

CONNECTING THE DOTS

A Framework for Geopolitical Research Under Uncertainty

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Abstract

This document sets out a working methodology for analysing geopolitical events as connected phenomena rather than discrete news items. It is built on a simple observation: most conventional risk frameworks assume the world behaves normally, and they fail in moments of structural change — exactly the moments when accurate analysis matters most.

The framework presented here is a research tool, not a trading system. Its purpose is to improve understanding under uncertainty, not to generate trade signals. It combines a theoretical foundation in model-failure economics, a structured method for identifying which events genuinely matter, a twenty-signal monitoring system organised around cluster behaviour, and an explicit discipline for guarding against the analyst's own biases.

The methodology has been applied throughout 2025 and 2026 to track what the author has framed as a structural geopolitical realignment around resources, technology, and currency. Selected applications are documented in the appendix as illustrations of the framework's analytical use, including specific cases where it identified developments early and cases where it produced false positives.

The framework is offered as a research methodology for those interested in connecting geopolitical complexity to a structured analytical discipline. It does not claim predictive accuracy. It claims structured observation.

Part 1: The Problem

Why Conventional Frameworks Miss Structural Shifts

Most professional analysis of geopolitical risk operates on a small set of assumptions that are rarely articulated. First, that events can be understood individually before being aggregated. Second, that the historical relationships between asset classes — the correlations between equities, bonds, commodities, and currencies — will continue to hold. Third, that volatility, while elevated during crises, will mean-revert. Fourth, that consensus narratives, while sometimes wrong on specifics, are broadly correct about the shape of the world.

These assumptions are reasonable in periods of structural stability. They produce useful analysis perhaps eighty percent of the time. They fail in the periods that matter most — moments when the underlying structure of the system is changing, when correlations break, when narratives are wrong about the shape of the world rather than just its details. The 1987 crash, the 1998 Russian default that destroyed Long-Term Capital Management, the 2008 financial crisis, and the March 2020 pandemic shock were each moments of conventional framework failure.

The current period exhibits multiple signals of structural change occurring simultaneously. The dollar's share of global reserves has fallen from 71% to approximately 57% over the past decade. The petrodollar system is being eroded by bilateral oil-for-currency arrangements between China, India, Brazil, Russia, and increasingly Gulf producers. Critical mineral supply chains are concentrated in jurisdictions that are no longer reliable suppliers. The post-1945 alliance system is being publicly renegotiated. Central banks have been net buyers of gold for fourteen consecutive quarters. None of these phenomena is novel in isolation. The point is that they are occurring together.

The Pattern Recognition Problem

Identifying genuine structural shifts is harder than it appears. The human mind is exceptionally good at pattern recognition — including the recognition of patterns that do not exist. Once an analyst has formed a view, every news item begins to confirm it. This is not a moral failing; it is a cognitive default. Any methodology that does not explicitly counter this tendency will produce coherent-sounding analysis that turns out to be elaborate confirmation bias.

Equally, the opposite failure is common. Analysts who have been wrong on a structural shift in the past tend to dismiss subsequent signals of the same shift, treating each new piece of evidence as another false alarm. The 2008 financial crisis had multiple identifiable warning signs from 2006 onward; most professional analysts dismissed them on the basis that previous

similar warnings had not produced crises. Being early and being wrong look similar in the short term. Being right and being early can be commercially indistinguishable from being wrong.

The methodology presented here attempts to address both failures simultaneously: detecting structural shifts that are genuinely occurring, while remaining alert to the possibility that the analyst's own pattern-matching is the source of the apparent pattern.

Part 2: The Theoretical Anchor

Black-Scholes and the Logic of Model Failure

The Black-Scholes model, published in 1973 by Fischer Black, Myron Scholes, and Robert Merton, is the mathematical foundation underneath most modern risk management. It produces fair prices for options by treating volatility as the central uncertainty in markets, with all other inputs — current price, strike price, time to expiry, interest rates — observable. The model assumes that prices follow a smooth random walk, that volatility is constant, that markets are perfectly liquid, that returns are normally distributed, and that correlations between assets are stable.

