

# Conflict Update # 250

*November 2<sup>nd</sup>, 2022*

*Back issues at [www.accgroupco.com](http://www.accgroupco.com)*

## Conflict Assessment

**Russian losses** – 73,270 (800) soldiers killed, 2,714 (+16) enemy tanks, 5,525 (+24) armored combat vehicles, 1,733 (+3) artillery systems, 387 (+4) MLRS systems, 198 (+1) air defense systems, 277 (+1) warplanes, 258 (+1) helicopters, 1,438 (+23) UAVs of the operational-tactical level, 397 (+0) cruise missiles, 15 (+0) warships/cutters, 4,153 (+10) trucks and tankers, 4 Iskander Missile Launchers (+0), 76 fuel bowsers (+0) and 155 (+0) units of specialized equipment.

## Key Takeaways

**By the numbers** – Russian losses are being reported from in and around the Bakhmut area where they have stationed the Wagner group battalions. Russian disinformation to make it appear they have made ground proliferates and by these numbers of losses it can be seen they are not doing so.

**A first under the streets of Zurich** – It is being reported that Swiss banks, for the very first time in Swiss banking history, have frozen the accounts of depositors.

This week Swiss banks announced they have frozen all the accounts of Russian deposit-holders in Swiss banks.

This is the first time in Swiss history that this has transpired and is set to roll shockwaves across Russian elite.

These accounts are held by Putin, Kremlin officers, oligarchs and a multitude of Russian senior army officers and the like. Once restricted in accessing their money, under any format or in any amount, they will react.

It is expected that pressure on Putin is set to increase quite dramatically in the very near future.

**US forces now on the ground in Ukraine** - U.S. military personnel are now on the ground in Ukraine, keeping track of and inspecting weapons the U.S. has shipped to Ukrainian forces, a senior defense official announced during a Pentagon background briefing on Monday. These U.S. personnel are some of the first the Pentagon has acknowledged have entered Ukraine since Russia launched its large scale invasion of the country in February.

The senior defense official who spoke on background during an official Pentagon event, said, “U.S. personnel have recently resumed on-site inspections to assess weapon stocks in country whenever and wherever the security conditions allow.” The official said “the return of our defense attaché and Office of Defense Cooperation personnel in country has allowed us to resume this critical function.”

The Biden administration ordered U.S. troops out of Ukraine in February just days before Russia launched its invasion. The Associated Press reported the administration did return some troops to provide security at the U.S. Embassy in Kyiv earlier this year.

When asked what the U.S. Department of Defense personnel could do inside the Ukraine, the defense official said DoD personnel are assessing various equipment needs but “otherwise, our role is to support our civilian agency counterparts if they should request our assistance as they support the Ukrainians.”

When asked how close U.S. personnel have gotten to the front lines during these inspections, the defense official said “I’m not going to get into specific details on locations of where these inspections have taken place.”

**Ukraine is restoring additional SU-24s than Russia can shoot down** - For supporters of Ukraine’s war-weary air force, it was a beautiful sight: four of the air force’s swing-wing Su-24 bombers flying in formation over Ukraine on or around Oct. 30.

It was the biggest formation of the two-seat, supersonic bombers that anyone had seen in Ukraine in many years—and certainly the biggest to appear over Ukraine since Russia widened its war on the country starting in late February.

What’s amazing about the sighting is that Ukraine has lost more of the four-decade-old Su-24s to Russian air-defenses and bombardment than it may have had in its inventory before the war. The October four-ship is yet more evidence that Kyiv’s technicians are working hard to restore to flightworthiness many, or all, of the bombers Ukraine had in storage.

**To recap:** the Ukrainian air force went to war with around 125 combat aircraft, mostly MiG-29 fighters but also including between a dozen and 16 Su-24s, all belonging to the 7th Bomber Regiment at Starokostiantyniv air base in western Ukraine.

The Russians have shot down 11 Ukrainian SU-24s that independent analysts can confirm and also destroyed a 12th on the ground. Without a source of fresh airframes, the 7th Bomber Regiment by now would be incapable of sustaining combat sorties.

But reporting also counted another nine or 17 nearly-airworthy Su-24s at around 30 additional bombers “stored in relatively good count scores of derelict Su-24 airframes in open Ukraine, in particular the aircraft boneyard in Bila

In 1991, the Ukrainian air force inherited from the Soviet air force no fewer than 200 Su-24s. Most up in open storage. Probably none of any value except as sources of components that the active force might use as spares.

