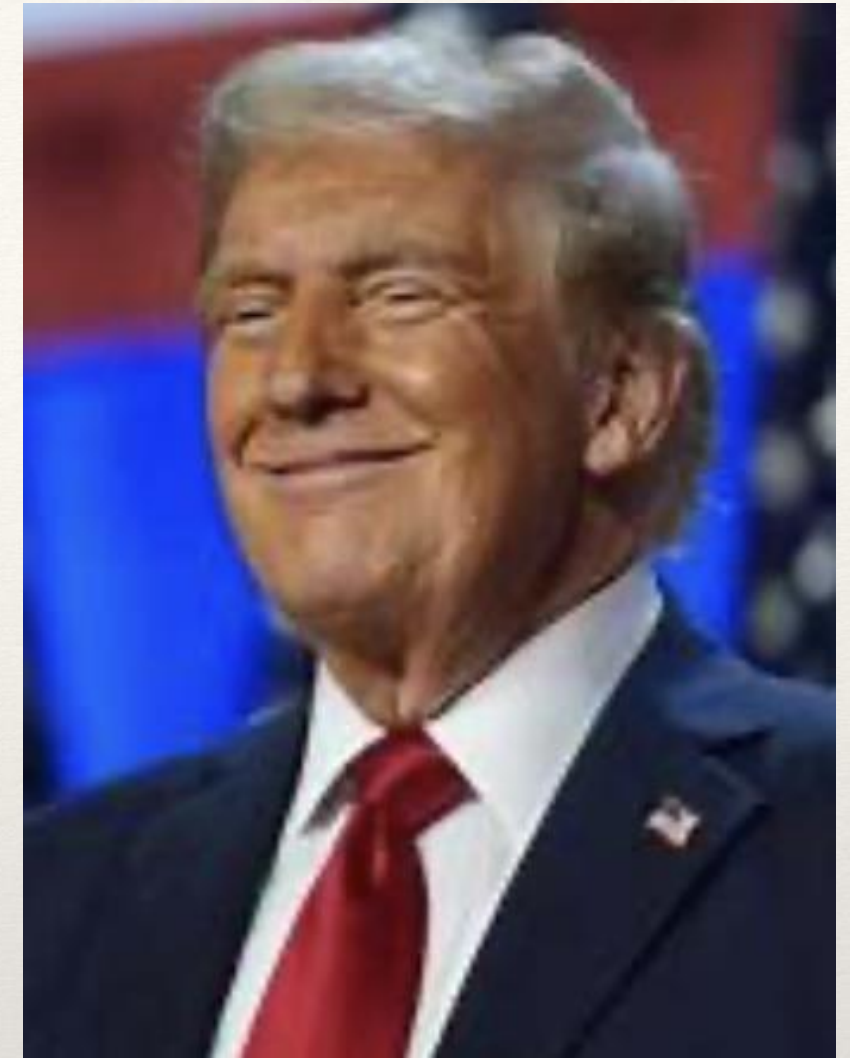




**“In the Midst of
Chaos there is
Opportunity”**

Sun Tzu (544-496 BCE)



**Nomura ‘Volatility of the World’ Seminar
2025**

**‘Once the fog has cleared...’
(...And no, we are not there yet!)**

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9 June 2025

“Prediction Is Hard...”

“...chaos is not random, it's just very hard to predict....”

‘The Secret Lives of Numbers’ by Kate Kitagawa and Timothy Revell (2023)



TACO No More?

“It is rarely a good idea to mock a bully. Countries that suspect Trump’s...threats won’t amount to much, would probably do best to keep that thought to themselves.”

Gideon Rachman, *Financial Times*, 2 June 2025

“Donald Trump may have been mocked as the president who ‘always chickens out’, but when world trade ministers gathered in Paris...the message from Washington was clear: we are going it alone.”

Peter Foster, *Financial Times*, 7 June 2025



Transatlantic Tax War

“The conversation on tariffs will be transactional but the real fight will move to where fortunes are at stake and Big Tech has an interest.”