In normal periods, these assumptions are roughly true. The model produces useful answers. In periods of structural change, the assumptions fail in characteristic ways: prices move discontinuously rather than smoothly, volatility spikes beyond historical ranges, correlations that have held for decades break in days, liquidity disappears when it is most needed. The 1987 crash was a 22-standard-deviation event under Black-Scholes assumptions — meaning a market move so extreme that under the model it should occur once every several billion years. It happened anyway.

The most instructive failure case is Long-Term Capital Management, founded in 1994 by Scholes, Merton, and a team of leading practitioners. The fund used the most sophisticated mathematical models in finance and delivered returns of 21%, 43%, and 41% in its first three years. In 1998, during the Russian financial crisis, correlations that had been stable for decades broke. Volatility spiked beyond anything the model anticipated. LTCM lost \$4.6 billion in four months and required a Federal Reserve-organised bailout to prevent systemic collapse. The men who literally invented the formula for pricing risk lost more money faster than almost anyone in history — not because the model was wrong, but because they trusted it more than the evidence that it was breaking.

The Operational Insight

The lesson is not that models are useless. The lesson is that models are tools, and tools have limits. The discipline is knowing when the tool is working and when it is not. In normal periods, conventional analysis is reliable. In periods of structural change, it produces dangerous confidence in conclusions that are about to be invalidated. A methodology for geopolitical research must therefore include explicit machinery for detecting when the underlying assumptions of conventional analysis are starting to fail.

Implications for Geopolitical Research

Translating this insight from financial theory into geopolitical analysis produces three operational principles. First, conventional analysis should be trusted in normal periods and treated with increasing scepticism as evidence of structural change accumulates. Second, the most important signals are not the largest or most newsworthy events, but the small phenomena that suggest underlying assumptions are breaking — currencies behaving in ways their fundamentals do not justify, alliances showing strain that institutional inertia would normally suppress, prices for commodities decoupling from supply-and-demand reality. Third, the appropriate analytical posture is structured observation rather than confident prediction. The framework does not aim to forecast outcomes; it aims to identify the conditions under which forecasts become unreliable.

This is the conceptual foundation of what follows: a methodology for connecting events into themes while remaining alert to the moments when the connections themselves are evidence of something larger.

Part 3: The Methodology

Connecting Events into Structural Themes

The core analytical move in this framework is connecting apparently separate events into structural themes. The theory is that genuine structural shifts manifest across multiple domains simultaneously — political, economic, military, monetary — and that an event in one domain is most informative when its connection to events in other domains is recognised.

As a working example, consider the framework's organising thesis for 2025-2026, which the author has called the Grand Unified Thesis. It argues that several apparently distinct geopolitical conflicts are actually connected expressions of a single underlying competition over resources, technology, and currency. The theory treats five sets of events as Acts of a single structural conflict rather than as separate stories.

The Five-Acts Framework as Methodological Illustration

1. Venezuela and the Monroe Doctrine. — The January 2026 US action against Maduro is not an isolated regime-change operation. It is the reassertion of US hemispheric dominance over a country with the world's largest proven oil reserves, occurring at a moment when the US is increasingly contested elsewhere. The methodology treats Venezuela as Act 1 of a broader pattern, not as a discrete event.

2. The Chip and Technology War. — US tariffs on advanced semiconductor exports, restrictions on TSMC, Huawei's reported 60-70% market share in H200-equivalent processors, and the relocation of 40% of TSMC capacity to the US are connected. They constitute a sustained effort to control the physical infrastructure of artificial intelligence at a moment when AI is reshaping economic and military power. The methodology connects them as Act 2.

3. The Rare Earth Squeeze. — China controls approximately 60% of mining, 80% of processing, and 90% of permanent magnet production for rare earth elements. The October 2025 Trump-Xi Busan summit produced a one-year truce expiring November 2026. Chinese analysts publicly describe rare earths as their 'ace of spades.' The methodology treats this as Act 3 — a structural choke point that the West has not solved and cannot solve in the short term.