The air force in active status

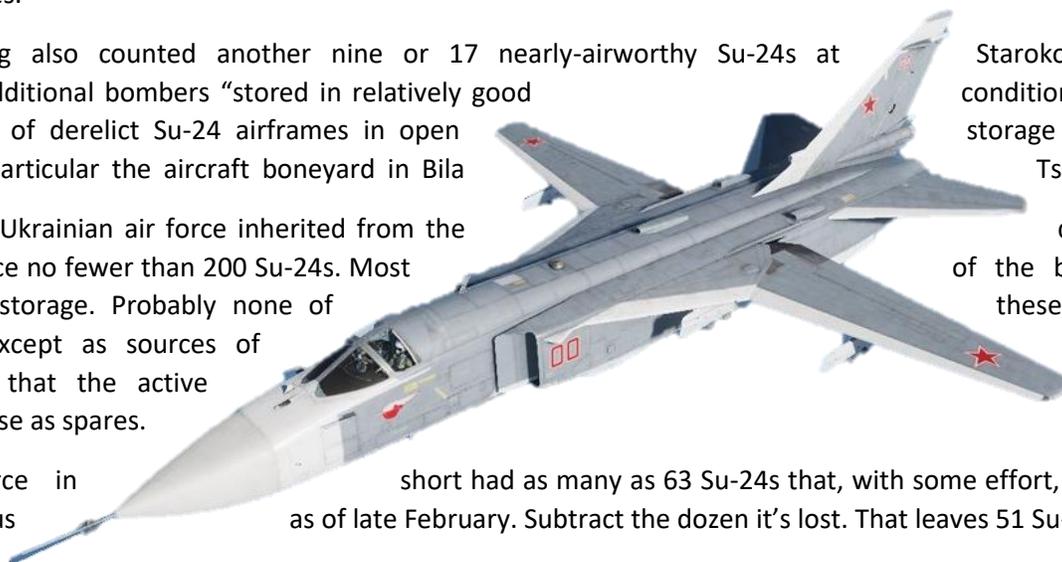
short had as many as 63 Su-24s that, with some effort, it could bring to as of late February. Subtract the dozen it’s lost. That leaves 51 Su-24s.

That’s ... a lot of bombers. Potentially more bombers than the air force has crews for, even after bringing retired pilots and co-pilots back into active service. Training new pilots is difficult as long as Ukraine’s air space remains even somewhat contested.

The 7th Bomber Regiment might have nearly as many flightworthy Su-24s now as it did eight months ago. And if the loss rate of the last eight months continues, the 7th Bomber Regiment won’t run out of Su-24s until November 2025

**Comments** – (i) Ukraine may need resources such as these should it select targets in Belarus and western Russia from where missiles and drones are being launched. (ii) Ukraine will surely be receiving assistance from fellow ex-Soviet countries similarly equipped with SU-24’s.

**Attacks behind Russian lines crippling war effort** - Ukrainian partisans are wreaking havoc on Russian forces and those who have collaborated with them, the Institute for the Study of War says in its latest assessment of Putin's 251-day-old full-on war.



Starokostiantyniv plus condition.” They did not storage at bases across Tserkva, near Kyiv.

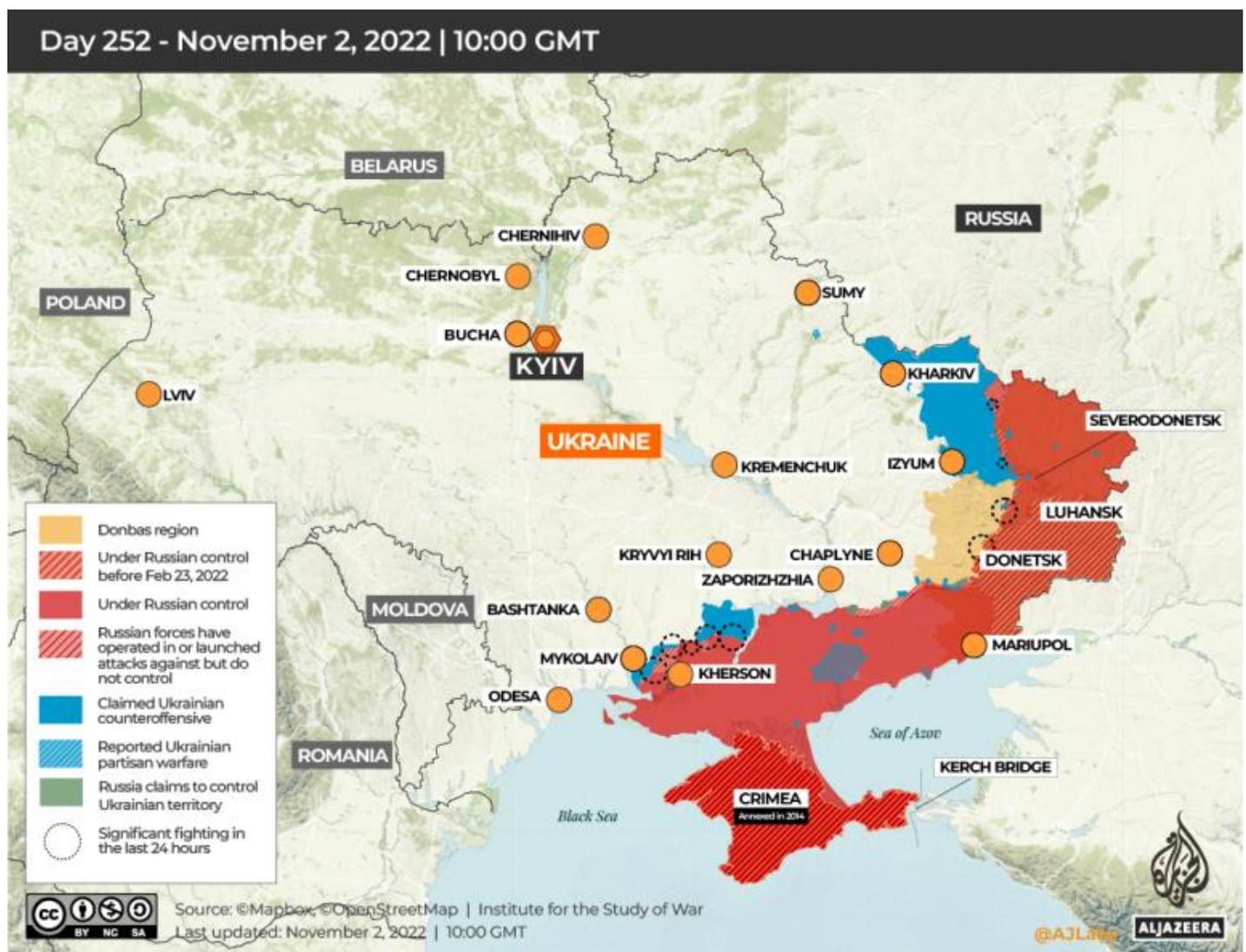
disintegrating of the bombers would these airframes have simple airframe bomber

