

# Apocalypse Now



Sunday, April 10, 2022

Aly Khan Satchu

The moment we find ourselves in is one of extreme stress and complexity. The Geopolitical fault line is most visible in Ukraine and therefore at the European periphery, however, fault lines are emerging all over the global landscape and exhibiting multiple feedback loops, which feedback loops all have viral and exponential characteristics.

Lets start with Ukraine where Володимир Зеленський @ZelenskyyUa is presented as a brave Freedom Fighter facing down a revanchist Vladimir Putin. Any argument that seeks to understand Putin's and Russia's concerns is shouted down in a barrage of "You are with us or against us" There is a strong argument that the US actually set a Trap for Russia in Ukraine just as Jimmy Carter's former national security adviser Zbigniew Brzezinski admitted that the C.I.A. set a trap four decades ago for Moscow by arming mujahiddin to fight the Soviet-backed government in Afghanistan and bring down the Soviet government.

He said:

"According to the official version of history, CIA aid to the mujahideen began during 1980, that is to say, after the Soviet army invaded Afghanistan on December 24, 1979. But the reality is completely otherwise: Indeed, it was July 3, 1979 that President Carter signed the first directive for secret aid to the opponents of the pro-Soviet regime in Kabul. And that very day, I wrote a note to the president in which I explained to him that in my opinion this aid was going to induce a Soviet military intervention.

He then explained that the reason for the trap was to bring down the Soviet Union. Brzezinski said:

"That secret operation was an excellent idea. It had the effect of drawing the Russians into the Afghan trap and you want me to regret it? The day that the Soviets officially crossed the border, I wrote to President Carter, essentially: 'We now have the opportunity

of giving to the USSR its Vietnam war.' Indeed, for almost 10 years, Moscow had to carry on a war that was unsustainable for the regime, a conflict that bought about the demoralization and finally the breakup of the Soviet empire."

Secretary Blinken has refused to meet Lavrov, Biden calls for "Regime Change" on a daily basis and "defensive" weapons are being shoveled into Ukraine at an unprecedented speed. There is clearly zero intention to resolve this matter anywhere other than on the battlefield and through an insurgency which will bleed Russia to death and the Ukrainians as well.

Xi Jinping rather pithily pronounced

He who tied the bell to the tiger must take it off

It is also clear that Russia took a military "lite" approach. This is evidenced by a comparison between the casualty rate over the period so far compared with for example the Iraq war. It looks like Russia will seek to peel off the Donetsk and Luhansk regions and a swathe of access to the Black Sea from Mariupol to Odesa.



\* Crimea is annexed by Russia but this is not recognised by the international community  
© FT

The Violence of the Sanction warfare imposed on Russia has been noteworthy and I reference the below captioned @NewYorker article

The @POTUS Official Who Pierced Putin's "Sanction-Proof" Economy  
<https://bit.ly/3JJo7Ob>

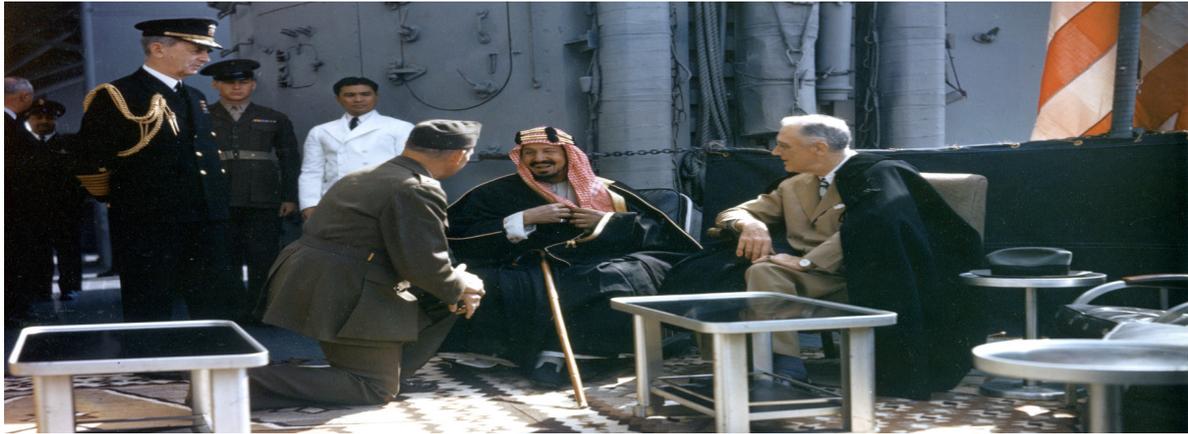
Singh said, "We've made him stare into an economic abyss. But he could choose to pull back."