4. The Iran War. — Operation Epic Fury beginning 28 February 2026, the assassination of Khamenei, the closure of the Strait of Hormuz, the 8 April Pakistan-brokered ceasefire that has been in continuous low-grade violation since. The methodology treats this as Act 4 — a war whose stated objectives have not been achieved and whose actual effects have included demonstrating Iranian capability to disrupt the world's most important oil chokepoint.

5. Petrodollar Erosion. — The dollar's reserve share falling from 71% to 57%, gold passing Treasuries as a reserve asset for the first time since 1996, the BRICS Unit launched December 2025 with 40% gold and 60% currency basket backing, the UAE exit from OPEC effective 1 May 2026. The methodology treats this as Act 5 — the slow restructuring of the monetary system that underlies the others.

The point of this framework is not that the connections are necessarily correct. The point is that connecting events in this way produces a different analytical output than treating them separately. Each Act, viewed in isolation, can be understood through conventional analytical frameworks. Viewed together, they suggest that conventional frameworks are missing the structural picture.

How To Distinguish Structure From Noise

Not every event is a structural signal. Most events are noise — politically significant in the short term, irrelevant to the underlying system. The methodology applies four tests to distinguish structural events from noise.

1. The Reversibility Test. — Could this event be reversed by a change in administration, a diplomatic agreement, or a market correction? Tariffs are usually reversible. Sovereignty transfers are usually not. The Chagos Islands deal pause is potentially reversible; the UAE exit from OPEC is structurally durable. Structural events are typically irreversible at relevant timescales.

2. The Multi-Domain Test. — Does this event manifest across multiple domains simultaneously, or only in one? An oil price spike alone is a market event. An oil price spike combined with insurance market repricing of tanker traffic, currency adjustments by major importers, and physical commodity flow rerouting is a structural event.

3. The Institutional Test. — Does this event require institutional change to occur, or is it a behaviour change within existing institutions? Behaviour change is usually noise. Institutional change — the creation of new organisations, the dissolution of existing ones, the alteration of fundamental rules — is structural. The BRICS Unit is institutional. A bilateral trade agreement is behavioural.

4. The Reaction Test. — How are sophisticated actors with skin in the game responding? Central banks accumulating gold for fourteen consecutive quarters is meaningful precisely because central banks are conservative actors who do not change reserve composition lightly.

When sophisticated participants change behaviour, the signal is more reliable than headline events.

These tests do not produce certainty. They produce a structured way of weighting evidence. An event that passes all four tests is high-priority for inclusion in structural analysis. An event that passes none is probably noise. Events that pass one or two require further observation before classification.

Part 4: The Twenty-Signal Framework

Cluster Monitoring as Structured Observation

Once the methodology has identified structural themes, the question becomes how to monitor them in real time without falling into pattern-matching bias. The framework uses a twenty-signal cluster monitoring system organised around five categories of evidence.

The single most important rule of the system: one signal flashing is normal market behaviour. Three or four signals flashing simultaneously is the model starting to crack. The cluster threshold matters because individual signals are noisy. Genuine structural change shows up as multiple normal relationships breaking at once — exactly the failure mode that destroyed LTCM in 1998 and that conventional risk frameworks systematically underweight.

The Five Categories

The signals are organised across the five domains where structural change manifests. The full list is provided in the appendix; the categories are summarised here.

- Currency and dollar signals — stress in the international monetary system, including dollar-Treasury yield decoupling, reserve composition shifts, and non-dollar oil settlements.
- Bond and credit signals — stress in the underlying credit infrastructure, including Treasury auction demand, credit spread behaviour, foreign holdings, and yield curve dynamics.
- Commodity and physical signals — divergences between commodity prices and equity prices, anomalous correlations between gold and the dollar, silver-gold ratio behaviour, and industrial metals as growth proxies.
- Equity and volatility signals — sustained VIX elevation, concentration of returns in narrow leadership groups, defensive sector outperformance, and insider selling behaviour.
- Geopolitical and structural signals — withdrawal from multilateral institutions, formal weaponisation of supply chains, sovereign default risk, and central bank reserve composition changes.

