

National Air Filtration System

September 2007

“Building Profits Into Tomorrow”

Presented By:

The Institute for Trend Research

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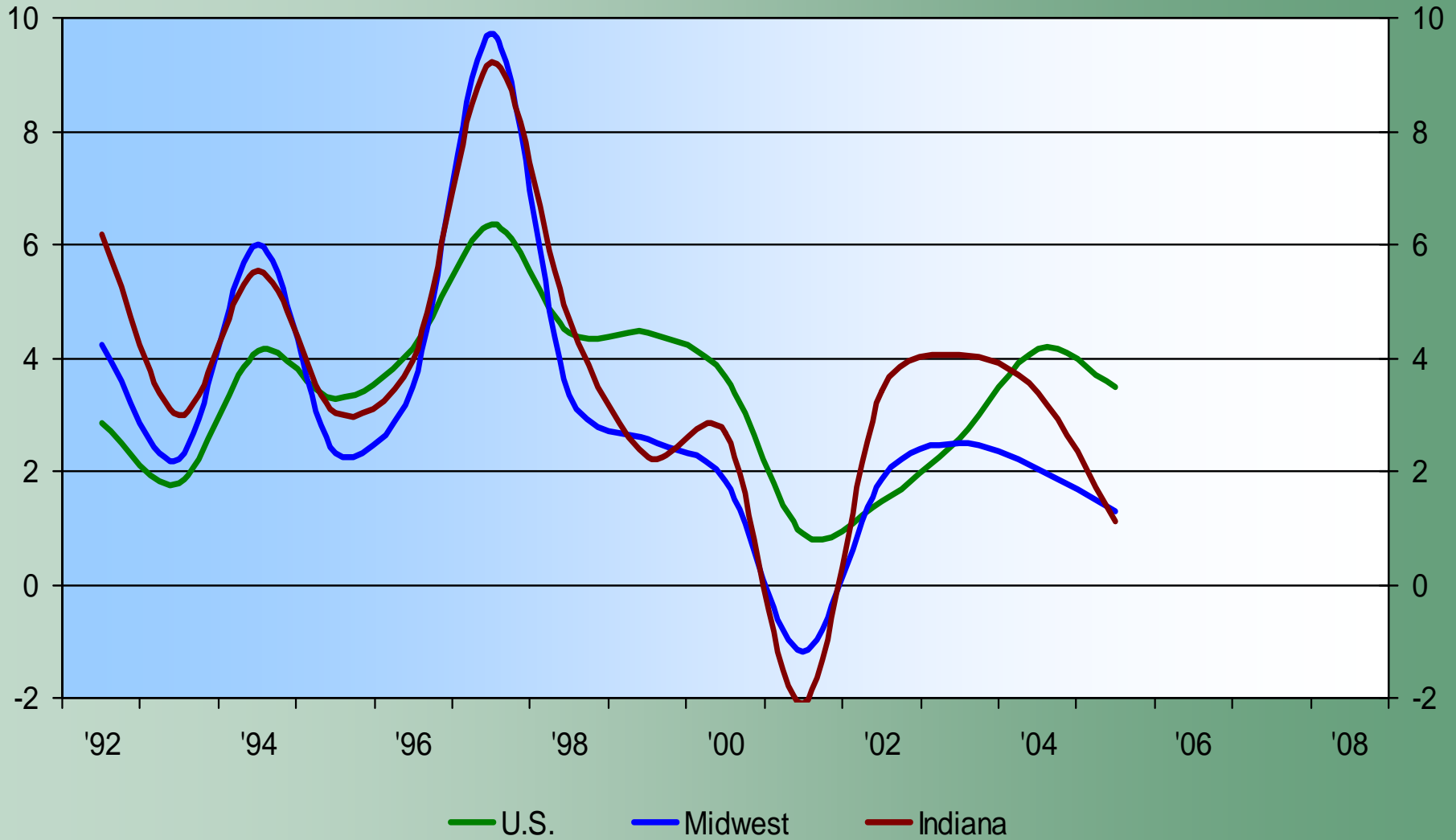
www.ecotrends.org

Scientific Data Systems (Xerox)

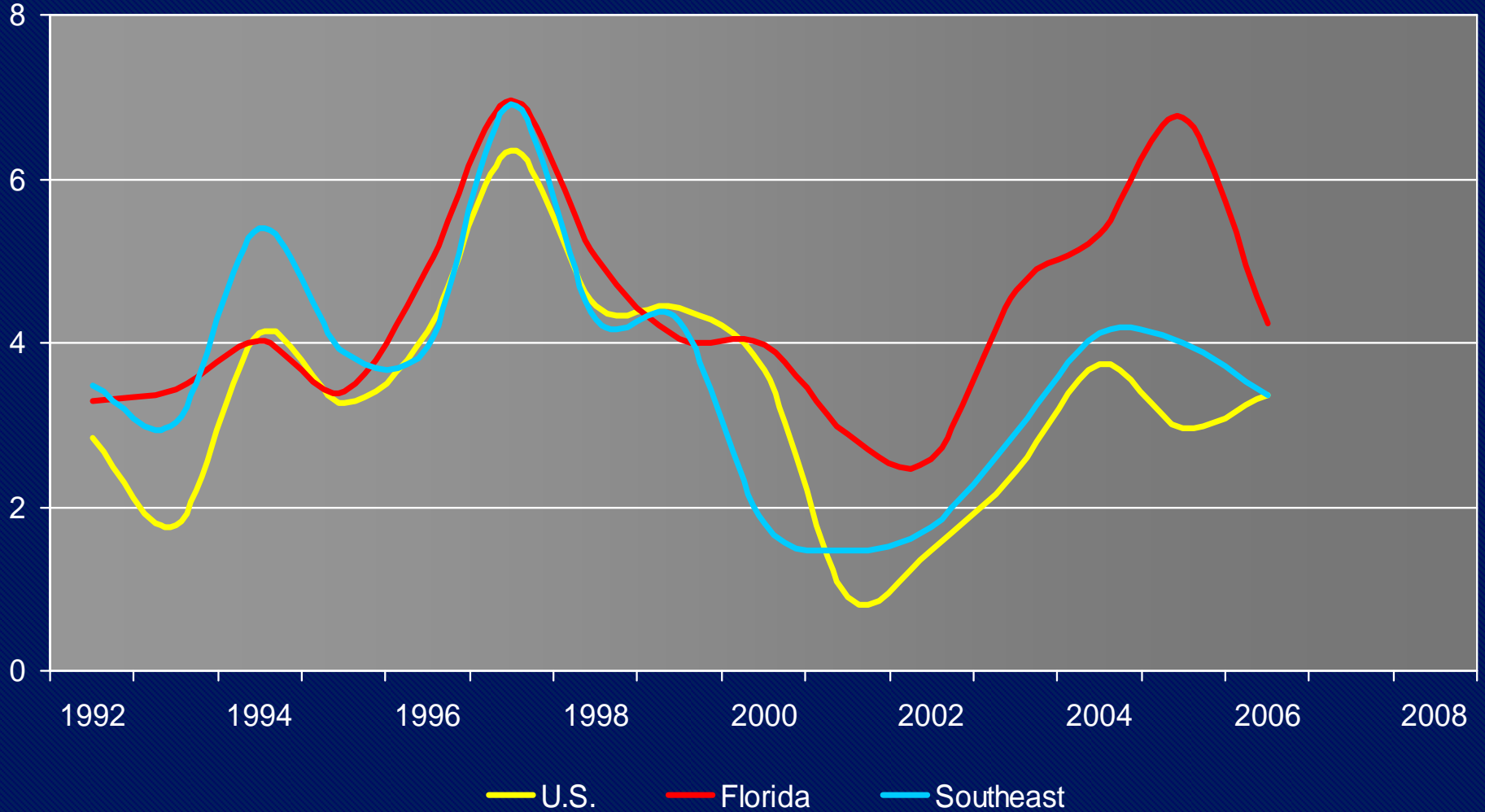
Message to Sigma 2 users, (1969)

We have not succeeded in answering all your problems. Indeed we sometimes find we have not completely answered any of them. The answers we have found only serve to raise a whole new set of questions. *In some ways we feel that we are as confused as ever, but we believe we are confused on a much higher level and about more important things.*