“Effective Ukrainian partisan attacks are forcing the Kremlin to divert resources away from frontline operations to help secure rear areas, degrading Russia’s ability to defend against ongoing Ukrainian counteroffensives, let alone conduct their own offensive operations,” according to ISW. “Poor Russian operational security has enabled Ukrainian partisan attacks.”

In a cascading series of misfortunes, Russia’s “increasing manpower shortages are likely degrading” Moscow’s ability to “effectively secure Russian rear areas against partisan attacks and simultaneously defend against Ukrainian counteroffensives. The Kremlin still has not effectively countered Ukraine’s organized partisan movement and is unlikely to have the capabilities to do so.”

Ukrainian partisans “have conducted dozens of confirmed attacks across occupied Ukraine and have assassinated at least 11 Russian occupation officials and prominent collaborators as of Nov. 1,” according to ISW.

Those attacks began on March 1, when men in military fatigues - “most likely Ukrainian partisans” - kidnapped Kreminna’s pro-Russian mayor, Volodymyr Struk, in Zhytlivka, Luhansk Oblast, according to ISW. His body was found the following day.



The most recent such attack took place Oct. 25, when “Ukrainian partisans conducted a vehicle-borne improvised explosive device (VBIED) attack on Zaporizhia Oblast occupation head Yevgeny Balitsky’s media building in Melitopol, where a Russian Federal Security Service (FSB) branch was reportedly deployed.”

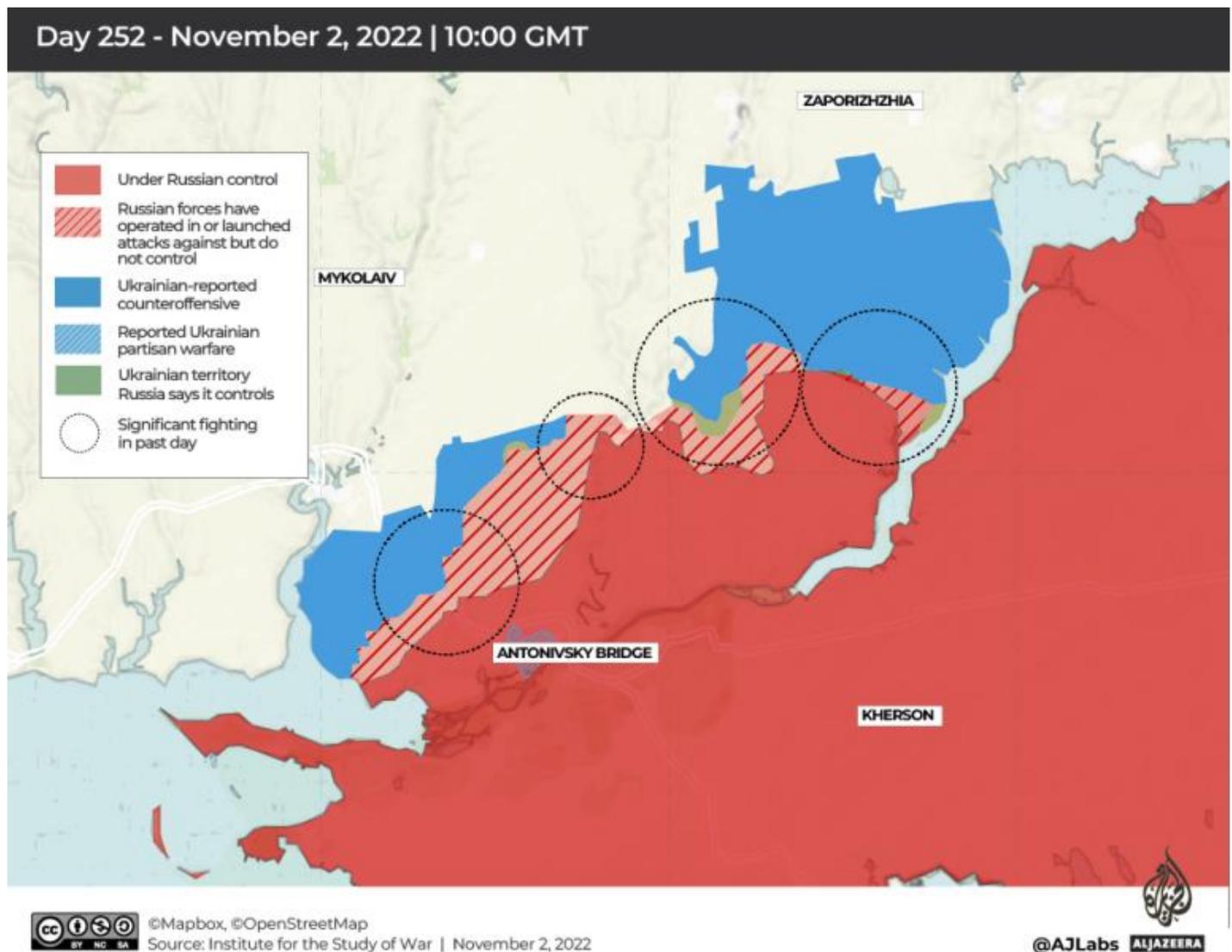
The attack's intended target is unclear, according to ISW, but it "reportedly injured five people, including pro-Russian propagandists working at the "Za-TV" media outlet stationed at the building."

