

## Predictions from the Center Mid-Field 2012

### Economic Predictions

- U.S. unemployment ↓ from 9.0% to 8.7%
- U.S. GDP ↑ from 1.4% to 2.4%
- Fed funds rate will remain unchanged at 0.1%
- Ten-Year Treasury Note rate will ↑ from 3.0% to 3.8%
- Savings Rate ↓ from 5.2% to 4.5%
- Budget deficit ↓ from \$1,299B to \$999B
- Oil prices ↓ from \$101.23 to \$85 a barrel
- USD/EUR exchange rate ↓ \$1.41 to \$1.30
- USD/GBP exchange rate ↓ \$1.61 to \$1.64
- Renminbi/USD ↑ 6.50 RMB to 7.00 RMB
- Europe has zero economic growth

### Socio-Political Predictions

- Iraq provides pleasant surprises, Afghanistan unpleasant ones
- Shortage of skilled workers in many industries impacts public debate on worker training
- Tight election race between Romney and Obama is decided by PA, OH and MI ([Rust Belt Rising](#))
- In 2012, Democratic ticket is adjusted – Clinton is VP and Biden moves to Secretary of State
- Syria's Assad regime fails

### Industry Predictions

- PE M&A deal volume up 15%
- Industrial production up 3.3%
- US retail comp sales up 3.0%
- Construction up 3.1%
- US natural gas production, which increased 6.7% in 2011, will continue to grow in 2012, but slower – a 2.8% increase over 2011
- Banks loosen underwriting standards and begin growing the loan book meaningfully