



Drexel GPS Geopolitical Update

Israel and Hezbollah on the Brink | Israel Explodes Devices in Lebanon - Was This a Cyber Attack? | Strategic Underreported Geopolitical Hotspots

This week's geopolitical landscape closes out on the heels of a massive and unprecedented attack by Israel against Hezbollah in Lebanon using wireless devices that were compromised at the point of manufacture.

While the rhetoric from both sides ramps up, the world is waiting to see if the next shoe that drops results in an all-out war between these two adversaries. Questions remain about how the covert operation by Israel to supply Hezbollah with booby-trapped wireless devices was actually carried out - including if there are more compromised devices awaiting activation.

While mainstream media often focuses on high-profile conflicts, several less-publicized geopolitical issues pose significant risks that could have far-reaching consequences for the U.S. and global financial markets. Below are some underreported areas of focus.

Drexel GPS Assessment:

Can the Exploding Pagers Attacks on Hezbollah Be Classified as a Cyber-Attack? Our Drexel GPS opinion is a resounding YES.

- Viewed through the lens of geopolitics and national defense, this latest incident highlights the importance of ensuring, along with redundancy in supply chains, that protocols and procedures are in place to ensure the physical security of the components that make up the products in addition to properly safeguarding supply routes.
- Cybersecurity Maturity Model Certification (CMMC) is a framework that was developed by the U.S. to address a broad range of cybersecurity concerns including the increasing complexity of supply-chain networks in manufacturing. In particular, it addresses suppliers of products to the Department of Defense (DoD) which underwent a revised policy towards CMMC in 2019, and other critical government agencies.
- The general public has largely been conditioned to perceive a cyber-attack as something which primarily affects software and to a lesser degree the hardware attached to it resulting in a non-kinetic, non-physical disruption, such as financial theft, cyber ransoms, and loss of access to stored information.
- The recent exploding pager attack against Hezbollah in Lebanon can indeed be classified as a cyber-attack, as it involves the manipulation of technology - specifically communication devices - to achieve a strategic objective.
- By exploiting vulnerabilities in Hezbollah's reliance on pagers, the attack not only targeted physical assets but also disrupted the organization's operational capabilities.

- Israel allegedly established shell companies to facilitate the covert operation that supplied Hezbollah with booby-trapped pagers. This was a sophisticated strategy aimed to exploit Hezbollah's reliance on technology by turning their own trusted communications tools against them.
- The operation highlights the intricate interplay between technology and warfare and reshapes how conflicts are going to be fought in the modern era, where the boundaries between cyber and kinetic warfare are increasingly blurred.
- This also affords a tangible example of the convergence of cyber tactics with traditional warfare, illustrating how digital tools can be weaponized to inflict damage and chaos in the physical realm.

Drexel GPS Assessment:

Other Geopolitical Areas of Strategic Focus

The Arctic Circle:

- Melting ice caps are opening up new shipping routes and access to untapped natural resources, escalating tensions in the Arctic.
- As countries like Russia and China vie for dominance in this strategically vital region, competition over territorial claims and resource extraction could ignite conflicts that disrupt global trade and energy supplies.

Africa - The Sahel

- Another area of concern is the instability in the Sahel region of Africa, where a combination of climate change, political upheaval, and rising extremist groups is creating a volatile environment.
- This instability can lead to mass migrations and humanitarian crises, putting pressure on neighboring countries and potentially spilling over into larger conflicts. Such disruptions could impact agricultural markets and energy prices, with cascading effects on global economic stability.

Latin America:

