

### Bud Conrad's Projection for 2005:

Summary Yr end est Prepared 12 2004	12/2004 Actual	Bud's est for end 2005
<b>Stocks: S&amp;P 500</b>		
mostly flat	1203	<b>1250</b>
Crude goes above \$50/bbl	\$42	<b>\$60</b>
Gold rises	\$435	<b>\$535</b>
Fed has to raise to defend \$	2.25%	<b>3.5%</b>
10 Yr Treasury	4.2%	<b>5.2%</b>
Japanese 3 month interest rate	0.0%	<b>0.25%</b>
PPI rises to 8%	7.0%	<b>8.0%</b>
Dollar falls 10% against Euro	130	<b>140</b>
Yen 95Y/\$	103	<b>90</b>
GDP: Slowing with consumer tapped out	3.8%	<b>2.5%</b>
Earnings grow, but only 7%, not 28% (operating)	28%	<b>7%</b>
Government deficit rises	\$412B	<b>\$500B</b>
World economies continue growth > 2%	3%	<b>2%</b>
Trade Balance (CA) stays negative \$650B	-\$560B	<b>-\$650B</b>
Housing prices drop 5% across US	8.8%	<b>-5%</b>
Unemployment rises a tick %	5.4%	<b>5.6%</b>
Economy slows, Inflation returns to Physical Assets		
Currency weakens as gold, oil, rise		
Stocks stay unexciting from rising rates, weaker P/E		