

# Weekly Forecast Monitor: July 19, 2024

The Weekly Forecast Monitor is a forward-looking assessment of geopolitical dynamics shaping our world. To get more in-depth analysis of these issues and learn more about analytical products from New Lines Institute – including simulations, training sessions, and forecast reports – contact us at [analyticalproducts@newlinesinstitute.org](mailto:analyticalproducts@newlinesinstitute.org) and visit <https://newlinesinstitute.org/analytical-products/>.

## Global Hotspots

The Global Hotspot Tracker examines the outlook for key geopolitical hotspots around the world.

### Russia/Ukraine Conflict [Go to forecast reports](#)

**Summary** – The Russia-Ukraine conflict is trending toward military escalation and diplomatic de-escalation scenarios as Russian troops captured a village in Ukraine’s Donetsk region while Ukrainian troops withdrew from a village in Kherson. Ukrainian President Volodymyr Zelenskyy said the hot stage of the war with Russia could end by December and that Russia should take part in a second peace summit. The Kremlin blamed the Biden administration for creating an atmosphere that led an assassin to target former President Donald Trump.

#### FORECAST INDICATORS

##### Military escalation scenario

- Russian troops captured the village of Urozhayne in Eastern Ukraine’s Donetsk region. Ukraine has reportedly withdrawn from Krynky, a village in the Kherson region.

**Risk level – low/medium**

- Russian forces are preparing to launch an offensive in the Zaporizhzhia region, an adviser to Mariupol’s mayor said.

**Risk level – low/medium**

##### Hybrid escalation scenario

- Finnish cybersecurity firm WithSecure warned of a significant risk that pro-Russian hackers would target the upcoming Olympics.
- Ukrainian startups are developing AI systems to fly a fleet of drones in interconnected “swarms.”

**Risk level – low/medium**

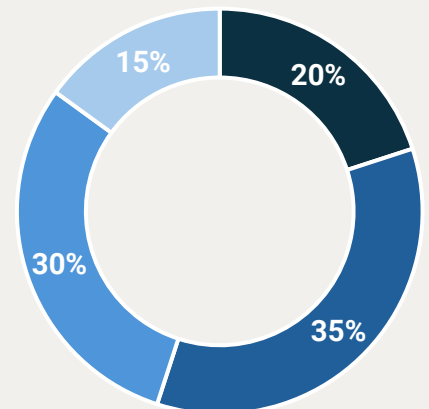
##### Diplomatic de-escalation scenario

- Zelenskyy said Russia should be represented at a second peace summit, planned for November, to discuss ending the conflict, with the war’s “hot stage” possibly wrapping up by year’s end. In a cautious response, the Kremlin said it needed more detail.

**Opportunity level – medium**

- Russian Foreign Minister Sergei Lavrov confirmed negotiations for a prisoner exchange involving detained U.S. journalist Evan Gershkovich, who was convicted of espionage by a Russian court.

**Opportunity level – low/medium**



- Status quo (down 5 pts from start of 2024)
- Military escalation (up 10 pts from start of 2024)
- Hybrid escalation (down 10 pts from start of 2024)
- Diplomatic de-escalation (up 5 pts from start of 2024)

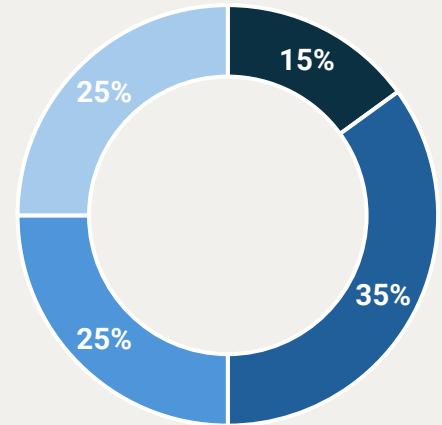
**Middle East** [Go to forecast reports](#)

**Summary** – Tensions in the Middle East trended toward military escalation and diplomatic de-escalation scenarios, as Israel continued offensive operations in Gaza while exchanging rocket fire with Hezbollah in southern Lebanon. The U.S. warned that the Islamic State was regrouping in Syria and Iraq after the group claimed responsibility for an attack against a Shiite mosque in Oman. Hamas said diplomatic efforts to reach a cease-fire agreement with Israel were continuing despite ongoing attacks and the suggestion by Israel’s national security minister that a deal should wait until after November’s U.S. elections.

