



2011 AFG Research Summit Survey Results

The Applied Finance Group recently held its 8th annual Research Summit at The Bellagio Hotel in Las Vegas, Nevada. The idea of AFG's research summit is to provide clients and prospective clients insight into how to get the most out of AFG's research and investment tools and at the same time experience insightful speakers and leave with actionable ideas (from AFG analyst team) to trade on upon return to the office.

Beyond learning about AFG research, the large group of investment professionals that attend are asked to provide their views/opinions/predictions on several topics that will have an effect on the markets and economy over the next year.

The results of this survey from AFG's past conferences have been quite accurate at predicting future events in the market; therefore, we wanted to share with you the views of our clients on several timely topics and how they currently view the market.

If you like the concept of this survey, we also provide a quarterly survey product that is open to any professional money managers and is intended to provide a quarterly update on investor sentiment towards the market/economy. If you would like to participate in our quarterly survey and be amongst the first to receive the results, [click here to subscribe](#).

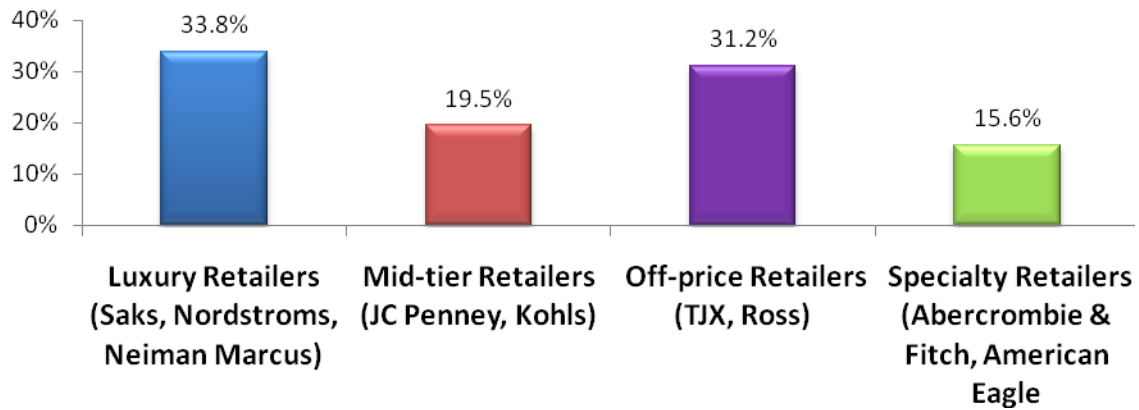
Below you will find the results to market/economy related questions from our annual conference survey.

This year's survey contains questions on topics such as:

- What will the price of gold do over the next 12 months?
- What is the most significant challenge the US economy will face in the next 12 months?
- Who will win the GOP nomination for President in 2012?

Question 1

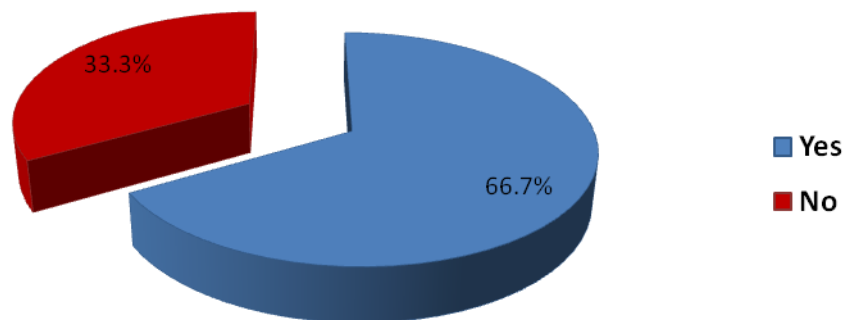
Luxury retailers have posted solid same-store sales growth this year (2011) despite rising gas and commodity prices. Which area of the retail sector seems more attractive in the next 12 months?



- Investors expect the Luxury & Off-Price Retailers to do best in the Retail space over the next year.

