



Trendcast

Sample Company

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How to Read a Trendcast

The charts on the following pages show how the sample company's sales history relates to both macroeconomic and market-specific leading indicators. Both the company sales data and the leading indicators have been converted into a rate-of-change format.

The analysis begins with the company sales data trends. The 12MMT data trend shows where annual sales have been in the last ten years and the 3MMT shows seasonality. The company rate-of-change chart shows where the company is in the business cycle.

The subsequent charts compare the company sales data to the leading indicators. Macroeconomic leading indicators include US Industrial Production, US Leading Indicator, Retail Sales, Nondefense Capital Goods New Orders, and Corporate Bond Prices. Company-specific leading indicators are hand selected based on which industry the company is in and the markets it serves.

Based on the median timing relationship to the leading indicators, we are able to give the company a view of the future. A Trendcast enables companies to know where they are in the business cycle today and where they will be 18 months from now.

3MMT

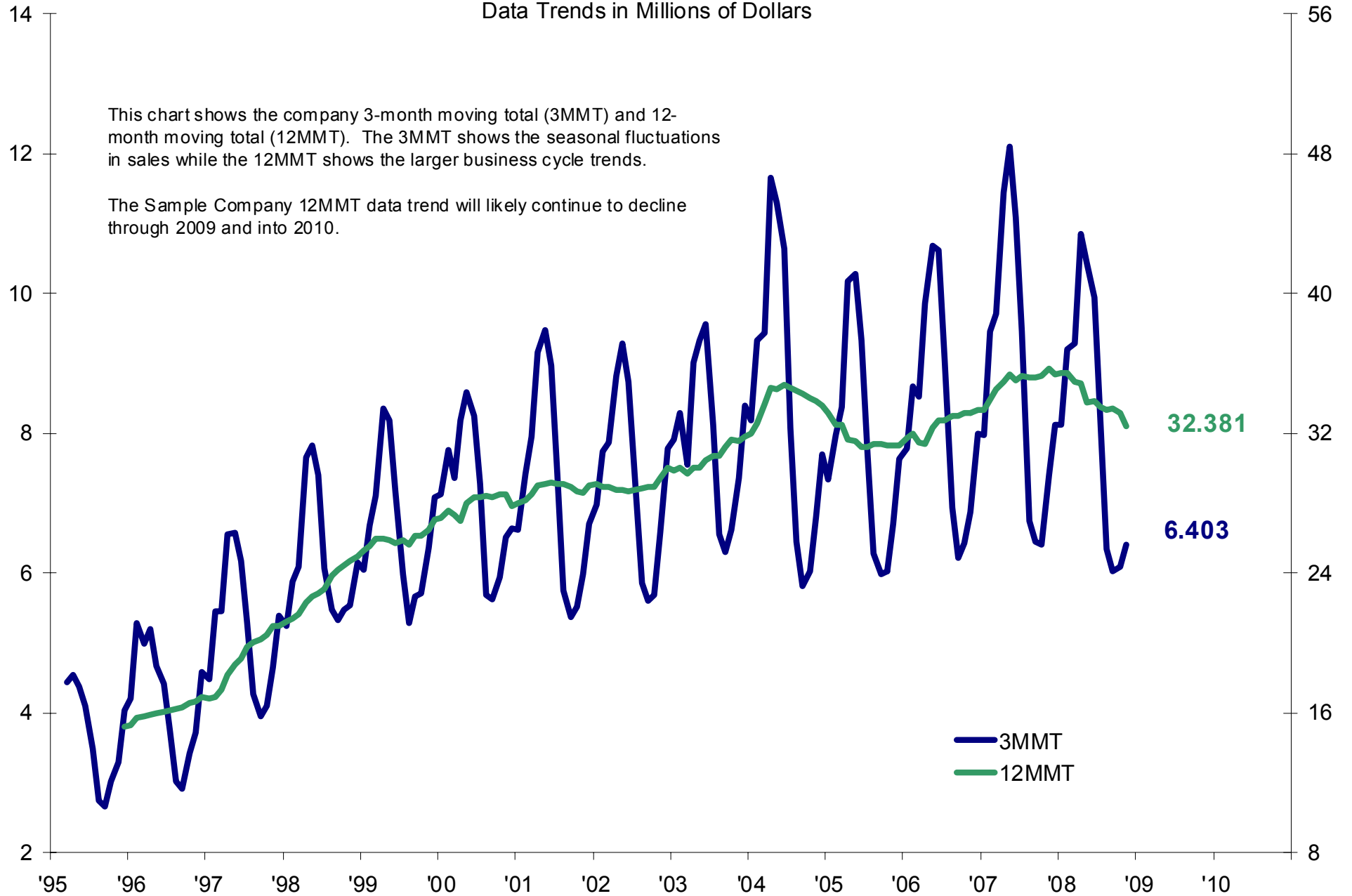
12MMT

Sample Company

Data Trends in Millions of Dollars

This chart shows the company 3-month moving total (3MMT) and 12-month moving total (12MMT). The 3MMT shows the seasonal fluctuations in sales while the 12MMT shows the larger business cycle trends.

The Sample Company 12MMT data trend will likely continue to decline through 2009 and into 2010.