Anonymous Senior EU Official, *Financial Times*,
21 January 2025



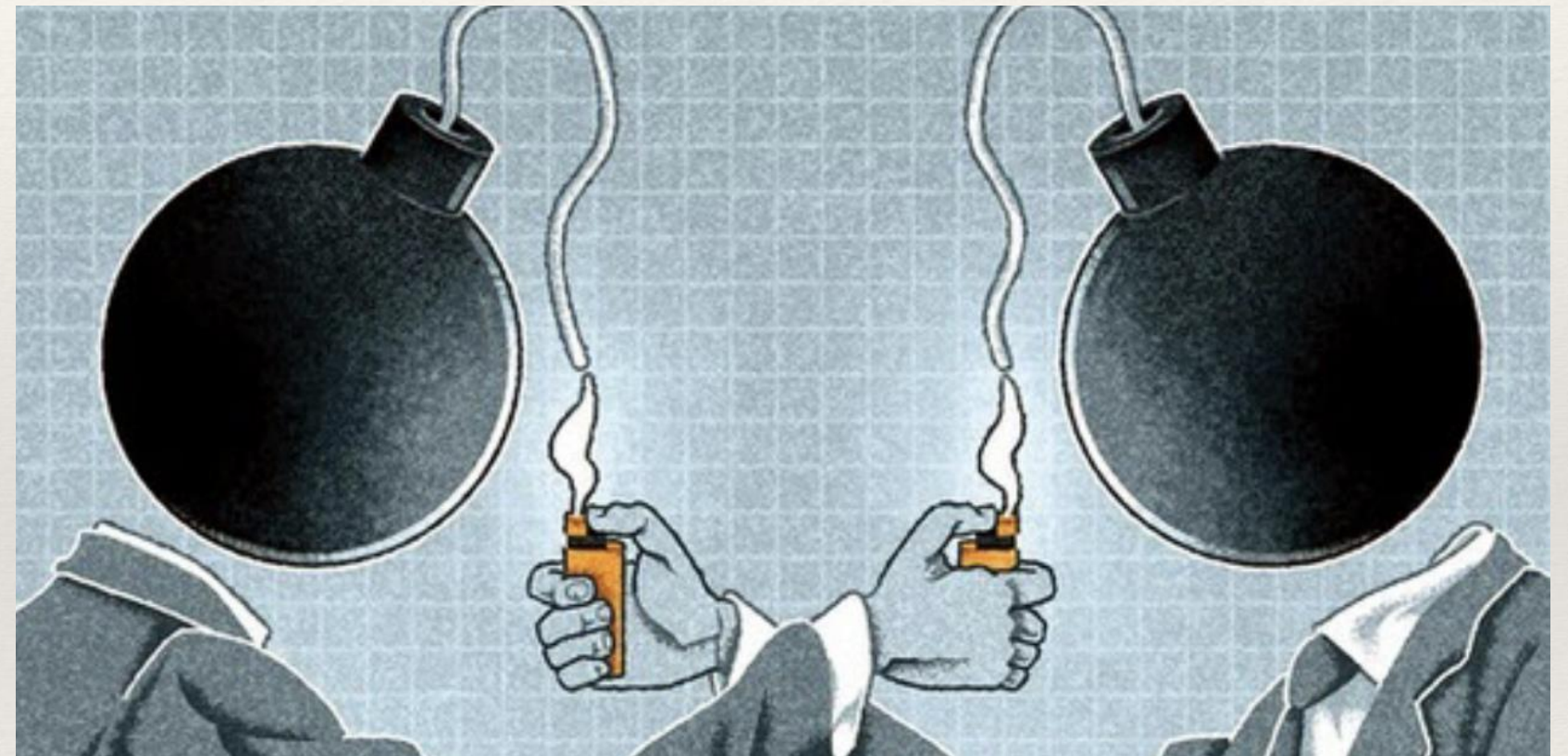
§899 + ACI = MAD

“...the move amounts to a radical act of tax protectionism, a near-unprecedented plan to use America’s tax code as a bludgeon to knock other countries into line.”

The Economist, 29 May 2025

“The Section 899 surtax in the House tax bill is a strong tell that the Administration plans to repeal the portfolio interest exemption (PIE) for foreign investors.”

