

2010 Economic Preview: V or W or U or $\sqrt{}$ or L

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2008 & 2009 Review

2008

- Bear Stearns
- Indy Mac
- Fannie Mae
- Freddie Mac
- Lehman Bros.
- Breaking the Buck
- TARP
- 6% Contraction

2009

- President Obama
- Unemployment
- Falling Stock Market
- New Lows
- March Rally
- Foreclosures
- Green Shoots
- Stimulus Dollars

Post WWII US Economic Theories

John Maynard Keynes

- Higher Taxes
- Government Spending
- Social Safety Nets
- Union Wages
- Universal Health Care
- Redistribution of Wealth

Supply-Side Economics

- Lower Taxes
- Smaller Government
- Free Markets
- No minimum wage law
- Few regulations
- Buyer beware

MAJOR CAUSES of Post WWII Deflation

- Falling oil prices 1981-2000
- Falling interest rates 1981-2008
- Deregulation
- Cheap domestic labor 1986-2007
- The information and digital age
- Personal computer 1981
- NAFTA
- Globalization
- The Internet
- Cheap Capital

MAJOR CAUSES Of Post WW II Inflation

- Great Society Programs 1964-1968
- Vietnam War 1959-1975
- Suspending the gold standard 1971
- The 1st oil embargo 1973
- Inexperienced workforce 1972-1982
- Antiquated manufacturing facilities
- The 2nd oil embargo 1979
- Excessive money supply growth

The 2000's

- Cowboy Capitalism
- Leverage
- Exotic investment products
- Lax supervision
- Deficit spending
- Derivatives
- Lowered underwriting standards
- O.P.M. (other peoples' money)
- No Fear

This Decade's Four Bubbles

- Dot.com Stocks
- Residential Real Estate
- Commercial Real Estate
- Blue Chip Stocks

The New Normal

- An L shaped recovery
- Multi-year credit contraction
- Re-regulation
- Low, low growth
- Higher taxes
- Later on, inflation
- China's driving
- A reduced standard of living in America

Predicting 2010

- 2009 Holiday Sales
- 4th Quarter GDP
- December Unemployment Numbers
- Other 4th quarter and 2009 Economic Data
- Real Estate
- National Wealth

January 4-8th Data

Monday	Tuesday	Wednesday	Thursday	Friday
<u>ISM Mfg Index</u>	<u>Tuesday</u>	<u>MBA Purchase</u>	<u>Chain Store Sales</u>	<u>Employment</u>
10:00 AM ET	<u>Motor Vehicle Sales</u>	<u>Applications</u>		<u>Situation</u>
<u>Construction Spending</u>	<u>ICSC-Goldman Store Sales</u>	7:00 AM ET	<u>Monster Employment</u>	8:30 AM ET
10:00 AM ET	<u>Redbook</u>	<u>Challenger Job-Cut Report</u>	<u>Index</u>	<u>Wholesale Trade</u>
<u>4-Week Bill Announcement</u>	7:45 AM ET	7:30 AM ET	6:00 AM ET	10:00 AM ET
11:00 AM ET	8:55 AM ET	<u>ADP Employment Report</u>	<u>Jobless Claims</u>	<u>Consumer Credit</u>
<u>3-Month Bill Auction</u>	<u>Factory Orders</u>	8:15 AM ET	8:30 AM ET	3:00 PM ET
11:30 AM ET	10:00 AM ET	<u>ISM Non-Mfg Index</u>	<u>30-Yr Bond</u>	
<u>6-Month Bill Auction</u>	<u>Pending Home Sales Index</u>	10:00 AM ET	<u>Announcement</u>	
11:30 AM	10:00 AM ET	<u>EIA Petroleum Status</u>	9:00 AM ET	
		<u>Report</u>	<u>EIA Natural Gas Report</u>	
		10:30 AM ET	10:30 AM ET	
		<u>FOMC Minutes</u>	<u>Treasury STRIPS</u>	
		2:00 PM ET	3:00 PM ET	
			<u>Fed Balance Sheet</u>	
			4:30 PM ET	
			<u>Money Supply</u>	
			4:30 PM ET	

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January 11-15 Data

Monday	Tuesday	Wednesday	Thursday	Friday
<u>4-Week Bill Announcement</u> 11:00 AM ET	<u>JCSC-Goldman Store Sales</u> 7:45 AM ET	<u>Bank Reserve Settlement</u>	<u>Retail Sales</u> 8:30 AM ET	<u>Consumer Price Index</u> 8:30 AM ET
<u>3-Month Bill Auction</u> 11:30 AM ET	<u>International Trade</u> 8:30 AM ET	<u>MBA Purchase Applications</u> 7:00 AM ET	<u>Jobless Claims</u> 8:30 AM ET	<u>Empire State Mfg Survey</u> 8:30 AM ET
<u>6-Month Bill Auction</u> 11:30 AM ET	<u>Redbook</u> 8:55 AM ET	<u>EIA Petroleum Status Report</u> 10:30 AM ET	<u>Import and Export Prices</u> 8:30 AM ET	<u>Industrial Production</u> 9:15 AM ET
<u>10-Yr TIPS Auction</u> 1:00 PM ET	<u>4-Week Bill Auction</u> 11:30 AM ET	<u>10-Yr Note Auction</u> 1:00 PM ET	<u>RBC CASH Index</u> 9:00 AM ET	<u>Consumer Sentiment</u> 9:55 AM ET
	<u>52-Week Bill Auction</u> 11:30 AM ET	<u>Beige Book</u> 2:00 PM ET	<u>Business Inventories</u> 10:00 AM ET	
	<u>3-Yr Note Auction</u> 1:00 PM ET	<u>Treasury Budget</u> 2:00 PM ET	<u>EIA Natural Gas Report</u> 10:30 AM ET	
			<u>30-Yr Bond Auction</u> 1:00 PM ET	
			<u>Fed Balance Sheet</u> 4:30 PM ET	
			<u>Money Supply</u> 4:30 PM ET	