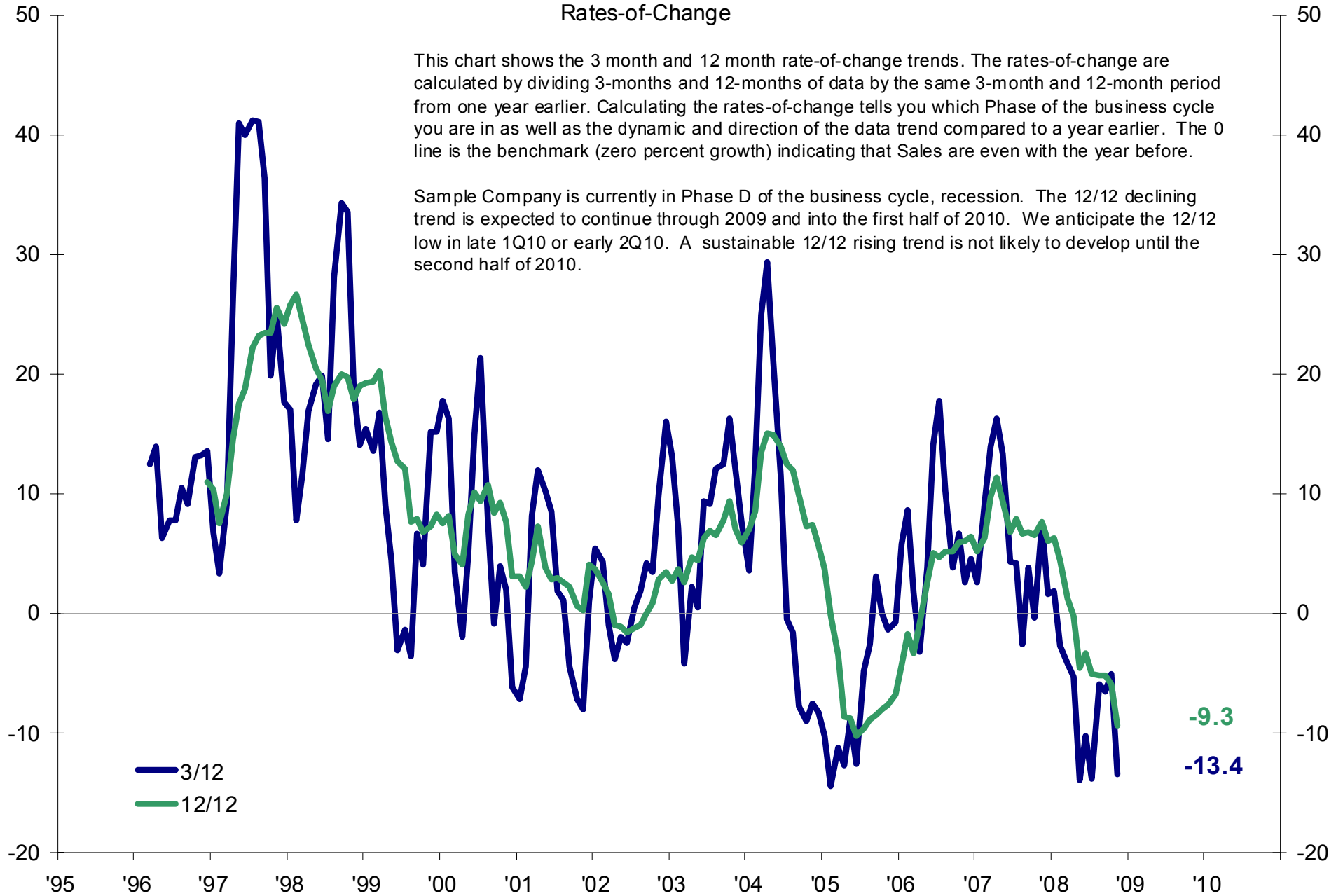


Sample Company

Rates-of-Change

This chart shows the 3 month and 12 month rate-of-change trends. The rates-of-change are calculated by dividing 3-months and 12-months of data by the same 3-month and 12-month period from one year earlier. Calculating the rates-of-change tells you which Phase of the business cycle you are in as well as the dynamic and direction of the data trend compared to a year earlier. The 0 line is the benchmark (zero percent growth) indicating that Sales are even with the year before.

Sample Company is currently in Phase D of the business cycle, recession. The 12/12 declining trend is expected to continue through 2009 and into the first half of 2010. We anticipate the 12/12 low in late 1Q10 or early 2Q10. A sustainable 12/12 rising trend is not likely to develop until the second half of 2010.

