

Centre for Risk Studies

Special Seminar Series

Mapping Political Risk & Geopolitical Conflict

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Centre for
Risk Studies



UNIVERSITY OF
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Judge Business School

Political Risk is Hugely Important....

- Arab Spring
- Thailand Coup
- ISIS attack in Iraq
- Chemical weapons in Syria
- \$55 billion in damage
- Thai stock market dropped %15
- Oil prices up \$50 a barrel
- Dow Jones dropped 3%



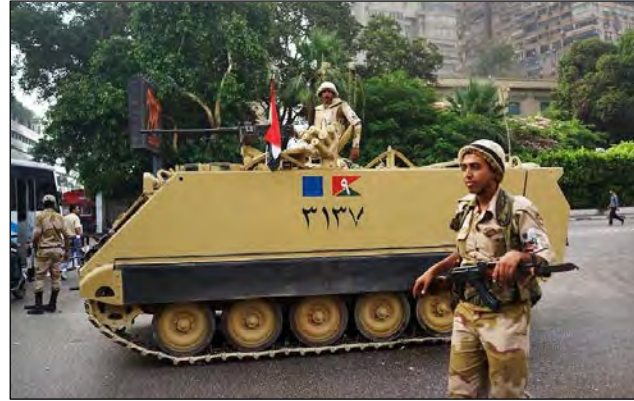
But Until Recently has Lacked any Meaningful Data

"Event-driven statistical analysis is a remarkably powerful lens through which to understand the world. The effects of geopolitical events on assets—such as oil prices, currencies, and foreign and domestic equity volatility—is one of the least understood areas and, without technology, is one of the hardest, human-labor intensive, and costliest things to measure, despite clearly having massive effects on these markets."

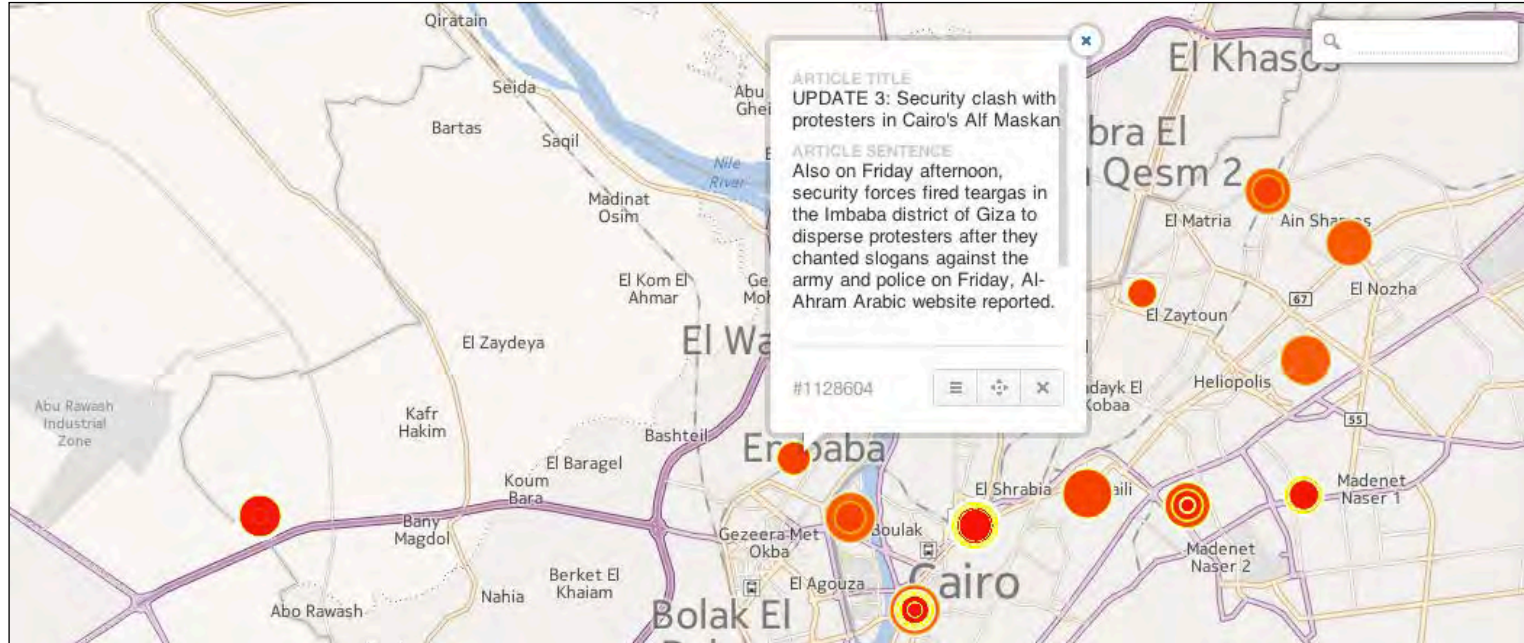
Dr. James Shinn, the former National Intelligence Officer for Asia at the Central Intelligence Agency