**FORECAST INDICATORS**

**Military escalation scenario**

- Israel continued to conduct airstrikes amid its limited ground offensive in Gaza, with one strike in a humanitarian zone west of Khan Younis targeting Hamas military chief Mohammed Deif. Another killed Palestinian Islamic Jihad’s naval forces leader, Ahmed al-Masri, in Gaza City.  
**Risk level – medium**
- Al-Houthi rebels claimed responsibility for a drone attack in Tel Aviv that killed one person and wounded eight others.  
**Risk level – medium**
- The Islamic State claimed an attack on a Shiite mosque in Muscat, Oman, on Monday. Separately, the U.S. said Wednesday that the group was trying to “reconstitute” in Syria and Iraq, noting that attacks there over the first six months of 2024 were on pace to double those the group committed in 2023.  
**Risk level – medium**
- Israel and Hezbollah exchanged rocket fire in southern Lebanon and northern Israel. Hezbollah leader Hassan Nasrallah warned that if Israel continued to target civilians, his forces would begin to target Israeli towns that had not yet seen rocket attacks.  
**Risk level – medium**



- Status quo (down 5 pts from start of 2024)
- Military escalation (up 10 pts from start of 2024)
- Hybrid escalation (down 10 pts from start of 2024)
- Diplomatic de-escalation (up 5 pts from start of 2024)

**Hybrid escalation scenario**

- Al-Houthi rebels attacked several ships in the Red Sea about 70 nautical miles southwest of Yemen’s port of Hodeida.  
**Risk level – low/medium**
- U.S. naval forces shot down several al-Houthi drones launched against commercial and military ships.  
**Risk level – low/medium**

**Diplomatic de-escalation scenario**

- Israeli National Security Minister Itamar Ben Gvir said a cease-fire deal with Hamas should be delayed until after the U.S. elections, saying a deal would benefit U.S. President Joe Biden and undermine Trump.  
**Opportunity level – low/medium**
- Hamas said it would not withdraw from cease-fire talks with Israel despite deadly attacks in Gaza over the past week.  
**Opportunity level – low/medium**

**U.S./China/Indo-Pacific** [Go to forecast reports](#)

**Summary** – The Indo-Pacific trended toward military and hybrid escalation scenarios as China held military drills both on land and at sea, including some with Russian cooperation. Biden signed the Tibet Dispute Act, drawing condemnation from China, which vowed to protect the integrity of all its territory. China aborted talks with the U.S. on arms control until weapons sales to Taiwan stop and sanctioned U.S. defense industry officials. South Korea identified Russia as a “strategic partner.”

**FORECAST INDICATORS**

**Military escalation scenario**

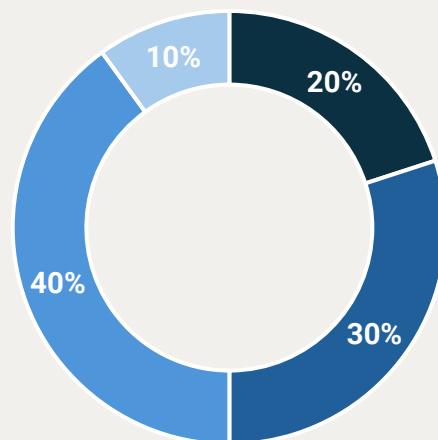
- China backed out of arms control talks with the U.S., citing Washington’s continued weapons sales to Taiwan.  
**Risk level – medium**
- China’s largest military hospital ship, the Silk Road Ark, has been deployed for the first time to the South China Sea.  
**Risk level – medium**
- South Korean opposition party members plan to introduce a bill opposing military cooperation with the U.S. in the event of a Taiwan Strait crisis.  
**Risk level – medium**