A big contributing factor in these attacks is that "Russian forces have not effectively concealed the identities of pro-Russian collaborators and have failed to provide basic security to Russian occupation officials at their homes and places of work," according to ISW. But that's only part of the problem.

"Russian forces have failed to protect vulnerable sections of critical Russian ground lines of communication, such as rail line junctures and bridges, particularly in rural areas," ISW states. "Ukrainian partisans freely collect targeting information on Russian military and occupation authority targets and pass this information to other partisans and the conventional Ukrainian military."

**Frontline bridge gives hope to Ukrainians fighting for Kherson** - The ageing Ukrainian fighter watched for months as his wounded comrades were rushed back across a humpback bridge marking the start of land Russia claims as its own. It was a dispiriting sight as he crouched in his heavily fortified checkpoint and trained his binoculars on the western edge of the flashpoint region of Kherson.

But then something changed about two weeks ago.



"There were far fewer of those medical cars coming down the bridge," said the soldier named Gres, a retired policeman. "It feels like around two weeks ago, something happened."

What the 51-year-old father of two may have witnessed -- without realizing at the time -- was a turning point in the brutal battle across Ukraine's strategic southern front.

The Ukrainians launched a lightning counteroffensive in September that cleared the Russians out of lands east of the 1.4-million-strong northern city of Kharkiv.

A similar feat around the smaller southern city of Kherson could prove even more painful to Russian President Vladimir Putin. The riverside port and its eponymous region gave Putin a long-coveted land link to the Crimean peninsula, which the Kremlin seized in 2014 and its loss could open Ukraine's path back to the commercially vital Sea of Azov and threaten Russia's hold on Crimea itself.

The Russians have moved tens of thousands of civilians out and poured reinforcements in ahead of the most consequential confrontation of the ninth month of war.

But information blackouts by both Moscow and Kyiv mean the true course of battle can only be glimpsed from the so-called grey zones that neither side fully controls.

Gres has still not dared walk the few hundred steps from his checkpoint to the Kherson border bridge because of the unpredictable dangers.

A jet that Gres guessed might have been Russian had circled overhead that morning and the enemy's artillery fire was still well within range.

Kherson remained tantalizingly out of reach for the soft-spoken soldier. "But it feels a lot closer than it did before," he said with a tired smile.

**Russian forces strike two tugboats at Ochakiv, leaving two dead** - Two civilian tugboats were hit by Russian fire at the port of Ochakiv, Ukraine on Monday, according to Ukrainian Operational Command South. The Russian strikes are the first hits on civilian vessels reported since the signing of the Black Sea Grain Initiative in late July. Russia withdrew its security guarantees and participation in the initiative over the weekend, citing the drone boat attack on Sevastopol on Friday night.

"The Russian forces continue their attacks on the port infrastructure on the Ochakiv front," said a spokesman for Operational Command South on Monday. "As a result of an attack on two port civilian tugboats that were involved in the transportation of grain barges, a fire broke out, [and] control over the vessels was lost. Two crew members were killed, one more was rescued with injuries, the fate of another is unknown."

**Russia accuses U.K. of directing drone attack** - Russia accused British navy personnel of directing Ukrainian drone attacks on ships in Crimea on Saturday.

**Driving the news:** The U.K. has denied the allegations, saying the false claims are intended to distract from Russian military failures in Ukraine. Ukraine has not commented on the alleged drone attacks.

**What they're saying:** "To detract from their disastrous handling of the illegal invasion of Ukraine, the Russian Ministry of Defense is resorting to peddling false claims of an epic scale," U.K.'s Defense Ministry said in a tweet.

"This invented story, says more about arguments going on inside the Russian Government than it does about the west."

**The big picture:** Russia's government has now directly accused a NATO member of being involved in an attack on critical Russian infrastructure amid already sour tensions with the West.

**What's next:** Russia's Foreign Ministry said that it would raise the issues of what it labeled "terrorist attacks" in Crimea and the Nord Stream gas pipelines at the United Nations Security Council, per CNN.

**Comment** – A British reconnaissance plane was in the area for three days ahead of the drone attacks as we reported in our then current Update.

**Fodder for war** – it is increasingly being reported that Russia is merely throwing untrained and new enlistees into battle to “plug numbers gaps” in order to slow down Ukrainian advances across the battlefield board.