US, Indiana & the Midwest Annual GSP Growth Rate

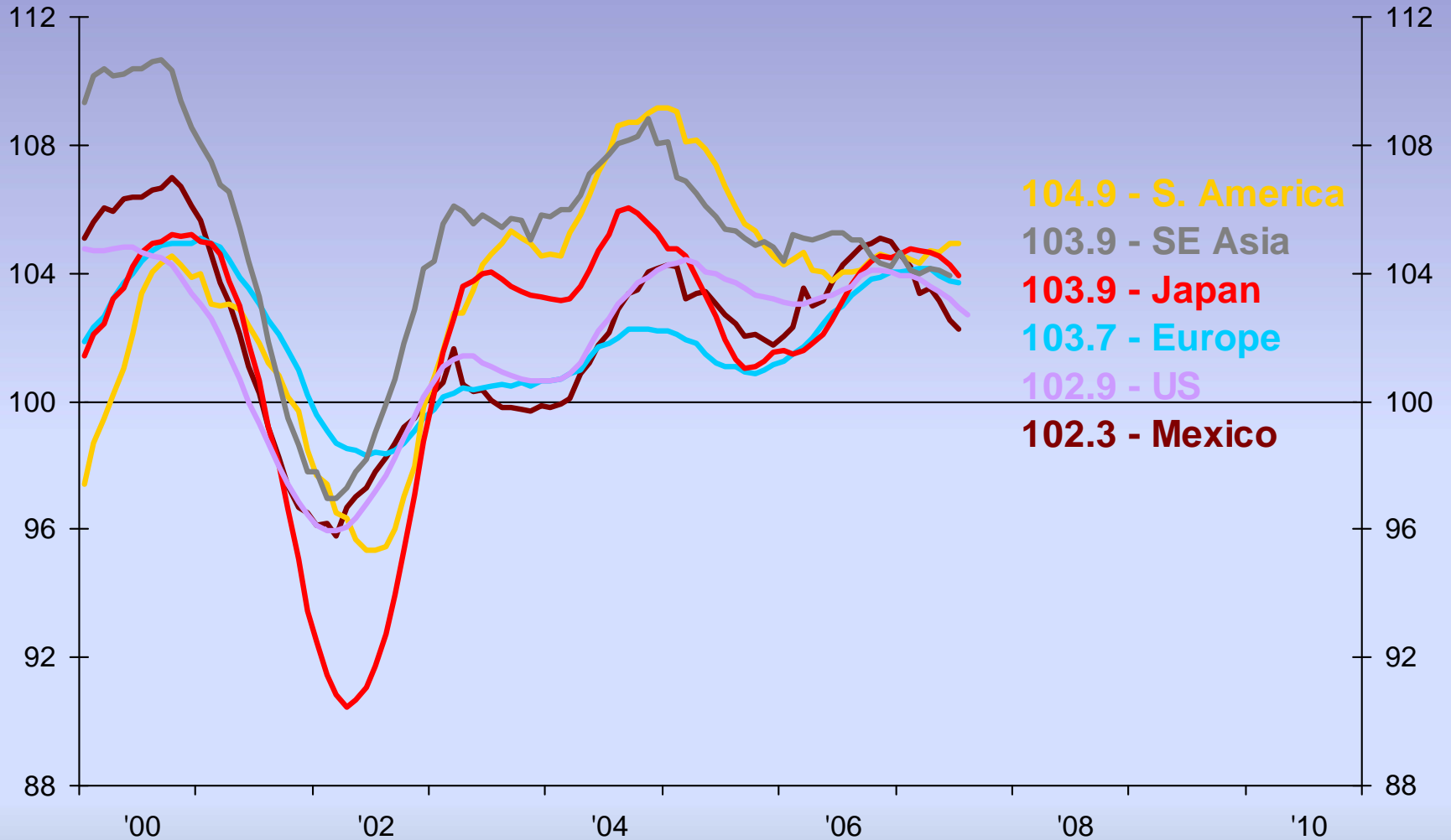


US, Florida & Southeast Annual GSP Growth Rate



Global Industrial Production Indices

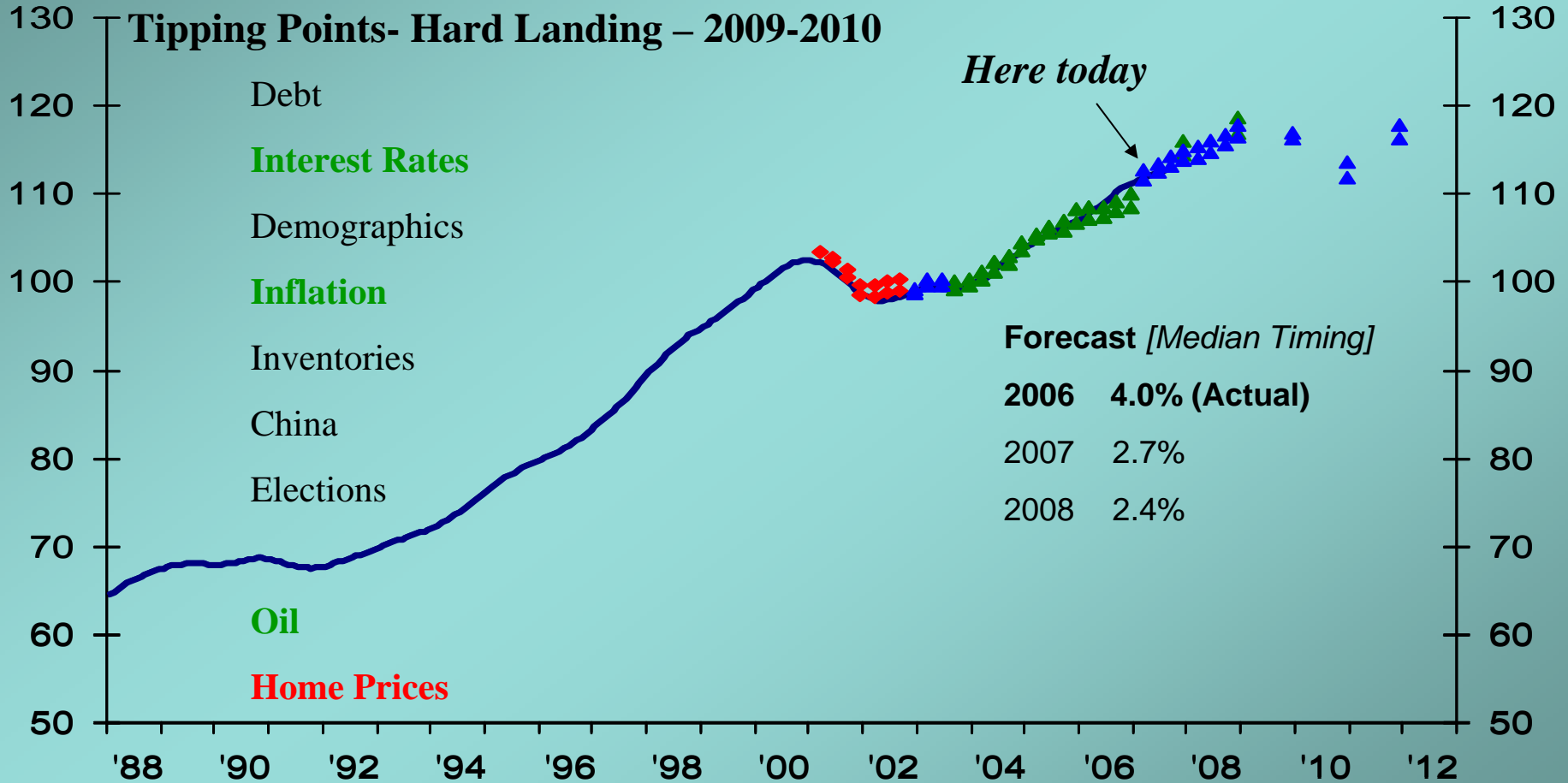
12/12 Rates-of-Change



US Industrial Production Index

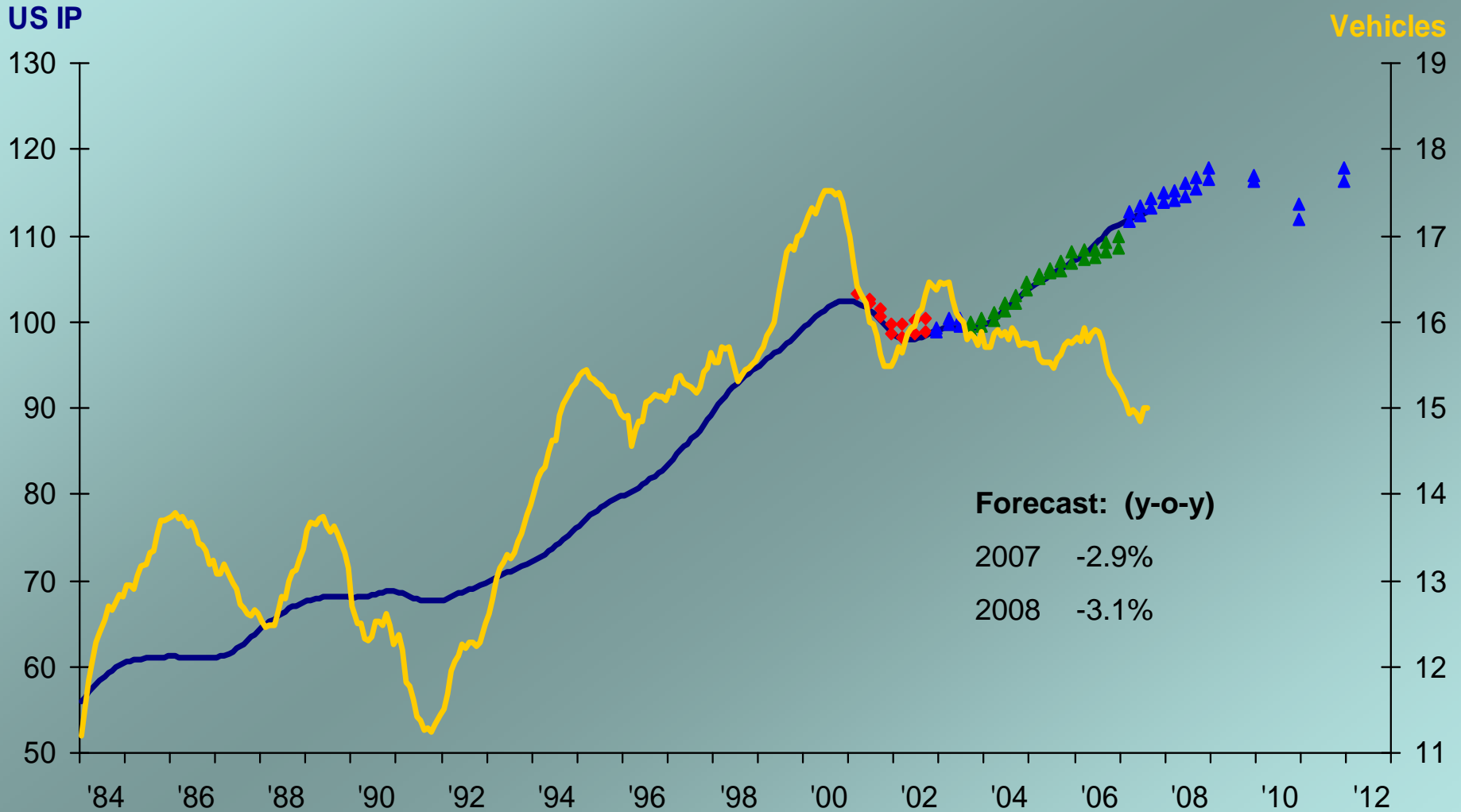
Forecast Through December 2011

Annual Average Index



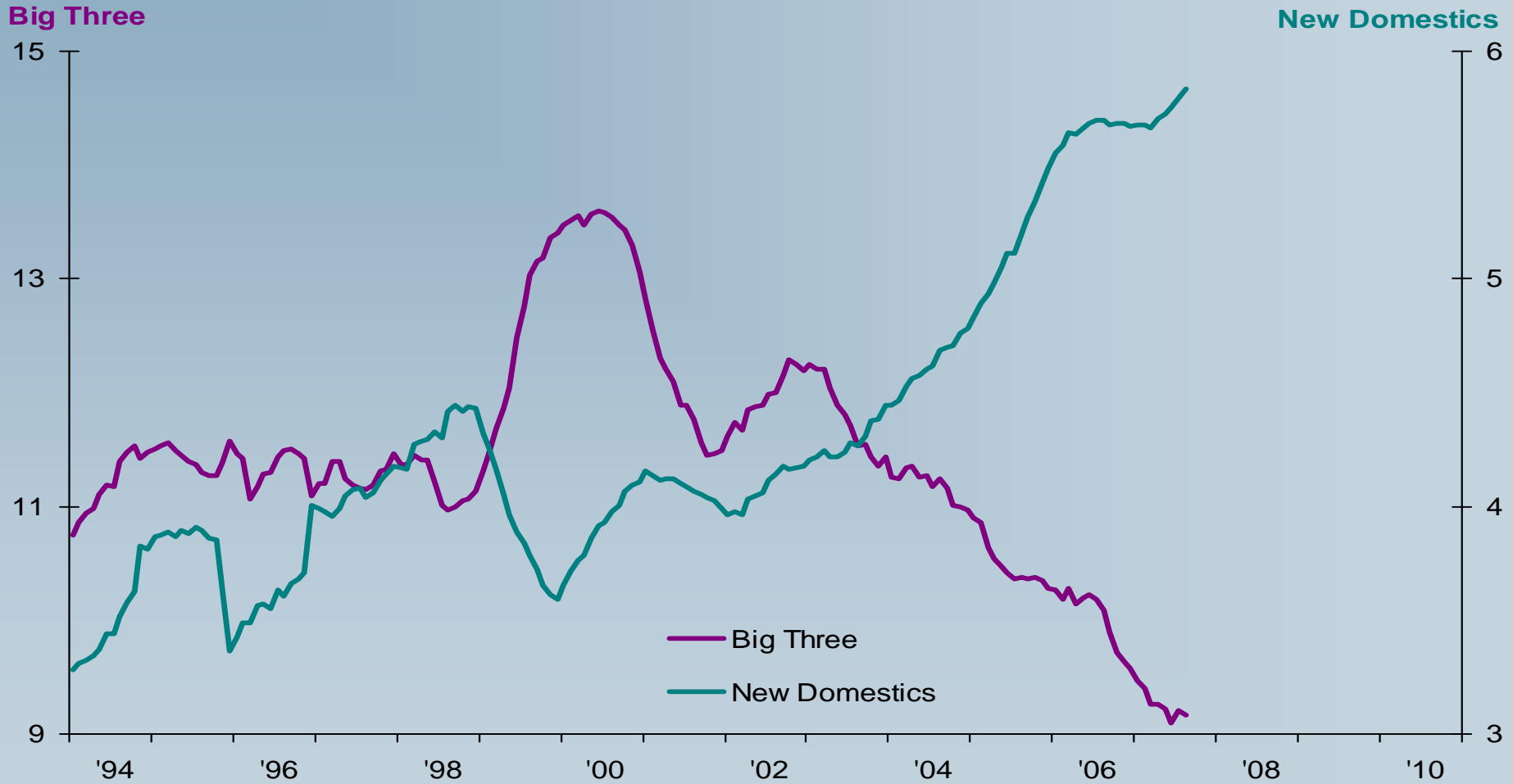
US Industrial Production to North America Light Vehicle Production

Annual Average Indices



North America New Domestics Light Vehicle Production to Big Three North America Light Vehicle Production

Data Trends



RATE-OF-CHANGE

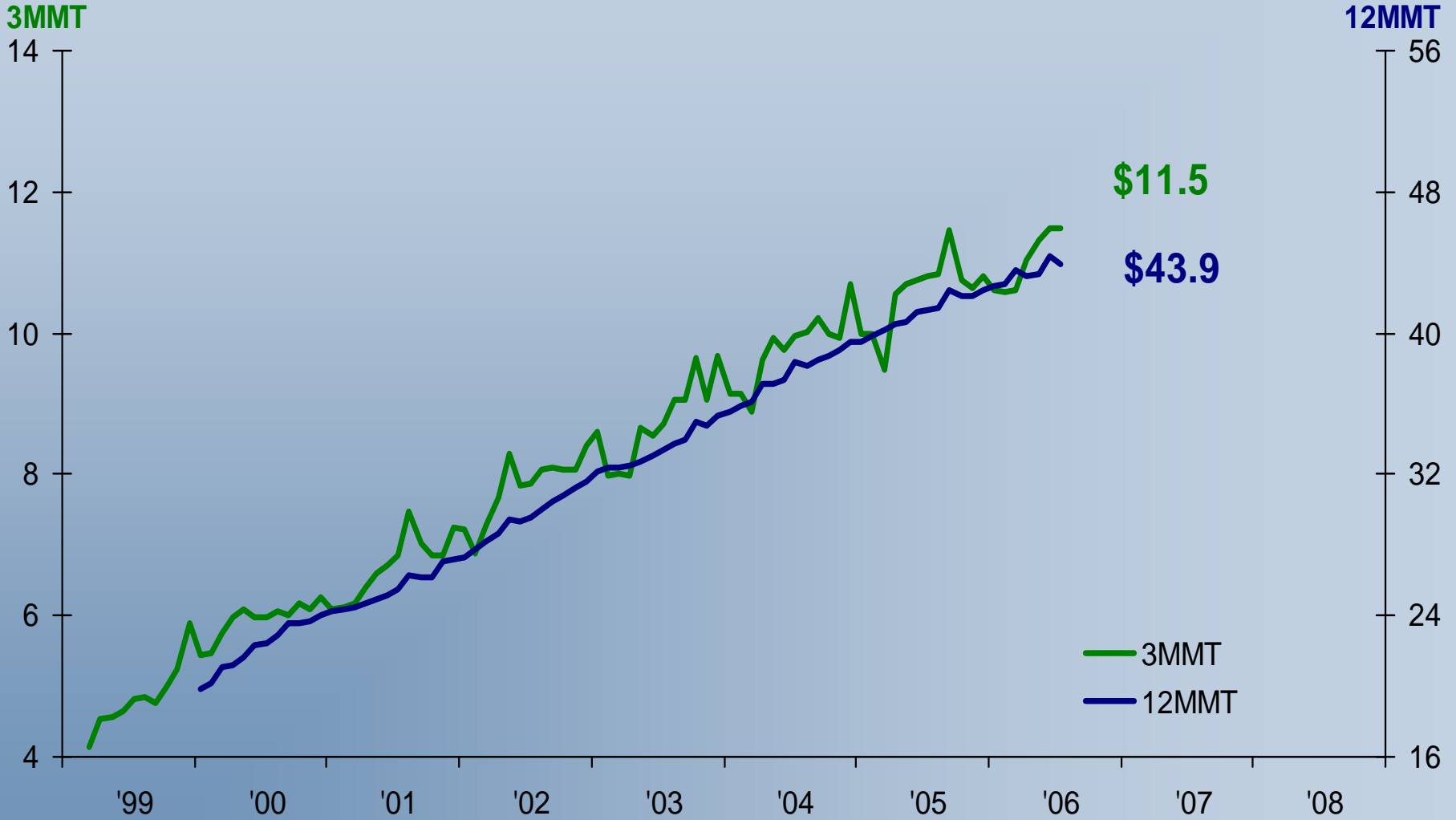
$$\frac{\text{ACTUAL MONTHLY DATA AS OF 8/07}}{\text{ACTUAL MONTHLY DATA AS OF 8/06}} = 1/12$$

$$\frac{\text{3-MOS MOVING TOTAL (3MMT) AS OF 8/07}}{\text{3-MOS MOVING TOTAL (3MMT) AS OF 8/06}} = 3/12$$

$$\frac{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 8/07}}{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 8/06}} = 12/12$$

Company G

Data Trends, Millions of \$



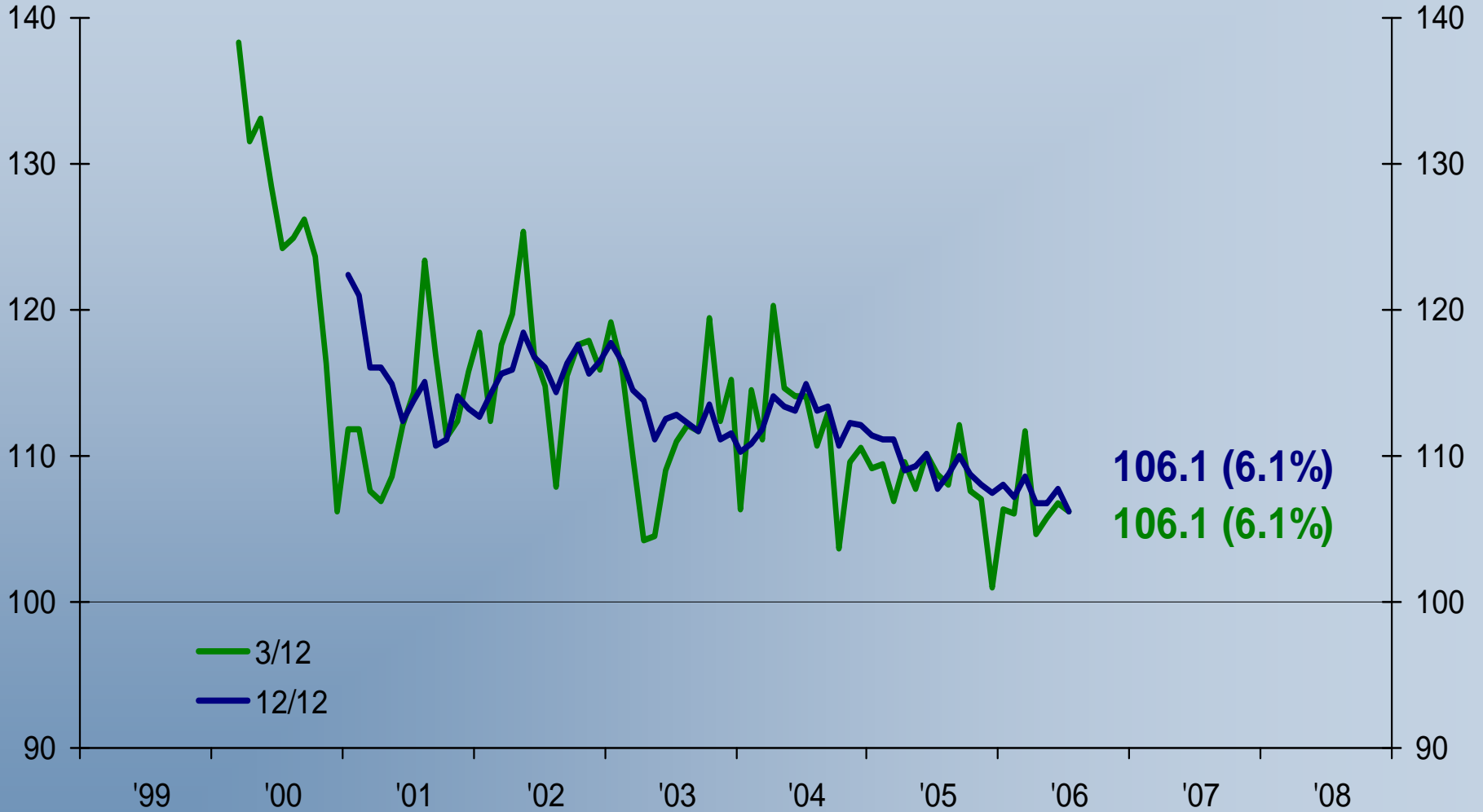
\$11.5

\$43.9

— 3MMT
— 12MMT

Company G

Rate-of-Change

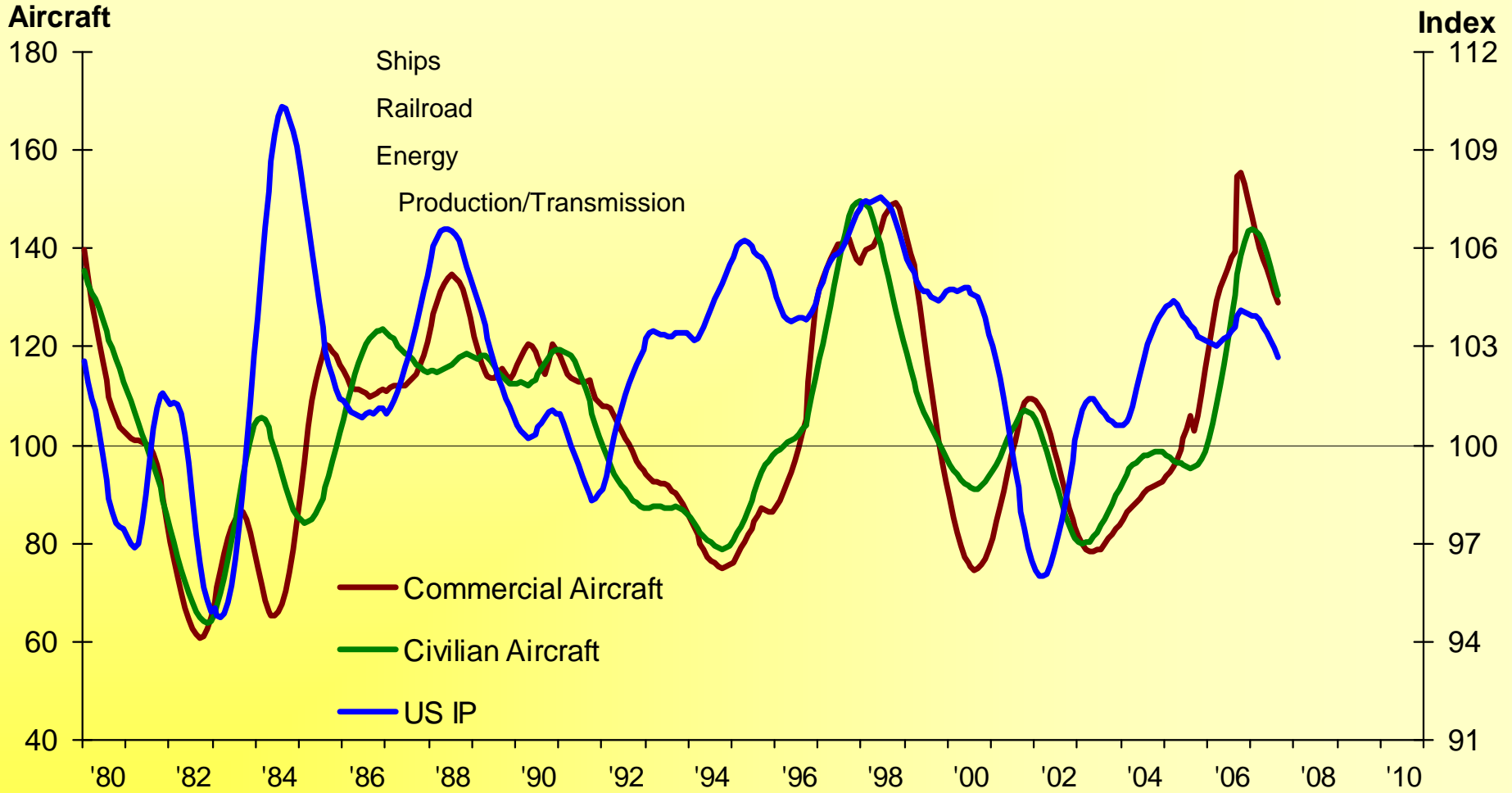


106.1 (6.1%)
106.1 (6.1%)

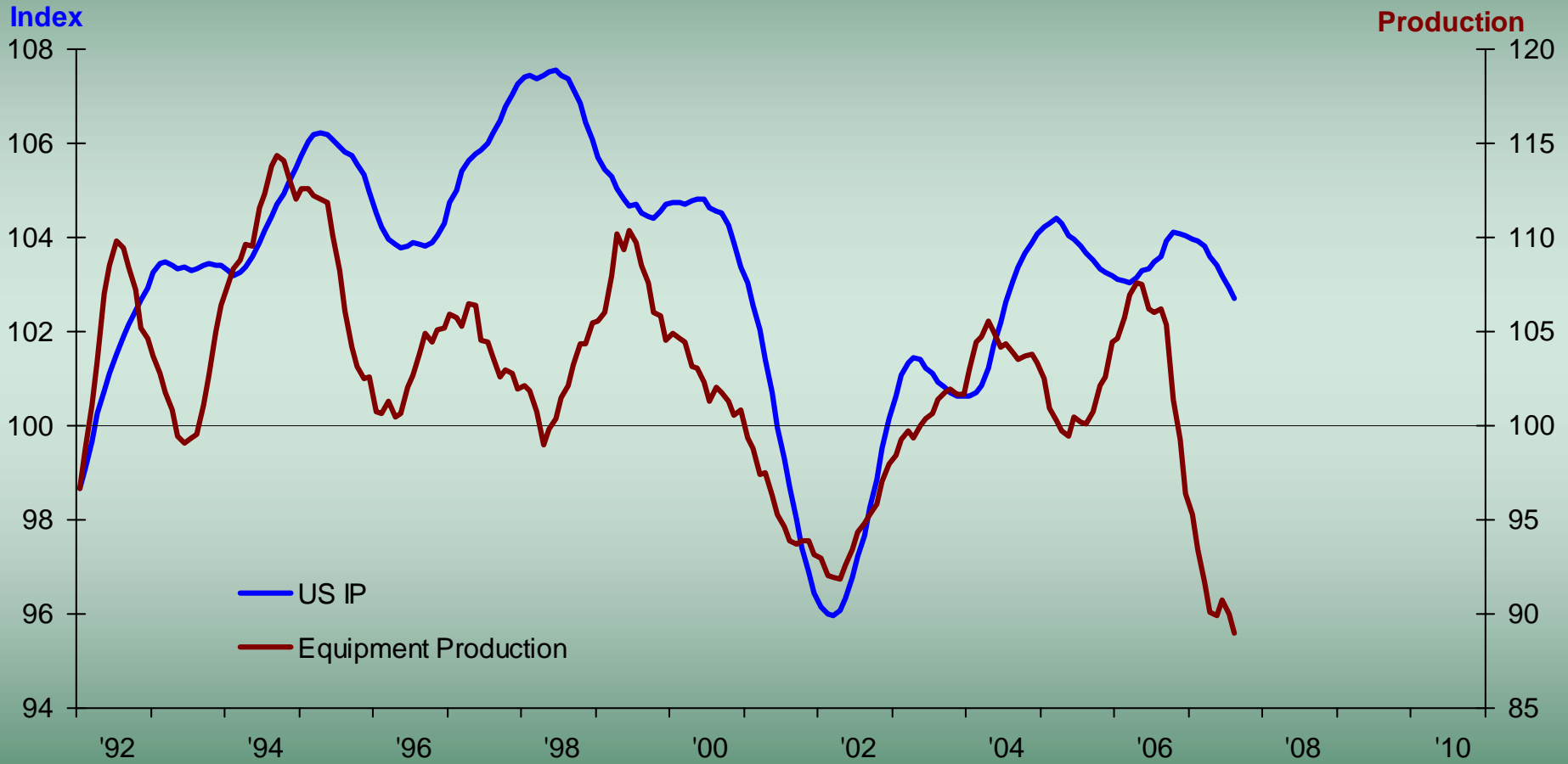
— 3/12
— 12/12

US Industrial Production to Commercial Aircraft Production & Civilian Aircraft Equipment Production