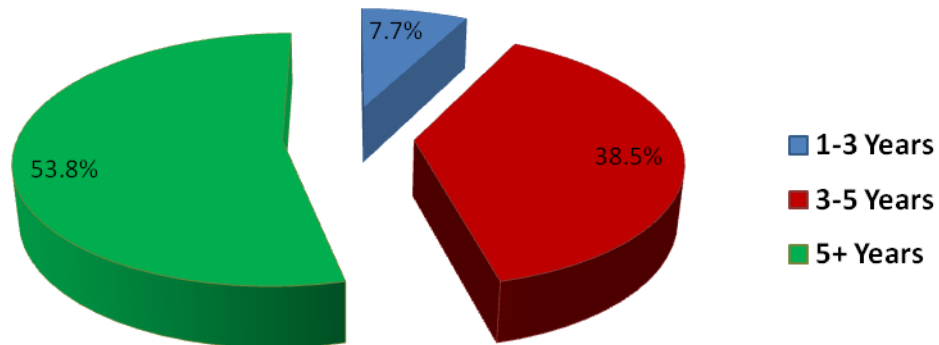
Question 2

Is Natural Gas going to be an important fuel used for transportation in the US? And If so when?



Question 2 A

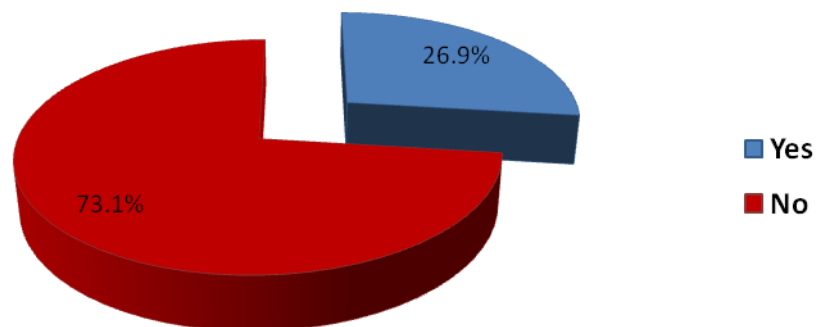
If Yes then when?



- Investors believe that Natural Gas will eventually become an important fuel source for us here in the US but not in the near future.

Question 3

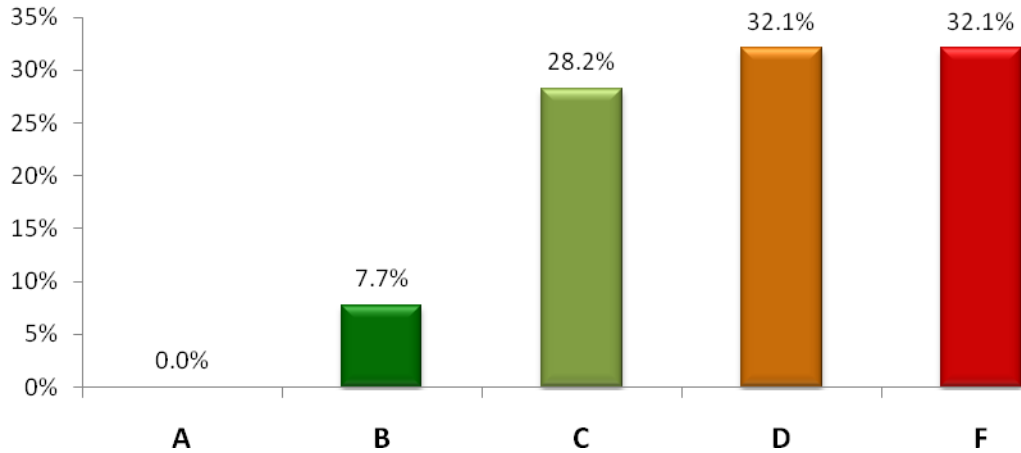
Will the GOP be successful in linking \$1 in debt ceiling lift to \$1 in spending cuts?



- Most believe that the GOP will be unable to match spending cuts at the same rate that the debt ceiling will be raised.

