

Florian Galler

Psychonomic Newsletter, Aug 26, 2007

War is back in U.S. markets. Markets jumped on Wednesday and the Dow Jones Industrial Average opened nearly 100 points higher after Bush had drawn a Vietnam parallel in warning over Iraq withdrawal on Aug 22. This gave the impression that the Iraq war would not end until after the end of the Bush presidency in January 2009 which ran opposite to expectations of a more decisive drive of US politics towards peace after Petraeus on Aug 15 had said he will propose a troop withdrawal from Iraq:

YAHOO NEWS Aug 15, 14.52 PM ET

Petraeus says he will propose troop cuts

By STEVEN R. HURST, Associated Press Writer

37 minutes ago

YAHOO NEWS, Wed Aug 22, 8:18 AM ET

Bush draws Vietnam parallel in warning over Iraq withdrawal



An American flag hangs on the ceiling as US soldiers from 3-509 Para-Infantry Regiment set off on an air assault on board a Chinook helicopter set off on an air assault, as part of Operation Marne Husky, along the Tigris river south of Baghdad. US President George W. Bush in a speech on Wednesday will warn that a US withdrawal from Iraq could produce a catastrophe similar to what occurred in Southeast Asia after US forces left Vietnam.(AFP/David Furst)

Wed Aug 22, 8:18 AM ET

US President George W. Bush in a speech on Wednesday will warn that a US withdrawal from Iraq could produce a catastrophe similar to what occurred in Southeast Asia after US forces left Vietnam.