12/12 Rates-of-Change

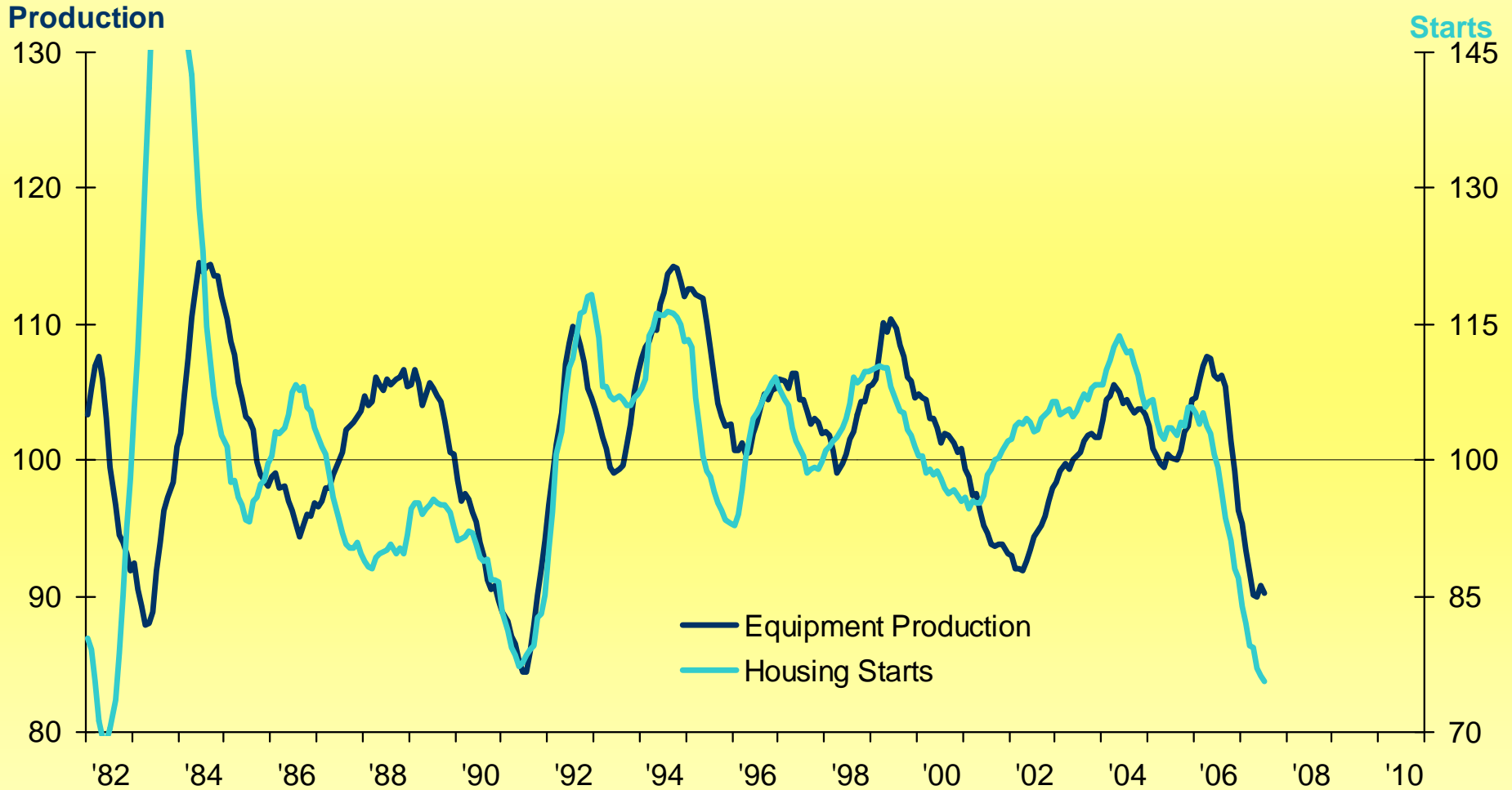


US Industrial Production to Refrigeration & HVAC Equipment Production 12/12 Rates-of-Change