**Hybrid escalation scenario**

- Washington is considering greater restrictions on semiconductor tech exports to China after the revelation that Dutch lithography supplier ASML maintained half of its export volume to China.  
**Risk level – medium**
- Biden signed the Tibet Dispute Act, which pressures China to resolve the dispute over Tibet’s demands for greater autonomy, drawing strong opposition from China.  
**Risk level – medium**
- North Korea will soon resume sending trash balloons across its border with South Korea, North Korean leader Kim Jong Un’s sister claimed.  
**Risk level – low/medium**
- Trump’s assertion that Taiwan should pay the U.S. for continued defense support sent the stock price of semiconductor giant TSMC lower.  
**Risk level - low**

**Diplomatic de-escalation scenario**

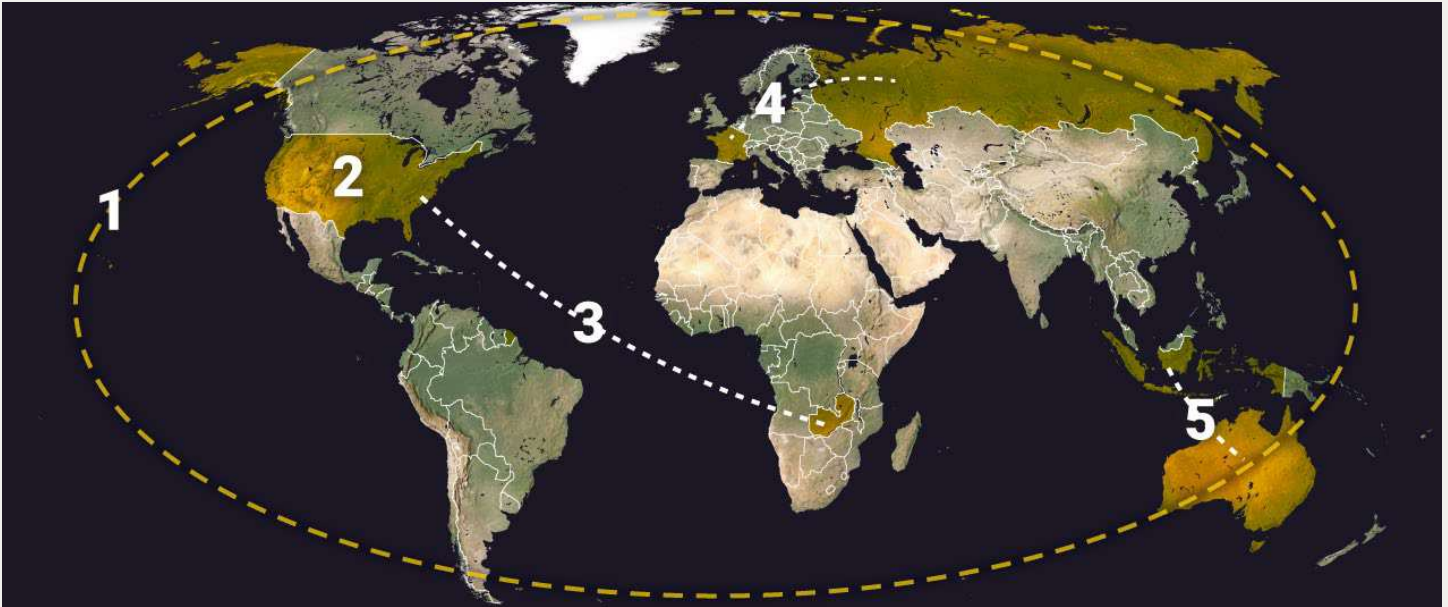
- China and the Philippines signed an agreement to open a direct line of communication between presidential offices to prevent future escalations of South China Sea disputes.  
**Opportunity level – low/medium**



- Status quo (down 20 pts from start of 2024)
- Military escalation (same as start of 2024)
- Hybrid escalation (up 15 pts from start of 2024)
- Diplomatic de-escalation (up 5 pts from start of 2024)

# Global Connectivity

The Global Connectivity Tracker examines the sectoral impact of geopolitical dynamics on key themes like the global energy/climate transition, trade, and technology.



## Energy/Climate

### 1. Global: Energy/Climate

**What happened:** British Petroleum has revised its projections of global oil and gas demand, indicating a slowdown in the clean energy transition.