The markets are where these two systems touch—the supply of buckwheat, the joint energy ventures, the price of the ruble—and within this arena the sanctions were a demonstration that Washington still had levers to pull. "You know, we can play chess, too," Singh said. "It was important for us to show that the fortress could come crumbling down."

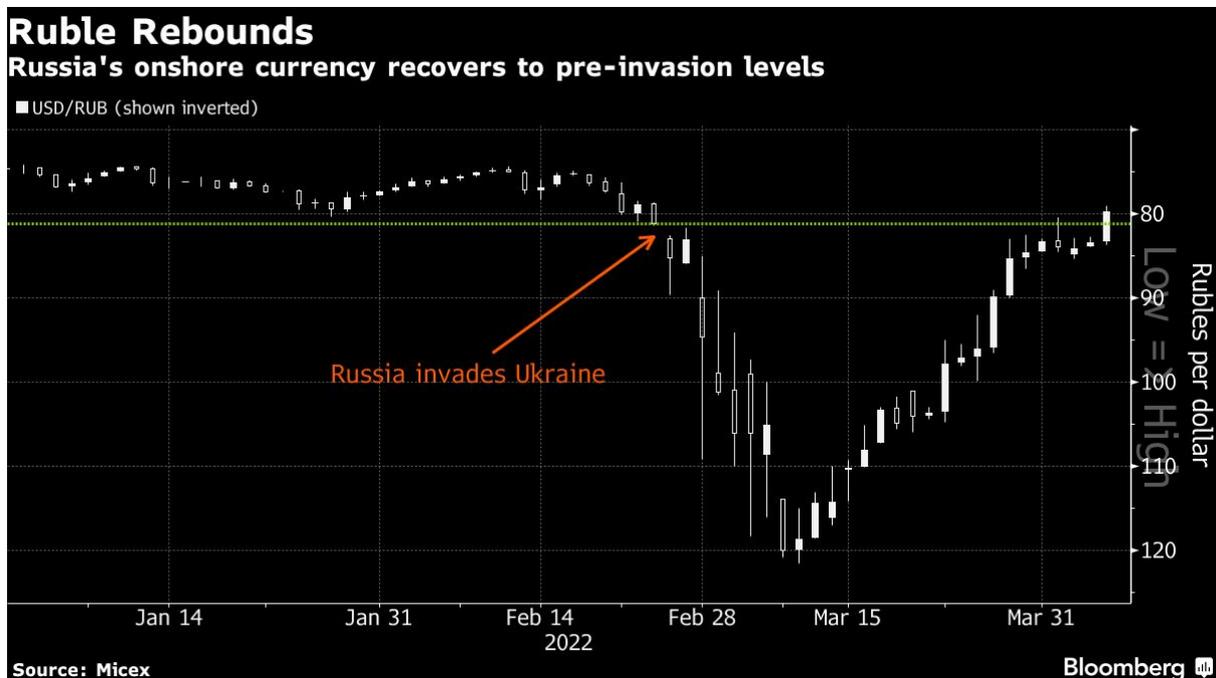
The Sanction warfare program is a reiteration of the @BarackObama 2014 version but then Oil was dropped to \$20.00 and today its trading at \$97.56 a barrel. This is the first flaw in the sanction warfare effort.