Housing Starts to Refrigeration & HVAC Equipment Production

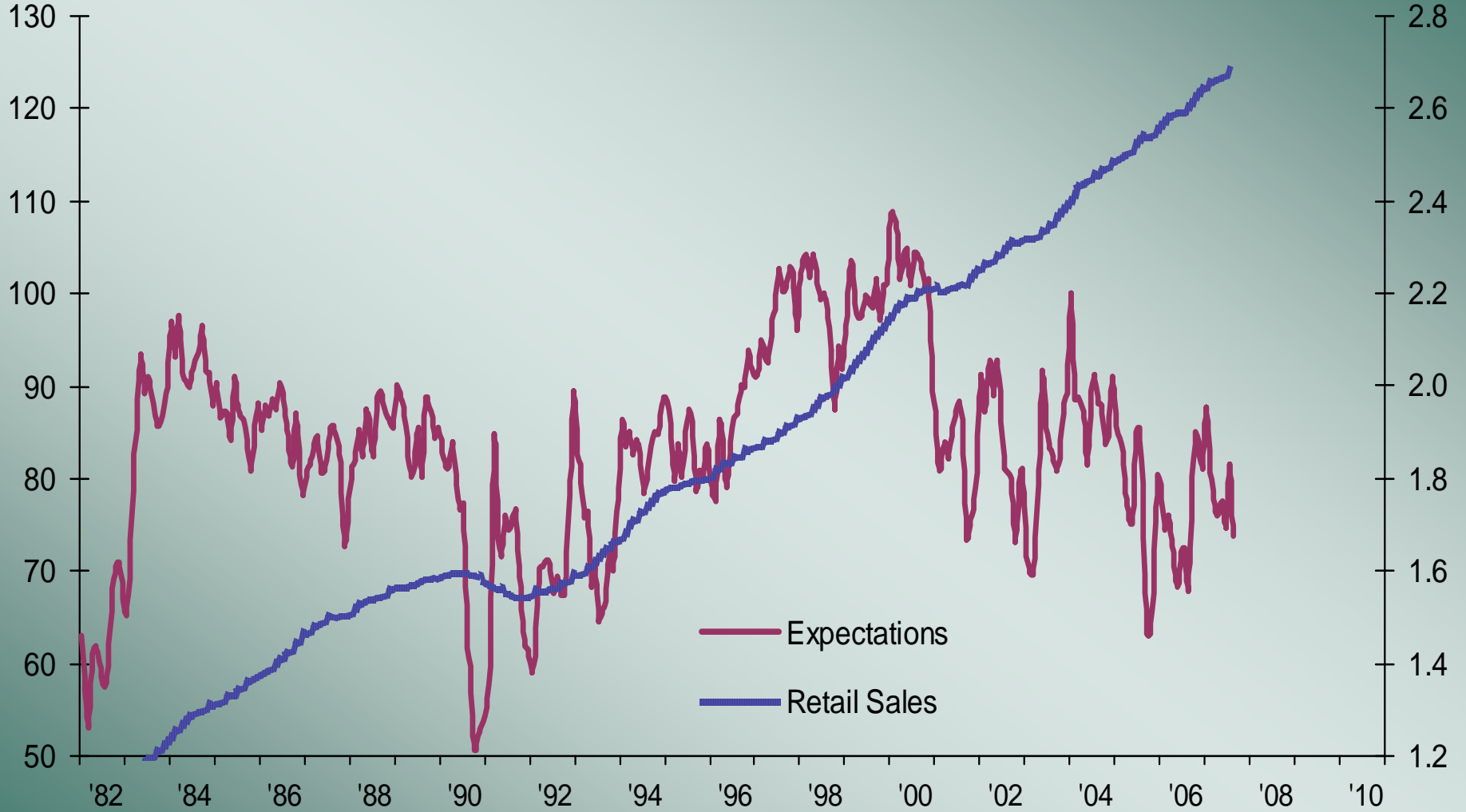
12/12 Rates-of-Change



Consumer Expectations and Retail Sales

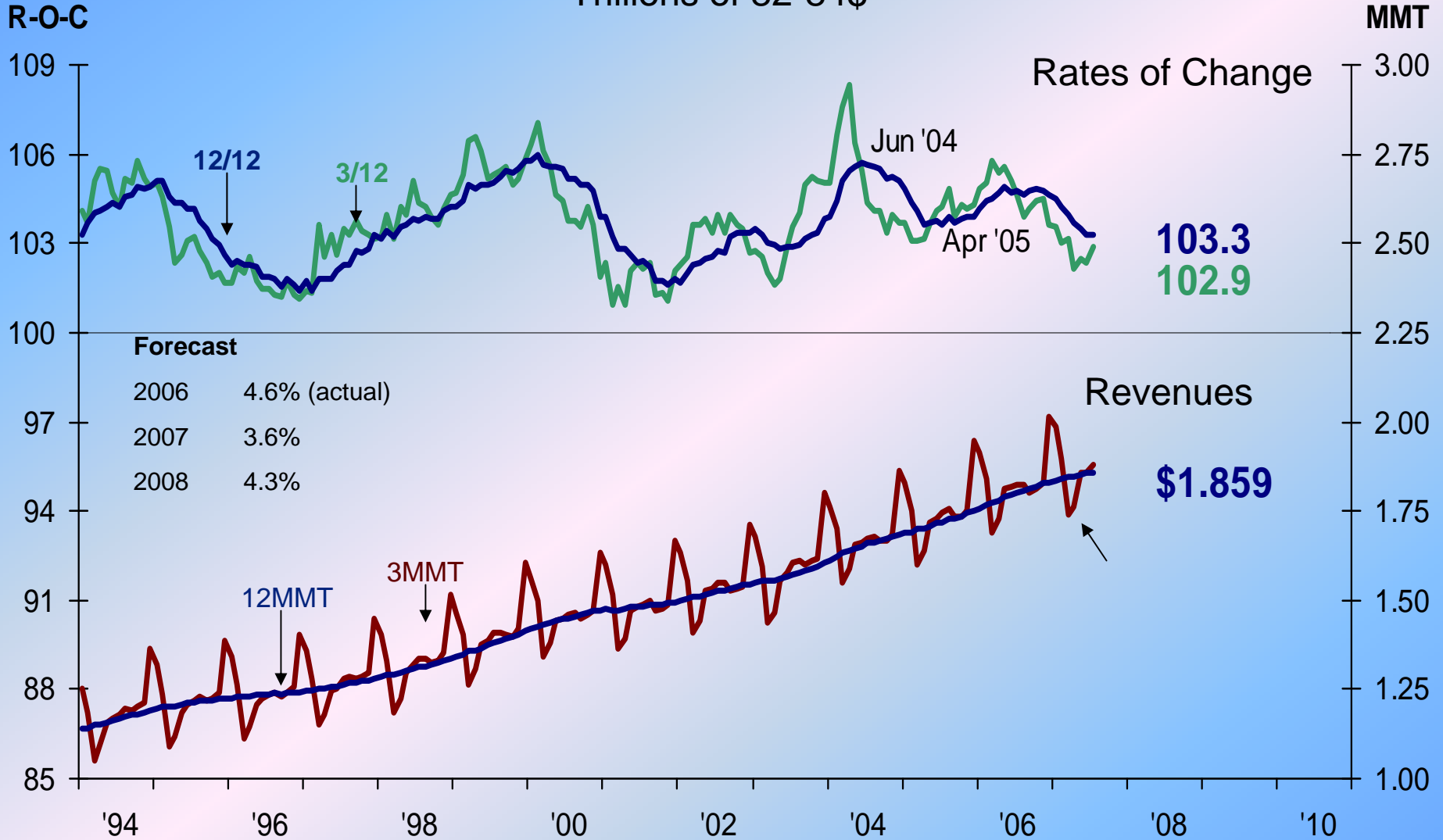
Expectations

Sales



Retail Sales Excluding Automobiles

Trillions of 82-84\$

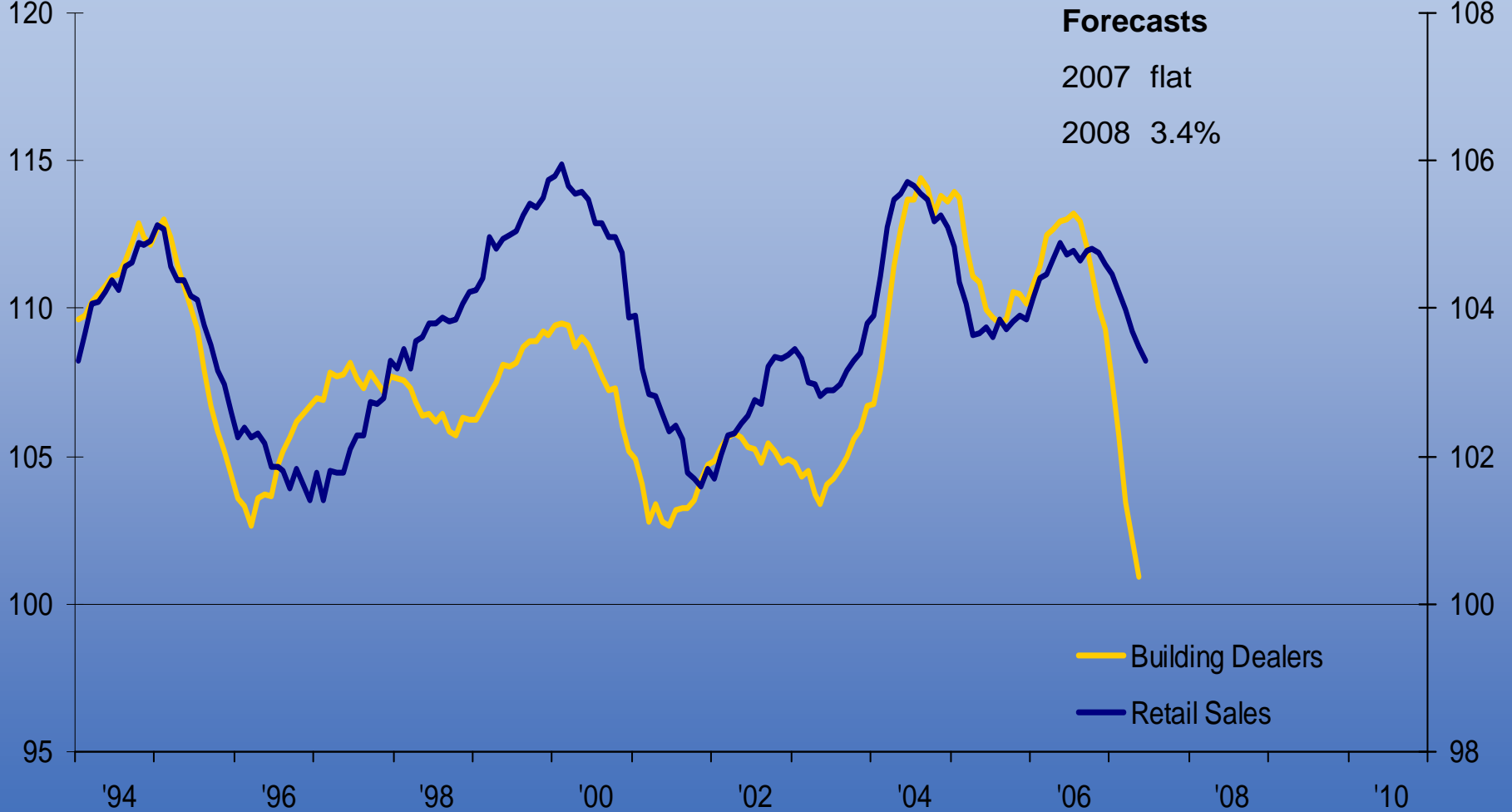


Retail Sales Excluding Autos to Building Materials & Supplies Dealers

12/12 Rates-of-Change

Retailers

Sales



Forecasts

2007 flat

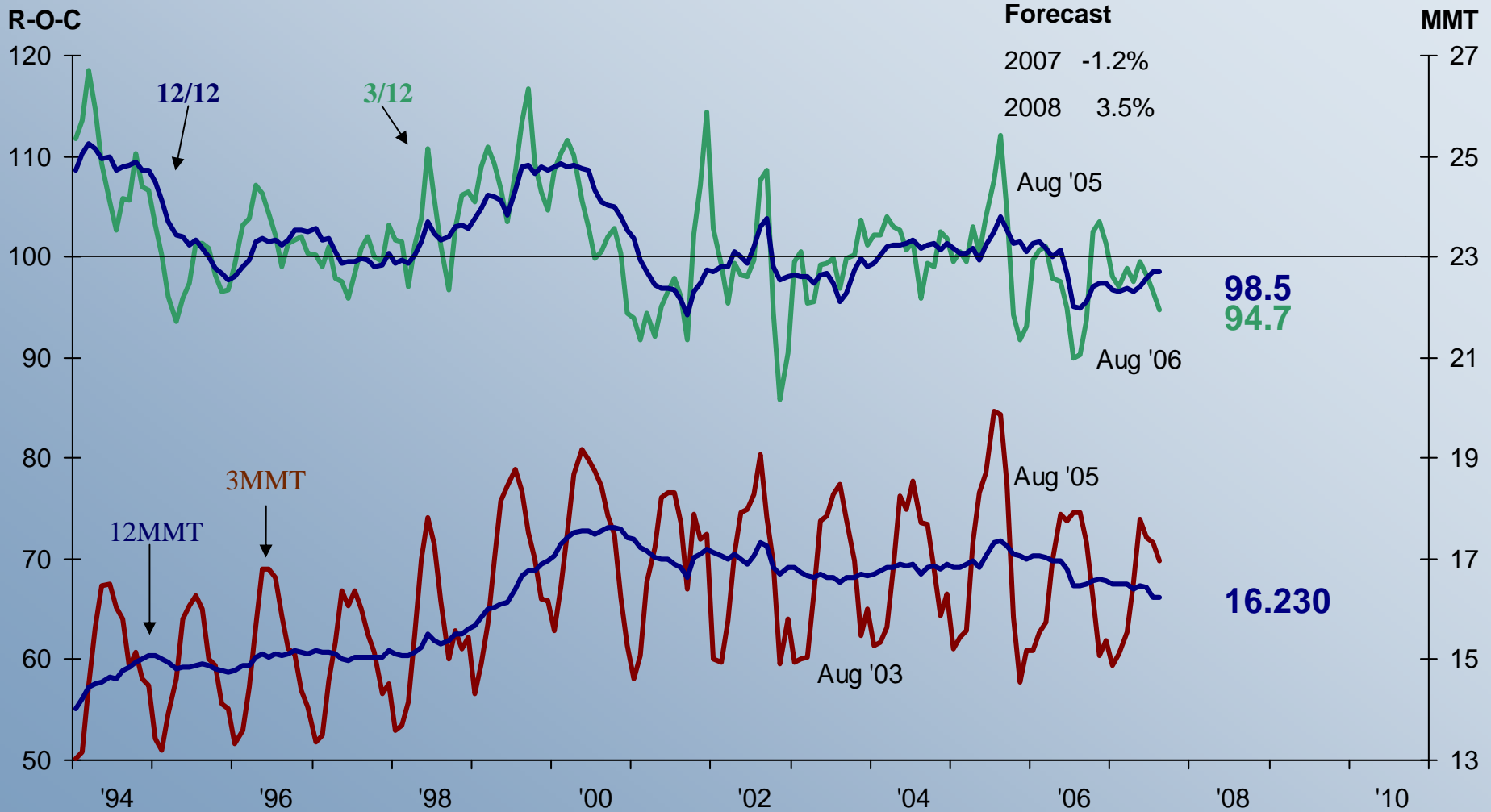
2008 3.4%

Building Dealers

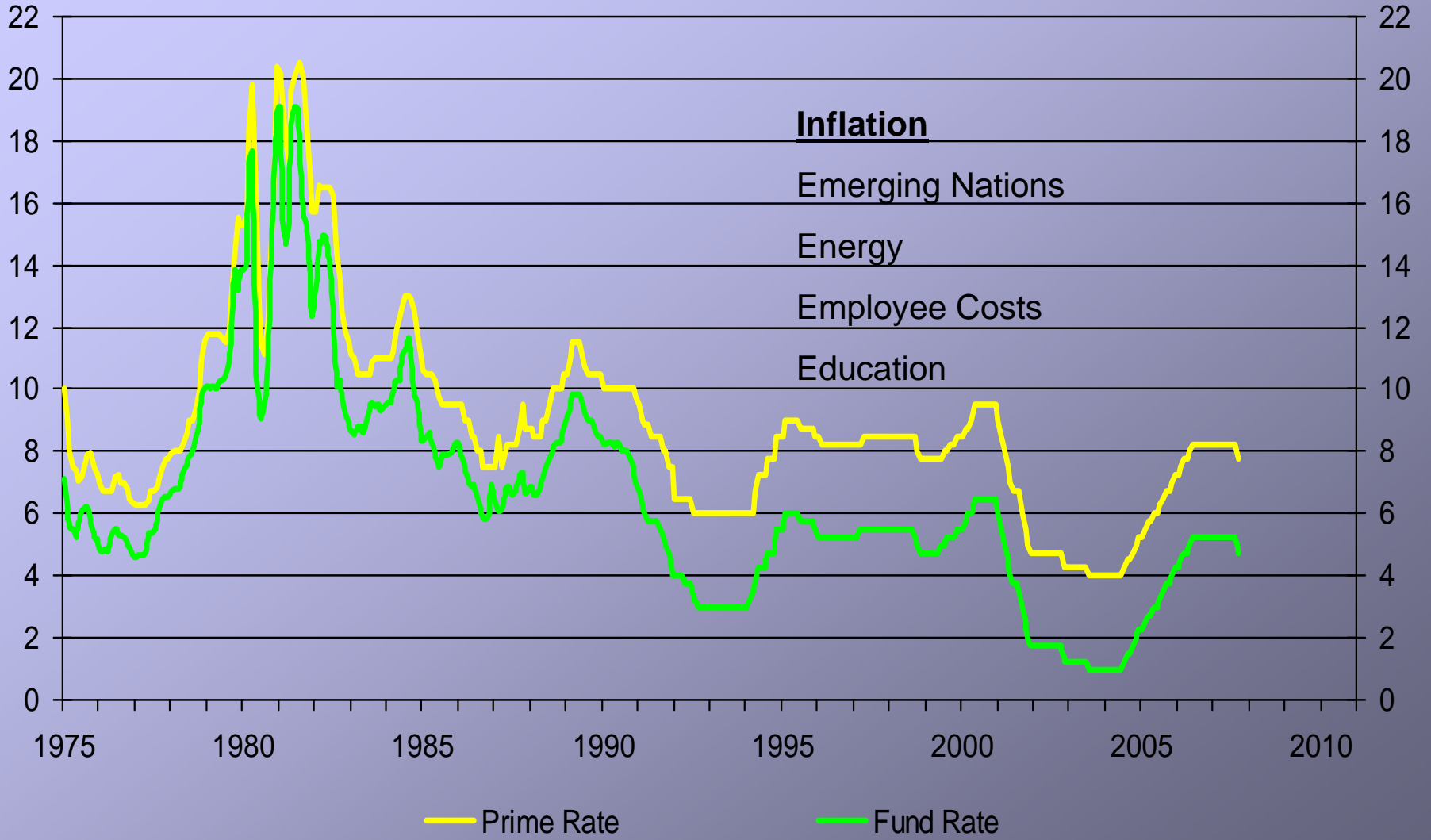