Action Tier Logic

Different cluster levels trigger different responses. The framework is designed to scale activity to evidence rather than to emotion.

Signals Active	Status	Recommended Response
0-2	Normal	Standard weekly monitoring. Continue baseline analysis.
3-4	Elevated	Daily monitoring. Document observations. Review whether existing analytical frameworks remain appropriate.
5-7	High Alert	Daily monitoring. Begin documenting potential scenarios. Treat the cluster behaviour itself as a research output.
8+	Crisis Pattern	Daily monitoring. The cluster suggests structural change is underway. Conventional frameworks should be treated with explicit scepticism.

As of May 2026, three signals are clearly active and three more are in early-warning state, placing the current environment between Normal and Elevated. The action recommended is daily monitoring with documented observations, which is exactly what the framework prescribes for this status.

Part 5: Bias Discipline

The Most Important Section

A framework that detects connections without checking the analyst's own pattern-matching is worse than no framework at all, because it produces confident-sounding analysis that is actually elaborate confirmation bias. This section sets out the specific cognitive failures the methodology is designed to counter, and the operational disciplines that counter them.

Confirmation Bias

Once an analyst has formed a structural thesis, every news item begins to support it. The methodology counters this in two ways. First, predictions are documented in advance, with specific success criteria, so that post-hoc rationalisation is harder. Second, the framework requires explicit identification of evidence that would falsify the thesis, with regular review of whether such evidence has accumulated. If the answer is consistently no, the question becomes whether the falsification criteria are too lax — a thesis that cannot be falsified is not analysis, it is belief.

Recency Bias

The most recent events feel most important. They are usually not. The methodology requires that any new event be evaluated against historical analogues before being weighted. The 2026 oil futures insider trading pattern is more interesting if it follows a historical pattern (it does — similar patterns occurred during the 2022 Russian invasion of Ukraine and the 2003 Iraq War run-up) and less interesting if it is unprecedented. Recency bias treats every new event as more significant than the historical record warrants.

Narrative Coherence Overfitting

A coherent narrative is more compelling than a fragmented one, even when the fragmented version is more accurate. Analysts under pressure to produce clear thinking will simplify reality into stories with clear actors, motivations, and trajectories. Real geopolitics is messier than this. The methodology requires that any clean narrative be tested against the messier alternative — the version where actors have multiple competing motivations, outcomes are heavily contingent, and apparent causation is partly coincidence. The Iran war can be told as Netanyahu manipulating Trump into a strategic disaster, or as Trump making a deliberate choice that has not yet paid off, or as a contingent outcome of multiple actors miscalculating simultaneously. The first version is most narratively compelling. The third is most likely to be accurate.

The Seduction of Pattern Matching

Once the framework starts identifying connections, the connections feel everywhere. This is the most dangerous bias because it produces confidence in proportion to the elaborateness of the analysis. The discipline is to ask repeatedly: am I seeing this pattern because it is there, or because I am looking for it? The five-Acts framework presented earlier could be wrong. The events might be genuinely unconnected, with the connection existing only in the analyst's interpretation. The methodology requires that this possibility be held open, not dismissed. A working hypothesis is held with epistemic humility; a confirmed thesis is held with curiosity about what could disprove it.

The Operational Discipline

When new events appear to confirm an existing thesis, the analyst should be more cautious, not more confident. Confirmation feels good. It is also the moment when the framework is most likely to be over-fitting reality to a preferred narrative. The reverse is also true: when new events appear to falsify the thesis, the analyst should treat that with equal seriousness rather than seeking ways to reinterpret the evidence. The strongest version of any thesis is one that has been actively challenged and has survived the challenge — not one that has been continuously vindicated.

