



Client Cocktail Party, Jan. 15, 2009

Summary: “Bottom line: by summer, we will start to see modest economic growth” – Greg Valliere.

Speakers: Andy Berg, Homrich Berg co-founder and CEO
Greg Valliere, CNBC commentator and chief political strategist of the nonpartisan Washington Research Group

Key Points from Greg Valliere:

Stimulus – “Money is no object.” It is better to overdo it, than underdo it. The greatest risk is not providing enough stimulus.

- Fed action: under-appreciated; injecting liquidity into our system
- Key elements of the stimulus package:
 - Business tax breaks (to garner Republican support)
 - Individual tax breaks coming in April
 - Infrastructure – new jobs (schools, energy efficiency)
 - Money for states
- Housing
 - Tax credits for home purchase
 - Foreclosure and mortgage relief
- Confidence
 - Media approval of President Obama
 - Bernie Madoff is in jail

Glimmers of Hope

- Yield spreads have narrowed
- Mortgage refinancing
- Energy prices
- Tax cuts

Perceived Negatives

- Threat of inflation (not expected to be an issue until very distant future)
- Budget deficits explode – in short term, we will get through it
- Dollar – at bottom, won't go much lower
- New mindframe – is anyone allowed to fail? Most significant perceived negative. According to Valliere, Madoff needs to be permanently jailed and President Obama will have to draw line say “no.”