- **Significance/Outlook:** According to the latest BP projections, wind and solar power will not expand fast enough to meet global energy demand. Delays in achieving energy transition targets mean fossil fuels will likely continue to play a significant role in the world's energy mix. This year's BP forecasting models project higher oil and natural gas demand, with an associated rise in carbon dioxide emissions through 2035 compared with last year's predictions. In the net-zero emissions scenario, stringent and effective policies and innovative energy technologies will be needed to promote renewable energy development and reduce fossil fuel demand by 25% by 2030 and 80% by 2050.

**Risk level – low/medium**

### 2. U.S.: Solar/Wind/Nuclear

**What happened:** During the first half of 2024, the amount of electricity generated by solar and wind in the U.S. surpassed what was generated by nuclear power plants for the first time.

- **Significance/Outlook:** In early 2024, the U.S. Energy Information Administration (EIA) projected that wind and solar energy would lead U.S. electricity generation growth over the next two years. The EIA expects U.S. solar generation to expand by 75% and wind by 11%, respectively, by 2025 over 2023's figures. While renewables grow, coal-fired generation is expected to decrease; nuclear power will stay flat; and natural gas will continue to generate the most U.S. electricity. Despite this growth, renewables still will need to further expand to boost the energy transition and meet carbon dioxide emissions targets.

**Opportunity level – low/medium**

### 3. Zambia/U.S.: Tech/Copper

**What happened:** The U.S. company KoBold, using a combination of new technologies including artificial intelligence, announced its discovery of a massive deposit of copper, an element critical to the global energy transition, in Zambia.

- **Significance/Outlook:** KoBold, based in California's Silicon Valley, harnessed AI tools to examine its massive database that includes information gathered with use of detectors that measure the density of subatomic particles called muons, plus aerial surveys and digitized paper records, to locate the copper deposit, buried about a mile below the surface. KoBold estimates its discovery in Zambia's Copperbelt Province, where the elemental metal has been mined since pre-colonial times, could yield 300,000 tons of copper. The United States and its partners plan to spend close to \$1 billion to extend a railroad connecting resource-heavy regions of the Democratic Republic of the Congo to ports in Angola into Zambia's copper-rich region.

**Opportunity level – medium**

### 4. France/Russia: Cyber

**What happened:** Finnish cybersecurity firm WithSecure has assessed with high confidence that the 2024 Paris Olympic Games will face an elevated risk from malign cyber activity perpetrated by various state and nonstate actors compared with previous Olympics.

- **Significance/Outlook:** Malign actors such as state-sponsored entities from Russia and other countries, pro-Russian hacktivist groups, and nonstate ransomware groups all could have political and financial motive for such attacks. The most likely risk comes from intrusions by Russian state-sponsored groups, which could see the Olympics as an opportunity to discredit the International Olympic Committee as well as France. In light of the previous attacks targeting the Olympics, the French national cybersecurity agency ANSSI has assigned a third of its staff to ensuring adequate countermeasures.

**Risk level – low/medium**

### 5. Australia/Indonesia: Nickel

**What happened:** The mining company BHP will suspend nickel operations in Australia in response to an oversupply fueled by Indonesia.

- **Significance/Outlook:** Depressed nickel prices prompted BHP's decision to suspend mining and processing of the strategic metal, a key input of electric vehicle batteries. Indonesian production facilities, backed by Chinese investors, have increased output, which, when combined with a rapid expansion of low-cost nickel alternatives, caused the glut in the market. Combined, Indonesia and China own a 70% share of global nickel production. BHP struggled to maintain production in the face of the economic effects of the oversupply.

**Opportunity level – medium**

## Key Stats of the Week

- Solar and wind power generation in the U.S. reached a record 401.4 terawatt-hours (TWh) between January and June 2024, surpassing nuclear power generation of 390.5 TWh during the same period.
- Solar generation increased 30% and wind power output increased 10% in the first half of 2024 compared with the same period in 2023.
- Nuclear power generated 18.6% of U.S. electricity in 2023, with wind at 10.2%, and solar at 3.9%.

Sources: <https://www.eia.gov/todayinenergy/detail.php?id=61242>

<https://oilprice.com/Latest-Energy-News/World-News/US-Solar-and-Wind-Power-Generation-Tops-Nuclear-for-First-Time.html>