Part 6: Applied Examples

The Framework in Use

This section documents four specific cases where the methodology has been applied during 2025-2026. They are presented as illustrations of analytical use, not as predictions or as evidence of forecasting accuracy. The point is to show how the framework processes specific events rather than to claim a track record.

Example 1: The Oil Futures Insider Trading Pattern

The Financial Times has documented three suspiciously timed trades in oil futures around Trump policy announcements: \$580 million in short positions placed 15 minutes before the 23 March 2026 delay-of-strikes post; \$950 million on 7 April before the ceasefire announcement; \$750 million on 17 April before Iran's Hormuz reopening statement. The CFTC is investigating.

Conventional analysis treats these as three discrete trading scandals. The framework treats them as a single structural phenomenon: the oil market is no longer pricing supply-and-demand fundamentals, it is pricing predictions about the next Trump communication. This is a model-failure signal. It indicates that conventional commodity analysis frameworks are no longer reliable for oil price forecasting in the current environment, because the market dynamics have shifted from fundamentals to information asymmetry. The implication is not 'oil will go up' or 'oil will go down' but 'conventional oil analysis is currently producing confident answers to the wrong question.'

Example 2: The UAE OPEC Exit

On 1 May 2026, the UAE formally exited OPEC, ending a membership that had begun in 1971. Conventional analysis covered this as a Gulf-specific story about commercial flexibility and Saudi-UAE rivalry.

The framework treats this as Act 5 of the structural petrodollar erosion thesis. The UAE has chosen the moment of an active war on Iran, with Hormuz contested, to leave the institution that has structured global oil pricing for over fifty years. The four tests of structural significance all pass. It is not reversible at relevant timescales. It manifests across multiple domains (energy markets, currency markets, alliance structures, sovereign wealth deployment). It is institutional rather than behavioural. It signals strategic repositioning by a sophisticated actor with significant resources at stake. The framework therefore weights this event heavily, while noting that the timing — during an Iran war — is itself information about how the UAE assesses the future.

Example 3: The Dollar-Treasury Yield Decoupling

During January 2026, during Trump's Greenland acquisition threats, the dollar fell simultaneously with Treasury yields rising. This was anomalous. Historically, capital flowing into Treasuries strengthens the dollar; both moved in the opposite direction to the conventional safe-haven pattern.

Conventional analysis treated this as transient. The framework treated it as a Signal 1 activation under the cluster monitoring system — an early-warning indicator of capital reallocation away from US assets rather than into them. The pattern recurred episodically through Q1 2026. Whether it becomes a sustained structural pattern remains to be seen. The framework's posture is to monitor for recurrence rather than to predict outcome. If the pattern continues, it would justify further investigation; if it does not, the early signal turns out to be a false positive. The methodology accommodates both outcomes without requiring confidence in either.

Example 4: The Iran Ceasefire — Nominal vs Operational

The 8 April 2026 Iran ceasefire has been continuously violated since the day it was announced. Israel launched 'Operation Eternal Darkness' against Lebanon within hours. The IRGC seized commercial vessels in the Strait. The US launched and paused 'Operation Project Freedom' within four days. Trump described one fire exchange as a 'love tap.'

Conventional analysis covers each violation as an event. The framework distinguishes between nominal and operational reality: the ceasefire exists as a diplomatic instrument but does not exist as an operational ground truth. This distinction matters because the conventional framing — 'the ceasefire is fragile' — implicitly treats the ceasefire as the baseline from which deviations occur. The framework treats the continuous violation as the baseline, with the diplomatic instrument as a fiction maintained by both sides for their own reasons. This produces different analytical outputs and different forward expectations: the ceasefire will not stabilise, because it is not a thing that can stabilise; what can change is the level of violation, and the political commitment to maintaining the diplomatic fiction.

Part 7: Limitations

What This Framework Does Not Do

Honest acknowledgement of limitations is a necessary part of any methodology. The following are the areas where this framework is weak, where it has produced false signals, and where it should not be relied upon.