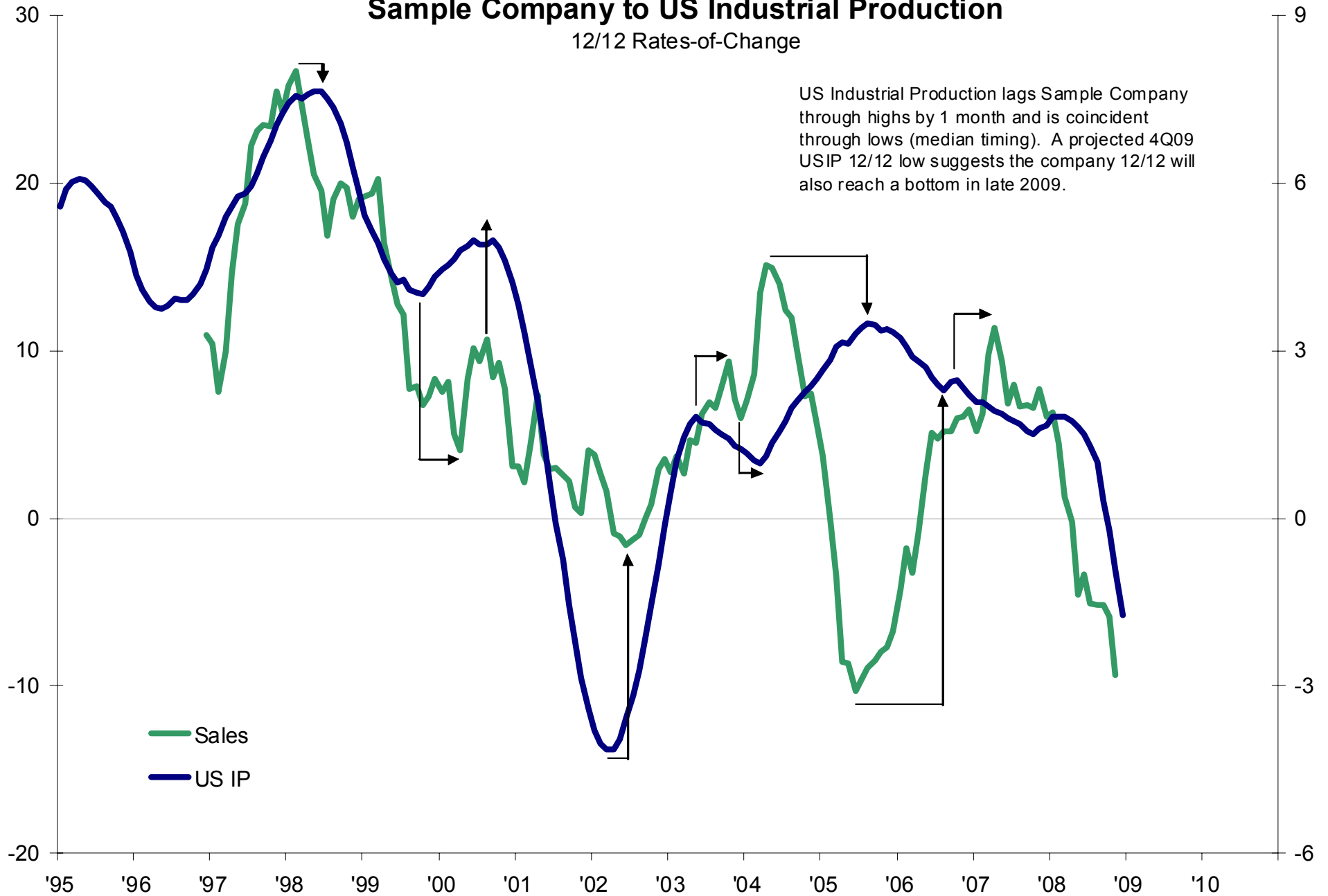


Sales

US IP

Sample Company to US Industrial Production

12/12 Rates-of-Change

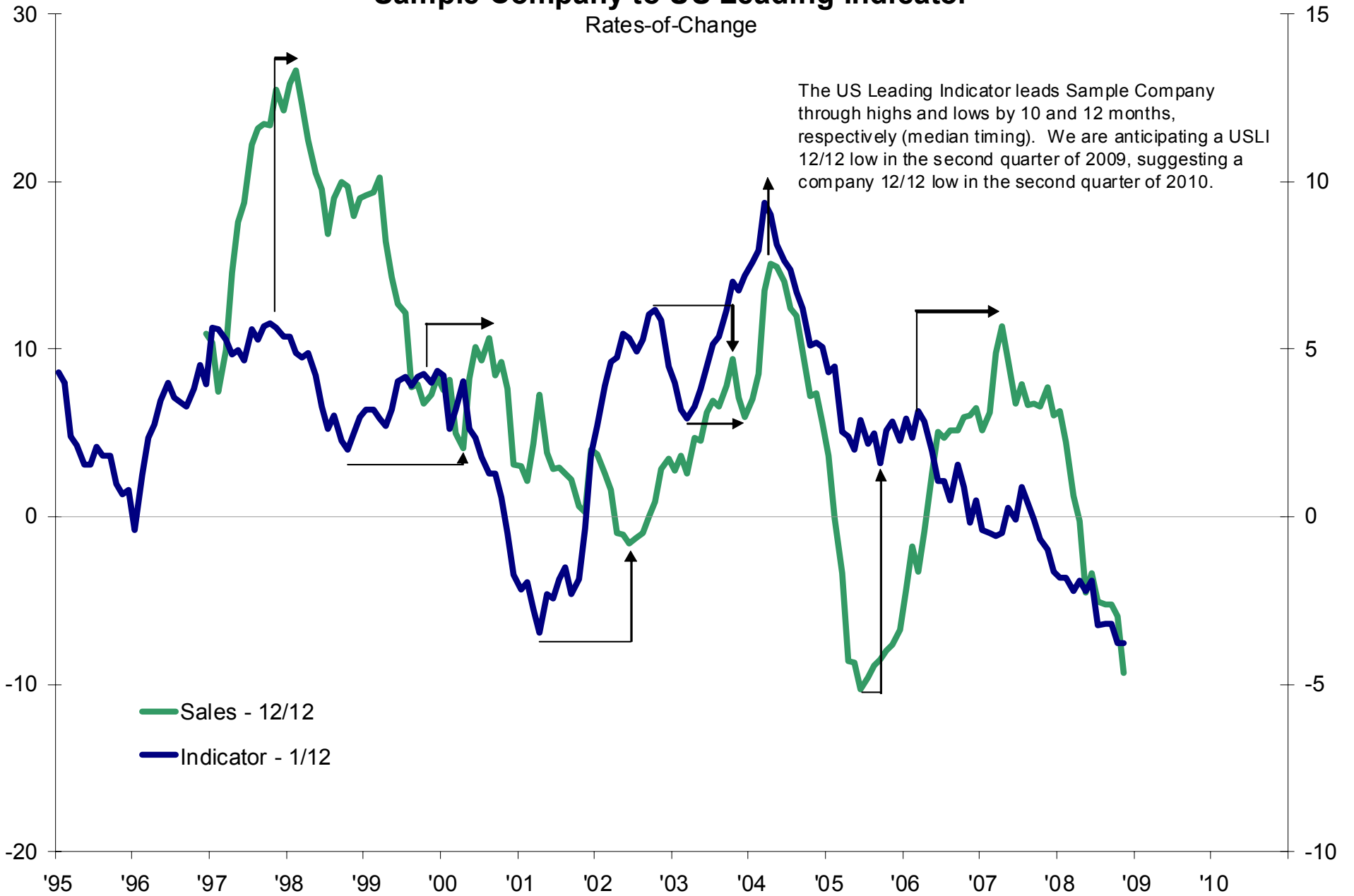


Sales

Indicator

Sample Company to US Leading Indicator

Rates-of-Change

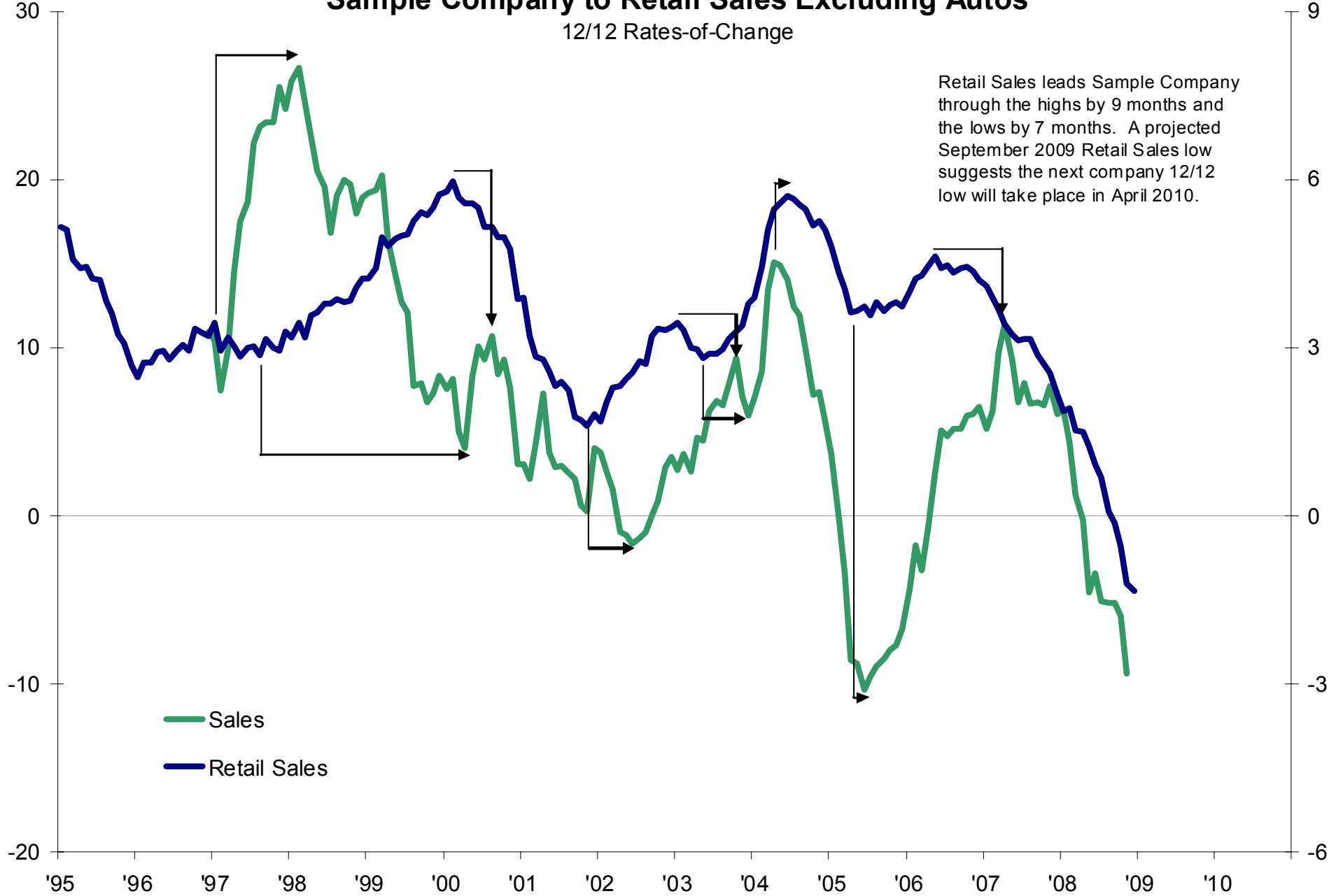


Sales

Retail Sales

Sample Company to Retail Sales Excluding Autos

12/12 Rates-of-Change

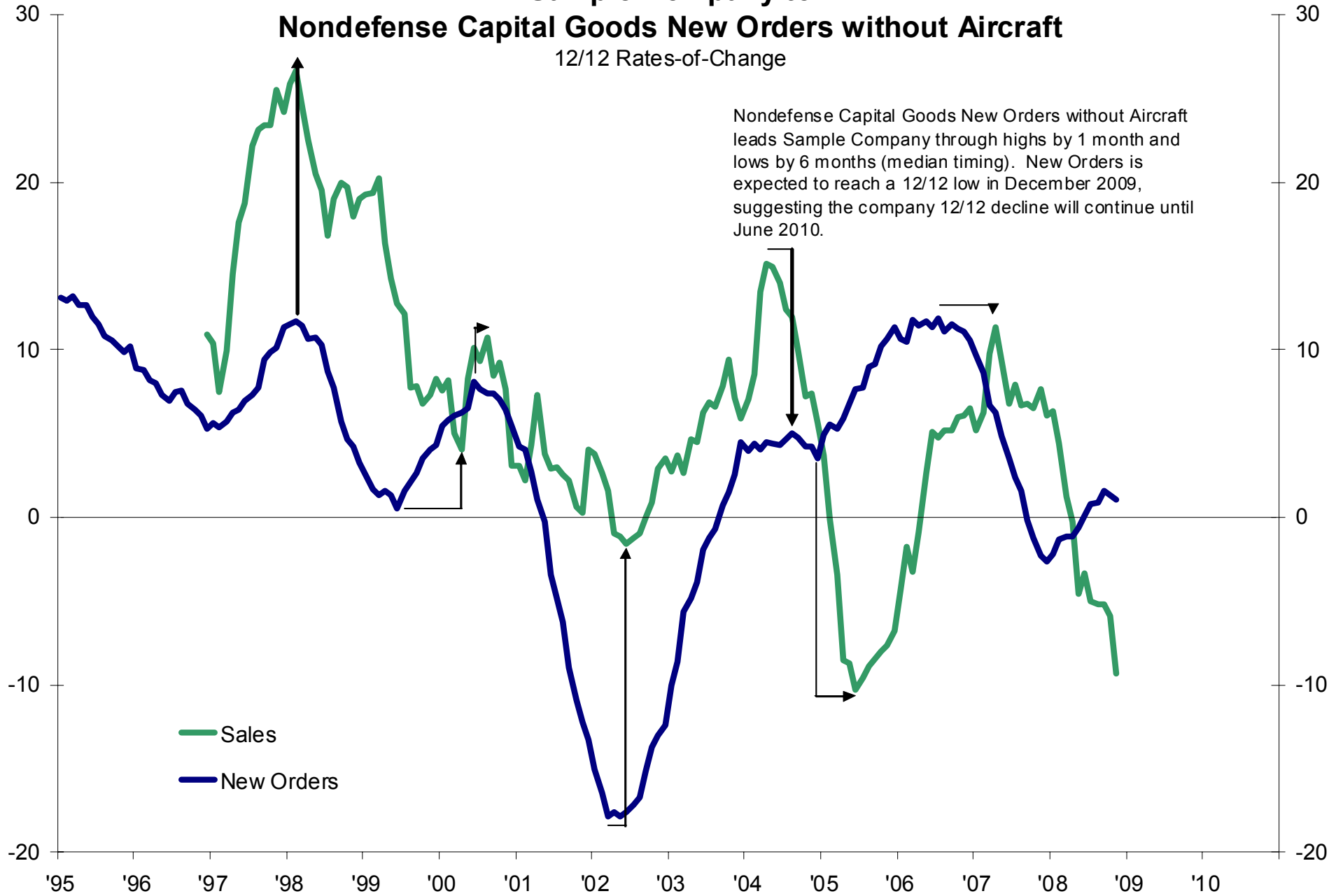


Sales

Orders

Sample Company to Nondefense Capital Goods New Orders without Aircraft

12/12 Rates-of-Change

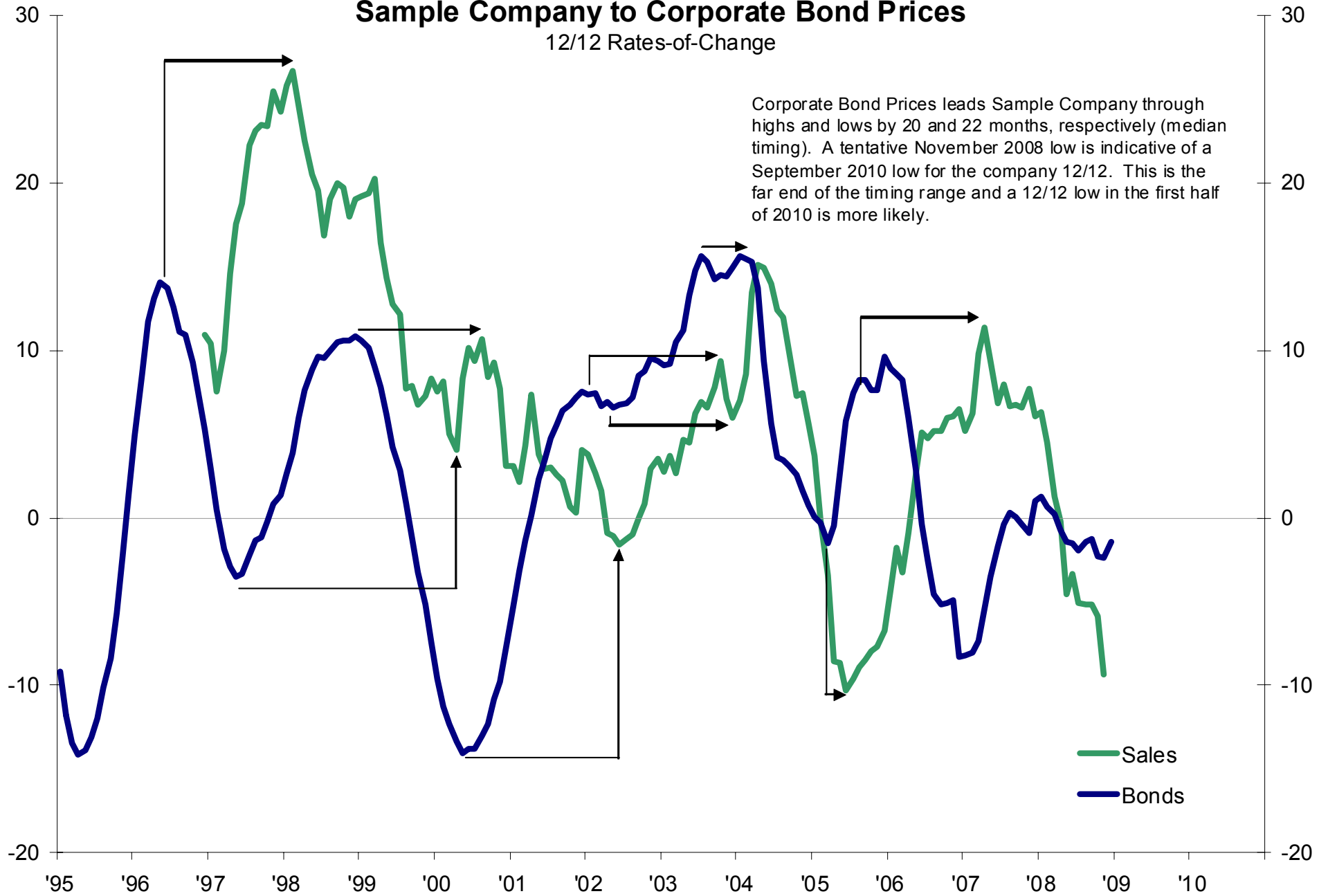