"You can print money, but not oil to heat or wheat to eat" wrote @CreditSuisse's Zoltan Pozsar.

Russia essentially gave the \$ and the Euro the very same exorbitant privilege that King Abdul Aziz Ibn Saud of Saudi Arabia gave President Franklin D Roosevelt aboard the USS Quincy in Great Bitter Lake in February 14, 1945 when the petro dollar economy was symbolically born.



By insisting payments are made in Russian Rubles for Russian commodities Vladimir Putin has withdrawn that exorbitant privilege. The Russian Ruble rally is real and has much further to go.



if you believe that the West can craft sanctions that maximize pain for Russia while minimizing financial stability risks and price stability risks in the West, you could also believe in unicorns.  
#Zoltan

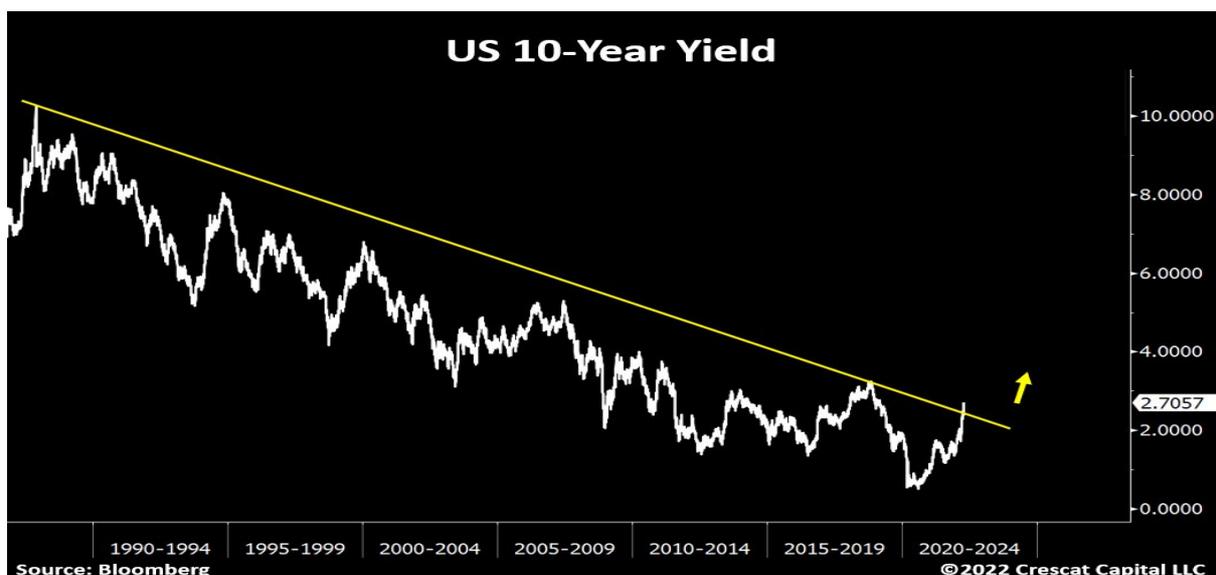
US UK European Sanction warfare cc @JoeBiden @BorisJohnson  
@vonderleyen H/T NorthmanTrader  
<https://twitter.com/NorthmanTrader/status/1496440797662748673?s=20&t=10772kTB-skmFHya-F0s1A>

The democratization of authority spurred by the digital revolution has flattened cognitive hierarchies along with other hierarchies, and political decision-making is now driven by often weaponized babble.  
@FukuyamaFrancis

It's a seismic geoeconomic development whose consequences will hurt the value of \$ and the Euro and burst the G7 Bond Bubble.