It Does Not Predict Timing

Structural shifts can take years to manifest in observable ways. The framework can identify that a shift appears to be underway, but it cannot reliably predict when the shift will produce visible consequences. The 2008 financial crisis had warning signs from 2006. The Soviet Union's structural weaknesses were identifiable from the 1970s. Being early on a structural call is operationally indistinguishable from being wrong, sometimes for years. Any user of this framework needs to accept that timing precision is not within its scope.

It Produces False Positives

Of the twenty signals in the monitoring system, perhaps half flash falsely in any given year. The cluster threshold is designed to filter individual false positives, but cluster behaviour can also be coincidental. During 2024, multiple signals flashed in a brief cluster around the US election, which turned out to be politically driven volatility rather than structural change. The framework would have called this Elevated when the appropriate response was Normal. False positives are unavoidable in any monitoring system; they are bounded but not eliminated by the cluster requirement.

It Is Not A Trading System

The framework is research output, not investment advice. The author has tested whether it produces alpha when applied to personal investment decisions over twenty months. The answer is that it does not — directionally correct macro analysis has produced active trading underperformance against a passive global tracker. This is a deliberate disclosure: the framework's value is in understanding, not in market timing. Any application that treats the framework as a trading signal generator should be approached with extreme caution and significant additional discipline beyond what is set out here.

It Reflects The Author's Worldview

Every analytical framework reflects the analyst's priors. This one is no exception. The author's particular interest in resource economics, monetary systems, and Catholic ethical frameworks shapes which events the framework treats as significant. A different analyst with different priors would weight different events. The framework is therefore not neutral. It is a structured way of applying one particular set of analytical priors, with explicit machinery for testing whether those priors are producing pattern-matching error. Other analytical priors are equally legitimate and would produce different but potentially equally valid frameworks.

It Cannot Fully Counter Its Own Biases

Despite the bias discipline section, the analyst remains the analyst. No methodology can fully escape the worldview of the person applying it. The most the framework can claim is that it makes the worldview explicit, identifies the specific biases that worldview produces, and applies operational disciplines to counter them. This is better than analysis without such machinery. It is not equivalent to objective analysis.

Part 8: How This Might Be Useful

Possible Applications

The framework was developed as a personal research tool. Through use, it has demonstrated some properties that may be useful in institutional settings — not as a replacement for existing analytical capabilities, but as a complement to them.

Structural Risk Monitoring

The cluster signal system can serve as a structured way of monitoring for the conditions under which conventional risk models are likely to fail. This is potentially useful for risk committees that already have access to sophisticated analytical tools but lack a defined trigger for deeper scenario work. The framework is designed to be a meta-tool — its primary function is identifying when other tools are likely to be unreliable.

Geopolitical Scenario Planning

The methodology for connecting events into structural themes can complement scenario planning exercises. Most scenario planning focuses on individual events and their first-order consequences. The framework's contribution is the explicit treatment of how events connect across domains, which produces different scenario outputs than single-domain analysis.

Research Input

As a structured way of organising research questions, the framework can be useful for analysts working on related themes. The five-Acts approach to recent geopolitics is one application; the methodology generalises to other organising theses. The bias discipline section is potentially useful for any analyst working on contested questions.

Educational and Training Use

The framework's explicit treatment of confirmation bias, narrative coherence overfitting, and pattern-matching seduction makes it potentially useful as a teaching tool for analysts learning to navigate genuine uncertainty. The Black-Scholes failure framing provides a concrete entry point that connects financial theory to geopolitical analysis.

What This Document Is Not

This document is not a commercial pitch. It is a working description of a methodology that the author has been developing through practical application. It is shared in the spirit of intellectual exchange rather than as a service offering. The author is interested in conversation about the framework's strengths and weaknesses, in its potential refinement through engagement with practitioners who have complementary expertise, and in possible applications that may not be visible from the personal research perspective from which it was built.

Anyone who reads this and finds the framework analytically useful is welcome to apply it. Anyone who reads it and identifies weaknesses or suggests improvements would be doing the author a service. Anyone who reads it and thinks of someone else who might find it interesting is invited to share it.