Sales

Bonds

Sample Company to Corporate Bond Prices

12/12 Rates-of-Change

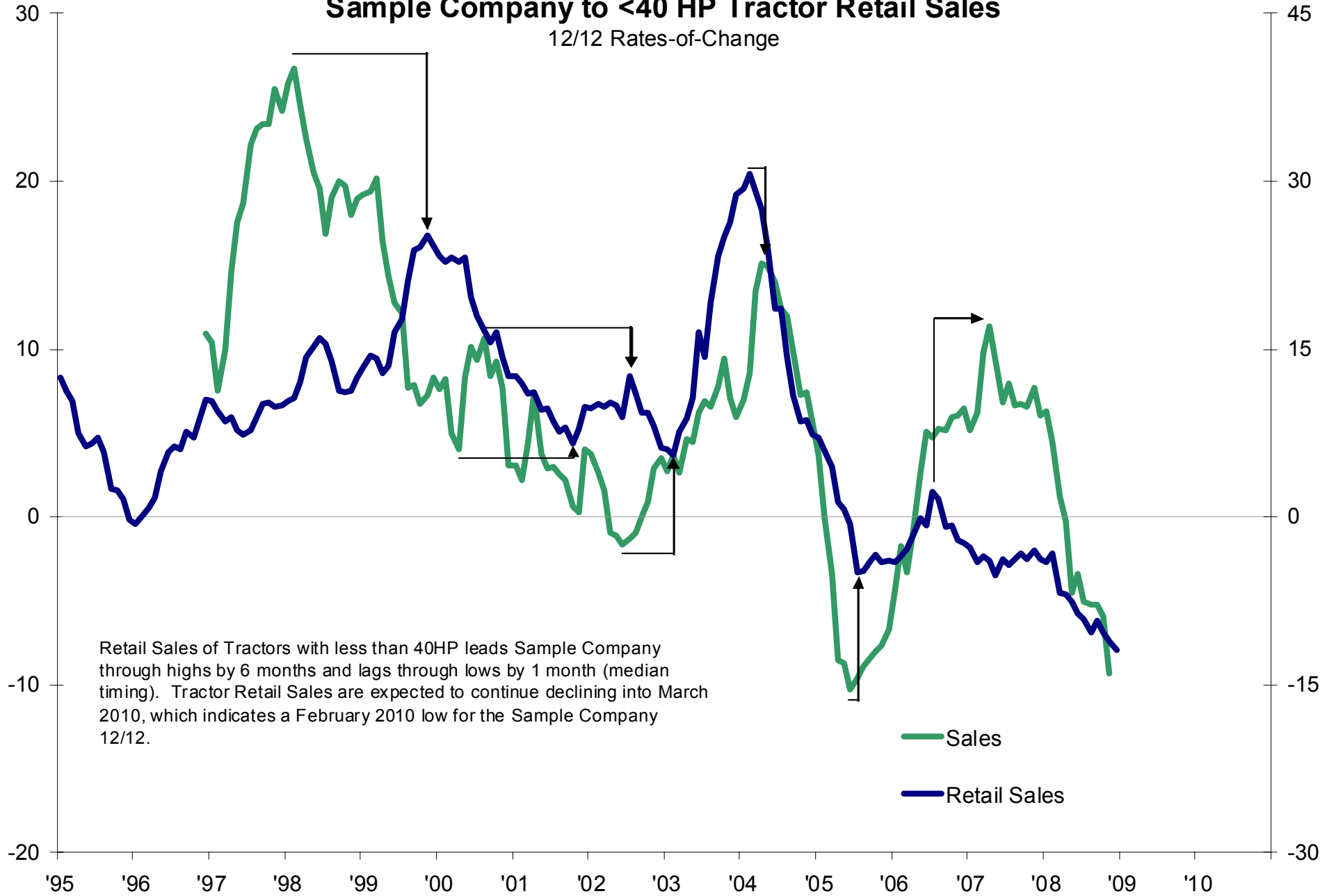


Sales

Retail Sales

Sample Company to <40 HP Tractor Retail Sales

12/12 Rates-of-Change



Retail Sales of Tractors with less than 40HP leads Sample Company through highs by 6 months and lags through lows by 1 month (median timing). Tractor Retail Sales are expected to continue declining into March 2010, which indicates a February 2010 low for the Sample Company 12/12.

— Sales
— Retail Sales

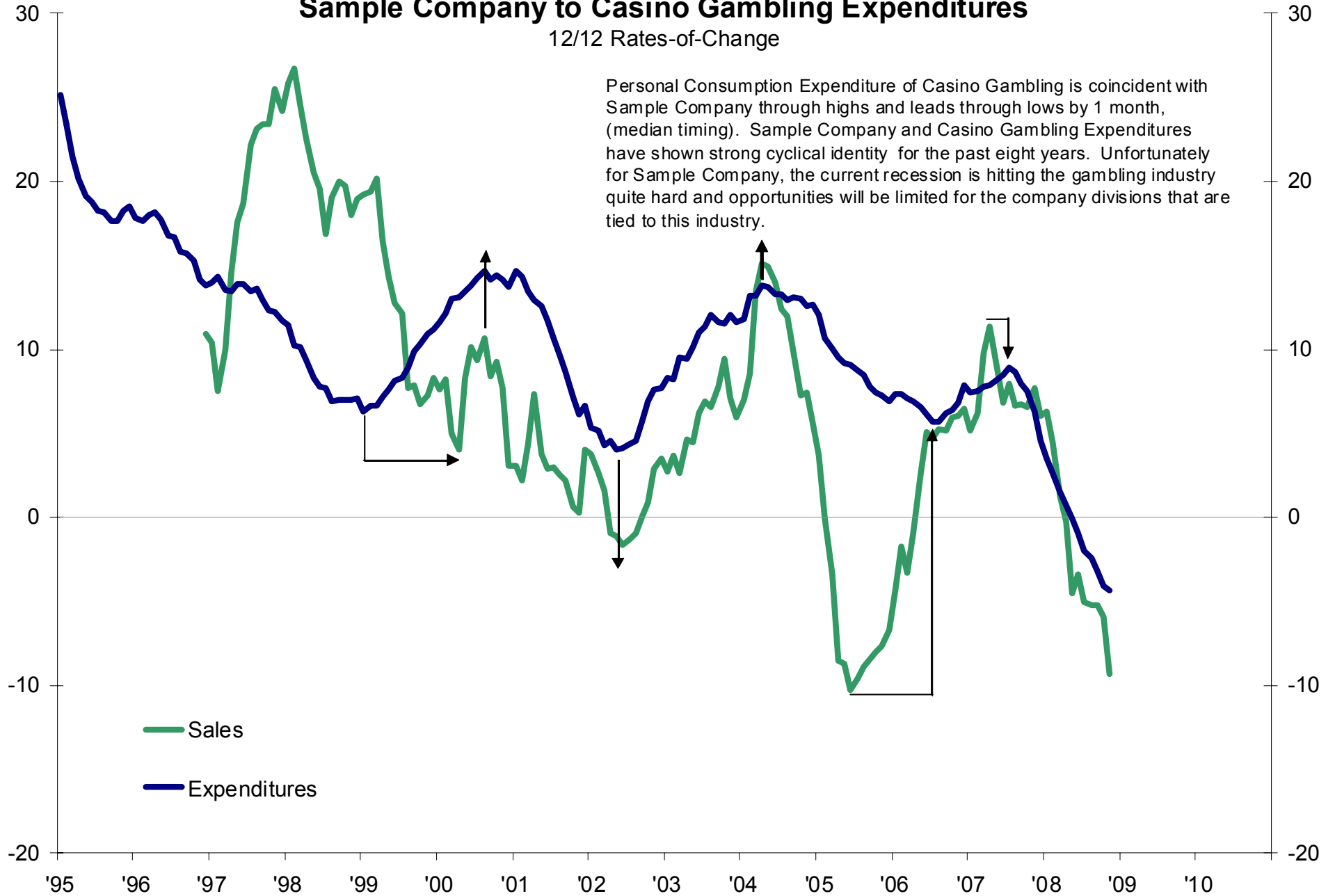
Sales

Expenditures

Sample Company to Casino Gambling Expenditures

12/12 Rates-of-Change

Personal Consumption Expenditure of Casino Gambling is coincident with Sample Company through highs and leads through lows by 1 month, (median timing). Sample Company and Casino Gambling Expenditures have shown strong cyclical identity for the past eight years. Unfortunately for Sample Company, the current recession is hitting the gambling industry quite hard and opportunities will be limited for the company divisions that are tied to this industry.