Retail Sales

Light Vehicle Retail Sales

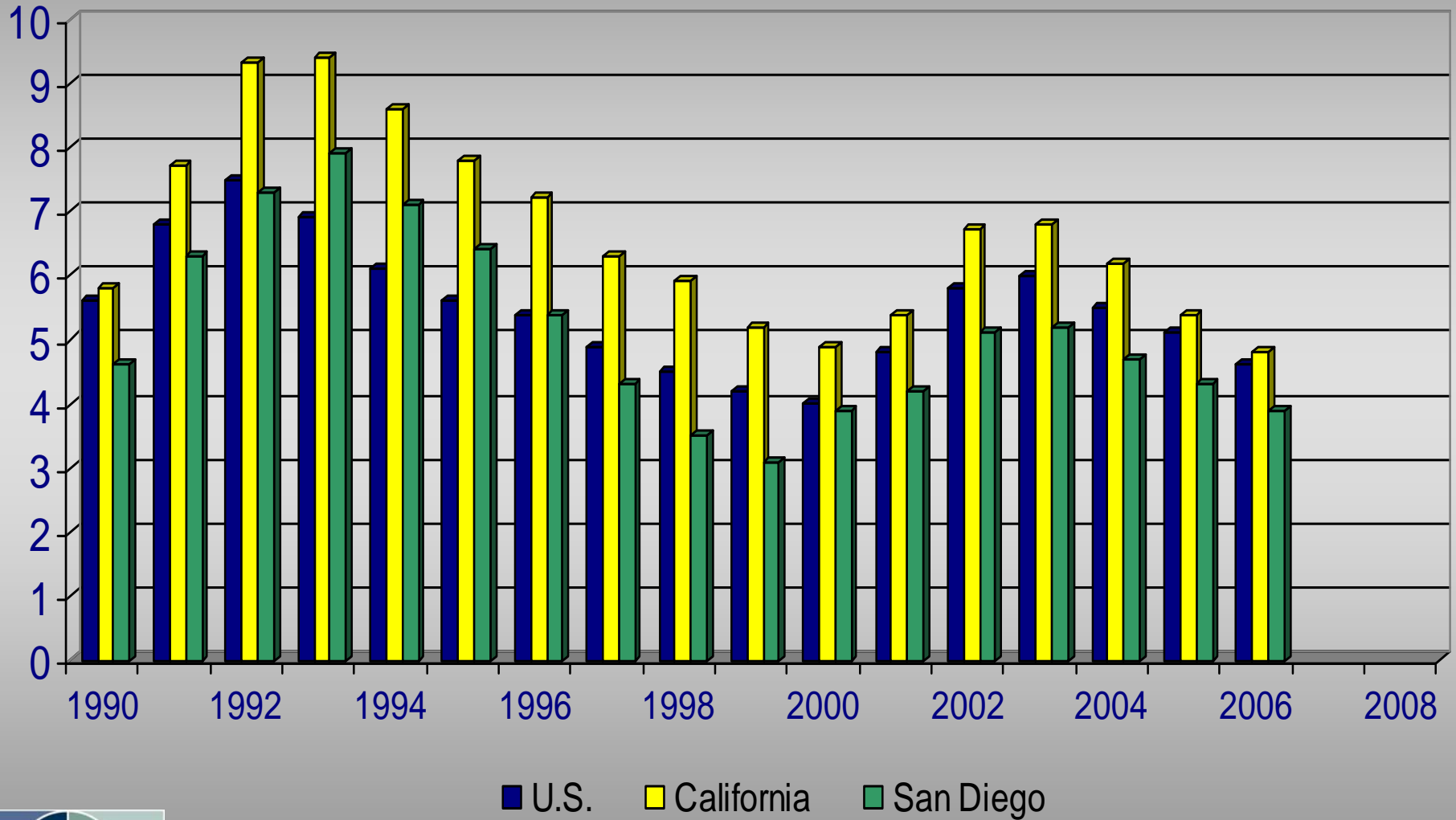
Millions of Units



Interest Rate Comparison



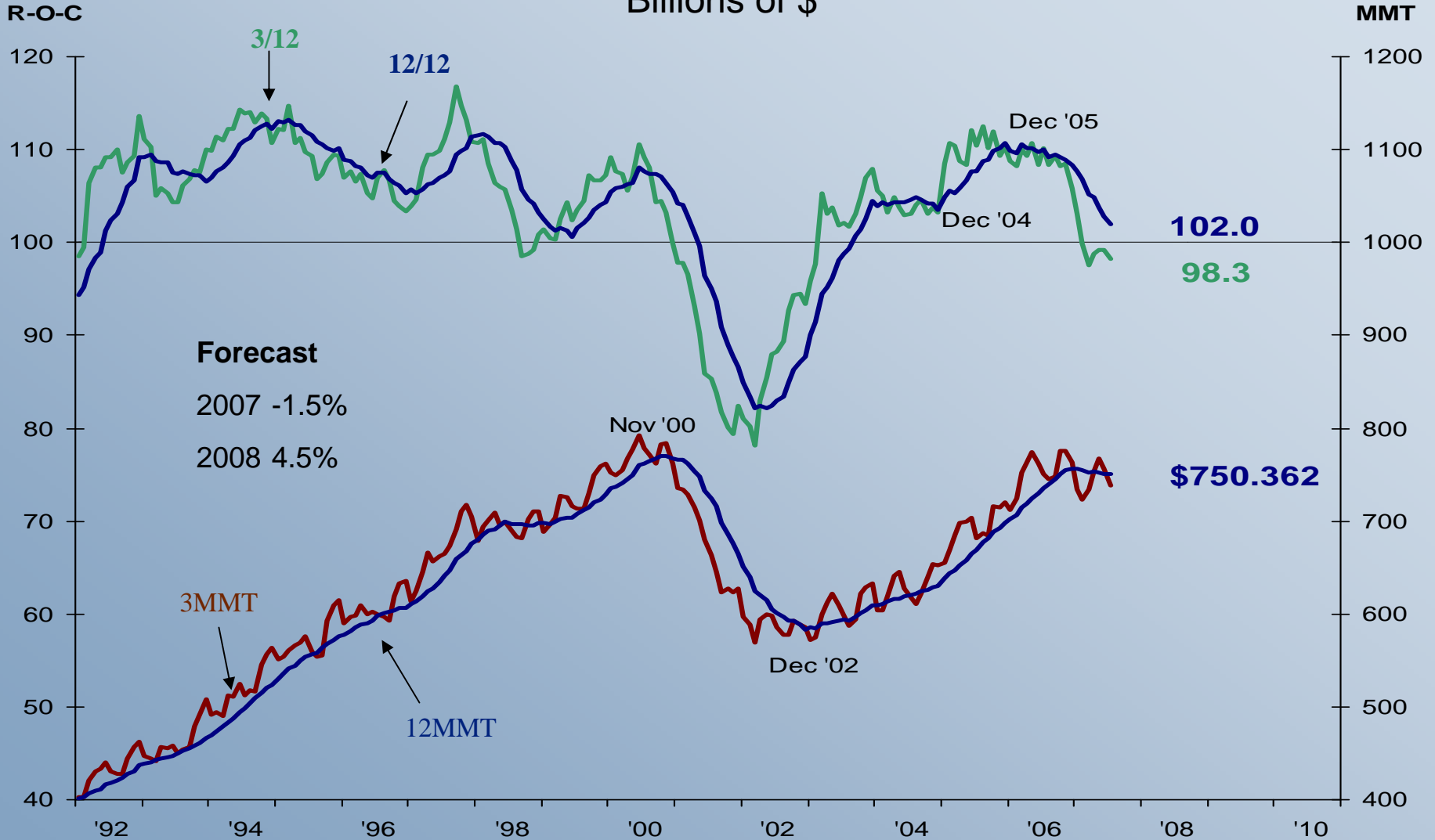
Unemployment Rates



■ U.S. ■ California ■ San Diego

Nondefense Capital Goods New Orders w/o Aircraft

Billions of \$



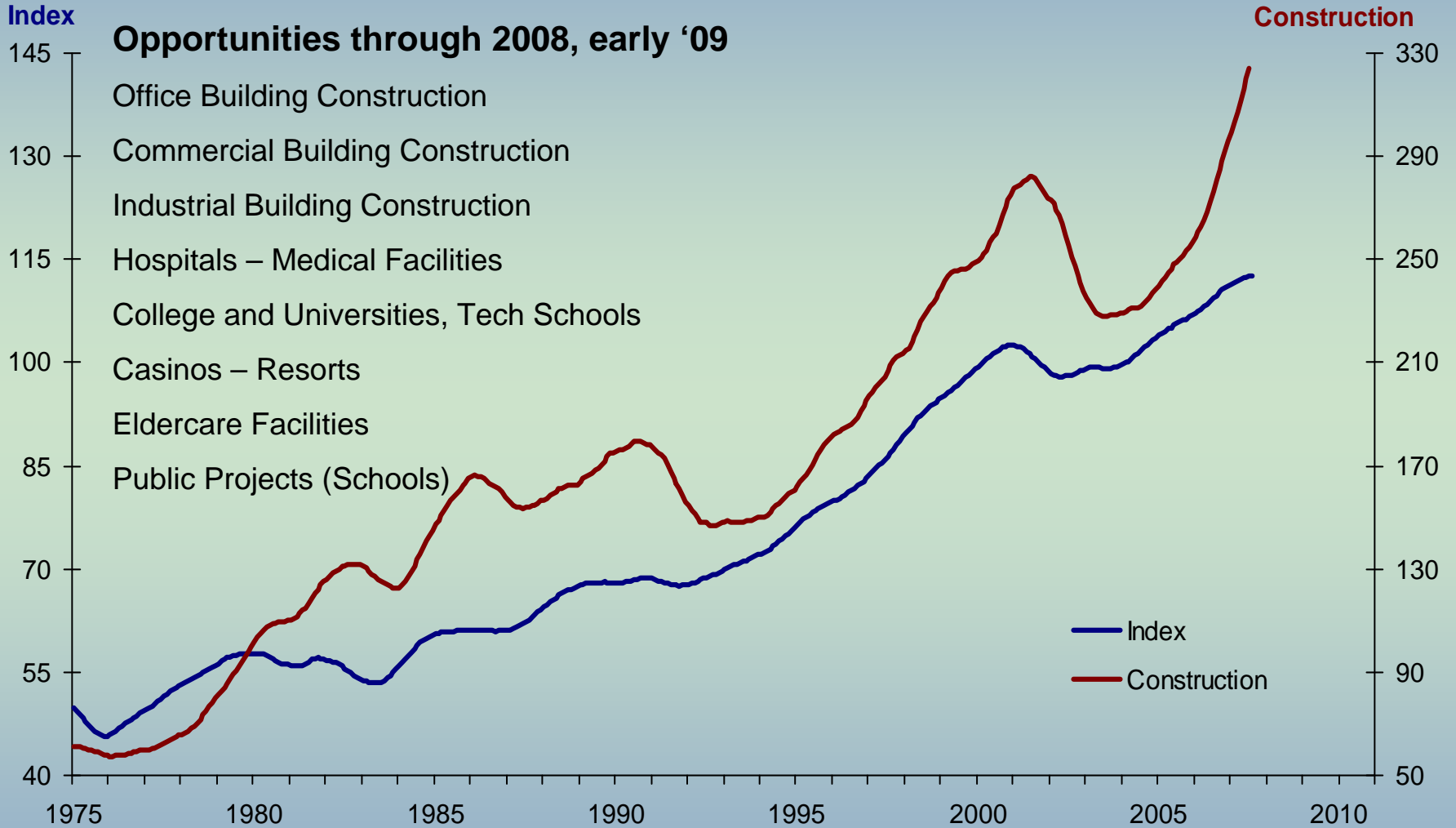
Nondefense Capital Goods New Orders without Aircraft to Refrigeration & HVAC Equipment New Orders

12/12 Rates-of-Change



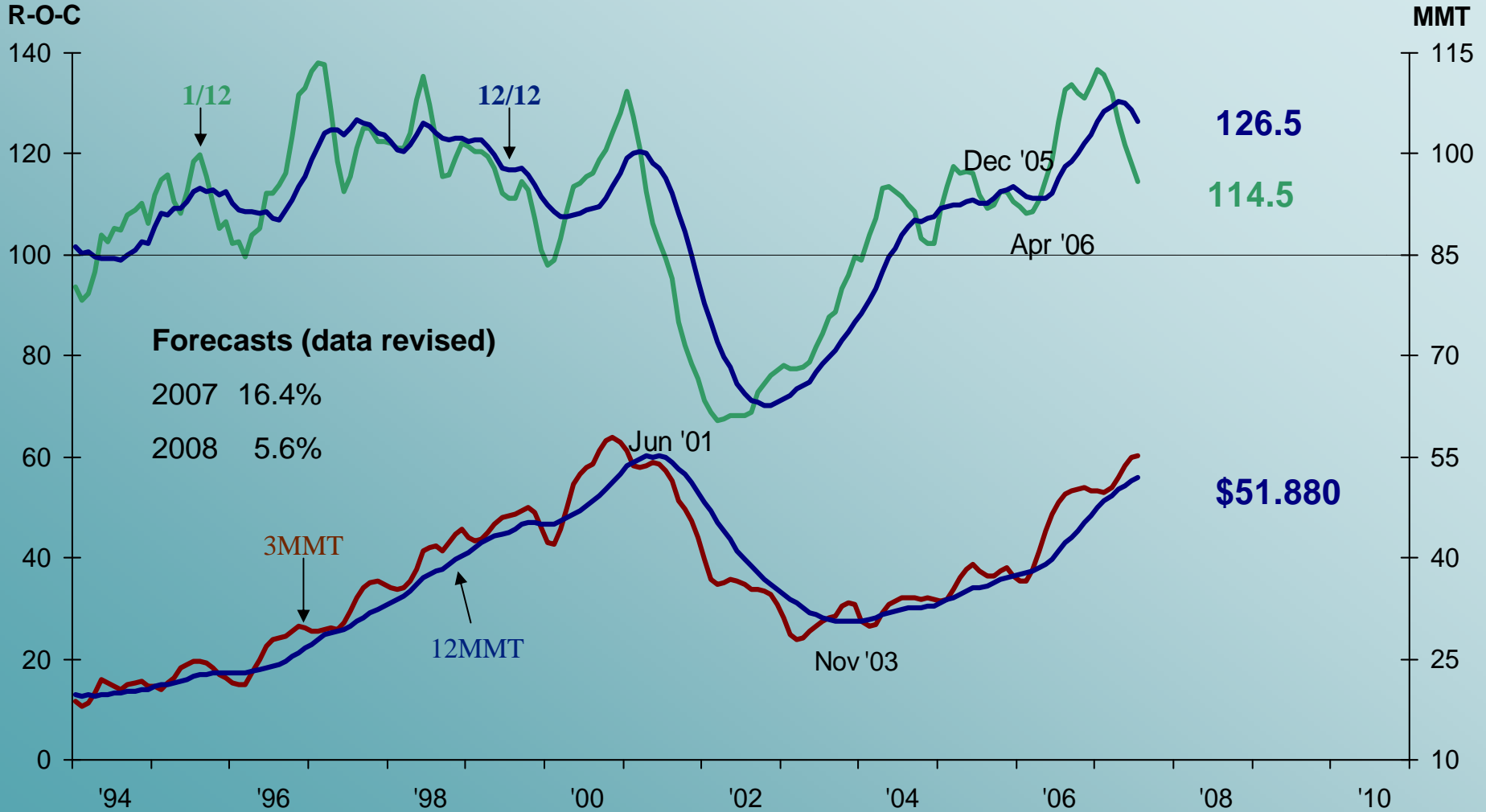
US Industrial Production to Non-Residential Construction