Question 4

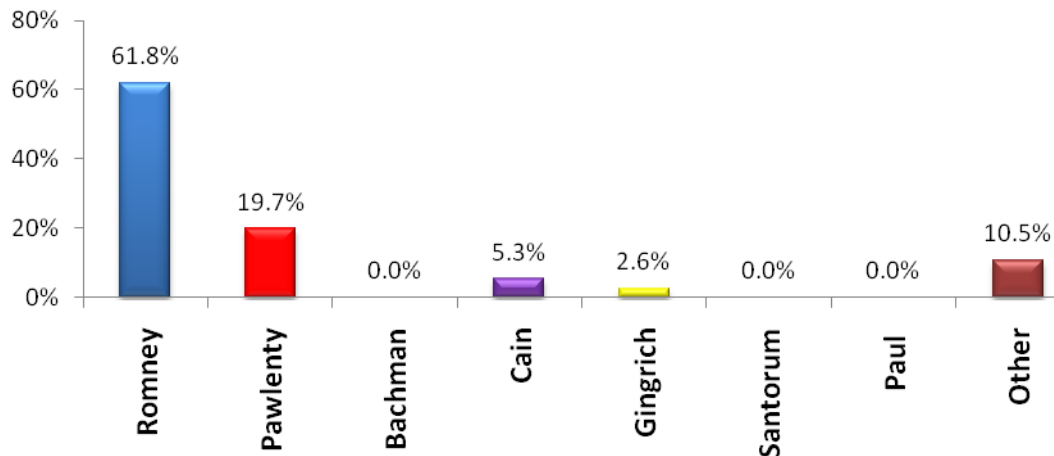
How would you grade the current administrations economic policies/actions?



- The vast majority of investors view the current administration's policies and actions in a very unfavorable light. In fact when using the A-F grading scale, the current administration would earn around a 1.1 Grade Point Average.

Question 5

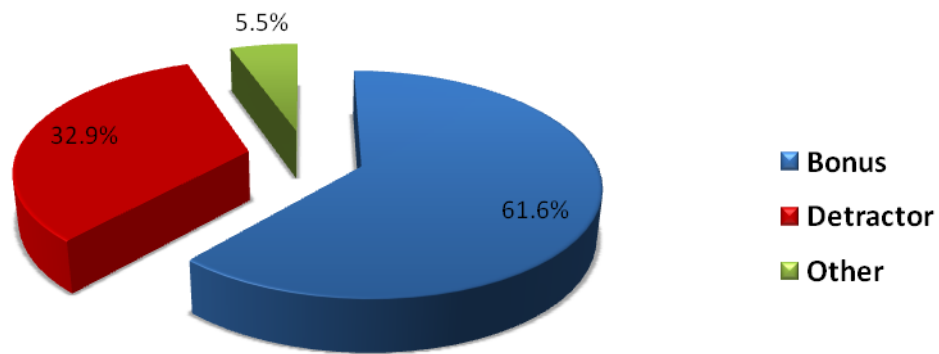
Who will win the republican nomination for the 2012 pres race?



- Most favor former Massachusetts Gov. Mitt Romney to earn the GOP nomination for President in 2012 with former Minnesota Gov. Tim Pawlenty a distant second.

Question 6

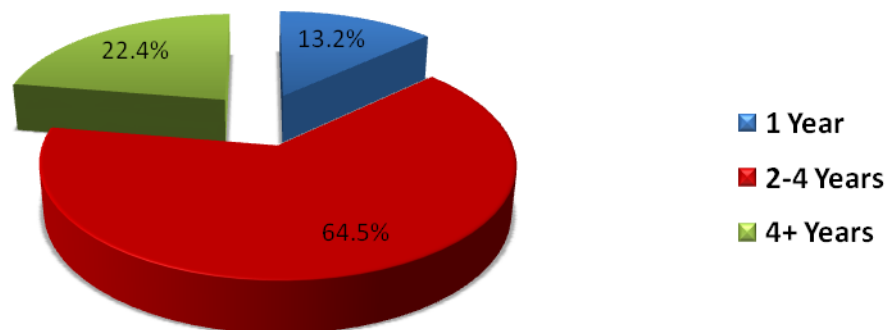
Is the Paul Ryan plan a bonus or a detractor to the GOP chances of winning the presidency in 2012?



