

Currency Roundup

Currency	Value	12/28/2007	11/23/07
EUR	1 Euro equals US	\$ \$1.4724	\$1.4807
CAD	1 CAD equals US	\$ \$10150	\$1.0100
JPY	US\$ equals Yen	112.29	107.9300

For the past month, the dollar has been stable against most other major currencies. The big question is how will the dollar perform if there are additional rate cuts by the Fed? The shrinking US trade deficit has come at the expense of Europe as the Asian currencies have not appreciated nearly as much against the dollar. We believe that Asian currencies have been kept artificially low and that this trend will not continue in 2008. Over the next year it is very possible that the dollar will lose ground to Asian currencies while ultimately appreciate against European currencies.

Hot Commodities

Commodity	12/28/08	11/23/07
NYMX WTI Crude Oil	\$96.00	\$97.21
COMEX GOLD	\$840.50	\$814.80
NYMX Nat. Gas	\$7.44	\$7.678

The prices of gold and oil in particular have been driving much more by geopolitical concerns than global macro economics. While economics might drive the prices of gold and oil lower than they are currently, we believe that geopolitical concerns will once again cause gold to appreciate over the course of 2008.

Getting Ready to Retire

This is the time of the year for resolutions. If you have not had a professional financial retirement plan constructed for you in the past few years, please resolve to do so in 2008. Our personal Financial Consultants have many sophisticated tools at their disposal with which they can help you construct a financial retirement plan.

The greatest investment you can make in 2008 is to invest the time and effort to work with your IAA Financial Consultant in reviewing your retirement needs and goals and implementing a plan to help you achieve them.

INTERESTING Thoughts

Benchmark	12/28/07	11/23/07
Fed Funds	4.01%	4.50%
3 Mon. T-bill	3.17%	3.08%
5 yr. T-note	3.46%	3.41%
10 yr. T-note	4.04%	4.030%
30 yr. T-bond	4.47%	4.460%

After the Fed's last rate cut, the target rate for Fed Funds is 4.25%. Looking at the chart above you can see that in actuality Fed Funds are closer to 4.00%. When viewed in conjunction with the current 3 month T-bill rate, you can easily see where the markets think Fed Funds are going... down! Like Alan Greenspan, we think the US economy needs tax cuts more than rate cuts. However, in the current political environment we are unlikely to see tax cuts this year.

