor François Hollande to prepare for a rival presidential bid. Macron explained he quit to "regain his freedom" and focus on building a "transformation plan" for the country.

President Dilma Rousseff was stripped of her office in the culmination of a political crisis

reconsideration of the Ukrainian issue as a whole from the **West's standpoint** - especially French and German - and also the economic sanctions against Russia which proved very damaging to the European Union (EU) - France in particular. After shrinking the West's operational window in Syria, Putin is therefore pushing his advantage in Ukraine. Up to now, his determination has systematically prevailed over indecision.

Greece's still in crisis after years of austerity.

The situation in Greece is not positive in light of its efforts in recent years to restore its economy. This finding shared by Cyceon's correspondents underlines the failure up to now of the general economic policy of the euro area, recently strengthened by the popular perception of unmaterialized effects of the alarmist interpretation of the vote in favor of the UK's exit from the European Union (EU), the "Brexit." The renewal by Greek Prime Minister Alexis Tsipras of a request for war reparations up to 269 billion euros to Germany for the Nazi occupation is another indication that Greece seeks both an alternative to its crisis and possibly a political diversion to ongoing economic challenges. The euro area suffers from a certain lack of adaptability and responsiveness to a world shaken by the economic rise of Asia, a currency war and growing unfair competition between WTO members. That's why the American economist and Nobel Prize for Economics in 2001, Joseph Stiglitz, stated that "the euro is a threat to the future of Europe" and proposed the creation of a euro for northern Europe and another euro for southern Europe. This radical solution is actually not relevant because the fundamental problem mostly lies in **Germany's dominance** on monetary policy in the euro area which precisely fits German interests but not enough those of other countries like France or Italy. In the absence of structural change or increased flexibility, the Greek situation will continue to haunt the euro zone.

Japan still spreads doubt about BOJ's monetary policy.

One month it's good, the next it's bad. The moderate slowdown in global economic growth and the strengthening of the Japanese yen (JPY) against the US dollar (USD) have participated in the drop around 14% in Japanese exports in July 2016, the most since 2009. This tenth consecutive decrease concerns analysts who now directly question the viability of the ultra-accommodative monetary policy started by the bank of Japan (BOJ) years ago and completed with negative interest rates since January 2016. Recently praised by voters, Prime Minister Shinzo Abe has yet to reaffirm the relevance of his economic policy - Abenomics - while the political opposition has almost disappeared, stunned by its recent defeat. Amid an ambivalent regional context where neighboring giant rival China is adapting gradually to the "new normal" while some new data, like in real estate market, is raising some concern, Japan is still struggling to revive its economic growth and inflation. Without any other solution presently, the BOJ whose balance sheet has grown exponentially may well be tempted to weaken the JPY again by starting yet another easing even if the issue seems more economic than strictly monetary.

Japan confirms Africa's large economic potential.

On the occasion of the 6th Tokyo International Conference on African Development (TICAD), were signed 73 Japan-Africa trade agreements and pledged USD 30 billion investment by Japan in Africa by 2019, one third funded by the Japanese government, particularly in medical education, and two thirds by the Japanese private sector within the framework of the new Japan-African public-private economic Forum. All African countries except Morocco and Libya, represented by 33 heads of state, 14 ministerial delegations and 10,000 delegates stressed the reliability of their Japanese partners and the quality of their cooperation particularly in terms of industrial development and logistics. Like China, Japan is an important market for African raw materials, particularly energy, and also a way for Africa to diversify its import customers. Japan-Africa Trade amounted to USD 24 billion in 2015 compared to USD 180 billion for China-Africa trade. As further evidence of Africa's growing significance, the conference launched in 1993 was held for the first time in Africa in Nairobi (Kenya) and Japanese Prime Minister Shinzo Abe reiterated his goal to see Japan sit on the United Nations Security Council (UNSC) alongside an African permanent member.

Revitalize the national economy to save Tunisia.

In addition to national security, the economy will be a top priority of the new Tunisian government of national unity headed by 40-year-old Prime Minister Youssef Chahed who



that has left Brazil adrift, with an economy in deep recession and a public sharply divided over the country's future. Michel Temer has become the new President as a result.

Spain's acting Prime Minister, Mariano Rajoy, has lost a parliamentary bid for a second term in office. The failure to secure the position deepens the country's political crisis after two inconclusive elections, and increases the likelihood of a third election within a year.

Head of the Atomic Energy Organization of Iran (AEOI) Ali Akbar Salehi said Tehran is set to break ground on the 10-year-long Russia-backed construction of two more nuclear power plants in the southern city of Bushehr on September 10, 2016.