Russia then located Wagner and Chechnyan killer squads behind these enlistees to shoot them upon sight should they leave the front without permission.

Russian troops in turn are now firing upon these killer squads.

**Update** – Yesterday we reported on helicopters being destroyed behind Russian lines in Kaliningrad air bases. Unconfirmed reports now suggest these damages were caused by rebel Russian enlistees to register their dissent with being drafted. Video is also showing Russian tank crews placing sand and small rocks into the fuel tanks of their vehicles in order to be withdrawn from front line service.

**Russian forces launched suicide drones** on targets in eastern and central Ukraine early on November 2, the Ukrainian air defense reported, as heavy fighting continues in the east.

**Russia’s invasion of Ukraine has driven some 14 million** Ukrainians from their homes in “the fastest, largest displacement witnessed in decades,” the UN refugee chief said on November 2.

**The British government has imposed economic sanctions** on four Russian businessmen, banning them from entering the U.K. and freezing any assets they hold in Britain.

**The White House has accused North Korea** of covertly shipping a “significant number” of artillery shells to Russia in support of its invasion of Ukraine.

## Russian Military Shortages

**North Korea is allegedly hiding artillery sent to Russia** "by trying to make it appear as though they are being sent to countries in the Middle East or North Africa," White House National Security Council coordinator for strategic communications John Kirby said earlier this morning - though he did not offer evidence to back up the claim. "We will continue to monitor whether these shipments are received," Kirby said in an interview with CNN.

Sound familiar? "We had indications Russians were reaching out to the North Koreans" Kirby said; and those allegations were first publicized in early September. What's new is that now "we have seen indications that North Korea is covertly supplying artillery shells to North Korea," and those shells "are on the move," according to Kirby.

"We're not talking dozens here; it's a significant number of artillery shells," Kirby said in that call. "We don't believe these shells are going to change the course of the war," he said. But the wide range of "sanctions on [Russian leader Vladimir] Putin have had an effect on his industrial base," apparently forcing him to resort to sources like North Korea and Iran to keep up his Ukraine invasion, which is now in its ninth month.

## Bellicose Intentions?

**North Korea launched nearly two dozen short range missiles earlier today**, from both of its coasts and at different times—17 in the morning, and six in the afternoon. Pyongyang also fired about 100 artillery rounds at an

eastern maritime buffer zone created in 2018 to help reduce tensions with South Korea. View a map of the region, illustrated with Wednesday's launch data, via Agence France-Presse.

One of the North's missiles crossed the "de facto maritime border with South Korea for the first time since the end of the 1950-53 Korean War," Yonhap news agency reports, citing Seoul's military, which called the combined volleys "very rare and intolerable," and responded with three precision-guided missile launches of its own on Wednesday.

**Iranian orders for ballistic missiles and drones** – Iran is preparing to send Russia another 2,000 drones but of a more advanced type carrying additional warhead power, as well as ballistic missiles which Russian intends to place in Belarus.

We can fully expect Ukraine to react by (i) receiving longer-range artillery and shells and (ii) targeting launch sites, within Russia or Belarus. We can similarly anticipate Belarussian partisan activists sabotaging sites within their country.

The U.S. does not yet believe that Iran has supplied surface-to-surface missiles to Russia, as Iranian officials alleged to Reuters in mid-October. "We don't have any indication that that transfer has been made effective," Kirby said today.

Is Iran seeking a wider global role? emboldened by its affiliation with Russia. The two countries' combined proven oil reserves constitute roughly 236 billion barrels, estimated at 14.3% of global reserves.

## Containment

**Civil proceedings launched in UK High Court against Wagner Group** - Ukrainian victims of Russia's illegal war announced yesterday civil proceedings in London's High Court against the Russian private military company Wagner Group (WG) and its founder, Yevgeny Prigozhin, also known as 'Putin's chef.'

The action was announced by Highgate, a communications firm, and by the victims' solicitors, McCue Jury & Partners LLP. They present their activities as part of a broader civil society lawfare campaign run by an international group of lawyers, investigators, and campaigners, announcing that further similar actions would be commenced shortly in the UK and US.

Earlier on Tuesday, evidence was given by the victims' solicitors at the UK Parliamentary Foreign Affairs Committee Inquiry 'Wagner Group and Beyond: Proxy Private Military Companies.'

A senior partner at the victim's solicitors, Jason McCue told the committee that Prigozhin allegedly engaged in "a campaign of terrorism" that included murder, rape, the targeting of infrastructure and the planting of explosives around nuclear facilities, with the aim to "spread terror and chaos in Ukraine."

**Comment** – We can expect further and more extensive proceedings against any and all things Russian, Belarussian, Iranian and individuals within these belligerent states.

## Grain

**Two days after quitting a UN-brokered grain deal**, Russia says it's rejoining it now in order to allow ships of wheat and corn to once again sail out of select Ukrainian Black Sea ports and to markets around the world. Moscow had withdrawn from the arrangement over the weekend after an alleged attack on its navy in occupied Ukrainian Crimea. That "grain agreement brought down global food prices about 15% from their peak in March," and the bulk of it went to lower or lower-middle income countries, the Associated Press reports, citing UN officials.