Yahoo, 22.8.07, 11.12 AM ET

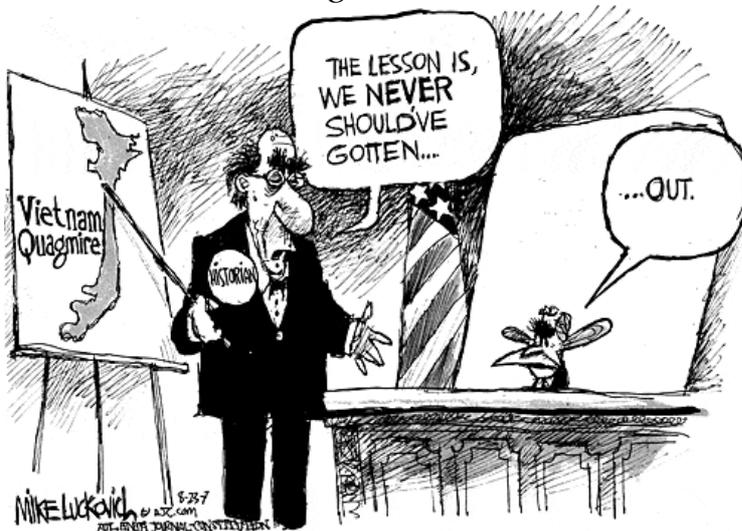
Stocks jump on talk of takeovers



AP - 48 minutes ago

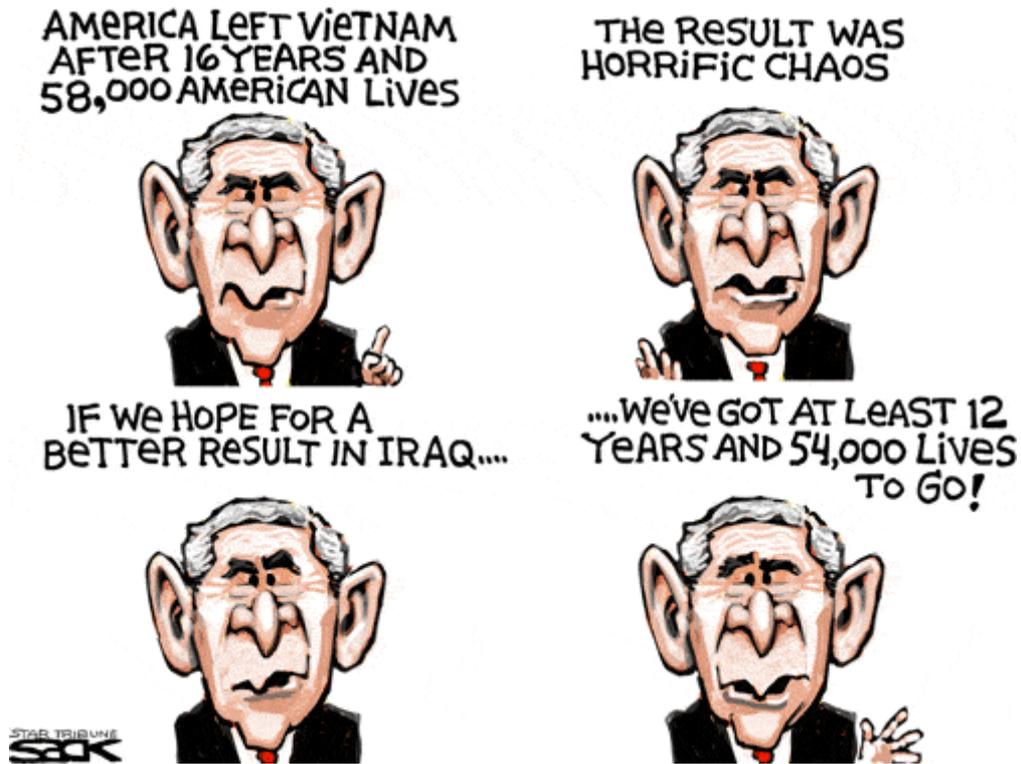
NEW YORK - Stocks rose sharply Wednesday as takeover talks revived investors' hope that the recent tightness in credit won't dampen mergers and acquisitions.

Gocomics.com Aug 23, 2007



Connected with the Vietnam parallel are unconscious expectations/wishes for more sacrifices in Iraq:

Gocomics.com Aug. 24, 2007



This development away from peace in politics is embedded in a corresponding change of the group process which turns irrational. Therefore it is no surprise that also Democrats seem to become ambivalent:

Gocomics.com Aug 21, 2007



Gocomics.com Aug. 23, 2007

Mrs. Clinton Now Says the Surge IS Working



According to a change of the group process we see mental changes (see cartoon below "converted") and Petraeus saying of troop cuts becomes dubious:

Gocomics.com Aug 24, 2007

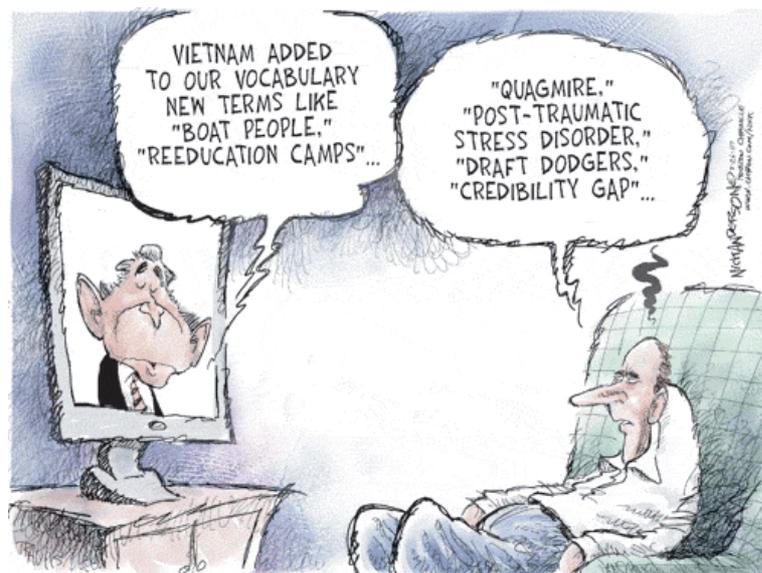


Gocomics.com Aug 24, 2007



The expectation of a continuation of cleansing from unconscious traumatic feelings by the sacrifice of war (see cartoon below) gives relief to the population and investors and also influences their readiness to take risks positively thus helping markets to continue to recover from the credit crisis.

Gocomics.com Aug 26, 2007



I do not expect that the irrational turn of the group process will last for a longtime. When this process will turn rational and drives for peace become stronger and will appear more convincingly again then you should see downward moves in stock markets gain strength again.

Florian Galler, Aug 26, 2007