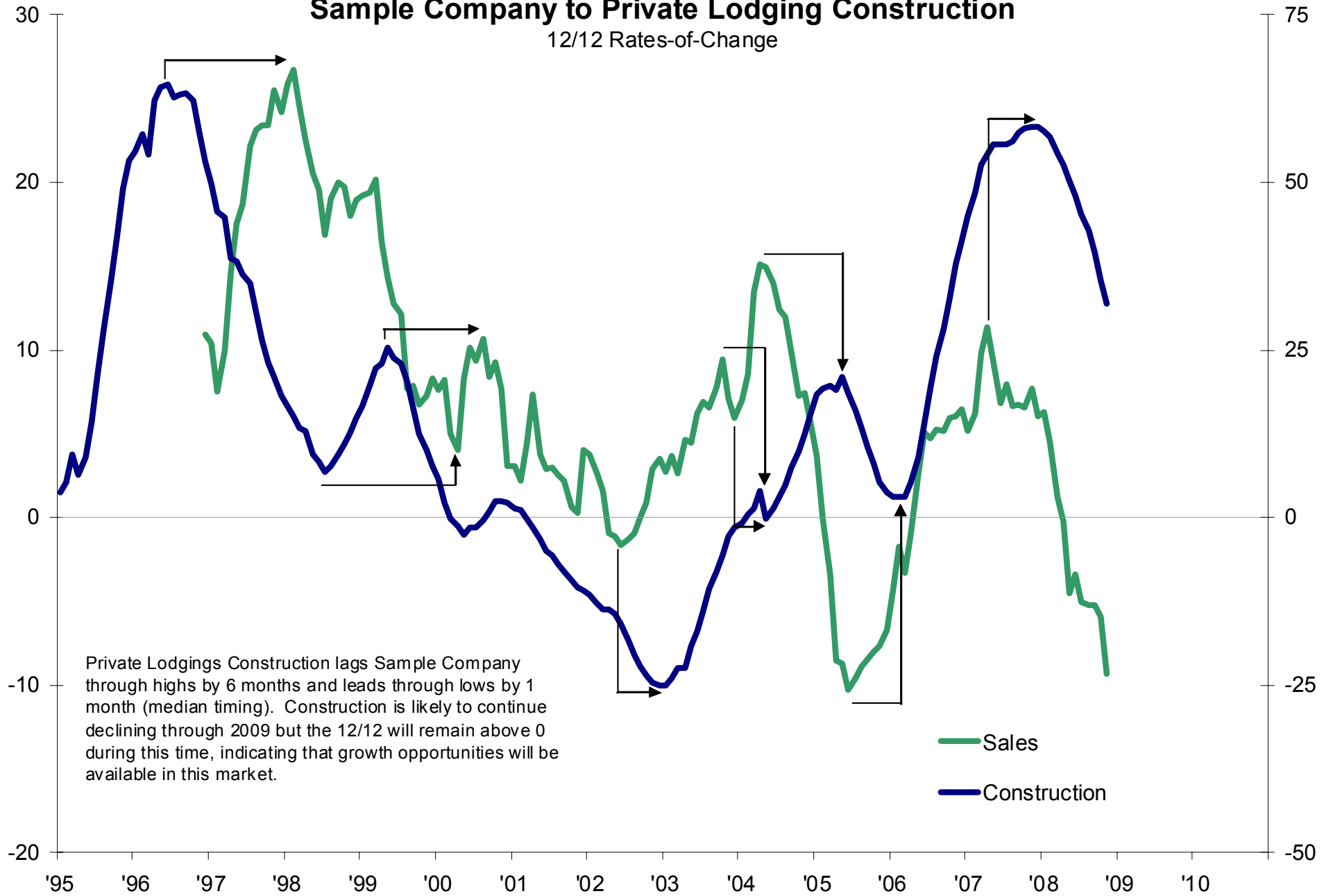


Sales

Construction

Sample Company to Private Lodging Construction

12/12 Rates-of-Change



Private Lodgings Construction lags Sample Company through highs by 6 months and leads through lows by 1 month (median timing). Construction is likely to continue declining through 2009 but the 12/12 will remain above 0 during this time, indicating that growth opportunities will be available in this market.