Instability in Egypt



Real Time Threat Identification




Early Warning: Unrest in Ukraine

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Ukraine crisis: Pro-Russia protests take place

1 March 2014 Last updated at 22:38 GMT

Pro-Russian demonstrations took place in several cities in Ukraine in Saturday.







Two pro-Europe protesters were beaten by pro-Russian protesters in Kharkiv, where a protesters on the roof were waving Russian flags.

In Simferopol, armed soldiers patrolled around the regional parliament building while pro-Russian protests also took place.







Large crowds gathered in Donetsk, while troops were on guard in Balaklava.

Read more
Russian parliament approves troop deployment in Ukraine

Related video / audio

 2:27 Russia approves troops for Ukraine 1 March 2014	 0:59 'Russian troops' patrol government HQ 1 March 2014	 6:41 On patrol with the far-right in Kiev 1 March 2014
 0:56 Crimea in 'peace' plea to Putin 1 March 2014	 6:41 Far-right armed with bats patrol Kiev 1 March 2014	 0:21 Turchynov: 'Putin, stop provoking us' 28 February 2014

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 1:30 Mother describes hard shoulder birth	 1:30 In 90 seconds: Who are ISIS?	 0:37 Duchess visits Bletchley Park

FEATURES


Ukraine economy choked by political unrest

Workers and business owners in Ukraine feel the heat of recent turmoil as prices rise and capital flight intensifies.


Katrina Jazzerwa | Last updated: 06 May 2014 14:32

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Ukraine soldiers killed in Sloviansk clashes

At least 12 people killed and 30 others wounded in gun battles with pro-Russian separatists in eastern city. (06-May-2014)

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FEATURES

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- Cambodia's migrants face an uncertain future
- Canada's indigenous vow to block oil pipeline
- Indian transgender healthcare challenges

Odessa, Ukraine - For 25-year-old Alona, living in crisis-hit eastern Ukraine means she is already worried about clashes on the streets and where she might be living in the future if Russia invades. Now, she has another concern: job security.

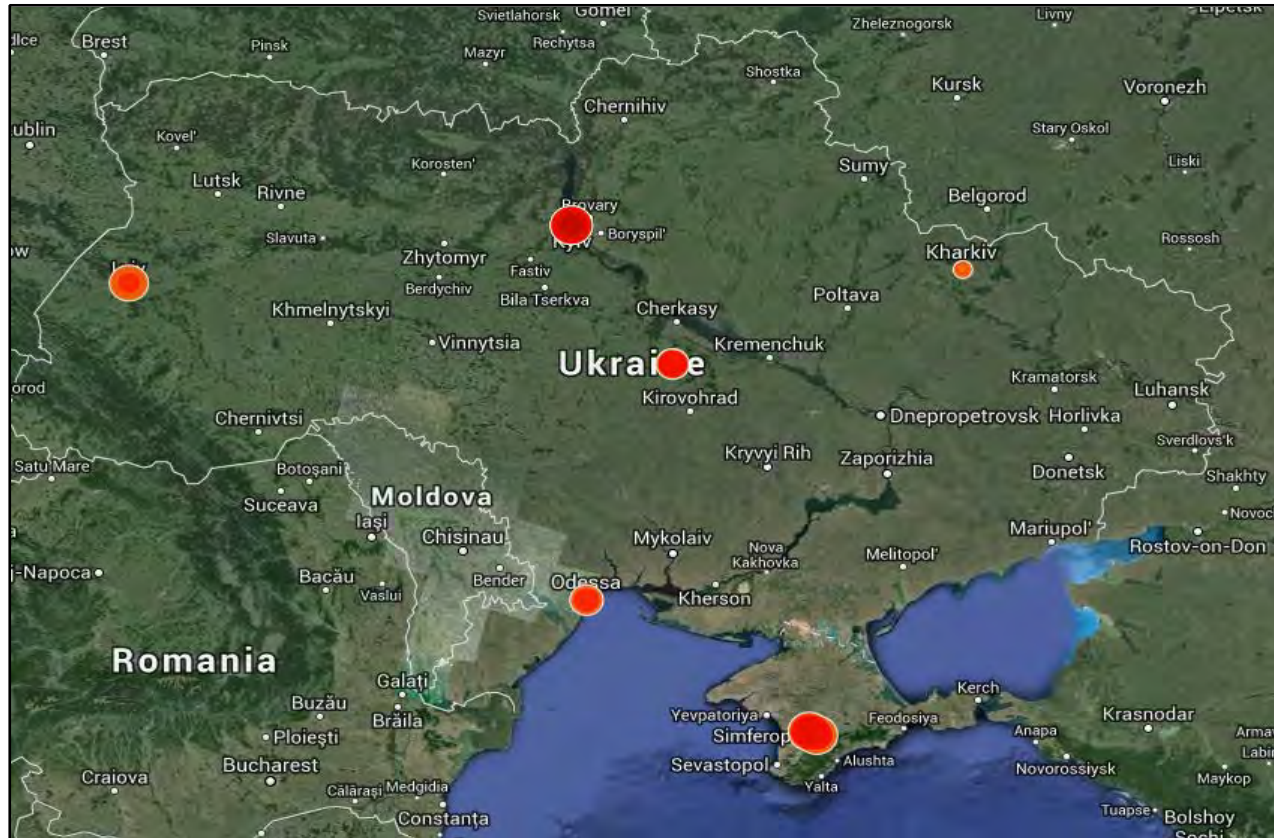
"Our company asked us [to take] unpaid vacations and if we request these unpaid vacations we can save our [jobs]," she told Al Jazeera.