G7 bonds which have been on the slide are **poised at the very precipice** and I expect a further and exponential downside move.

a new market narrative. @TaviCosta

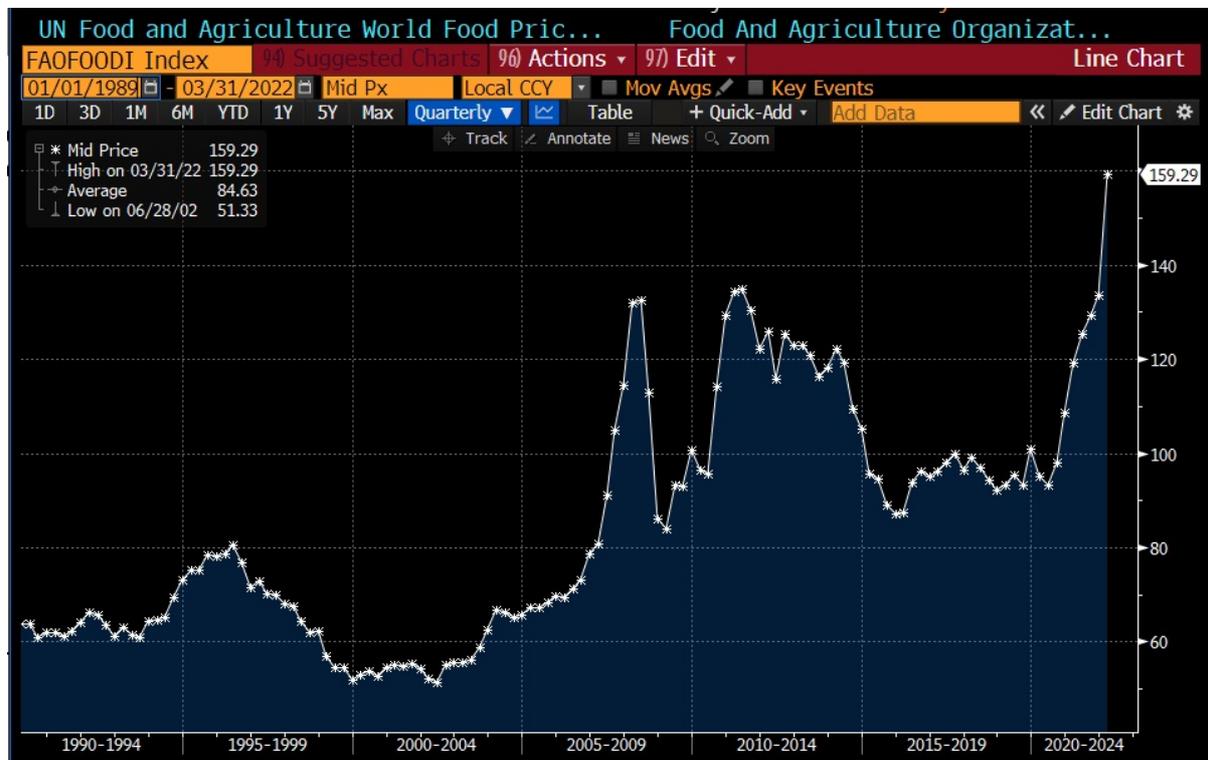


I think the optimal short is the French OAT because here we will have an imminent Marine Le Pen victory at the Polls.



Credit @Convertbond

Commodity Prices will continue to surge. Just look at Food Prices last month.



Food prices are soaring at a record pace, rising another 13% in March. @lisaabramowicz1

"But it is a curve each of them feels, unmistakably. It is the parabola They must have guessed, once or twice -guessed and refused to believe -that everything, always, collectively, had been moving toward that purified shape latent in the sky, that shape of no surprise, no second chance, no return."

Gravity's Rainbow is a 1973 novel by Thomas Pynchon

Global food markets are but the perturbation of a butterfly's wing away from a serious tipping point. @csmonitor By Aly-Khan Satchu, September 6, 2010

<http://bit.ly/2Lqv1uk>

The consequences for global stability are now unfathomable.