



# Weekly Market Commentary



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## Apocalypse Soon

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#### Highlights

The purported end of the world falls exactly one year from this Wednesday, December 21, 2011. Like a primeval Y2K event, 2012-ers believe that one year from now the earth will experience a catastrophe or an enlightenment.

Surprisingly, we agree. The year 2012 will be one of transformation: politically, fiscally, and economically, with profound impacts for investors.

A search of the bestsellers with “2012” in their title does not offer the books you might expect such as travel guides, how to crack the SAT exam, or the best new cars to buy. Instead, the top books on the list are among the thousands of books, films, videos, seminars, and websites tied to doomsday predictions about 2012 [\[see accompanying Table\]](#). In fact, the first non-end of the world entry to make the list does not show up until number 27 when the Dilbert calendar makes the list — then again, the Dilbert universe sure seems like purgatory. Specifically, according to these sources, the apocalypse comes on December 21, 2012 — the purported end of the world falls exactly one year from this Wednesday.

#### Top 10 Best Selling Books on Amazon with “2012” in the Title

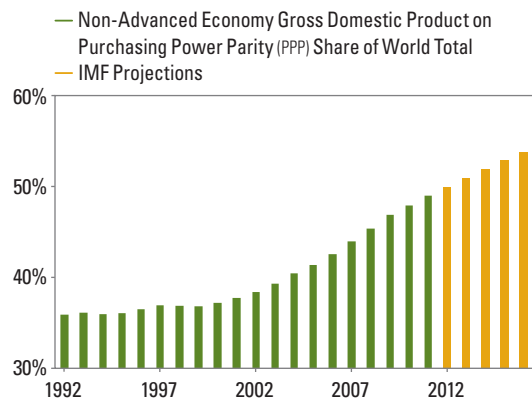
1. **What Will Happen in 2012 and Beyond?** by Veronica Torres and Eloheim and The Council
2. **The Mystery of 2012: Predictions, Prophecies, and Possibilities** by Sounds True
3. **Apocalypse 2012: The Ticking of the End Time Clock** by John Claeys
4. **2012: The Fifth World** by Edward G. Talbot
5. **2012 The Awakening** by Bill Douglas
6. **The Source Field Investigations: The Hidden Science and Lost Civilizations Behind the 2012 Prophecies** by David Wilcock
7. **The 2012 Story: The Myths, Fallacies, and Truth Behind the Most Intriguing Date in History** by John Major Jenkins
8. **The Complete Idiot's Guide to 2012** by ND, Dr. Synthia Andrews and Colin Andrews
9. **Beyond 2012: Catastrophe or Awakening?: A Complete Guide to End-of-Time Predictions** by Geoff Stray and John Major Jenkins
10. **2012: The Return of Quetzalcoatl** by Daniel Pinchbeck

Source: Amazon 12/16/11

Where does this 2012/end of the world stuff all come from? The Mayans, who spread across Central America from about 2000 B.C. to 900 A.D., used a unique Mesoamerican “long count” calendar that marked time in long cycles lasting 394.3 years called b’ak’tun. A “sun,” or era, may be defined as 13 b’ak’tun cycles. The Mayan creation date was in 3114 B.C. and the 13th b’ak’tun cycle will end next year — on December 12, 2012.

The 2012-ers have pulled together Mesoamerican archaeology, stories about extraterrestrials, New Age spirituality, and pseudo-scientific analysis to produce a prophecy that on December 21, 2012 a profound transformation will occur. Like a primeval Y2K event, they believe that one year from now the earth will experience a catastrophe or an enlightenment.

## 1 Emerging Market Economies Percent of World GDP Hits 50% in 2012



Source: LPL Financial, International Monetary Fund World Economic Outlook Database September 2011

Surprisingly, we agree. The year 2012 will be one of transformation: economically, fiscally, and politically with profound impacts for investors.

- The global economy is emerging. While we expect the U.S. economy to grow about 2% in 2012, the emerging markets will grow much faster. By the end of 2012, emerging market economies will reach 50% of the world's gross domestic product (GDP) [Chart 1]. The non-advanced economies made up only 38% of global GDP 10 years ago, but reached 49% in 2011 (with currency adjusted for purchasing power parity), according to data from the International Monetary Fund.
- We believe a mild recession emerges in Europe and the debt dilemma continues to grab headlines and move markets as will the outlook for growth and financial stress in China.
- In addition, the party that emerges in control following the November 2012 elections in the United States will forge the decisions that will represent one of the biggest shifts in federal budget policy since World War II.

Consumer sentiment, business leaders, policymakers and geopolitics are going to have a significant impact on the investment environment in 2012. While volatility is likely to remain elevated, we do not see an end-of-the-world scenario for investors. In fact, the markets may fare better in 2012 than they did in 2011 with stocks posting solid gains (for deeper insight into our 2012 prophecies see our *2012 Outlook*).

Works from the Mayans, prophecies of UFO cults, and even films from Hollywood (*I Am Legend*, *Blade Runner*, *The Running Man*) all suggest 2012 is likely to be fraught with danger. However, they also appear to feature flying cars—so it may not be all bad. Here is hoping that a transformational new era emerges in 2012 where politicians, business leaders, and individuals' interests align to produce an environment of respect and much needed action.

### IMPORTANT DISCLOSURES

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance reference is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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