Data Trends



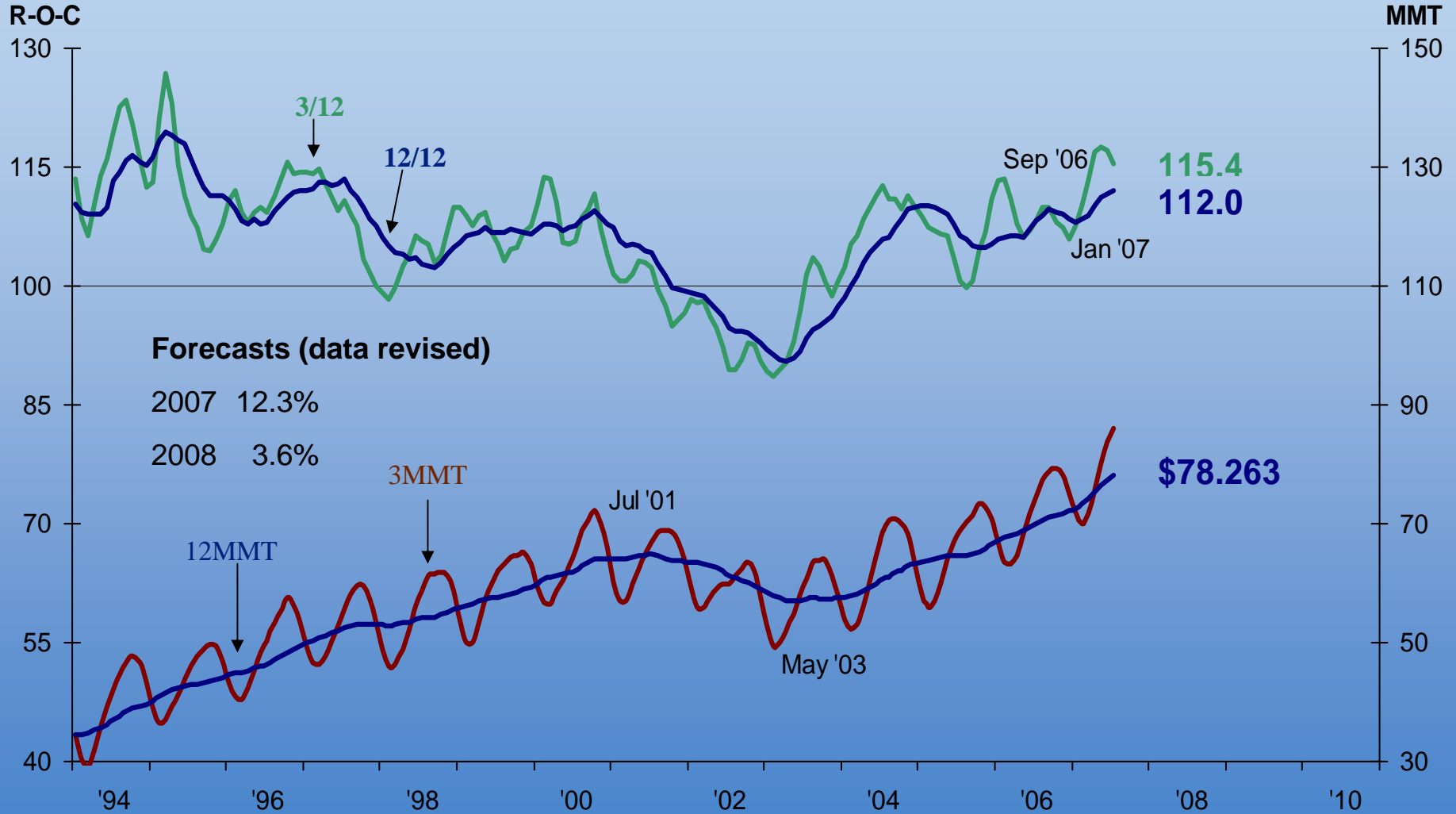
Office Buildings Construction

Billions of Dollars



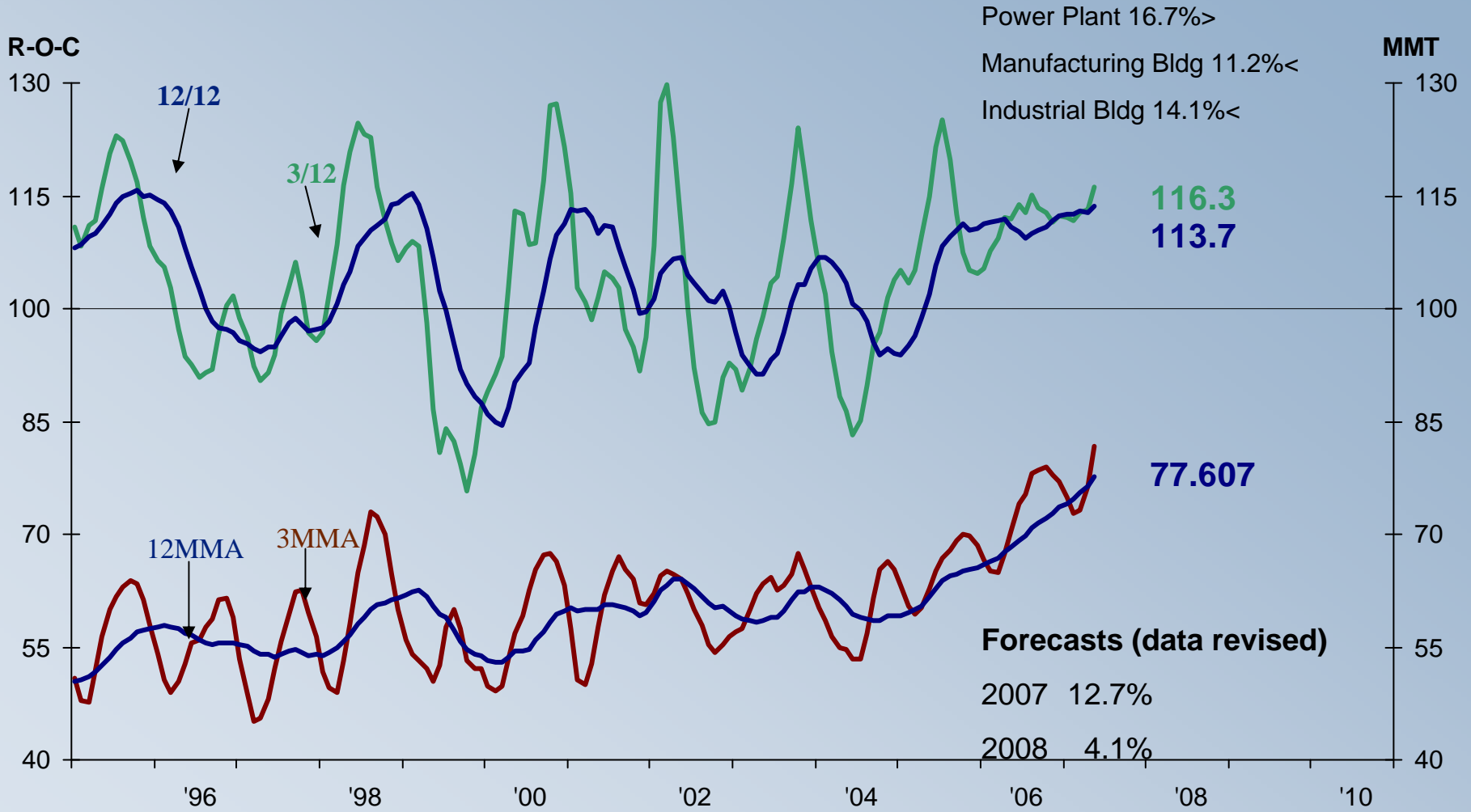
Commercial Buildings Construction

Billions of \$



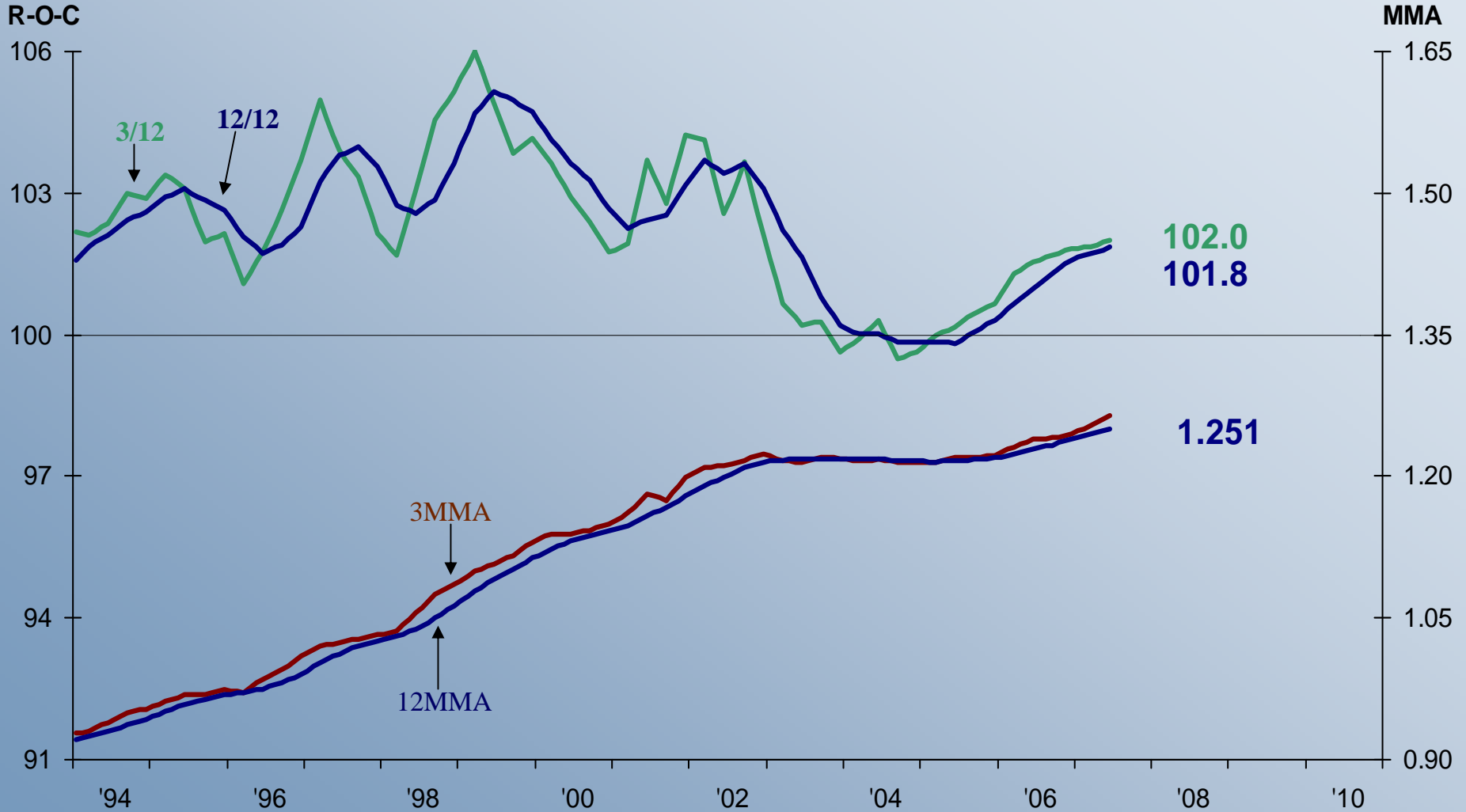
Industrial Construction Spending

Billions of \$



State & Local Government Expenditures

Trillions of Chained 2000\$



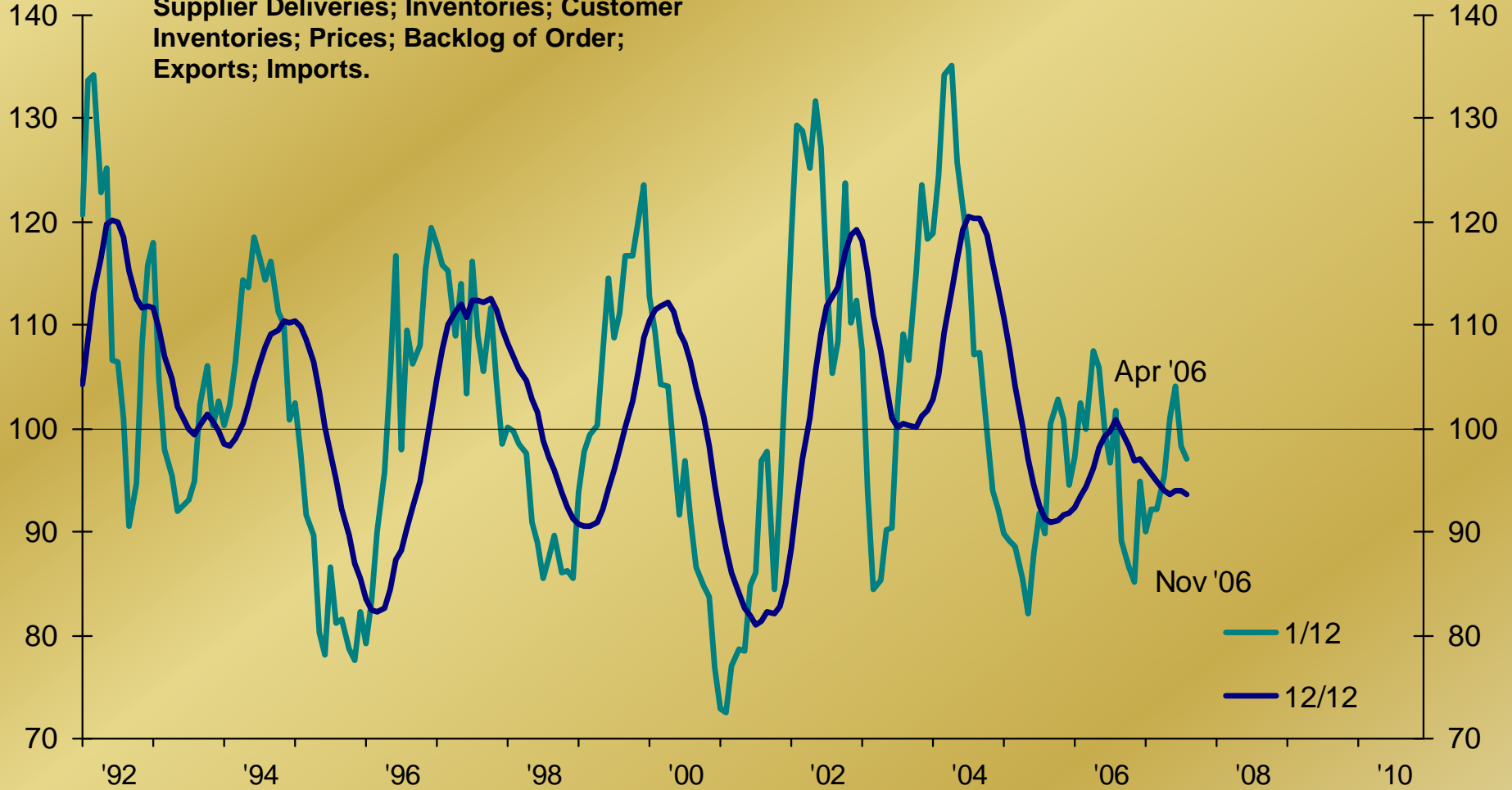
Stock Prices Index

S&P 500, 1941 - 43 = 10



Purchasing Managers Index ISM

New Orders; Production; Employment;
Supplier Deliveries; Inventories; Customer
Inventories; Prices; Backlog of Order;
Exports; Imports.



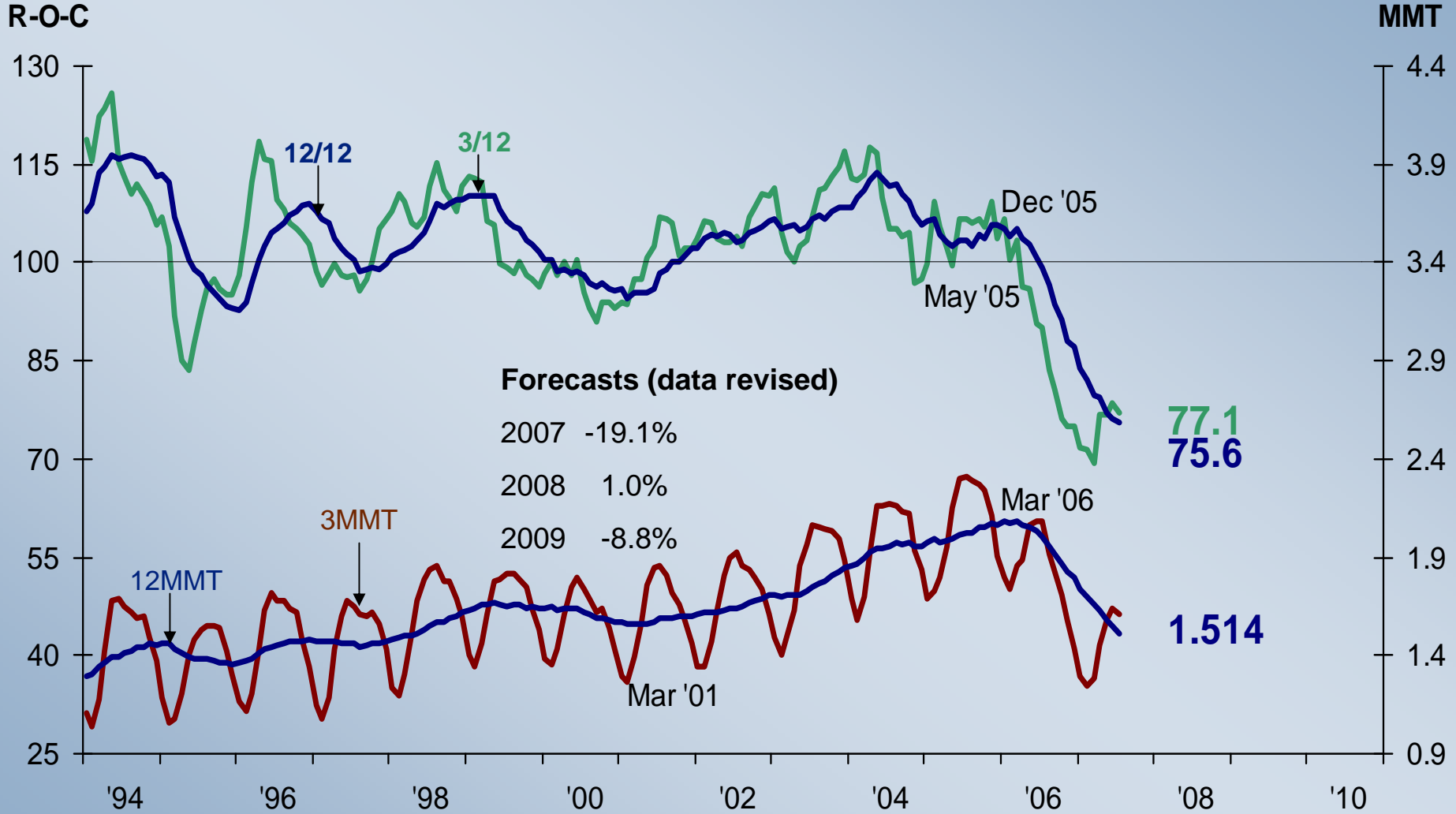
1/12
12/12

Source: ITR's EcoTrends[®]