James McNair, Fortress Wealth Management,
23 May 2025



Triple Whammy

“All these crises, all at once: it’s the perfect storm. He may try to squeeze us [on defence, trade and security], and could push us in the corner from all three directions. He could tell us: ‘If you don’t give me a good trade deal, then we will not support Ukraine.’ Or, ‘If you push me to support Ukraine, then we will add to [our requirements for you to increase] your military expenditure for Nato,’ for example.”

Josep Borrell, *Financial Times*, 4 June 2025

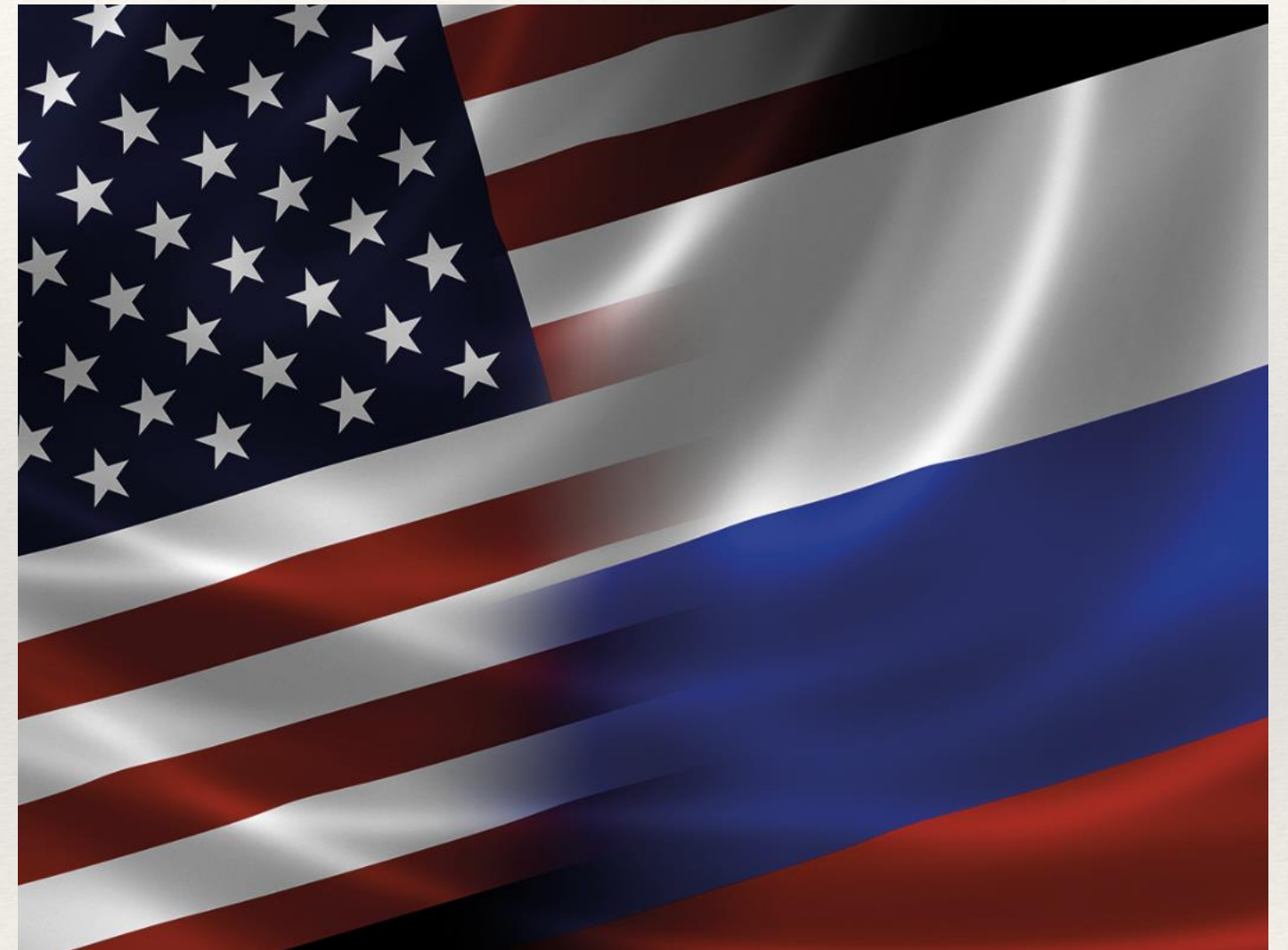


Source: FT/Reuters/Getty Images

To Russia...With Love

“I am now very, very skeptical that Trump will ever apply any serious sanctions or measures on Russia. He has had so many opportunities to do it and he has always ducked.”