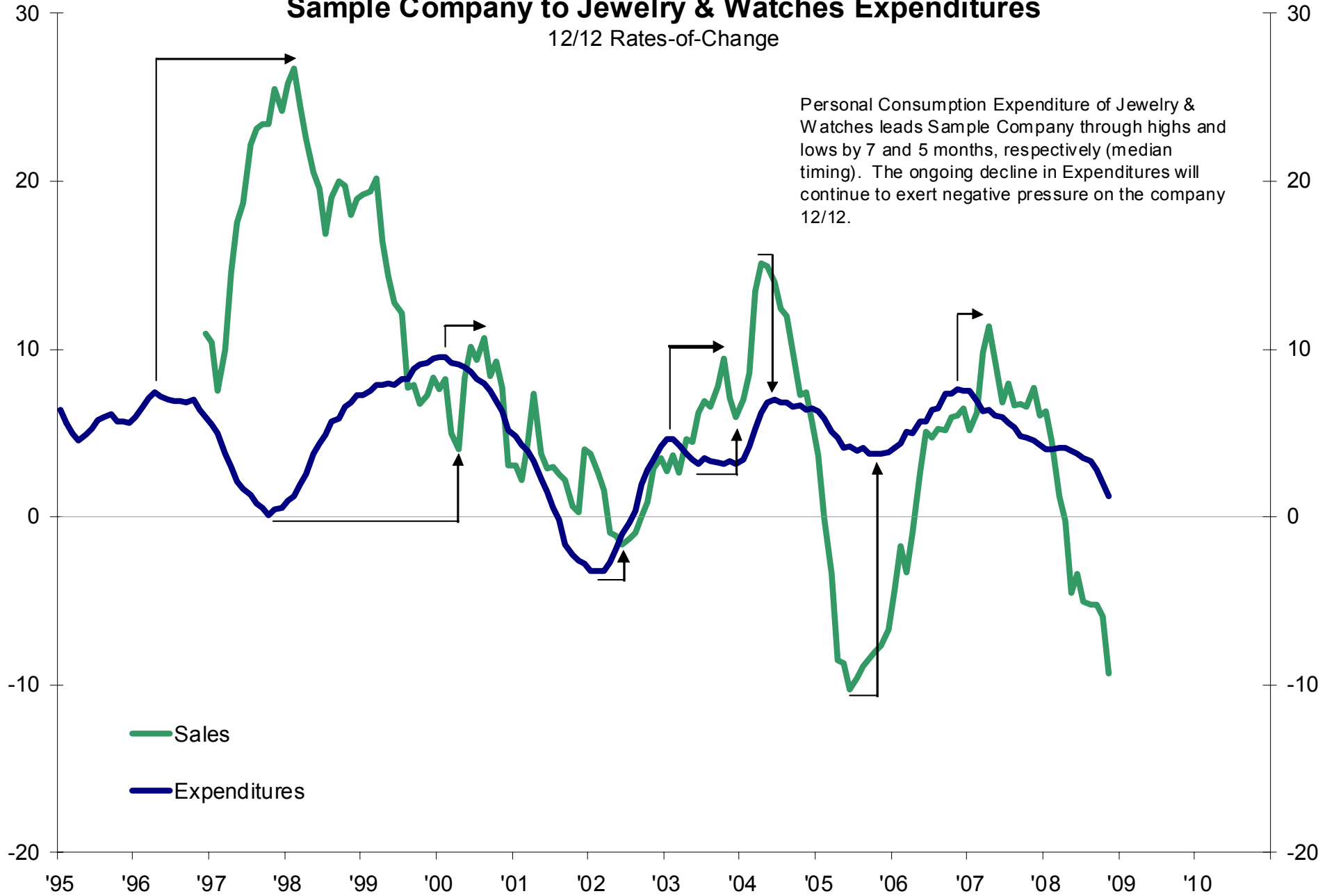
— Sales
— Construction

Sales

Expenditures

Sample Company to Jewelry & Watches Expenditures

12/12 Rates-of-Change

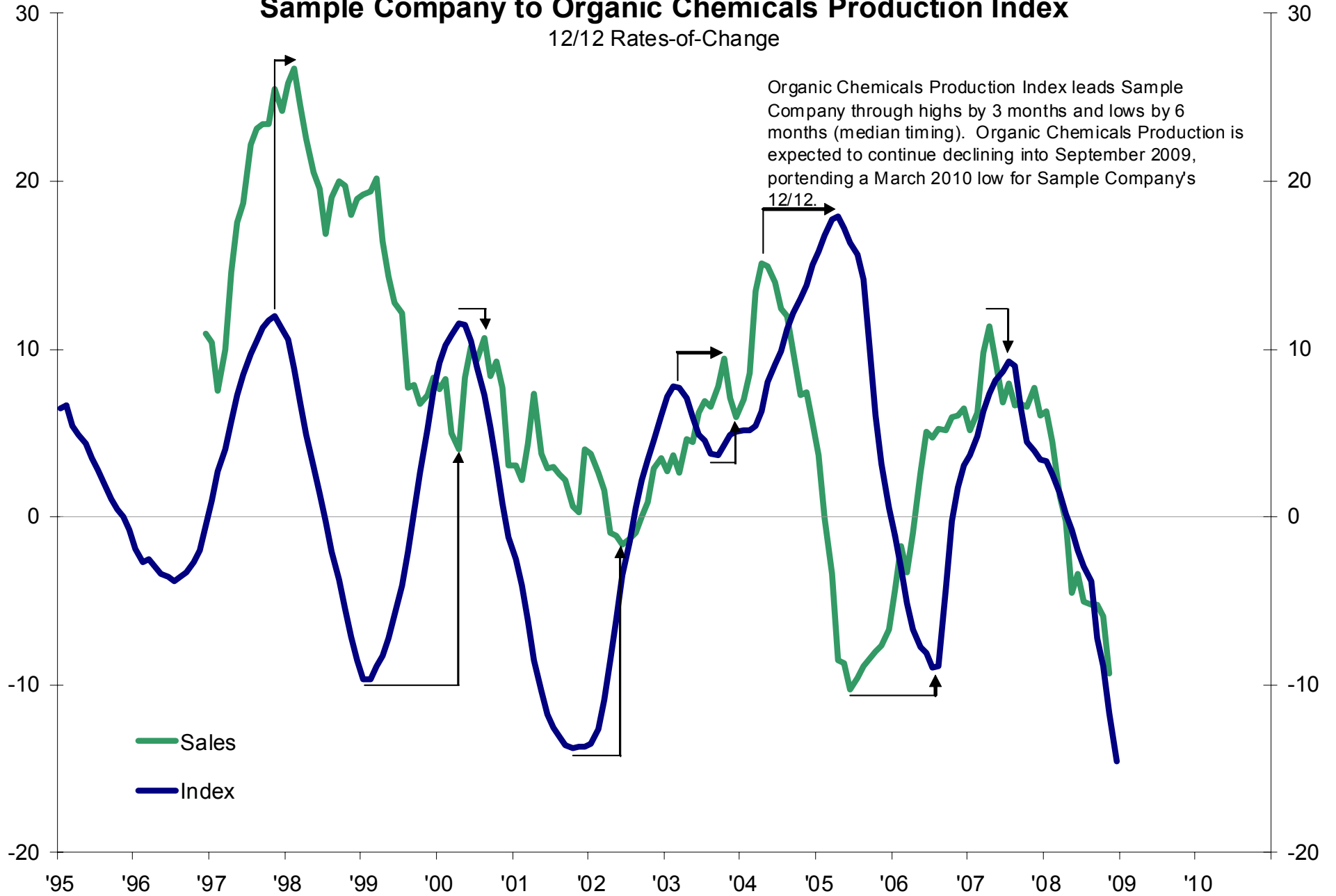


Sales

Index

Sample Company to Organic Chemicals Production Index

12/12 Rates-of-Change

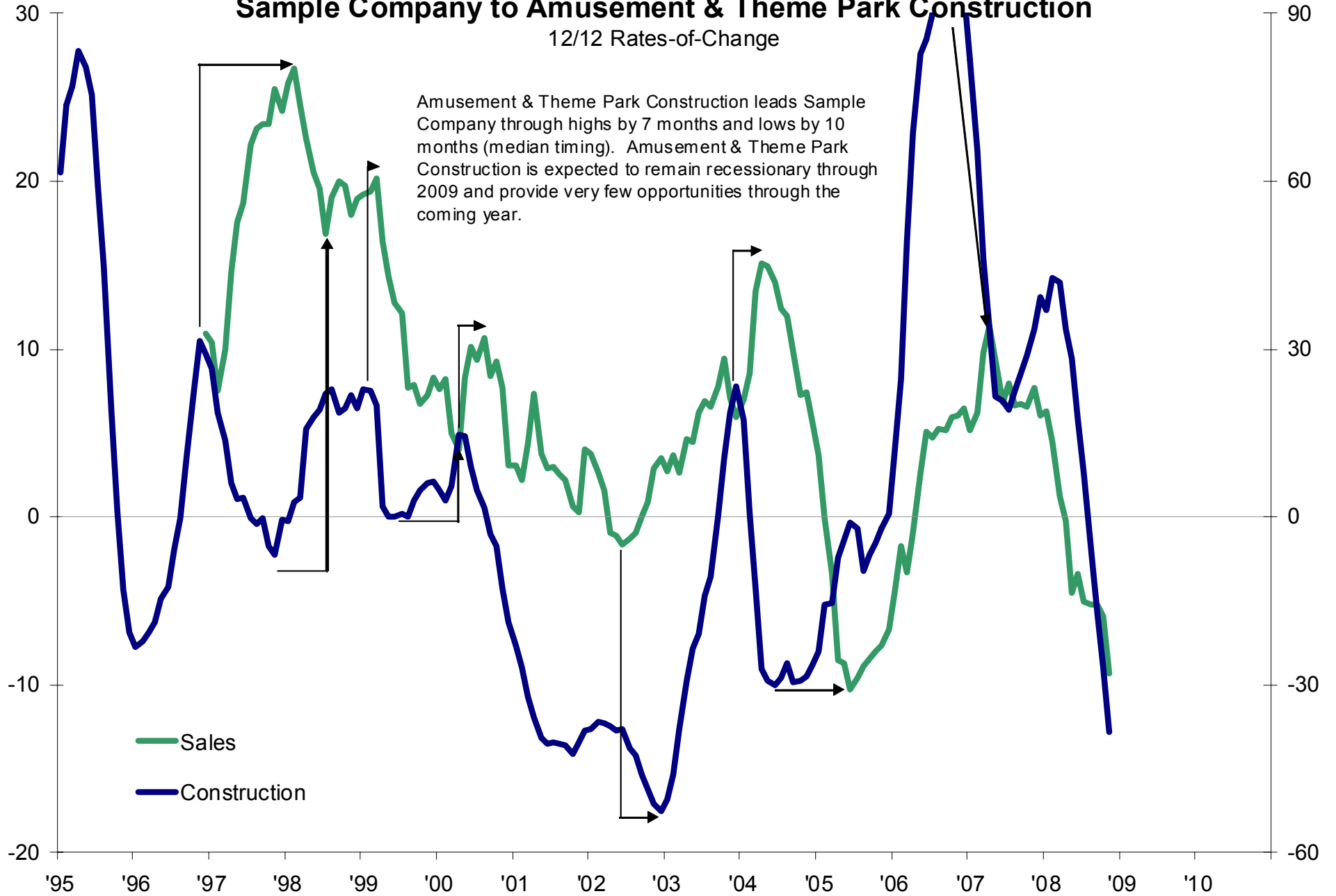


Sales

Construction

Sample Company to Amusement & Theme Park Construction

12/12 Rates-of-Change



EcoTrends®

**Sample
Company**

	Source	Sales	1/12	3MMT	3/12	12MMT	12/12
Jan-07	\$ 2,108,724	2.109	-0.5	7.981	2.6	33.337	5.2
Feb-07	\$ 4,141,928	4.142	17.6	9.457	9.1	33.956	6.2
Mar-07	\$ 3,448,246	3.448	20.0	9.699	13.9	34.531	9.8
Apr-07	\$ 3,865,724	3.866	11.8	11.456	16.2	34.938	11.4
May-07	\$ 4,795,443	4.795	10.1	12.109	13.3	35.380	9.3
Jun-07	\$ 2,427,557	2.428	-13.7	11.089	4.4	34.994	6.8
Jul-07	\$ 2,227,260	2.227	17.4	9.450	4.3	35.324	7.9
Aug-07	\$ 2,101,865	2.102	-5.4	6.757	-2.5	35.204	6.7
Sep-07	\$ 2,123,477	2.123	1.2	6.453	3.8	35.230	6.8
Oct-07	\$ 2,190,170	2.190	3.4	6.416	-0.3	35.302	6.5
Nov-07	\$ 3,084,112	3.084	15.7	7.398	7.5	35.721	7.7
Dec-07	\$ 2,848,409	2.848	-11.2	8.123	1.7	35.363	6.0
Jan-08	\$ 2,196,649	2.197	4.2	8.129	1.9	35.451	6.3
Feb-08	\$ 4,152,628	4.153	0.3	9.198	-2.7	35.462	4.4
Mar-08	\$ 2,942,376	2.942	-14.7	9.292	-4.2	34.956	1.2
Apr-08	\$ 3,754,925	3.755	-2.9	10.850	-5.3	34.845	-0.3
May-08	\$ 3,728,359	3.728	-22.3	10.426	-13.9	33.778	-4.5
Jun-08	\$ 2,467,353	2.467	1.6	9.951	-10.3	33.818	-3.4
Jul-08	\$ 1,946,696	1.947	-12.6	8.142	-13.8	33.537	-5.1
Aug-08	\$ 1,940,422	1.940	-7.7	6.354	-6.0	33.376	-5.2
Sep-08	\$ 2,144,876	2.145	1.0	6.032	-6.5	33.397	-5.2
Oct-08	\$ 2,005,743	2.006	-8.4	6.091	-5.1	33.213	-5.9
Nov-08	\$ 2,252,782	2.253	-27.0	6.403	-13.4	32.381	-9.3
Dec-08							
Jan-09							
Feb-09							
Mar-09							
Apr-09							
May-09							
Jun-09							
Jul-09							
Aug-09							
Sep-09							
Oct-09							
Nov-09							
