



US War With Iran & The Greenback: Oscillations Between Denial, Panic & Bellicose

Realpolitik

02 August 2020

Stirling Larkin, CIO



The only ascendancy greater than the influence of the US Federal Reserve over the US and global economy is that of the powers entrusted to the US's Executive Branch, especially in the domain of governing (*Realpolitik*) domestic (Civil War) and global (Hot War) antebellum paramountcy.

President Trump is an easy personality to assess and given his lag in US Presidential polling (the fact that polling is in anyway still believed following 2016 is an issue in and of itself), leading up to Presidential elections, on Tuesday 3 November, it should not come as a surprise to anyone that if continuing to lag, he will rapidly turn to violence, both at home and abroad.

Cite:- [Trump's Bull Rally, 22nd Amendment & How The First American Republic Ends](#), 19 December 2019

Cite:- [Military Conflict With China, 6 November 2019](#)

Cite:- [Taiwanese War & Markets Fallout](#), 30 January 2019

Cite:- [Taiwan's Looming Crisis Is A Much Bigger Threat Than Markets Realise](#), 20 June 2018

As [discussed in May](#), it is almost a US Presidential tradition to turn to militarily striking out just before key political crossroads are nearing, especially when the domain of governance is approximating snatching defeat from the jaws of victory.



If President Trump ratchets belligerence, either domestically or abroad, it immediately impacts US Dollar, S&P500, NASDAQ and 10-Year Treasury stability and today this is all too often assessed by proxy of the US [VIX index](#).

Before the [Global Corona Crisis \(GCC\)](#) began, President Trump put in place the seeds of his next military campaign against [petty tyrants](#), preparing the US body polity for renewed military conflict with Iran.

Cite:- [If Not China, Iran – The Next Northern Hemispheric Crisis And Just In Time For November Third: Assessing Its Effect On The Dollar, Energy & The 'Recovery' Narratives](#), 23 May 2020

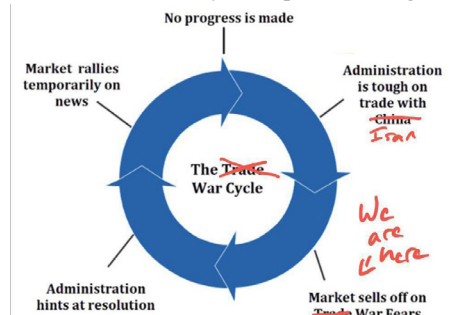
It was then and continues today to be

obvious, that Iran was chosen as [Trump's Trump Card](#) (*pun intended*), parking a confrontation that could speedily be restarted, if the President and or G.O.P. believed their chances of victory were in doubt nearing Tuesday, 3 November [which they today are].

Watch:- [Bloomberg Kathleen Hays & Stirling Larkin Discuss Iran, Cyber, US Markets](#), 8 January 2020

Cite:- [The Levant And Law of Unintended Consequences: Emerging Markets Northwest Of The Arabian Plate](#), 25 May 2020

Accepting that the [Roaring 2020's were going to be volatile](#) and that the [proxy realpolitik tussle witnessed in Hong Kong was already lost in April](#), Iran remains the clearest and literally most present danger.



Thus, it became material that last week Iran's Revolutionary Guard staged mock attacks on a model US aircraft carrier, leading to US bases around the Arabian plate elevating readiness on ballistic missile alert systems.

The ["Great Prophet 14"](#) exercise saw Guard commandos abseil down onto the vessel from a helicopter and anti-aircraft guns open fire on a target drone near the port city of Bandar Abbas.

Iranian state television footage also showed a variety of missiles being fired from fast boats, trucks, mobile launchers and a helicopter, some targeting the replica carrier.

A commander said the Revolutionary Guard, a force answerable only to Supreme Leader Ayatollah Ali Khamenei, also planned to fire ["long-range ballistic missiles"](#) during the drills.

Trump needed far less provocation in the early days of [January 2020 to order the assassination of Iranian General Qasem Soleimani](#) and the likelihood of him displaying his Executive paramountcy in the weeks ahead are high and increasingly heading higher.

It did not help that earlier in June, the Revolutionary Guard announced its intention to establish a permanent military base in the Indian Ocean by next March 2021, with the aim of providing security

in the waters of the Gulf of Oman and the ocean, ["protecting fishermen and merchant ships from piracy"](#), under the directive of Supreme Leader Ali Khamenei, to be present on the high seas on an ongoing permanent basis.

If Trump does flex his Executive powers, beyond the political wrangling's afoot, it will potentially override the affects of dovish US Federal Reserve unconventional monetary experiments and policies currently in-play.

Cite:- [Australian Dollar Impaired By The Greenback: The Threat Of A 'Mnuchin Shock' In April 2020](#), 3 April 2020

After surging earlier this year, the broad US Dollar has begun to weaken, with the Greenback entering the [GCC](#) already overvalued and its appreciation in February and March stretched valuations further.

At the highs in March, the real trade-weighted exchange rate also came within about two percent of the highs in the last Greenback rotation cycle, which concluded in February 2002.

Given its high initial valuation, the Greenback may fall more than twenty percent over the coming years if the global economic recovery can be sustained and this is often how the broad Dollar has behaved in the past, pivoting from sustained appreciation to sustained depreciation, with occasional sideways moves in-between.

In past trending environments, the Dollar has tended to shift an average of thirty percent over a period of five years, especially during corresponding periods of war or crisis (9/11, Desert Storm, Iraq 2002-2007).

The spectre and fallout of US-Iranian war extends beyond politics, economics and even Realpolitik, it today envelopes cybersecurity with it; a domain, in particular and in which, [Australia is extremely vulnerable](#).

Cite:- [Why cyber security will be key issue in 2020s](#), 15 January 2020

Cite:- [Hong Kong Affects Backend Of Australian Wealth Management](#), 4 December 2019

Cite:- [Defence Complex Investments](#), 4 July 2018

Cite:- [Looking For Opportunity In Meeting The Challenges Of Cyber Security](#), 10 September 2016

For all those who dismiss President Trump as an already fallen figure, they may wish to take pause and remind themselves of the [enduring ascendancy of the Executive office of the President Of The United States](#) and what [one phone call, button press or command](#) can yield and wield, militarily, politically and financially. ■

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