- Most believe Paul Ryan's Healthcare plan will help whoever earns the 2012 GOP nomination rather than hurt their cause.

Question 7

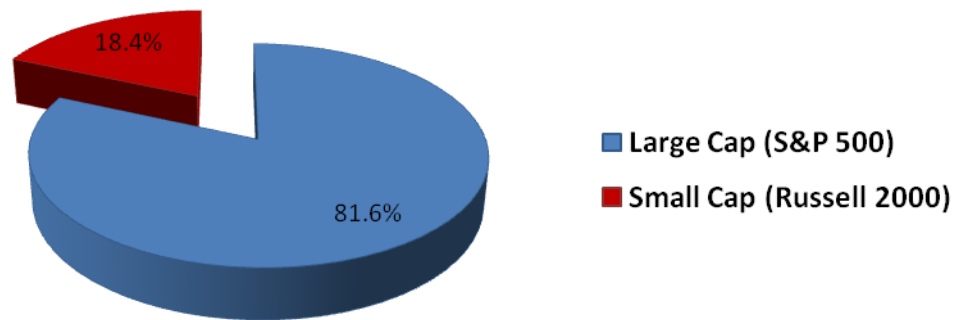
How long will Apple Inc. be able to dominate the tablet market with greater than 50% market share?



- A vast majority believe Apple Inc. will not run into any serious competition in the tablet space for at least 2+ years.

Question 8

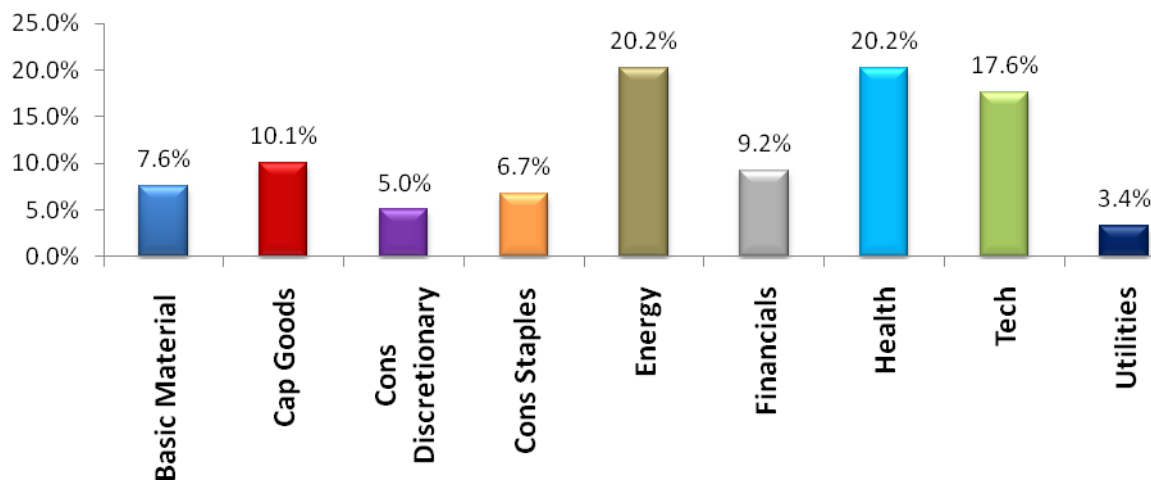
What area of the US equity market seems more attractive to you over the next 12 months?



- Investors prefer solid large-cap stocks as opposed to less established small-caps over the next year by a massive margin.