Alona works as an HR manager at a consultancy firm which she says has experienced a 30 percent drop in demand for some of its services since the **crisis started**. She fears this drop will only continue because one of the first things clients cut are their advisory services.

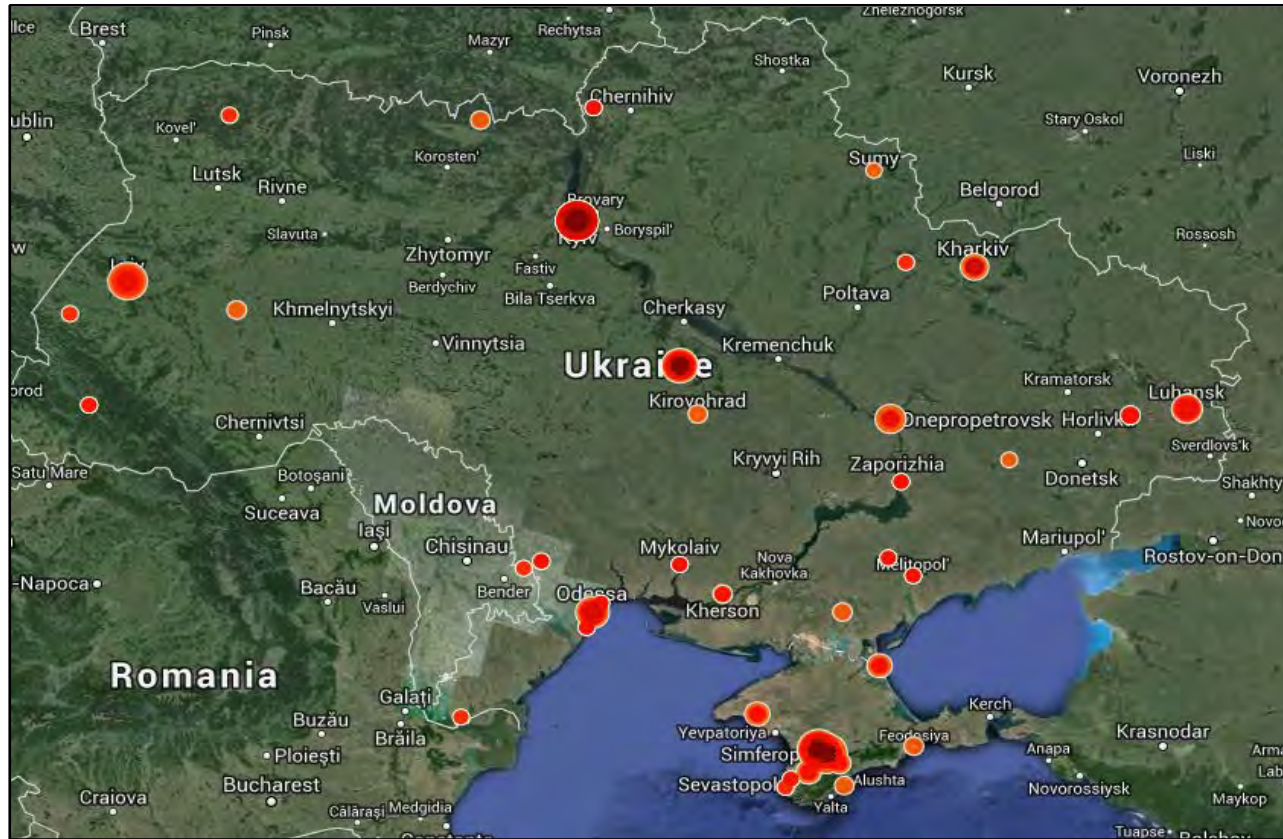
Alona also says imported products have become more expensive as the Ukrainian currency continues to slide. It lost two-fifths of its value since the start of the year. She says a dress that cost about \$30 in