## Geopolitics

**Ukraine seeks Russia's expulsion from G20** - Ukraine's Foreign Ministry spokesperson said yesterday Russia should be expelled from the Group of 20 major economies and Putin's invitation to a G20 summit in Bali next month revoked. "Putin publicly acknowledged ordering missile strikes on Ukrainian civilians and energy infrastructure," spokesperson Oleg Nikolenko wrote on Twitter. "With his hands stained in blood, he must not be allowed to sit at the table with world leaders. Putin's invitation to Bali summit must be revoked, and Russia expelled from G20."

**Germany tells Serbia: You have to choose between EU and Russia** - Serbia must decide whether it wants to join the European Union or enter into a partnership with Russia, Germany told Belgrade on Tuesday, two days before six Western Balkan countries are scheduled to discuss closer cooperation in Berlin.

"The need for a decision is coming to a head in view of geopolitical developments," a German government representative said in reference to Russia's war in Ukraine.

One got the impression that Serbian President Aleksandar Vucic was well aware of his pendulum position, the German government representative said.

If he decided to lead his country in the direction of the European Union, he had the German government's support.

"Should he decide to go the other way, this will have consequences in reverse."

**President: Moldova will defy Russian pressure, stay pro-West** - The president of Moldova has pledged to keep her country on a pro-Western course despite struggling under pressure of what she called Russia's energy and political "blackmail."

"I want everyone to know that Moldova chooses to be what the circumstances," Sandu told Romania's member country.

"We are willing to pay the price of our freedom,"

Moldova is entirely dependent on Russia for Romanian lawmakers, the country's supplying the rest of Moldova with

The Moscow-backed separatist region is power station, which supplies about 70% of the country's electricity needs.



free and continue on its European path no matter Parliament while visiting the European Union

she added.

its natural gas. As Sandu addressed breakaway Trans-Dniester region stopped electricity.

home to Moldova's largest gas-operated

**CSIS is 'increasingly concerned' about China's interference in Canada** - Canada's spy agency is growing "increasingly concerned" about China's attempts to influence Canadian politics.

That's because the Chinese Communist Party (CCP) is "involved and interested in promoting their own national interests" in Canada, Michelle Tessier, the deputy director of operations for the Canadian Security Intelligence Service (CSIS) told the procedure and House affairs committee on Tuesday.

"They are an actor in foreign interference, and we have said that publicly ... that we are concerned about the activities regarding threats against the security of Canada, including foreign interference by the Chinese Communist Party," Tessier told MPs.

For example, the CSIS official said China and other countries — though Tessier did not specify which — have been trying to target elected officials at "all levels of government" in order to promote China's national interests.

**“EU Commission Spoke of ‘Repercussions’ if Turkey Harms EU Member-State Interests”** - The European Commission, in a reply to a question put by ruling New Democracy MEP Manolis Kefalogiannis, said that Turkey must respect the sovereignty, territorial integrity and sovereign rights of all EU member-states or face repercussions.

According to the press release, the EU Commission threatened Turkey “with the imposition of political and economic sanctions in the case of new provocative actions in violation of international law, whose aim is to harm the interests of the EU and its member-states.”

In addition, it said that Turkey must avoid threats and actions that undermine good neighbour relations and respect the sovereignty of the EU member-states over their territorial waters and air space, as well as all their sovereign rights, including the right to search for and exploit natural resources in accordance with EU and international law, including the UN Convention on the Law of the Sea.

The MEP’s announcement noted: “The EU confirms its determination to use all the means and options at its disposal to defend its interests and the interests of its member-states and to preserve regional stability in the case of unilateral actions by Turkey in violation of international law. It also stresses that there will be repercussions, both economic and political, against Turkey in the case of new unilateral actions and provocations that seek to harm the interests of the EU and its member-states.”

The Commission was replying to a question from Kefalogiannis referring to “Turkey’s constant and escalating hostile rhetoric, which openly threatens peace, security and stability in the region of the Aegean and Eastern Mediterranean” and also pointed to “constant violations of Greek air space and overflights above inhabited Greek islands by Turkish fighter aircraft” and “provocative statements by high-ranking Turkish officials that openly dispute Greek sovereignty over the islands of the Eastern Aegean”, as well as a statement by Turkey’s president that Turkish forces “will come suddenly one night.”

**Comment** – As mentioned elsewhere in this Update Turkey is flexing its geopolitical muscles, particularly in the Aegean region. Evidence of the vacuum being left by Russian influence across the geopolitical sphere separating east from west.

## Putin

**Russian lawmaker who called for end to Putin's war is comatose in hospital after claims 'he was attacked at parliament building' and suffered 'unfortunate fall'** - Anatoly Karpov, 71, in a coma in hospital after suffering head injuries at weekend. Karpov, an MP, was known as Putin loyalist but had called for end to Ukraine war.

Conflicting reports suggested he had either been beaten leaving Russia's parliament building, had suffered a domestic incident, or had fallen over.

He is just the latest in a long line of Russian elites to meet unfortunate fates since Putin ordered the invasion of Ukraine in February.

**Comment** – We reported on Karpov in yesterday’s Update.

**Top Putin lackey urges Russians to choose violent death over war defeat** - Fyodor Lukyanov, editor-in-chief of Russia in Global Affairs, chairman of the Presidium of the Council on Foreign and Defense Policy, asked Putin about comments he made four years ago on the potential use of nuclear weapons. “You said that we would all go to heaven, but we’re in no hurry to get there, right?” In response, Putin held a long theatrical pause. He wouldn’t answer the question. Lukyanov noted: “You’ve stopped to think. That’s disconcerting.”