Question 9

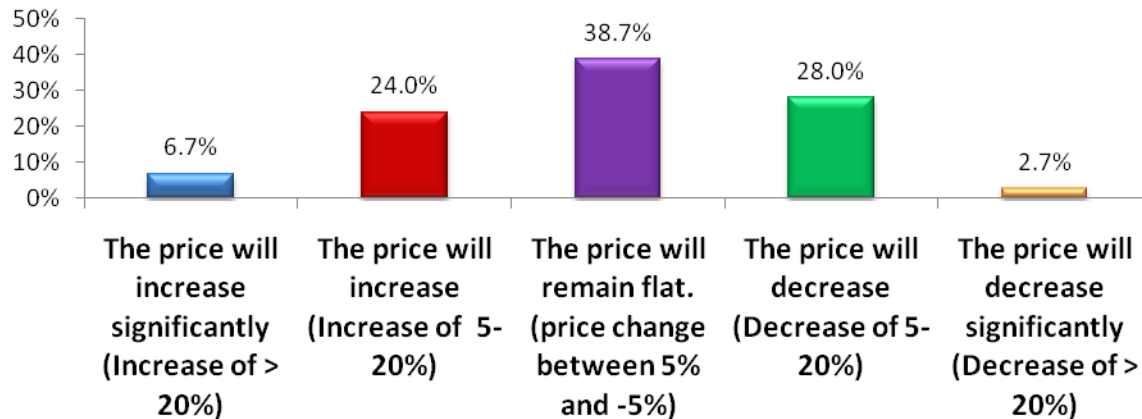
Which of the following sectors seem most attractive over the next 12 months?



- Energy, Health and Technology are the most attractive segments of the market to park money over the next year according to survey participants.

Question 10

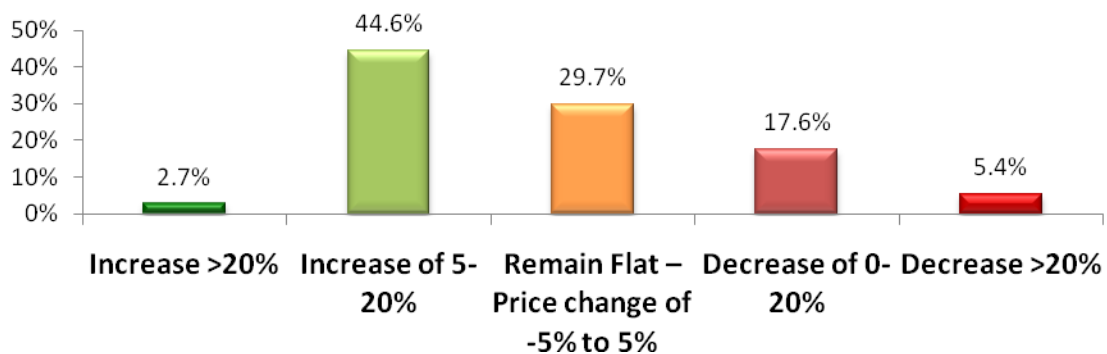
What are your thoughts regarding the price of a barrel of crude oil (US Dollars), given that oil is currently \$101 per barrel?



- Investors are split on the direction oil prices are headed over the next year; however the most common prediction is that oil prices will stay relatively flat.

Question 11

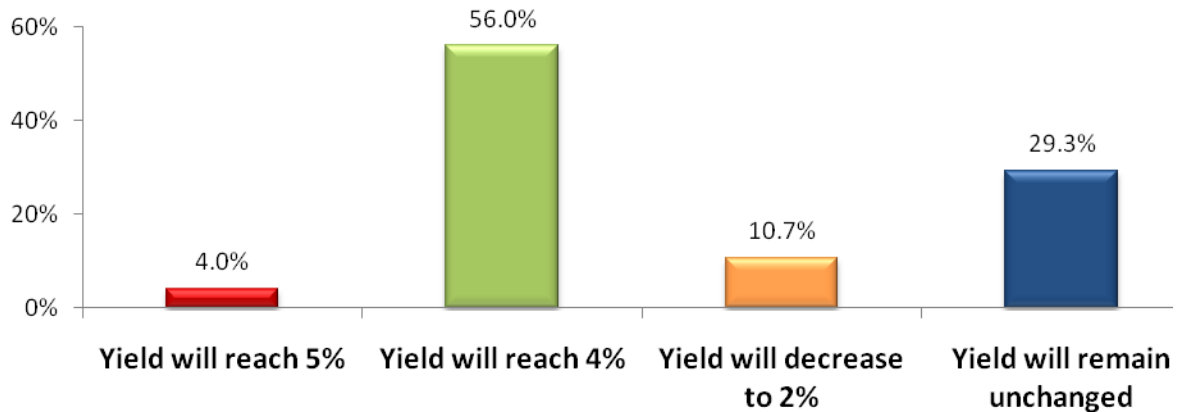
What will the price of gold do over the next 12 months (currently at \$1537/oz)?



