



## Periscope 2018: Year Ahead Risk Forecasts

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*\*DaMina's independent research opinions do not reflect the views of its external senior advisors*

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### ABOUT DAMINA

DaMina is a preeminent independent Africa-Asia frontier markets political risk, research, due diligence, M&A transactions and strategic consulting firm.

DaMina Advisors is legally registered in multiple jurisdictions with staff presence in the UK, US, Canada, Australia and Ghana. DaMina Advisors is headquartered in Toronto

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### 2018 GLOBAL FORECASTS

- I. **Turkey may exit NATO:** The strained relationship between Turkey and NATO will likely see the major Middle Eastern nation commence its legal exit from NATO in 2018. As the country proceeds with the final installation of Russia's S-400 anti-missile systems, it will become obvious that its membership in NATO is no longer tenable. Estranged from its traditional NATO allies, Turkey is gradually becoming a key leader in an emerging Russia-Turkey-Iran-Egypt-Qatar geopolitical bloc. Turkey has the second largest armed forces within NATO and its exit will practically doom the alliance and pivot the Mediterranean into Russia's orbit.
- II. **Gold could top \$1,600:** With geopolitical tension a-plenty and gold becoming increasingly negatively correlated with Bitcoin in international capital markets, as the cryptocurrency mania fades, with a war in the Pacific and Middle East likely, gold may yet re-test its 2013 highs of around \$1,600/ ounce.

### 2018 FRONTIER AFRICA & ASIA FORECASTS

- III. **Nigeria's ailing Buhari to seek re-election:** Nigeria's President Buhari will push forward with his reelection campaign despite his ill health. However an almost predictable flare-up of his rare aplastic anemia ailment will ultimately force him from the trail throwing the ruling APC party into a panic and opening an opportunity for the opposition PDP to wrestle power in 2019.
- IV. **Saudi Arabia devalues Riyal:** Despite the likely rise in crude oil prices in 2018 back towards \$100/ barrel over geopolitical tensions and decreased OPEC supply, Saudi Arabia's depleted state finances and stalled economy may force the country to devalue the country's currency, the Riyal, by 5%-10%.
- V. **Yemen civil war fully engulfs Saudi Arabia:** 2018 may yet test the stability of the House of Saud and the unity of the nearly 70 year old nation. The raging civil war in neighboring Yemen may fully engulf Saudi Arabia and threaten the rule of King Salman, Crown Prince Mohammad reforms and Saudi Aramco's IPO.
- VI. **Cameroon 2018 Elections to trigger regime change:** Cameroon's 2018 elections may see the country plunged into a Kenya-style crisis, with the French speaking central government taking harsher and harsher measures against the western Anglophone Cameroonians until an 'Arab Spring' type protest ingloriously forces 84 year old President Paul Biya, in high office since 1975, out of power.
- VII. **Cote d'Ivoire's Soro to announce run to replace Ouattara:** Cote d'Ivoire's Speaker of National Assembly Guillaume Soro will likely declare his candidacy for the 2019 presidential poll. While President Alassane Ouattara will ultimately support Soro, in exchange for Soro's help to calm mutinying soldiers, the ruling center-right RDR-PDCI coalition may split over Soro's candidacy.
- VIII. **DRC Elections unlikely to hold:** DR Congo's late 2018 elections will very likely to be postponed again. The cash strapped country does not have the resources to stage a credible poll. President Joseph Kabila may yet hang-on in a diminished capacity with the tacit support of the France, Belgium and the US over fears that his departure may imperil the country's stability.
- IX. **Mozambique's President Nyusi unlikely to win top party post for reelection:** Mozambican President Felipe Nyusi may fail to win the party's leadership post in 2018, jeopardizing his ultimate re-election campaign in 2019. Former President Gebuza, Nyusi's former mentor, has fallen out with the president and vows to unseat Nyusi. A political struggle within Mozambique's ruling party will deter investors.