In a response that seemed to spotlight the descent of Russian foreign policy to nuclear terror tactics, Putin scoffed: “I did it on purpose to make you worry a little. Mission accomplished.”

Putin’s answer stumped his own media mouthpieces. So much so that Margarita Simonyan, head of state news agency RT, decided to take the non-response as an opportunity to reaffirm her readiness for martyrdom for the sake of the Russian president.

During the latest broadcast of Sunday Evening with Vladimir Solovyov on state television, where Simonyan is always the first guest to deliver her monologue and the only queen bee who is allowed to sit down in the studio, she gushed over Putin’s remarks in Valdai.

“A transformation of the world is underway and that is the source of hope. When you sit in that auditorium, you experience hope,” Simonyan said. “For me, it was a session of psychotherapy, as meetings with Putin customarily tend to be. A correct psychotherapy session.”

By “correct” kind of psychotherapy, Simonyan explained, she meant that Putin’s ideas are worth dying for. “The world is at a dead-end—first and foremost, in terms of values. If the Western world continues to develop in the same way and proceeds along the same insane trajectory, then it’s headed towards the destruction of mankind—even without any kind of a war,” she said. “Another fifty to a hundred years and no one will give birth anymore. No one will be able to give birth. With all the hormonal therapies, with their pharmaceutical lobbies, with brainwashing the mentality of their own nation and others, their own people and their own empires.”

She went on: “I don’t want to live in this kind of a world. It’s better to go to heaven right away, as Putin said: We’ll go to heaven and they’ll just croak.”

**Putin ‘has Parkinson’s and cancer, leaked Kremlin spy documents claim’** - Vladimir Putin has early stage Parkinson’s disease and pancreatic cancer, leaked spy documents claim.

The Russian president has been plagued by rumors of his supposed ill-health for months, with clips from public appearances variously seeming to show him trembling, twitching, or looking unsteady.

Other unverified reports have suggested the 70-year-old is followed around by a team of doctors who carefully monitor him around the clock. All have been rubbished by the Kremlin.

Now, emails from a Russian intelligence source allegedly ‘confirm he has been diagnosed with early stage Parkinson’s disease, but it’s already progressing’.

**Putin Doppelgangers** – We reported yesterday that Putin has three (assumed) doppelgangers who represent him around the country and in meetings.

Video footage has zoomed in on various characteristics of his body in order to try and ascertain whether “Putin” is as projected, or a stand in.

Close inspection of his ear lobes and hands seem to reveal that there are indeed doppelgangers in and around Moscow, with ear lobe profiles distinctly different from older and confirmed pictures of him. Similarly, images of his upper hands show distinctly varying characteristics such as prominent veins and different sizes.

Not the first Russian leader to have doppelgangers for fear of assassination attempts or to disguise obvious medical ailments, Putin may be in more places than one, at the same time.

## Nuclear

**Russian military officials considered going nuclear in Ukraine**, the New York Times reported earlier today, citing a U.S. intelligence report passed around the White House in mid-October—when Moscow's foreign ministry claimed Ukrainian forces were planning a "dirty bomb" attack inside their own country, which according to the Kremlin's accusatory logic, would then be blamed on Moscow.

**Notable:** "Putin was not a part of the conversations," Helene Cooper, Julian Barnes, and Eric Schmitt of the Times report. "But the fact that senior Russian military leaders were even having the discussions alarmed the Biden administration because it showed how frustrated Russian generals were about their failures on the ground."

"We're mindful that we may not pick up every available indicator," the White House's John Kirby said Wednesday, and added, "I wouldn't describe it as fear," but "This is all deeply concerning to us." More from the Times, here.

## Sanctions

**"We couldn't have done this without dear Vlad" Big Oil thanks Putin for profits** - OIL cartels across the planet have today officially thanked Putin for his ongoing conflict in the Ukraine, giving Big Oil all the reasoning it needs to curb supplies and keep prices high.

Posting its second-highest quarterly profit on record, BP is now delivering a windfall for its investors while the rest of the world depending on it suffer the consequences of their war profiteering.

Meanwhile, oil giants Saudi Aramco reported a \$42.4 billion profit, Exxon reported \$19.7 billion, Chevron's \$11.2 billion, BP \$8.15 billion, Shell \$11.47 billion, Eni €3.73bn, TotalEnergies \$9.9bn, Conoco \$5bn; all in just 3 months of this year, doubling the same period of last year, you know, before they doubled the prices for all us f----- idiots.

**China's largest GPU developer slashes headcount due to U.S. sanctions** - Biren Technology plans to lay off one-third of its staff just a week after TSMC halted shipments of compute GPUs to Biren because of limitations against the Chinese supercomputer sector by the U.S. If accurate, this will severely affect Biren's ability to develop its GPUs as well as software for artificial intelligence as well as high-performance computing applications.

Biren specializes in AI and HPC GPUs, and its top-of-the-range BR100 offering can compete against Nvidia's A100 and H100 compute GPUs in specific workloads. Biren outsources the production of its processors that contain tens of billions of transistors to TSMC. Starting in early October, such chips cannot be imported to China if made using U.S. technologies (including electronic design automation tools, wafer fab equipment, etc.).