- Investors are more bullish on the direction of gold prices over the next year with 44.6% of those polled predicting an increase of 5-20%.

Question 12

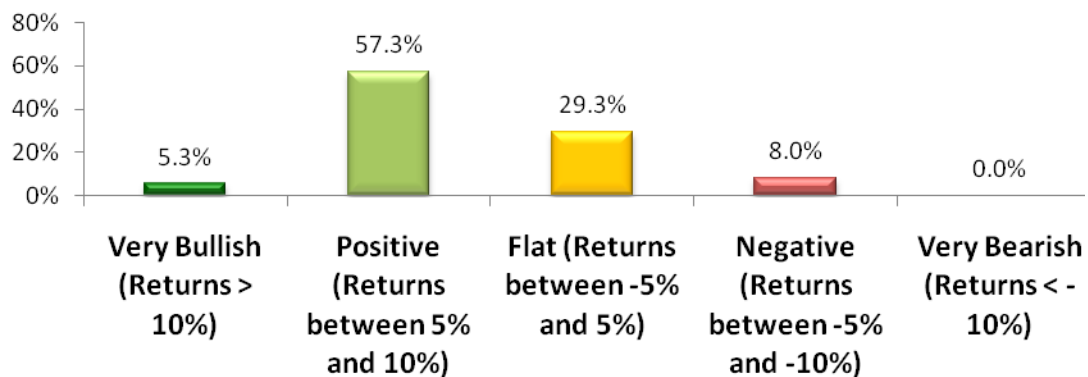
**Over the next 12 months, how would you summarize your thoughts regarding the yield on the 10 Year US Treasury Note?
(Currently 2.9%)**



- A great deal of those polled predict the yield on a 10 Year US Treasury Note to increase to around 4% over the course of the year.

Question 13

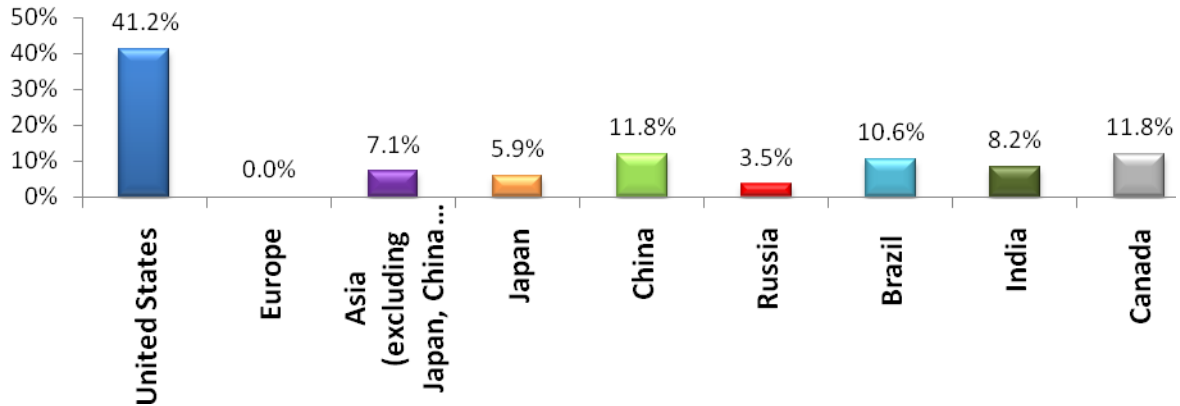
Over the next 12 months, how would you summarize your thoughts about the overall US equity market (represented by S&P 500)?



- Most investors expect moderately positive returns from the S&P 500 index over the next 12 months.