Appendix: The Full Twenty-Signal Framework

The complete monitoring system referenced in Part 4. Each signal includes the conventional pattern that defines normal behaviour and the deviation pattern that constitutes activation.

Category 1: Currency and Dollar Signals

- 1. Dollar falling while Treasury yields rise simultaneously.** — Normally money flowing into Treasuries strengthens the dollar. When both move opposite to the historical pattern, capital is leaving America entirely. Activated episodically in January 2026 during Greenland threats.
- 2. Dollar share of global reserves dropping below 55%.** — Currently at approximately 57%, down from 71% a decade ago. Below 55% would mark loss of dominant reserve currency status. IMF COFER data, quarterly.
- 3. Major economies announcing oil purchases in non-dollar currencies.** — Each instance erodes the petrodollar. UAE OPEC exit makes this signal more likely as Gulf producers pursue independent currency arrangements.
- 4. Sterling weakening rapidly versus euro and yen simultaneously.** — Multi-currency weakness is harder to dismiss as dollar strength. Particularly relevant given UK-US relationship dynamics.

Category 2: Bond and Credit Signals

- 5. US Treasury auctions failing or having weak demand.** — Bid-to-cover ratio sustained below 2.0 across multiple auctions would be a serious warning. Treasury publishes after each auction.
- 6. Credit spreads widening sharply.** — High-yield spread is most sensitive. Widening of more than 200 basis points in a short period is significant.
- 7. Foreign Treasury holdings declining for multiple consecutive months.** — TIC data, monthly. Three consecutive months of net selling by major holders is the threshold.
- 8. Inverted yield curve normalising suddenly.** — 10-year minus 2-year and 10-year minus 3-month spreads have predicted every US recession in 50 years.

Category 3: Commodity and Physical Signals

9. Gold price moving sharply higher despite a strong dollar. — Sustained co-movement for several weeks would be the threshold. Currently active.

10. Oil price spike with no obvious supply event. — The 2026 Trump Truth Social pattern is a specific example. Currently active.

11. Silver outperforming gold by significant margin in short period. — Sharp catch-up move often signals broader monetary loss of confidence.

12. Copper and industrial metals diverging from equity markets. — Watch for divergences sustained over weeks rather than days.

Category 4: Equity and Volatility Signals

13. VIX moving above 25-30 and staying there. — Sustained elevation signals lost confidence in normal volatility assumptions. Currently low at approximately 17 — anomalously so given conditions.

14. Magnificent Seven stocks falling sharply while broader market holds. — Currently 29% of S&P 500 by market capitalisation. Concentration is itself fragility.

15. Defensive sectors outperforming for sustained periods. — Utilities, consumer staples, healthcare leading for weeks rather than days signals professional de-risking.

16. Insider selling at major US tech companies accelerating. — SEC Form 4 filings, trackable. Sustained spike well above historical norms is meaningful.

Category 5: Geopolitical and Structural Signals

17. Saudi Arabia or another major Gulf state leaves OPEC. — UAE exit effective 1 May 2026 has triggered partial activation. Saudi exit would be tectonic.

18. China formally weaponises rare earth exports. — November 2026 truce expiry is the date to watch.

19. A major Asian central bank announces gold reserve increases above 5% of total reserves. — Sustained large-scale buying by Japan, Korea, or India would signal coordinated movement.

20. A sovereign default or near-default in a G20 country. — Italy, Brazil, Turkey have stress points. The 1998 Russian default is the historical template.

About

This document is shared by Philip Bennett (Nownet) as a record of working methodology developed through practical application during 2025-2026. It draws on extensive research, ongoing market observation, and active engagement with the analytical literature on geopolitical risk and financial market behaviour. It is presented in the spirit of intellectual exchange rather than commercial advocacy.

Comments, challenges, and suggestions for refinement are welcomed. The framework is most useful when contested by those with complementary expertise.

End of document. Connecting the Dots — Philip Bennett, Nownet, May 2026.