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from Walter J. Zimmermann Jr.

walterz@united-icap.com

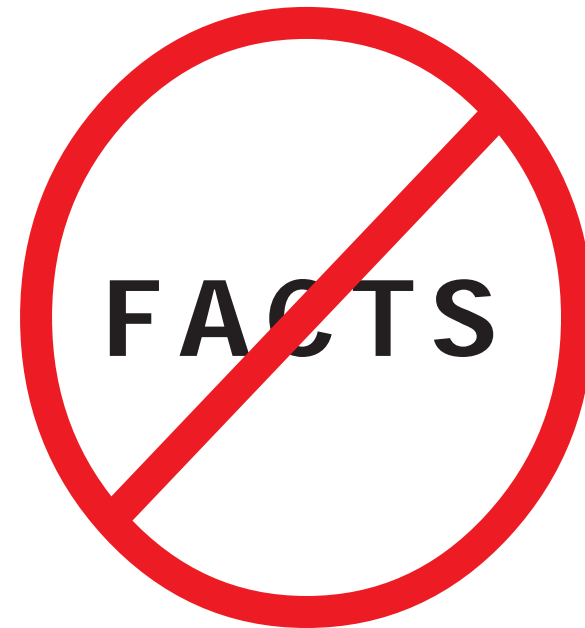
Diplomacy:
a fact free zone

Diplomacy
versus
Technical Analysis

22 May 2014

This brief update is a follow up to my 3rd May 2014 observations report "Vladimir Putin is a Thug."
That report traced the timeline of the transformation of Russia under Putin from communism to fascism.

Walter J. Zimmermann Jr.
United ICAP



**Diplomatic Zone:
No facts allowed**

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Prince Charles 'Hitler' row 'risks triggering international scandal'

Prince Charles' comparison of Vladimir Putin to Adolf Hitler risks an 'international scandal' a Russian newspaper warns, as Nick Clegg defends heir to the throne

Gordon Rayner By Gordon Rayner, Chief Reporter and Roland Oliphant

11:52AM BST 21 May 2014

Nick Clegg has defended the Prince of Wales over his comparison of Vladimir Putin to Adolf Hitler, saying the heir to the throne is 'entitled to his views' despite warnings from a Russian newspaper the remarks could "trigger an international scandal".

The Prince caused controversy when he told a woman in Canada that the Russian president "is doing just about the same as Hitler" in annexing Crimea in the Ukraine.

Popular Russian daily paper Moskovskij Komsomolets (MK) said the comment risked complicating already "not unclouded" UK-Russian relations. "The heir to the British throne, Prince Charles, risks triggering an international scandal and complicating the already not unclouded relationship between Britain and Russia," it stated.

Other commentators have likened Russia's handling of the Ukraine crisis to Hitler's takeovers of Poland and Czechoslovakia and have criticised Mr Putin's use of special forces in disguise to stir up tension in disputed areas.

Diplomacy: a fact free zone

My 3rd May 2014 observations piece noted that the field of diplomacy becomes a fact free zone whenever creating an illusory alternate reality becomes preferable to going to war to stop a tyrant from having his way with the world.

As no one wants to go to war with Russia over Putin's seizure of the Crimea, the neck strain from trying to look the other way has become an international epidemic. It is quite refreshing to see a major figure tell it like it is instead of wishing it was otherwise.



Technical Analysis:

At critical junctures in the market the tools of technical analysis enable one to recognize that the truth of what is about to unfold is always the complete opposite of the general consensus.

Diplomacy:

At critical junctures in international relations diplomacy is the carefully cultivated habit of avoiding any references to the actual truth if that might facilitate a reduction in international tensions.

Technical Analysis:

A method of separating truth from wishful thinking.

Diplomacy:

A method of obscuring the truth with wishful thinking.

Technical Analysis:

A window through which one is able to observe that trends in the collective mood drive trends in both economics and politics.

Diplomacy:

The habit of avoiding the truth of worsening geo-political trends in the hope that the trend will reverse and improve on its own.

Technical Analysis:

Technical analysis fails when hopes and fears are allowed to overshadow the message of the price action.

Diplomacy:

Diplomacy fails when wishful thinking can no longer paper over the fact of conflicting objectives and incompatible world views.

Technical Analysis:

When practiced properly and on a regular basis technical analysis can help inoculate us from the delusions of the collective mood.

Diplomacy:

When practiced properly and on a regular basis diplomacy can create a fact free zone where no one has to deal with reality.

Technical Analysis:

A technical analyst learns to recognize when someone's outlook has been obscured by their own hopes and fears.

Diplomacy:

A diplomat learns how to enter a state of mind where the fear of an adverse outcome is replaced by the hope for a better outcome.

Technical Analysis:

An early warning system that allows us to forecast when the collective illusions generated and maintained by a long standing market trend are about to be destroyed by an adverse trend.

Diplomacy:

An avoidance system that employs collective ambiguity and mutual self-deception in an effort to replace a path that leads to conflict and war with a path that reduces inflamed tensions and anxieties.

Technical Analysis:

Tools for uncovering the truth when the truth is needed.

Diplomacy:

Methods for avoiding the truth when the truth is objectionable.