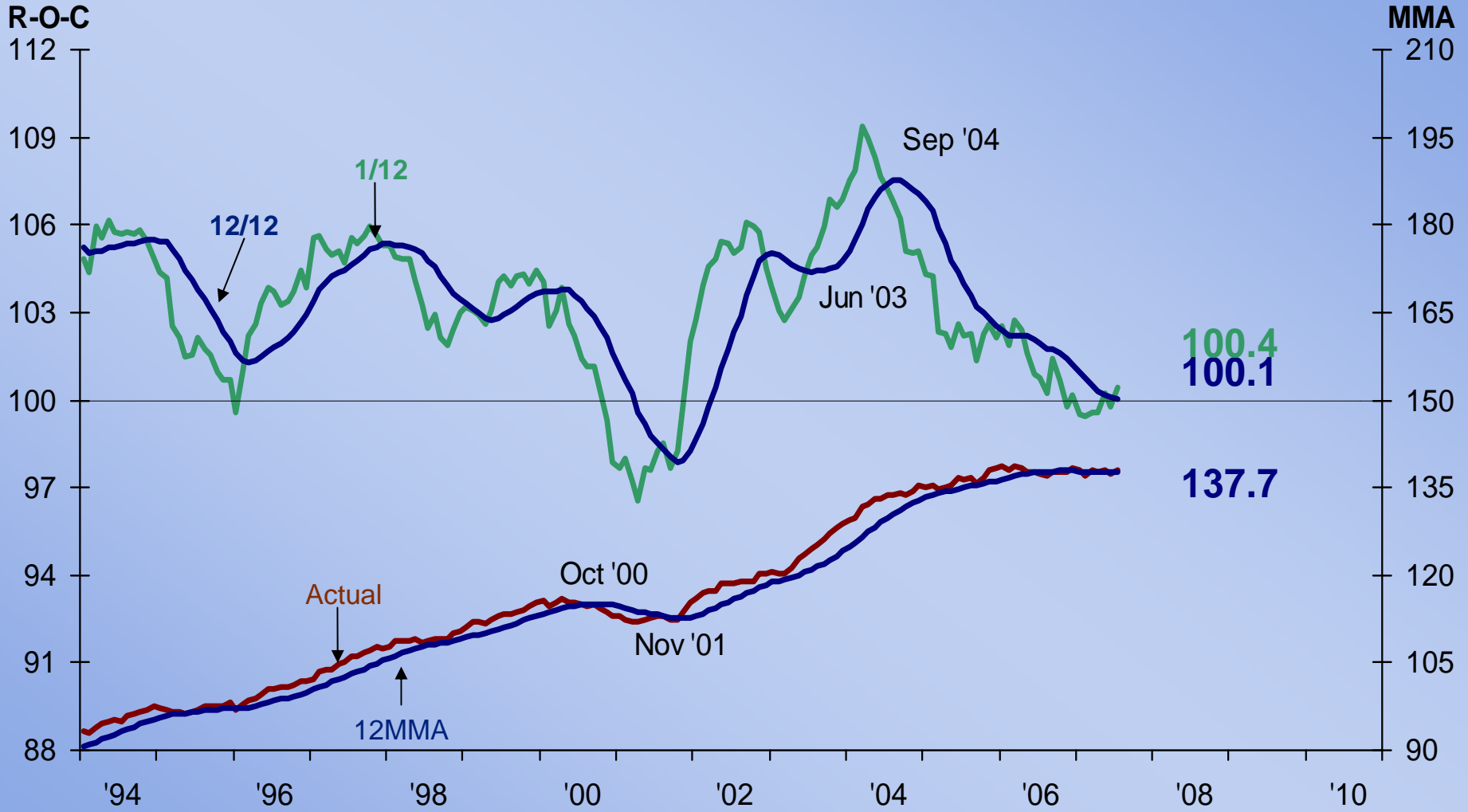
Housing Starts

Millions of Units



U.S. Composite Leading Indicator

1996 = 100

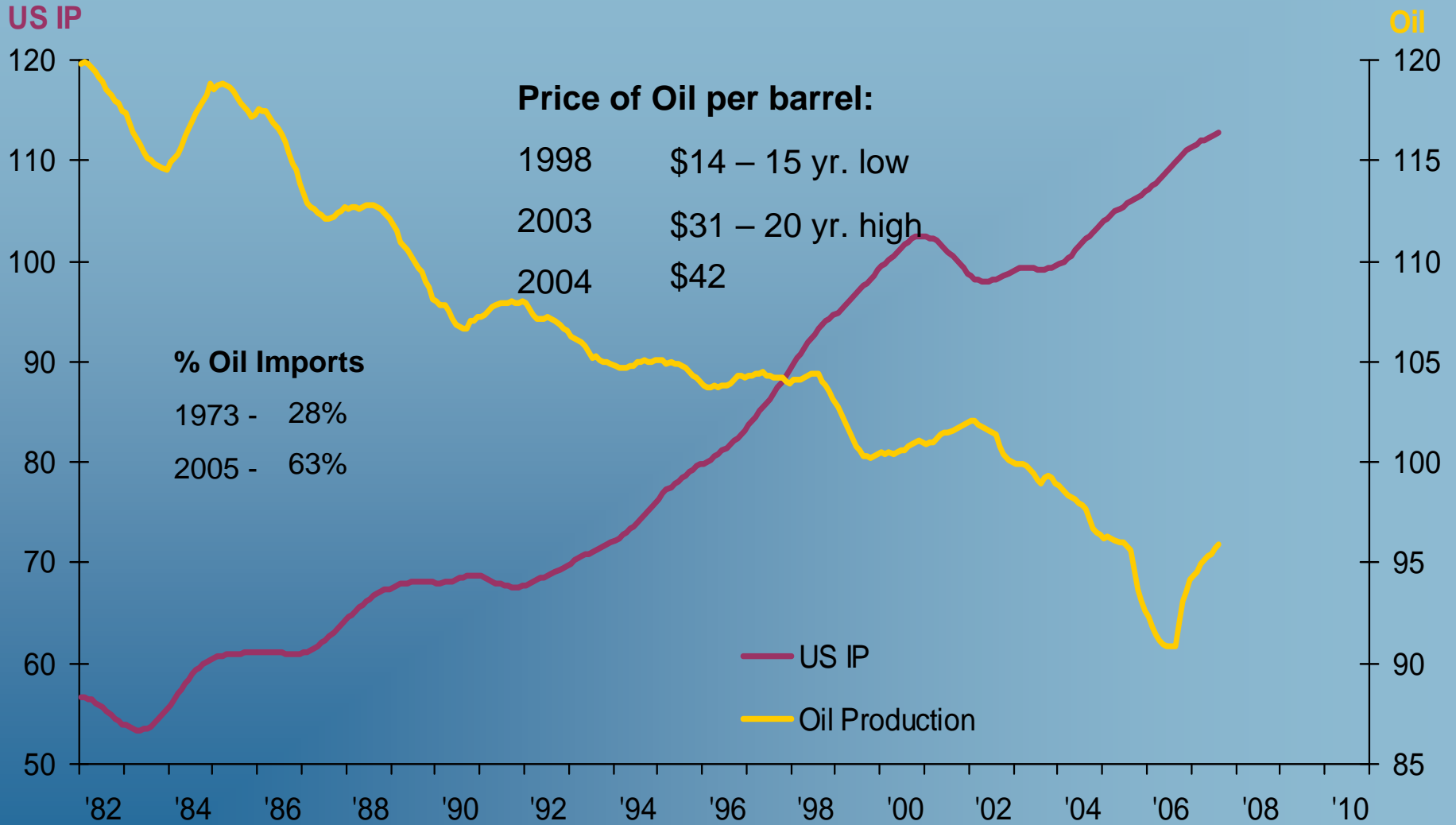


100.4
100.1

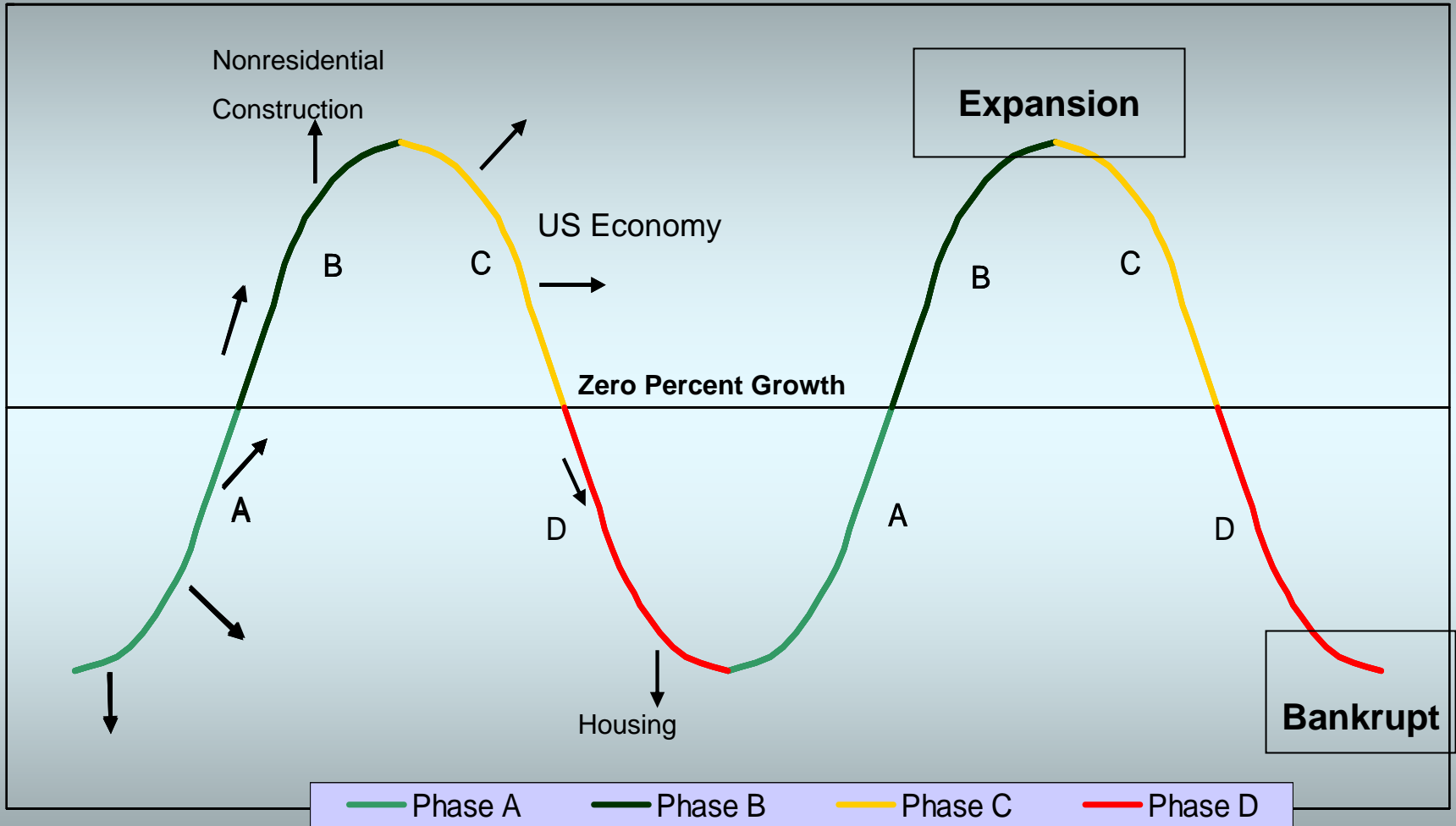
137.7

US Industrial Production to Oil & Gas Extraction Production

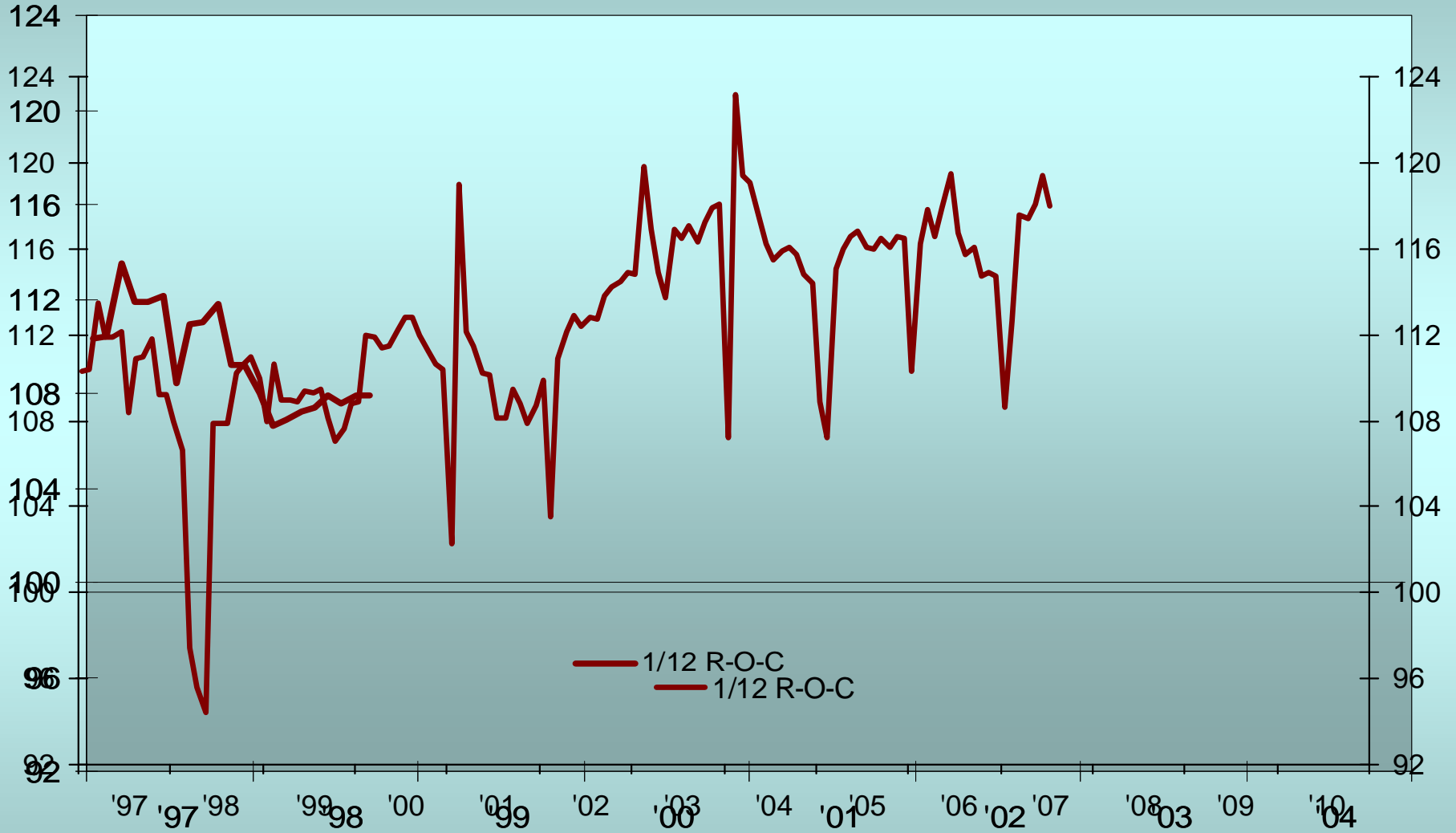
Annual Data Trends



Four Phases



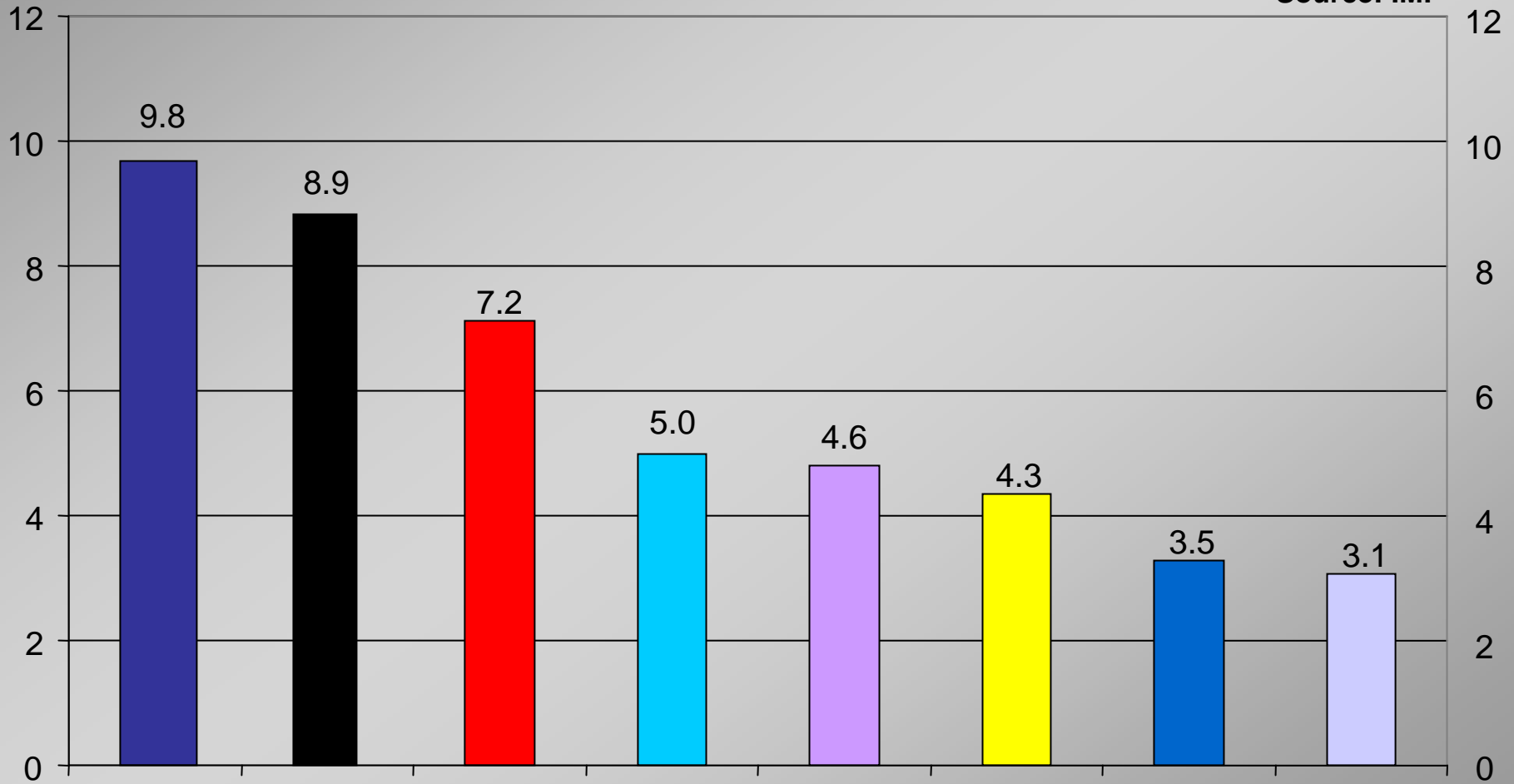
China Industrial Production



Exports by Nation

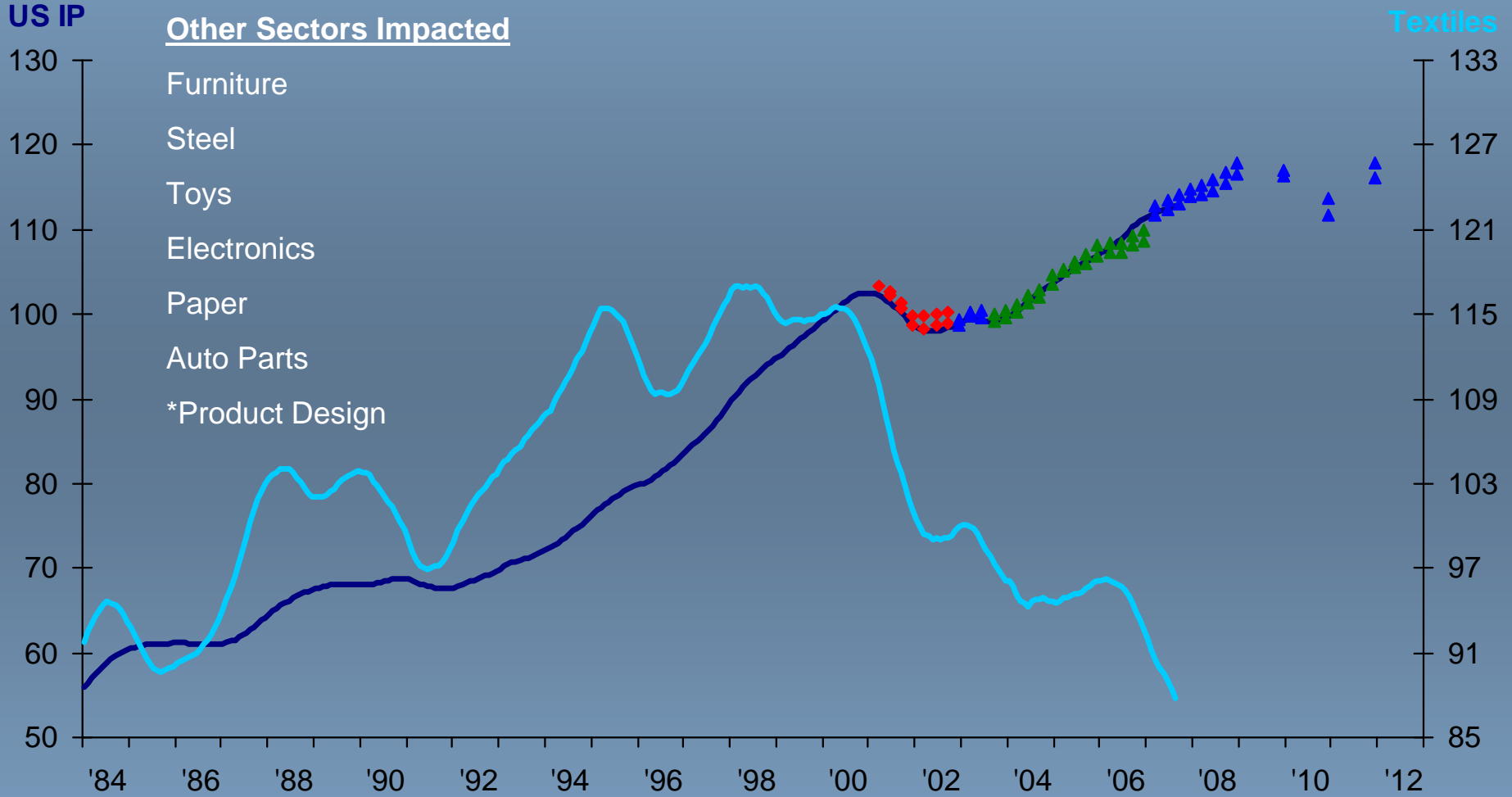
Percentage of Total World Exports of Goods and Services

Source: IMF



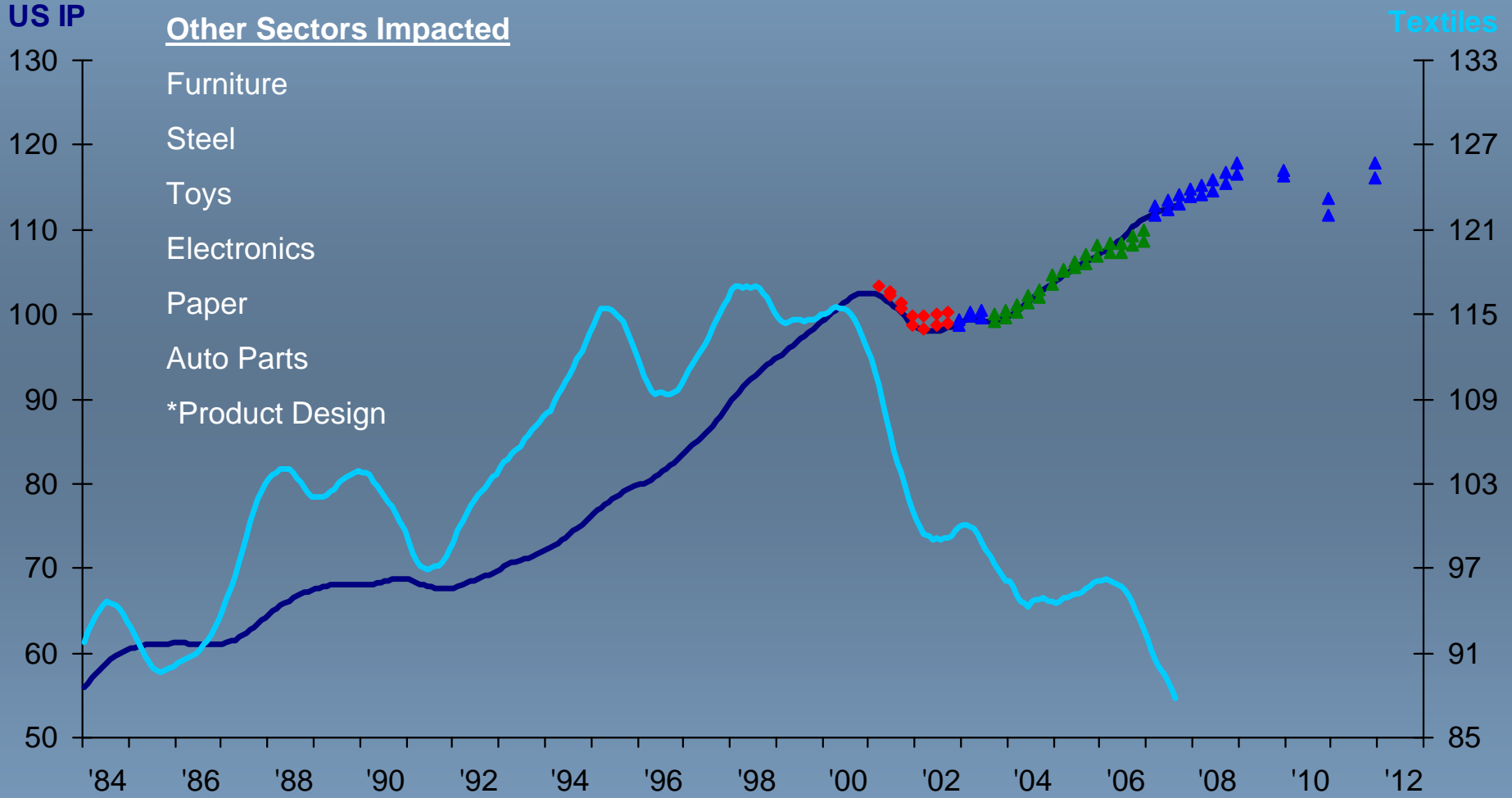
US Industrial Production to Textiles Production

Annual Average Indices



US Industrial Production to Textiles Production

Annual Average Indices

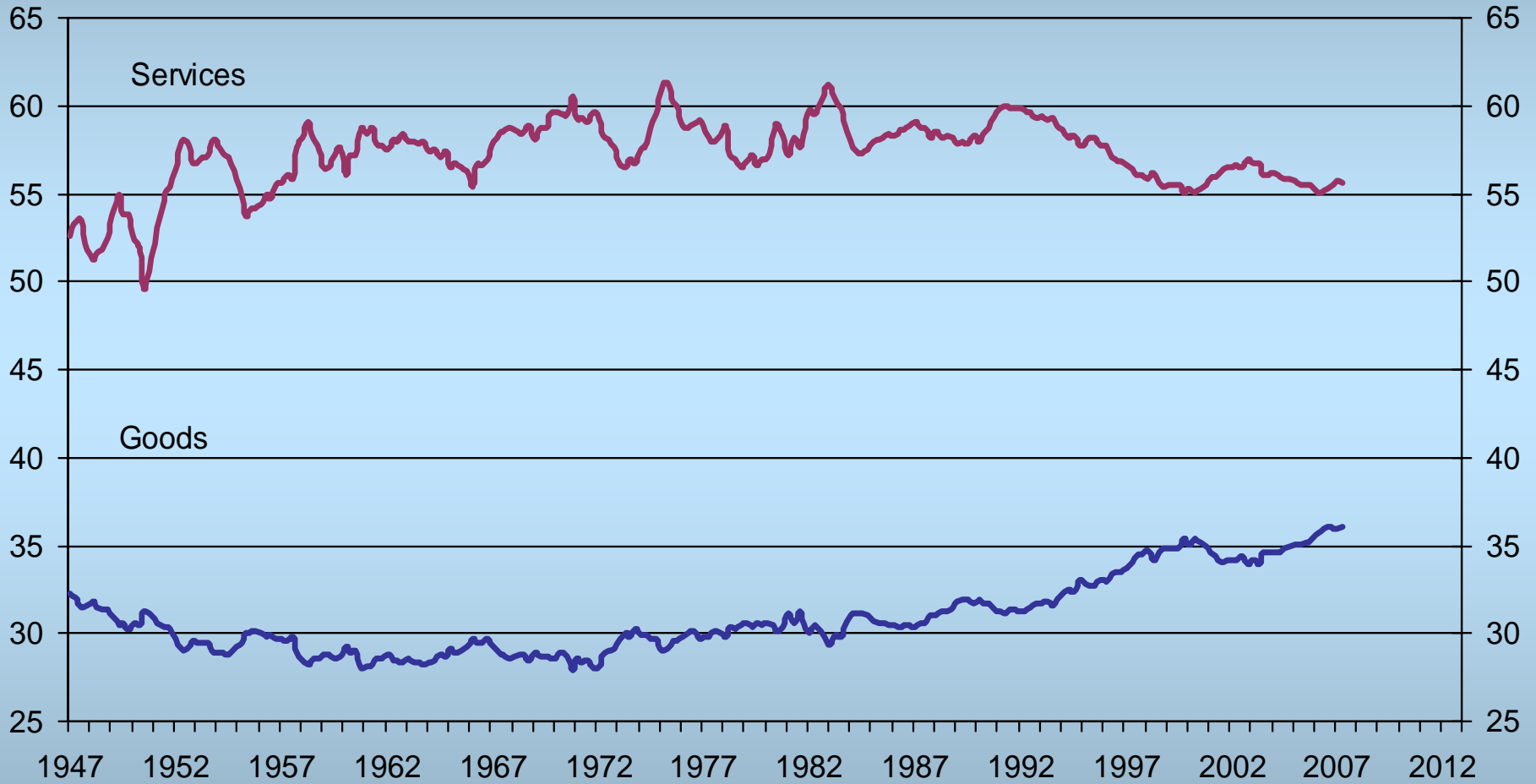


Major Issues Stalking China's Future

"A Tiger on Steroids"

- Banking System* (Relational vs. 'for profit')
- Legal System* (Court of no appeals)
- Government Interference/Control*
- Environmental (Water, Air, Land Pollution)
- Health Issues (400,000 deaths, air pollution alone)
- Negative Demographics
- Competition for Resources and 'Cheap' Labor – (Philippines, India, Vietnam, Thailand, E. Europe...)
- Civil Unrest (Pollution, wages, abuse, health care, education...)
- US protectionism sentiment – quality control issues

