

2018 Predictions from the Center Mid-Field

Economic Predictions

- **U.S. Unemployment** ↓ from 4.38% to 3.90% – Continued economic growth offset by a shortage of available workers result in slight decrease to unemployment rate
- **Labor Participation Rate** ↑ from 62.9% to 63.30% – Increase in number of openings and pay per hour result in higher participation
- **U.S. GDP Growth** ↑ from 2.5% to 3.0% – Fourth quarter 2017 trend continues
- **WTI Crude Oil Prices Per Barrel** ↑ from \$49.61 to \$51.00 – U.S. shale production flexes with demand resulting in no substantive movements in oil price
- **Fed. Funds Rate** ↑ from 0.97% to 1.50% – Federal Reserve increases rates three times in 2018
- **Ten-Year Treasury Note Rate** ↑ from 2.31% to 2.70% – The yield curve remains relatively flat
- **GBP/USD Exchange Rate** ↑ from \$1.29 to \$1.37 – Clarity around Brexit plans result in increasing GBP
- **EUR/USD Exchange Rate** ↑ from \$1.12 to \$1.25 – European Central Bank increases interest rates which increases value of Euro
- **USD/CNY Exchange Rate** ↑ from ¥6.77 to ¥6.90 – The Chinese government manages a slight decline in the value of the Yuan
- **U.S. Savings Rate** ↓ from 4.36% to 3.20% – Buoyant economic growth combines with easier lending parameters resulting in lower overall savings rate
- **U.S. Exports Per Month** ↑ 1% – Driven by oil and natural gas, as well as global economic growth

Socio-Political Predictions

- **Syrian President Bashar al-Assad is removed from power** – As part of a larger plan to stabilize the Middle East, driven by Iran being forced into a political corner
- **Republicans increase majority to at least 56 seats in Senate** – 33 senators are up for re-election in 2018, including 23 Democrats, two independents who caucus with Democrats, and 8 Republicans
- **Women will enter congressional races at numbers never seen before in the U.S., and will win 40 new seats (from 104 to 144) in the House** – The trend of empowered women broadens across a wider swath of congress
- **Brazil's economy grows by 2.5%** – Global economic growth increases demand for farm and oil products and Brazilian government ceases to inflict direct harm on economy
- **An all-Pennsylvania Super Bowl (Pittsburgh Steelers vs. Philadelphia Eagles)** – Both teams are strong, and it would be fun

Industry Predictions

- **Amazon picks Austin, TX to build second headquarters** – Second headquarters is for Amazon web services and Jeff Bezos is among the largest landholders in Texas
- **Sears is liquidated** – Finally succumbs to the inevitable
- **Bitcoin price declines from \$8,000 to \$4,000 per Bitcoin** – Tulip bulbs become more popular
- **The number of closed deals reported by Pitchbook increases by 10%** - Trump tax changes will indirectly result in more closed deals
- **Average purchase multiples reported by Pitchbook is 10.5x** – Still too much money chasing too few deals