Convergence of Media Coverage



Events on the Ground: Low Visibility, High Impact



Business Value of Tactical Intelligence

Monitor Locations



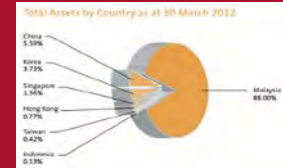
- Threat Intelligence
- Corporate Security

Transfer Risk



- Insurance Cover
- Supply Chain Risk

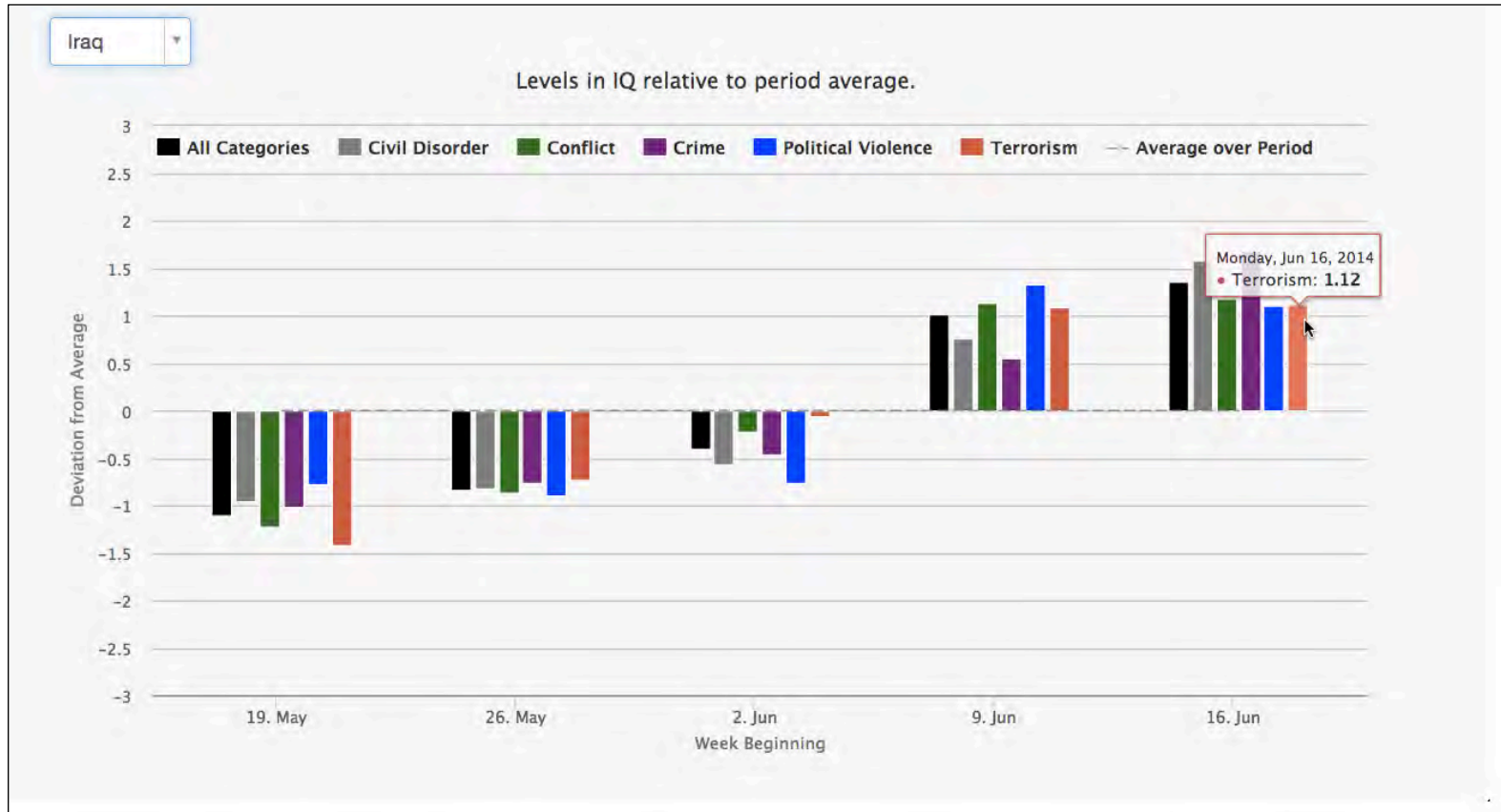
Diversify Exposure



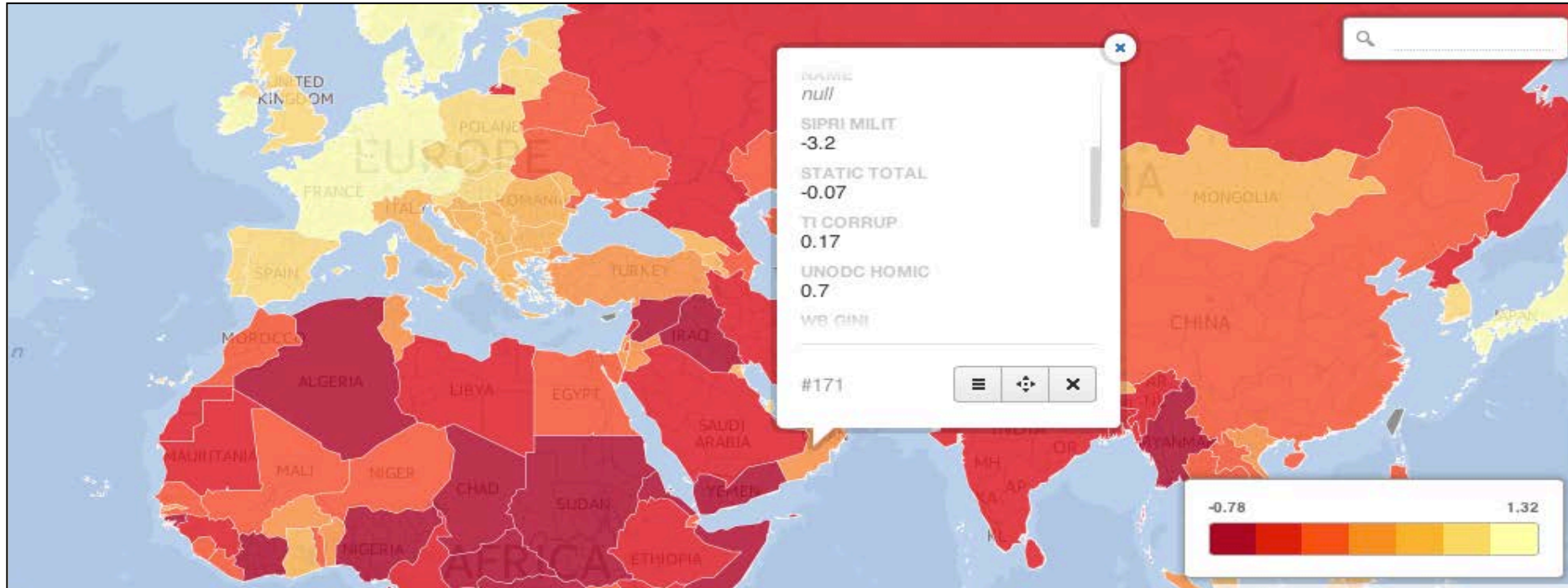
- Trading Decisions
- Logistics Management



Strategic Analysis: Understand Trends



Strategic analysis: Aggregate risks



Strategic Analysis: Understanding Terror Groups



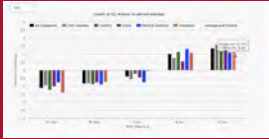
Questions being asked

- What have they been doing up to now?
- What is the capacity of the group?
- What are they likely to do next?



Business Value of Strategic Analysis

Trend Analysis



- Underwriting
- Exposure Management

Information Asymmetries



- Market Entry
- Capacity Decisions

Advanced Analytics



- Global Macro Strategies



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