Question 14

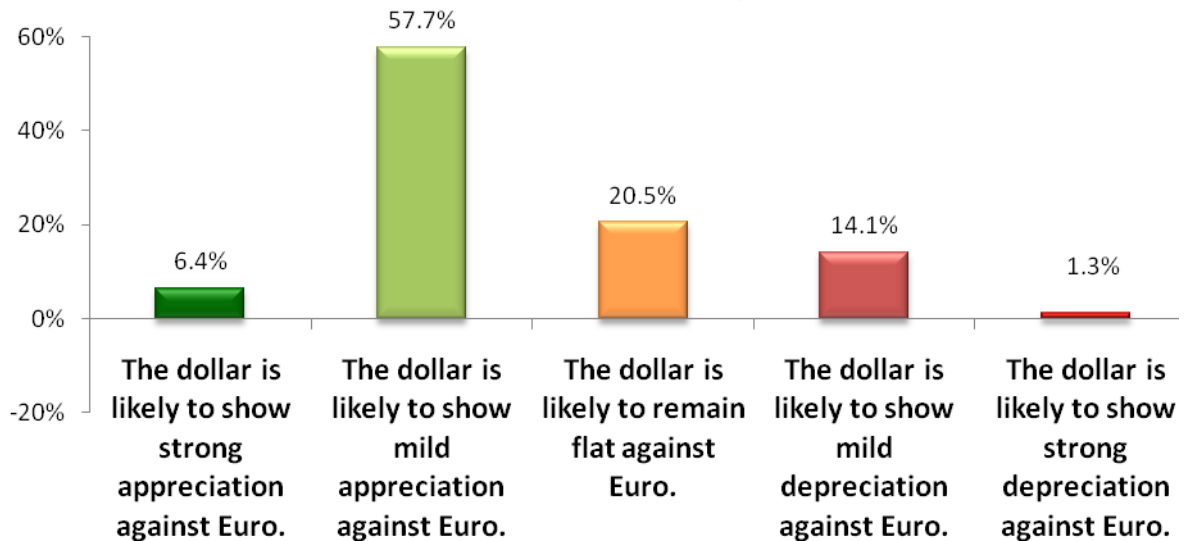
Which Country/Region seems most attractive to you over the next 12 months?



- The United States is the favorite country to invest in over the next year among survey participants. The next best 3 receiving a healthy number of votes were China, Canada and Brazil. Europe was the least favored region.

Question 15

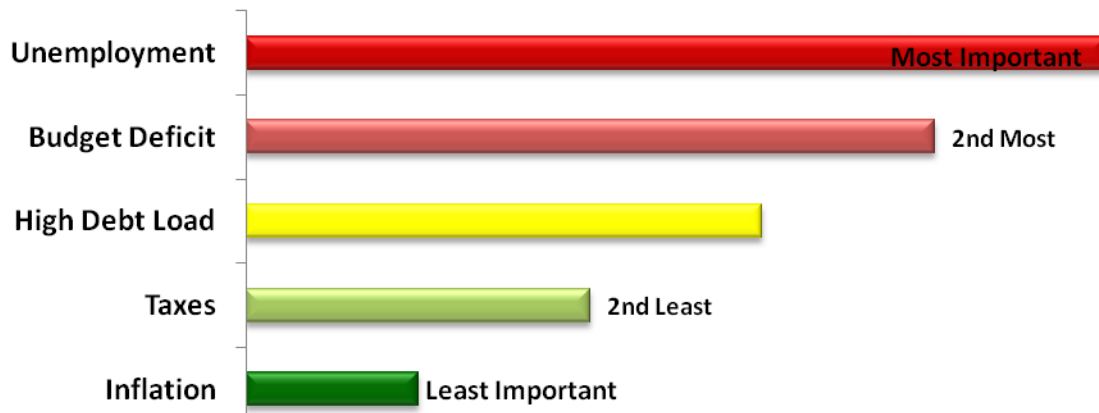
Over the next 12 months how would you summarize your thoughts regarding the US Dollar and the Euro, given the current rate is \$1.46USD/Euro?



- Most expect the dollar to slightly appreciate against the Euro in the next 12 months.

Question 16

Rank order the issues facing the US economy over the next 12 months in order of importance?



- When asked about issues that may hinder the success of the US over the next 12 months, Unemployment was by far the biggest worry amongst investors while inflation was the issue that worried investors the least.