France's Orange SA has entered preliminary talks to buy a piece of Iran's largest cellular operator MCI in what would mark the first acquisition of a stake in a major Iranian firm by a Western company since the Nuclear Deal was signed in July 2015.

Venezuela's opposition is vowing to keep up pressure on President Nicolas Maduro after 1 million protesters flooded the streets of Caracas in their biggest show of force in years. According to analysts, the fact that a referendum could be organized, given the difficulty of the whole process, means that Maduro could be nearing his own ousting and/or impeachment.

After provisional results of Gabon's presidential election triggered clashes between supporters of reelected Omar Bongo and his rival Jean Ping, the UN expressed deep concern. "Any disputes concerning the results should be resolved through the judicial channels," reminded French Foreign Minister Jean-Marc Ayrault.

Uzbekistan's President Islam Karimov has died aged 78.

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took office on August 29, 2016 and belongs to the social-liberal party Nidaa Tounes. With economic growth at a mere 1%, official unemployment rate at around 15%, the grey economy making almost 50% of the whole economy and therefore much less government revenue, Chahed considered he has the duty to tell the truth. That's why he proposed the "state of economic emergency" for Tunisia that has plunged into an economic crisis exacerbated by regional instability and terrorism since the "Arab spring" that toppled former President Zine el Abidine Ben Ali in January 2011. The 25% decline in the value of the Tunisian dinar (TND), the doubling of the budget deficit to 6.7 billion dinars and the national debt now at 56 billion dinars or 62% of GDP over the last five years has created "an exceptional situation (which) requires exceptional measures," Chahed explained. Considering the country's economic growth is unlikely to exceed 1.6% in 2017 and the daunting challenge of reducing the grey economy, Tunisia will both have to reassure international creditors and envisage some austerity measures particularly in the public service.

Russia-Turkey normalization will focus on Energy.

In June 2015, Russian and Turkish governments "noted an overall positive trend" and "confirmed their intention to work towards the strategic goal of reaching USD 100 billion in mutual trade." After a Russian jet fighter has been shot down by Turkish Air Force near the Turkish-Syrian border in November 2015, Russian-Turkish trade fell by 26% in 2015 and by 43% just in the first five months of 2016. Turkish President Recep Tayyip Erdogan's official visit to his Russian counterpart Vladimir Putin in St. Petersburg on August 9, 2016 started the process of mending bilateral ties. **Erdogan's decision to complete large-scale** projects such as the Akkuyu Nuclear Power Plant and the Turkish Stream pipeline system embodied political willingness to restore Russian-Turkish economic ties to "their rightful level." As Turkey buys around 25/29 billion cubic meters of gas from Russia per year, the Turkish Stream has become more important for Russia after its South Stream project was discontinued on European Parliament's objections. That's why, Putin said, the Turkish Stream is "beyond any doubt" and will be implemented "very soon." Erdogan stressed on the fact that both countries "will take the necessary steps to ensure Russian gas supplies to Europe via this gas pipeline." Despite having different interests on the geopolitical scene, Russia needs Turkey with a view to supplying more gas to Europe and Turkey needs Russia from where it imports 55% of its natural gas and 30% of its oil.

For American entrepreneurs, freedom is top priority.

Financiers, investors and US business leaders would prefer a priori Hillary Clinton to Donald Trump but such preference is relative considering that both candidates in the US presidential election 2016 mainly generate disinterest or fear. Their repeated criticism against free trade and questioning of the United States' trade agreements abroad could potentially generate long-term instability that worries US entrepreneurs and not just large companies. Considering he is not a politician and therefore has no track record for one to assess his capabilities and method, Trump fuels more concern because he is considered as a factor of instability unlike Clinton, declared a winner already by the polls, **who's seen as** a factor of stability because of her experience as a former Senator and Secretary of State. While many entrepreneurs hope that Trump's long experience as a businessman will bring more common sense in relations between business and government, others fear that his election might cause some instability which would weaken US growth whose signals have been quite ambivalent and difficult to interpret lately. Also, entrepreneurs hope that Hillary Clinton will be as business-friendly as Bill, her husband and former President from 1993 to 2001. Given that entrepreneurship has become more difficult and time-consuming during the two mandates of incumbent President Barack Obama, they wish Clinton or Trump will cut red tape and give US businesses complete freedom.

Last Minute:

- According to Ali Akbar Salehi, head of Iran's Atomic Energy Organization, Tehran could join the international ITER project, which aims to build a thermonuclear experimental reactor in the French town of Cadarache. Iran would thus add to the existing 27 members, including the United States, Russia and the European Union (EU).
- With more than 30,000 foreign terrorist fighters from some 100 countries around the world, terrorism is a global threat requiring a comprehensive and unified response,