**RZD launches first regular train Moscow-India** - The consecutive pilot services along diverse routes of the International North-South Transport Corridor (INSTC) in the past months are finally bearing fruits for the Russian Railways. RZD launched the first regular INSTC container train service linking Chekov near Moscow and the Iranian port of Bandar Abbas. The service will, for now, offer one monthly roundtrip.

The new train service will transit via Kazakhstan and Turkmenistan before crossing Iranian territory to link with further destinations, like India, via sea services. According to RZD, after crossing Russia, Kazakhstan and Turkmenistan, the train will stop at the Sarakhs station in Iran, where containers will be reloaded on standard gauge (1,435 mm) before they continue their trip. "On the way back, the train will also be loaded with products for the Russian market," said RZD.

RZD started doing tests through this branch as early as July, when it sent the first container train destined for India, specifically the port of Nava Sheva. That test train followed

the same route as the official service will follow. However, between July and late October, RZD did not reduce to one pilot service, as at least six more trains followed the route before opening it up for traffic.

**Russia's expanding 'dark fleet' of tankers won't prevent its oil exports from crashing** - CEO of Vitol forecasted that Russia won't be able to shield itself as effectively from Western sanctions. He predicted Russia's exports could drop as much as 1 million barrels per day this winter, despite "dark fleets" of tankers.

Russian oil exports have held up this year, with nations like India and China stepping up purchases.

But Russia's oil exports are going to tumble this winter despite Moscow's growing "dark fleet" of tankers, according to Russell Hardy, chief executive officer of Vitol, the world's largest independent energy trader.

While it's crude exports have proved resilient through 2022, that will change soon, with upwards of a million barrels per day going offline, Hardy forecasted.

"The expectation is that nearly all European companies will turn their back on business that is not compliant," Hardy said in an interview with the Financial Times. "We think [Russia's] logistical solutions are growing, they're eating away at the problem. But whether or not they've eaten away at the whole problem we don't know."

China and India this year have ramped up imports of Russian oil, stepping in as big buyers of supplies as Western nations turn away from doing business with Moscow. Vitol, for example, used to be one of the largest carriers of Russian oil but said it has since halted working with companies like Russia's Rosneft.

Russia, however, could turn to a fleet of smaller vessels to make oil deliveries, Hardy said, as the larger tankers become banned from certain ports. More ship-to-ship transfers and other furtive exchanges could also emerge with the onset of fresh European Union sanctions.



An analyst from Norway's SEB estimated that Russia's existing "dark fleet" totaled about 270 ships, according to the Financial Times, and the expert said Russian crude flows will face disruptions moving forward.

To Hardy, Russia will be "under the gun to find a solution" as sanctions set in and a price cap proposal comes to fruition.

**Comment** – We discussed the implications of shallow-draft Russian ports and their consequent need for S2S transfers in the open seas in previous Updates.

## Changes

**Changing world order (i)** – When Russia announced that it was exiting the grain agreement where Ukrainian grain was allowed to ship through the Black Sea, it triggered a number of effects, none of which are beneficial to Russia.

**First**, the world, including Ukraine, ignored their act and later protestations by continuing to dispatch vessels laden with grain to the export market,

**Second**, Turkey provided multiple warships in protecting the grain convoy from any Russian attack or aggression. Russia, Ukraine, Turkey and others are playing a very high-stakes game in Black Sea.

**Third**, Turkey is assuming an ever-increasing and larger role in world politics and gaming. By blatantly ignoring Russian rhetoric, boldly sending its warships to challenge Russian threats to the convoy, and by its escalating role in regional conflicts, including a higher reaction to Grecian affairs, Turkey is flexing its geopolitical muscles and might.

This bodes ill for a global order that doesn't accommodate or cater for such a regional player role. Greece is surely to react as will NATO, of whom Turkey is an integral member.

**Fourth**, in early editions of our Updates we made reference to a future regional order of global magnitude in that potentially in a few decades from now, **Turkey (led), Romanian, Bulgaria, Ukraine, Belarus and Poland** may align in a new world bloc challenging current states of affairs and military balances by stretching across the European continent in an east-west divide, the first time such a powerful grouping has manifested in this region. None of these nations is a nuclear-armed state, so we can expect this to change at some stage. Will Israel and Syria join? Thought-provoking. As is the thought of Georgia and Azerbaijan. (See article above).

**Changing world order (ii)** – With North Korea and Iran both threatening wider global roles with arms to Russia and potentially other belligerents, will the US, NATO and other regional powers intervene and seek a cessation of uppity positioning by these two countries.

**Saudi Arabia warns Iran planning imminent attacks** – Iranian threats against Saudi Arabia are being heard in the Middle East theater, with reports of ballistic missiles being targeted against the latter by the former. This implies a few developments, being (i) an emboldening of Iranian intent via current affairs and (ii) their requirement to use their missile armory for this purpose as opposed to sending these to Russia.

The US military and other militaries in the Middle East have raised their alert level in response to the warnings, and the White House National Security Council said it was concerned about the warnings and was ready to respond - "We will not hesitate to act in the defense of our interests and partners in the region."

**New border fences** – Countries surrounding the Russian Federation are erecting fences between their territories to keep out refugees, enlistee escapees and Russian insurgents.

Poland's new fence is shown below.