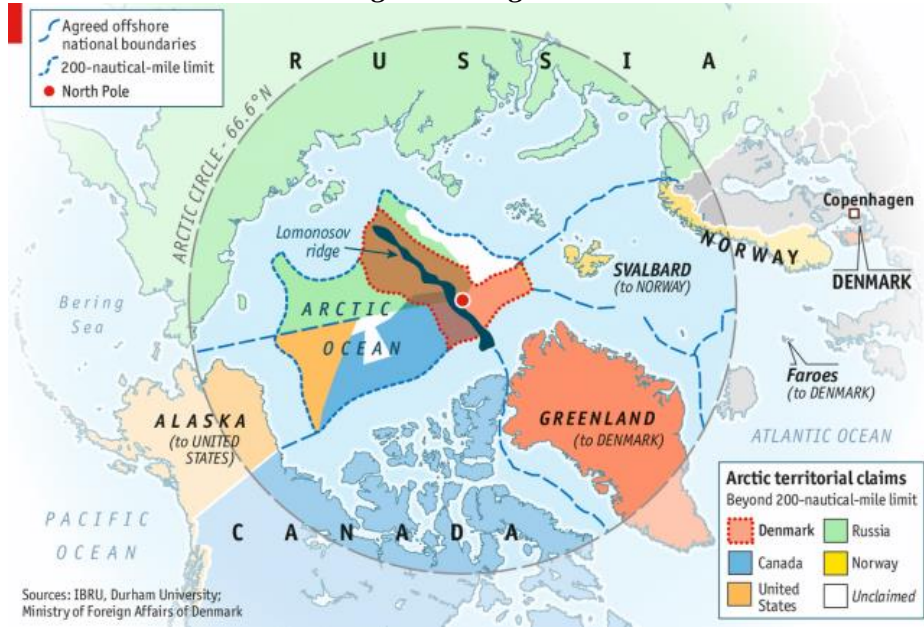
- The ongoing economic challenges in Latin America, particularly in countries like Venezuela and Argentina, pose risks for U.S. interests in the region. Hyperinflation, political corruption, and social unrest can lead to increased migration and a rise in transnational crime, affecting U.S. border security and regional stability.
- The financial markets may respond negatively to any spillover effects, including disruptions in trade and investment flows.

These underreported geopolitical flashpoints highlight the interconnectedness of global events and the potential for unforeseen consequences that could impact the U.S. economy and financial markets. As such, vigilance and proactive engagement in these areas are essential to mitigate risks and safeguard national interests.

An Israeli/Hezbollah Full-Scale Conflict Looms over the Region

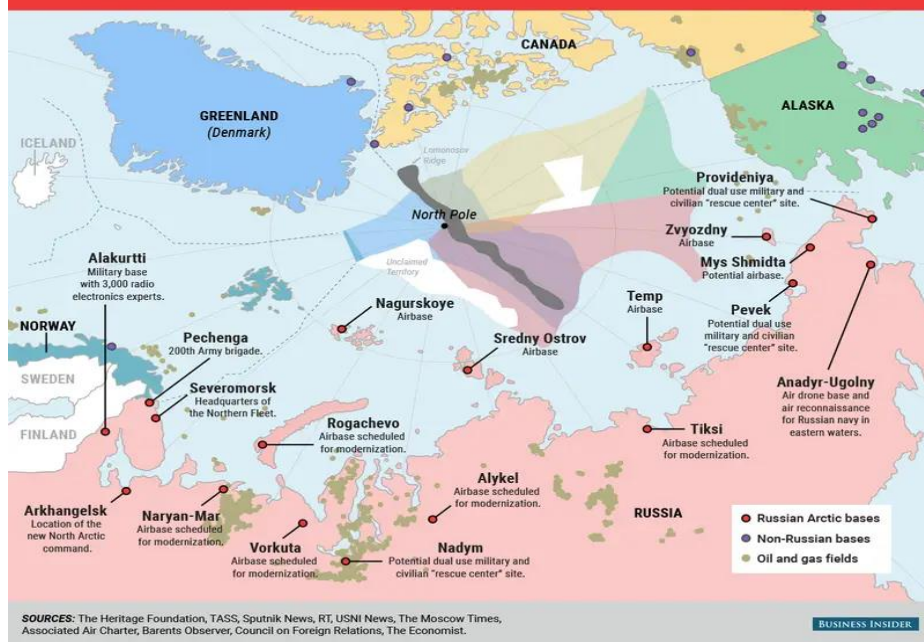


The Arctic Circle is Growing in Strategic Relevance



The Militarization of the Arctic Circle Is Increasing

RUSSIA'S MILITARIZATION OF THE ARCTIC



Drexel GPS will continue to monitor these situations as they develop.

Ben Downing

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