

Investment Forum Program for Wednesday, April 23 at 11:30

Perspective: Is it possible that the U.S. and many other regions across the globe are on the cusp of a new era of prosperity? For example, there is an acute labor shortage in the oil fields of Canada. The same situation exists in Middle East oil fields. The world will require vast infrastructure projects of many kinds in the years ahead. After years of workers receiving a declining share of corporate wealth, is Joe Sixpack about to make a big comeback? If even a portion of this scenario is realized, the prosperity it would create could seep across a broad swath of the global economy. At root, are high energy prices, high commodity prices and high industrial materials prices forces for energizing a world that has neglected basic production and infrastructure for decades? If so, one can imagine a wide range of investment opportunities.

Follow-Up: Last week, a handout was distributed showing how a short list of leading corporations have generated steadily rising earnings and dividends in recent years while their stock prices languished due to sagging P/Es reverting to the mean from the bull market that ended in 2001. This week's issue of *Barron's* quotes investment strategist and CNBC talking head Jason Trennert as noting that the bull market that began in 2003 was a rare event in that earnings multiples steadily declined throughout. Thus, with the market facing numerous uncertainties, it does not appear to have entered its current phase overvalued. That is a favorable omen for its recovery.

Fundamentals: Inflation is back and fixed-income investments are suffering for it. Also, Federal retirement benefit COLAs are lagging. Time to be thinking about strategies to keep investment performance at least abreast of inflation.

Strategies: There is much promise and much peril in global investing. The current issue of Standard & Poor's *The Outlook* reports that the smart money is pulling out of emerging markets. The Chinese market has fallen by half in the past six months. What are the best strategies for benefiting from overseas growth while remaining shielded from the risks of sending your money to foreign venues?

Stock Talk: For those who enjoy watching paint dry and collect a steadily growing dividend in the process, Kimberly-Clark (KMB) offers a strong global consumer franchise. The stock recently traded near a 52-week low and its lowest P/E in decades. Plus, its dividend has been raised annually for more than 25 years.

On the Website: Reading material on new topics is posted regularly at www.olligmu.org/~finforum/.