GOODS & SERVICES AS A PERCENT OF GDP (real) w/o structures

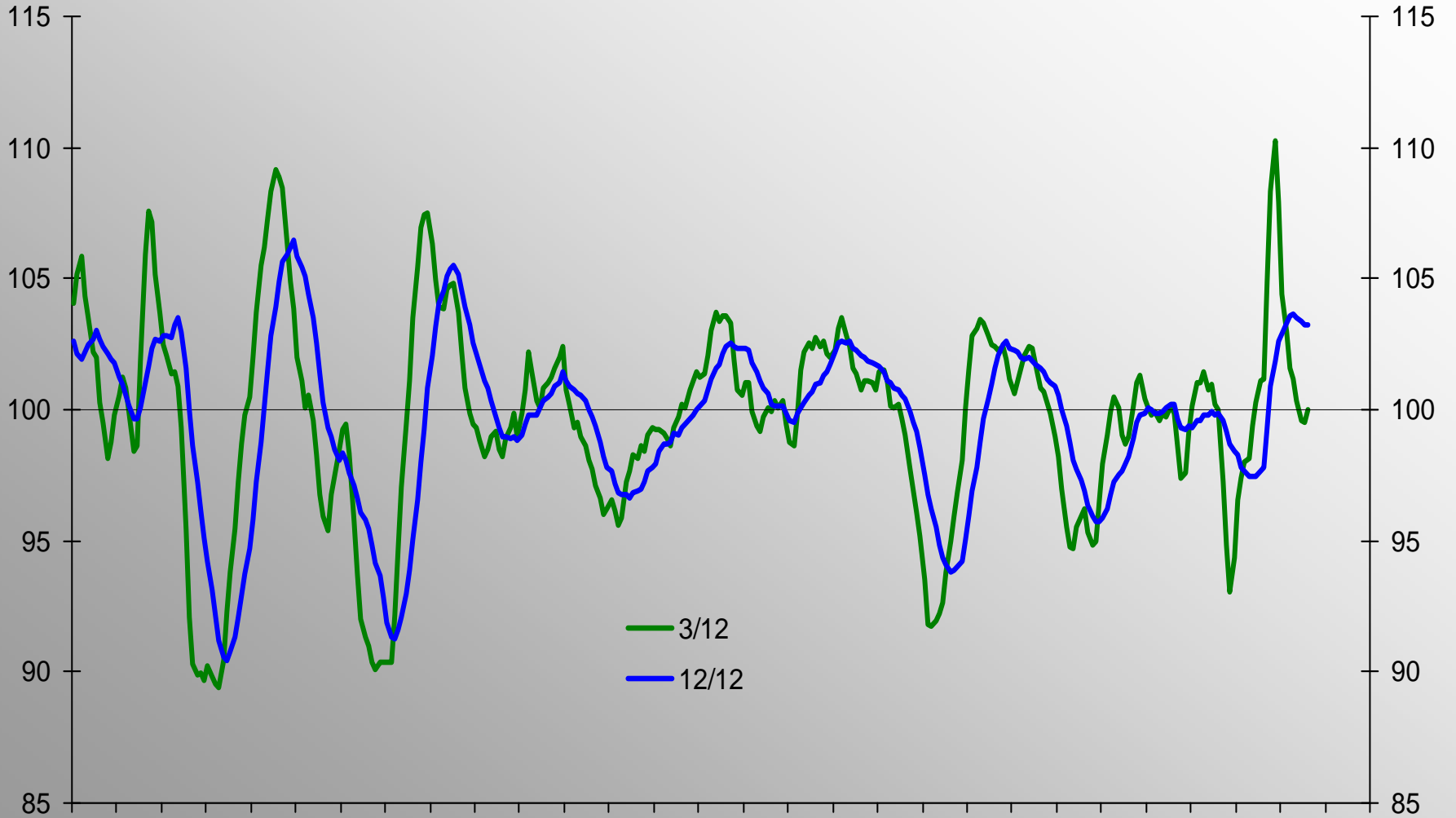


US Industrial Production to Paper & Products Production

12/12 Rates-of-Change



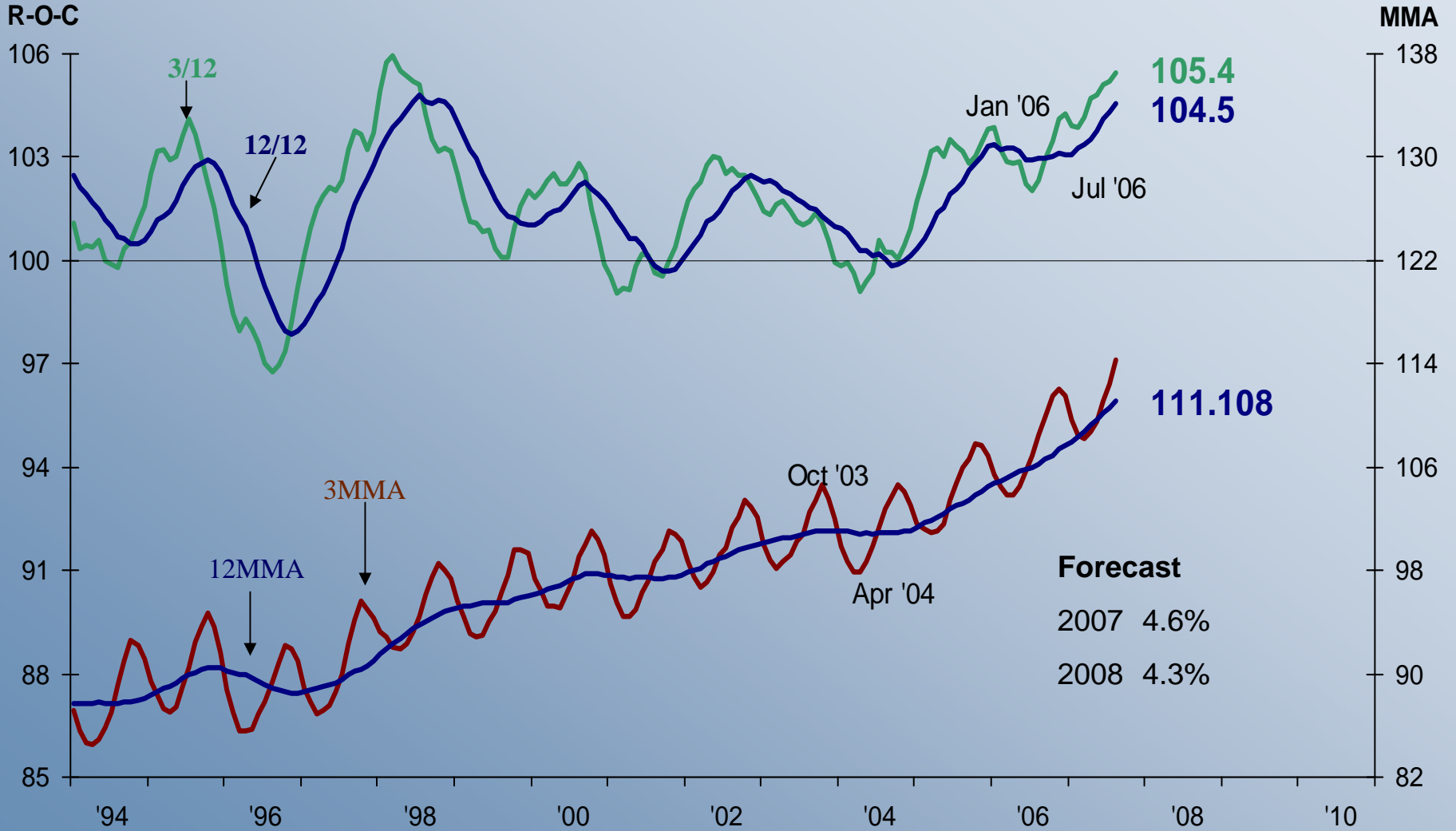
Mining Production Rates-of-Change



3/12
12/12

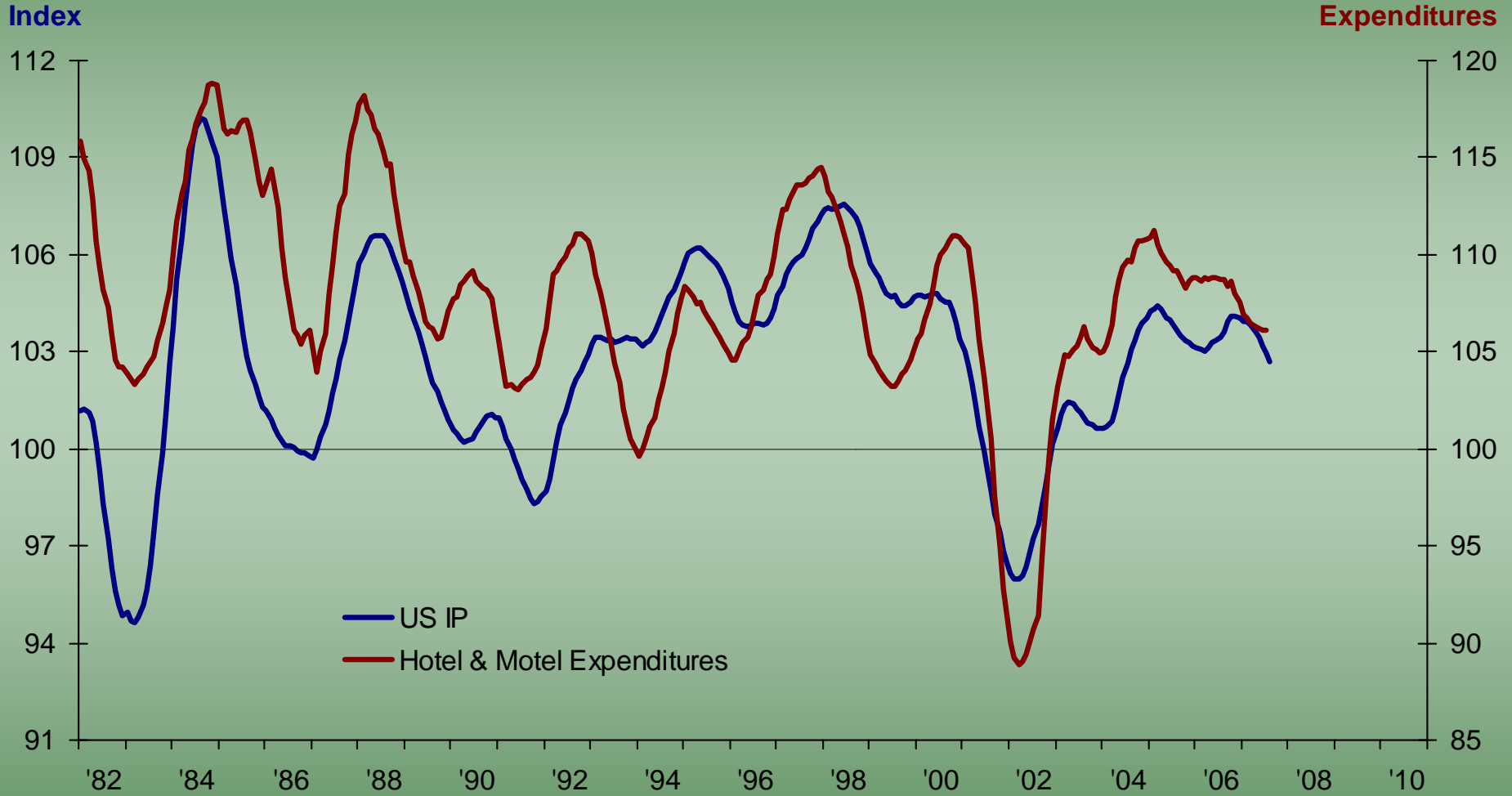
Food Production

N311, 2002=100



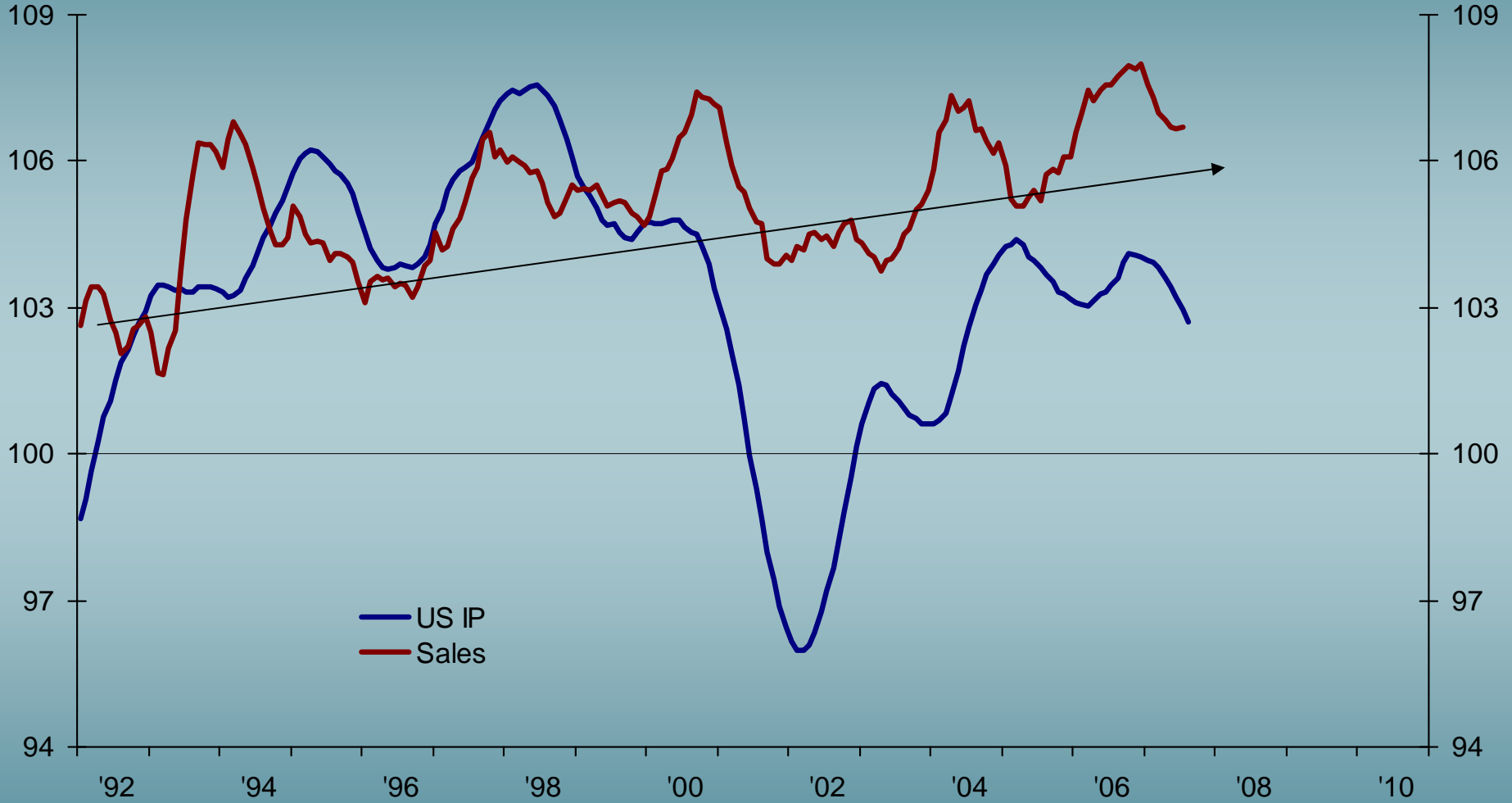
US Industrial Production to Hotel & Motel Expenditures

12/12 Rates-of-Change



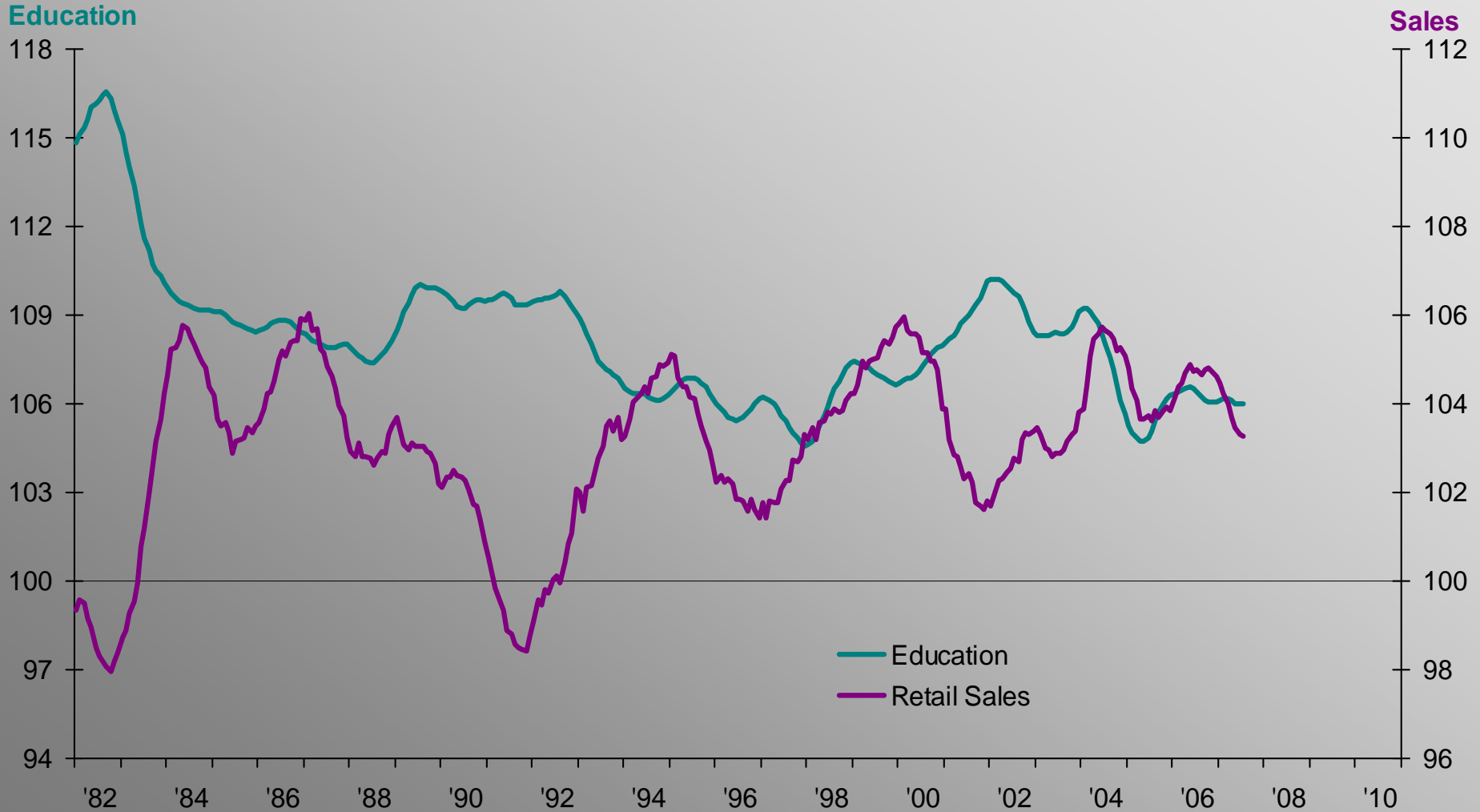
Retail Sales for Eating Places to US Industrial Production

12/12 Rates-of-Change



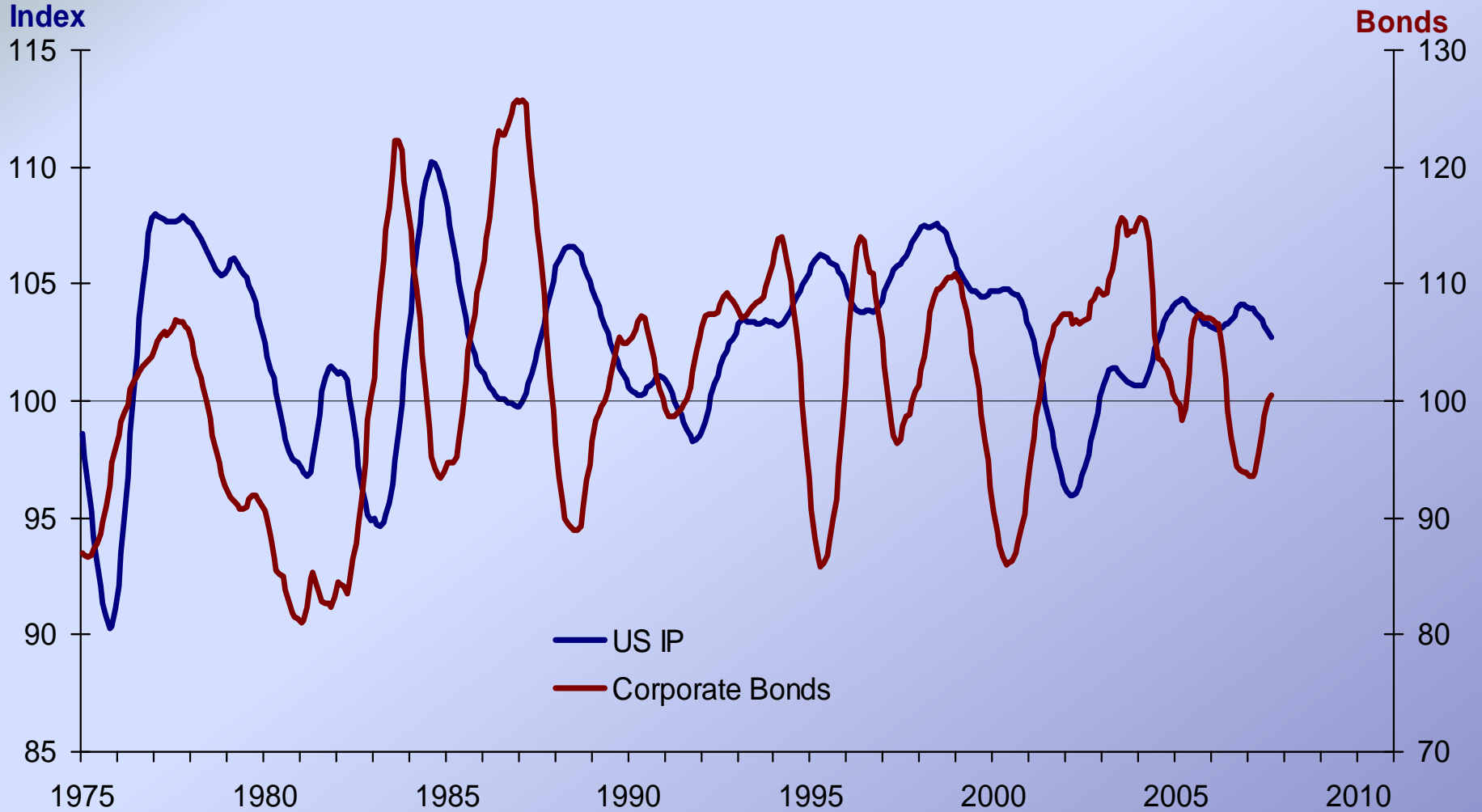
Higher Education Expenditures to Retail Sales excluding Autos

12/12 Rates-of-Change



US Industrial Production to Corporate Bond Prices

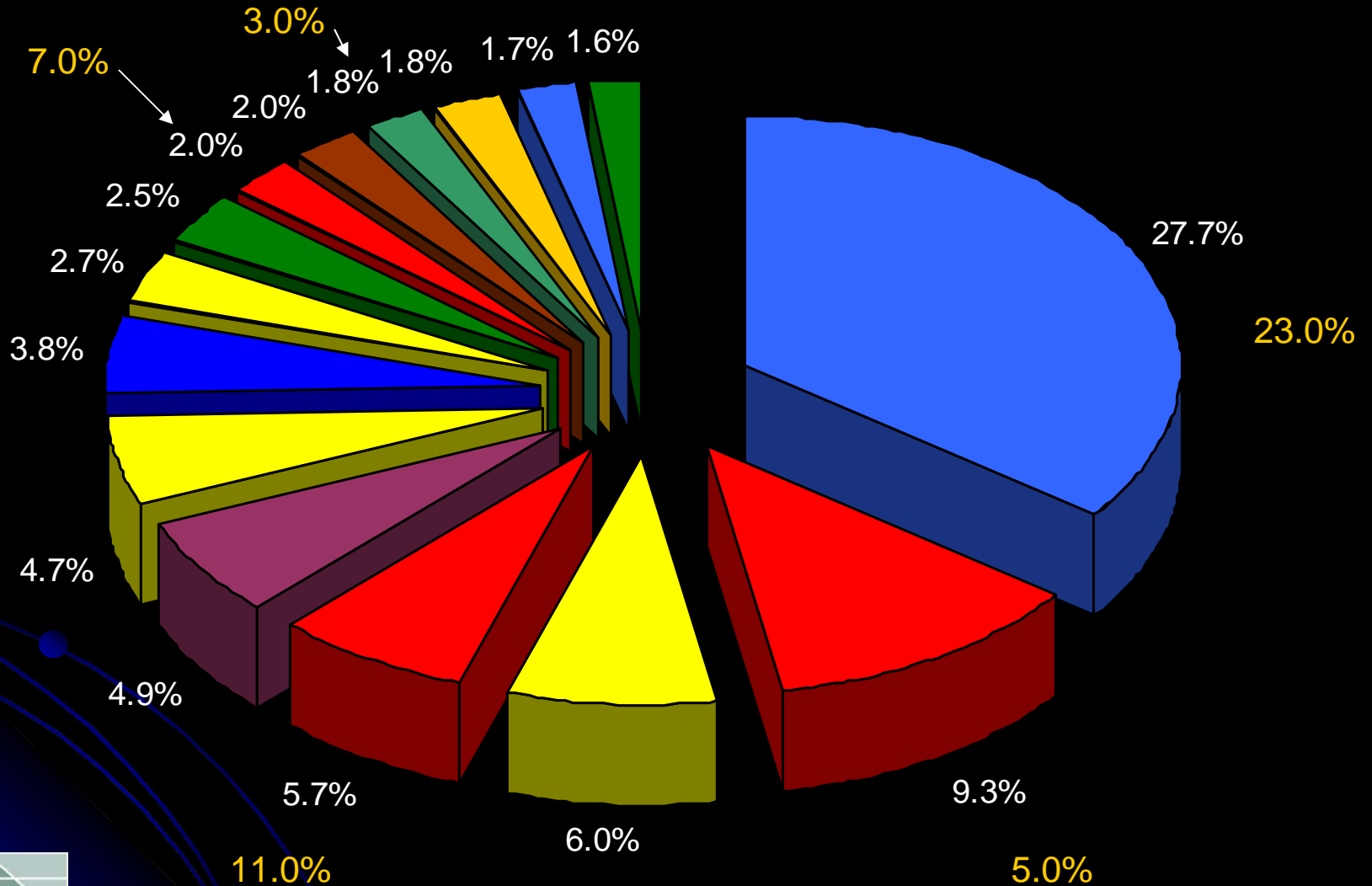
12/12 Rates-of-Change



- Find a way to do business in the “counter-cyclical” or largely unaffected areas:
 - Government
 - Gambling – Resorts - Leisure
 - Professional Medical Care
 - Insurance/Banks
 - Higher Education
 - Health Care Practices
 - Commercial/Civilian Airlines
 - Energy
 - Transportation

GDP , Bils of US \$, Current Prices

Percent of World GDP



U.S. Workers Most Productive* in the World**

- Americans work longer hours (1804 hrs) than Europeans
- Average worker produces \$63,885 of wealth per year
- Americans generates \$35.63 of output per working hour - 1st is Norway (\$37.99)
- Koreans put in the longest hours - only 68 percent as productive as US workers
- China and East Asia - one fifth as productive as laborers in industrialized nations.
- *Reasons for America's Place:* Information & communication technology revolution, Am. companies organizational structure and high level of competition, extension of trade and investment abroad...
- *Productivity = *gross domestic product divided by people employed*
- **Reported by the U.N. International Labor Organization 8/30/07