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January 18-22 Data

Monday	Tuesday	Wednesday	Thursday	Friday
<p><i>US Holiday: Martin Luther King Jr. Day</i></p> <p><i>All Markets Closed</i></p>	<p><u>Treasury International Capital</u> 9:00 AM ET</p> <p><u>State Street Investor Confidence Index</u> 10:00 AM ET</p> <p><u>Housing Market Index</u> 1:00 PM ET</p>	<p><u>MBA Purchase Applications</u> 7:00 AM ET</p> <p><u>ICSC-Goldman Store Sales</u> 7:45 AM ET</p> <p><u>Housing Starts</u> 8:30 AM ET</p> <p><u>Producer Price Index</u> 8:30 AM ET</p> <p><u>Redbook</u> 8:55 AM ET</p>	<p><u>Jobless Claims</u> 8:30 AM ET</p> <p><u>Leading Indicators</u> 10:00 AM ET</p> <p><u>Philadelphia Fed Survey</u> 10:00 AM ET</p> <p><u>EIA Natural Gas Report</u> 10:30 AM ET</p> <p><u>EIA Petroleum Status Report</u> 11:00 AM ET</p> <p><u>3-Month Bill Announcement</u> 11:00 AM ET</p> <p><u>6-Month Bill Announcement</u> 11:00 AM ET</p> <p><u>2-Yr Note Announcement</u> 11:00 AM ET</p> <p><u>5-Yr Note Announcement</u> 11:00 AM ET</p> <p><u>7-Yr Note Announcement</u> 11:00 AM ET</p> <p><u>Fed Balance Sheet</u> 4:30 PM ET</p> <p><u>Money Supply</u> 4:30 PM ET</p>	<p>No Data Today</p>

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January 25-29 Data

Monday	Tuesday	Wednesday	Thursday	Friday
<u>Existing Home Sales</u> 10:00 AM ET	<u>FOMC Meeting Begins</u> <u>ICSC-Goldman Store Sales</u> 7:45 AM ET <u>Redbook</u> 8:55 AM ET <u>S&P Case-Shiller HPI</u> 9:00 AM ET <u>Consumer Confidence</u> 10:00 AM ET <u>FHFA House Price Index</u> 10:00 AM ET <u>4-Week Bill Auction</u> 11:30 AM ET <u>2-Yr Note Auction</u> 1:00 PM ET	<u>Bank Reserve Settlement</u> <u>MBA Purchase Applications</u> 7:00 AM ET <u>New Home Sales</u> 10:00 AM ET <u>EIA Petroleum Status Report</u> 10:30 AM ET <u>5-Yr Note Auction</u> 1:00 PM ET <u>FOMC Meeting Announcement</u> 2:15 PM ET	<u>Durable Goods Orders</u> 8:30 AM ET <u>Jobless Claims</u> 8:30 AM ET <u>EIA Natural Gas Report</u> 10:30 AM ET <u>3-Month Bill Announcement</u> 11:00 AM ET <u>6-Month Bill Announcement</u> 11:00 AM ET <u>7-Yr Note Auction</u> 1:00 PM ET <u>Fed Balance Sheet</u> 4:30 PM ET <u>Money Supply</u> 4:30 PM ET	<u>GDP</u> 8:30 AM ET <u>Employment Cost Index</u> 8:30 AM ET <u>Chicago PMI</u> 9:45 AM ET <u>Consumer Sentiment</u> 9:55 AM ET <u>Farm Prices</u> 3:00 PM ET

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February 1-5 Data

Monday	Tuesday	Wednesday	Thursday	Friday
<u>Personal Income and Outlays</u> 8:30 AM ET	<u>Motor Vehicle Sales</u>	<u>MBA Purchase Applications</u> 7:00 AM ET	<u>Chain Store Sales</u>	<u>Employment Situation</u> 8:30 AM ET
<u>ISM Mfg Index</u> 10:00 AM ET	<u>ICSC-Goldman Store Sales</u> 7:45 AM ET	<u>Challenger Job-Cut Report</u> 7:30 AM ET	<u>Monster Employment Index</u> 6:00 AM ET	<u>Consumer Credit</u> 3:00 PM ET
<u>Construction Spending</u> 10:00 AM ET	<u>Redbook</u> 8:55 AM ET	<u>ADP Employment Report</u> 8:15 AM ET	<u>Jobless Claims</u> 8:30 AM ET	
	<u>Pending Home Sales Index</u> 10:00 AM ET	<u>30-Yr Bond Announcement</u> 9:00 AM ET	<u>Productivity and Costs</u> 8:30 AM ET	
		<u>ISM Non-Mfg Index</u> 10:00 AM ET	<u>RBC CASH Index</u> 9:00 AM ET	
		<u>EIA Petroleum Status Report</u> 10:30 AM ET	<u>Factory Orders</u> 10:00 AM ET	
		<u>3-Yr Note Announcement</u> 11:00 AM ET	<u>EIA Natural Gas Report</u> 10:30 AM ET	
		<u>10-Yr Note Announcement</u> 11:00 AM ET	<u>Treasury STRIPS</u> 3:00 PM ET	
			<u>Fed Balance Sheet</u> 4:30 PM ET	
			<u>Money Supply</u> 4:30 PM ET	

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