Kurt Volker, *Politico*, 27 May 2025



Oil: Be Careful What You Wish For

“Behind OPEC+'s plan to ramp up oil output and punish over-producing allies, group leaders Saudi Arabia and Russia are pushing a second objective: taking on U.S. shale production to win back market share from the United States.... OPEC+ does not have a formal price target, but... [in] an indication it is prepared for at least some pain, Saudi officials have briefed allies and industry experts that it considers a period of prices at \$60 per barrel bearable....”

Olesya Astakhova et al, Reuters, 21 May 2025



China's Trump Card

“China’s success in snarling global supply chains by stemming the flow of rare earths has piled pressure on Washington and made clear Beijing’s power to weaponise export controls on a wider range of critical goods.... Xi’s recent deployment of export controls has shifted the balance of power in US-China trade talks back to Beijing....”

Edward White & Joe Leahy, *Financial Times*, 8 June 2025

RARE-EARTH ELEMENTS					
58 Ce Cerium	66 Dy Dysprosium	68 Er Erbium	63 Eu Europium	64 Gd Gadolinium	67 Ho Holmium
57 La Lanthanum	71 Lu Lutetium	60 Nd Neodymium	59 Pr Praseodymium	61 Pm Promethium	62 Sm Samarium
21 Sc Scandium	65 Tb Terbium	69 Tm Thulium	70 Yb Ytterbium	39 Y Yttrium	

“The Dumbest Deal In History”?

“The big unanswered question is where does China and Asia fit into all of this? There are many people in Trump’s circle who are gung-ho for confrontation with Beijing.... But that’s not my sense of where Trump is. I think...his instinct is to do a deal.... If the US...concedes a sphere of influence in east Asia to China that will be a fundamental misreading of the global economy.... Greenland for Taiwan would be the dumbest deal in history.”

Gideon Rachman, *FT Swamp Notes*, 10 March 2025



An Orwellian Future?

“What is not clear...is whether Trump’s vision of an ultimately more stable international order with clearly defined spheres of influence for the great powers of the day – the US, China and possibly Russia – will emerge, let alone whether such an outcome would be desirable.”

Stefan Wolff, *The Conversation*, 17 January 2025



Source: James Ferguson, FT

G7...Minus 1?

“The global significance of Mark Carney's election as Canadian Prime Minister is he now sits at the centre of an alternative pole of global economic thinking. Everything but Trump.”

Faisal Islam, *BBC News*, 29 April 2025



Trussed Chicken

“I used to think that if there was reincarnation, I wanted to come back as the President or the Pope or as a 400 baseball hitter. But now I would like to come back as the bond market. You can intimidate everybody.”

James Carville, *Wall Street Journal*,
25 February 1993



Dispersing The Fog...

“...the key thing to understand is that no one can ‘trade Trump’ just by using the type of asset valuation models taught in finance courses. Savvy investors will need to understand psychology, anthropology and history too, be that 1980s Reaganism, 1930s protectionism, the 19th-century robber barons or Tudor royal courts. Those periods were often ugly. However, savvy — or cynical — players made a lot of money. It will now happen again.”

Gillian Tett, *Financial Times*, 15 November 2024



Angels Or Elephants?



“The truth is a fog, in which one man sees the heavenly host and the other one sees a flying elephant.”

Terry Pratchett (1948-2015)

Where To Find Us

- Weekly notes for the subscriber service ***Heteronomics*** alongside Philip Rush's expert economic analyses: <https://www.heteronomics.com/>.
- Bi-monthly articles on the Middle East, oil etc for the subscriber service ***Arab Digest***: <https://arabdigest.org/>.
- **Alavan Independent** — freely circulated periodic notes on 'events' and 'issues' of importance to investors.
- **LinkedIn** — snap *vignettes* as the news breaks.



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