

# NATIONAL ASSOCIATION FOR BUSINESS ECONOMICS

## *Silicon Valley Roundtable—January 2002 Meeting*

Topic: **Economics and Investing: predictions for 2002**

Bud Conrad looks at fundamental economic forces to explain big picture market movement. He will explain how supportive feedback loops of strong economy and strong stock market drove US markets to the March 2000 high. Low interest rates, low government deficits, high P/E multiples, high trade deficit, high foreign investment, strong dollar and low inflation fed the self-supportive virtuous cycle. We are now unwinding this cycle. The question is whether we have completed a typical recessionary business cycle, or if we face a more serious downturn. Bud will show interesting comparisons to the major cycles that peaked in 1929, and to Japan of 1989.

Interest rates are down, but so are corporate earnings. Comparing corporate earnings yield to 10 year Treasuries provides a base for predicting stock market direction. Foreign stock markets, trade deficit, exchange rate, stock options and buybacks all affect our markets. He will provide some basis for evaluating where inflation, interest rates, the stock market and GDP may be headed.

Speaker: Bud Conrad received his bachelor's in electrical engineering from Yale University and his MBA from Harvard. Much of his career was in middle management at computer companies like AMS, Amdahl, and Tandem. He has traded commodities since 1978, and currently is teaching graduate courses in Fundamentals of Investing in Securities and International Finance at Golden Gate University.

When: Tuesday, **January 08**, 2002 11:30 AM to 1:00 PM (meeting at noon)

Where: Menlo Park Public Library

Directions: El Camino Real north or south to Menlo Park. East on Ravenswood Avenue (towards Highway 101). Right onto Alma Street (first right after crossing the railroad tracks). The library is the first building on the left and is part of the Menlo Park Civic Center complex.

Fees: \$15 members, \$18 non-members for lunch and meeting, pay at the door. Free parking.

### **About the NABE Silicon Valley Roundtable—Our 20th Year**

**Purpose:** NABE Silicon Valley provides information you need about Silicon Valley. We offer research, forecasts, and monthly meetings to discuss topics of management and business economics. Guests welcome.

**SVRT 2002:** Be a NABE Silicon Valley member; participate in informative meetings and events. Send your check for \$20.00 (annual dues) payable to NABE Silicon Valley to: SVRT, Box 4039, Foster City, CA 94404.

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