Dec-09							

12/12 Figures for Charts

	US Industrial Production <u>EcoTrends</u> P. 29 USIP - 12/12	US Leading Indicator Leading Indicators from ITR website USLI - 1/12	Purchasing Managers Index Leading Indicators from ITR website PMI - 1/12	Retail Sales <u>EcoTrends</u> P. 20 RSALES - 12/12	Nondefense Capital Goods NO <u>EcoTrends</u> P. 22 NDFCGXA - 12/12
Jan-07	2.1	-0.4	-9.9	4.1	9.7
Feb-07	2.1	-0.5	-6.3	3.9	8.7
Mar-07	2.0	-0.6	-6.2	3.7	6.7
Apr-07	1.9	-0.5	-5.7	3.4	6.2
May-07	1.9	0.3	-2.1	3.2	4.9
Jun-07	1.8	-0.1	1.1	3.1	3.6
Jul-07	1.7	0.9	-2.1	3.2	2.4
Aug-07	1.7	0.4	-4.5	3.1	1.6
Sep-07	1.5	-0.1	-2.5	2.9	-0.2
Oct-07	1.5	-0.7	-1.6	2.7	-1.2
Nov-07	1.6	-1.0	0.8	2.5	-2.3
Dec-07	1.7	-1.6	-5.9	2.1	-2.6
Jan-08	1.8	-1.8	2.8	1.9	-2.2
Feb-08	1.8	-1.8	-6.0	1.9	-1.3
Mar-08	1.8	-2.2	-4.1	1.5	-1.1
Apr-08	1.7	-1.9	-8.0	1.5	-1.1
May-08	1.6	-2.2	-6.1	1.2	-0.6
Jun-08	1.5	-1.9	-6.4	0.9	0.1
Jul-08	1.3	-3.2	-4.6	0.7	0.8
Aug-08	1.0	-3.2	-2.6	0.1	0.9
Sep-08	0.3	-3.2	-14.1	-0.1	1.6
Oct-08	-0.2	-3.8	-22.9	-0.6	1.3
Nov-08	-0.9	-3.8	-27.4	-1.2	1.1
Dec-08	-1.7		-33.0	-1.3	
Jan-09					
Feb-09					
Mar-09					
Apr-09					
May-09					
Jun-09					
Jul-09					
Aug-09					
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Oct-09					
Nov-09					
Dec-09					

12/12 Figures for Charts

	Corporate Bond Prices EcoTrends P. 10 BONDS - 12/12	Housing Starts <u>EcoTrends</u> P. 14 HOUSING - 12/12	Flowers, Seeds & Potted Plants Expenditures Plantings - 12/12	Jewelry & Watches Expenditures Jewelry - 12/12	Organic Chemicals Production Index CHEMORG - 12/12	Lawn & Garden Equipment Production Index LGEQX - 12/12
Jan-07	-8.2	-16.1	4.1	7.5	3.7	-7.4
Feb-07	-8.1	-18.0	3.1	6.9	4.8	-6.3
Mar-07	-7.3	-20.4	2.8	6.3	6.3	-5.3
Apr-07	-5.4	-20.7	2.3	6.4	7.3	-3.0
May-07	-3.5	-23.0	1.6	6.0	8.1	-2.0
Jun-07	-1.7	-23.7	1.2	5.9	8.7	-0.6
Jul-07	-0.4	-24.4	1.1	5.6	9.2	1.3
Aug-07	0.3	-23.9	1.1	5.4	9.0	4.4
Sep-07	0.1	-25.0	1.1	4.8	6.5	6.4
Oct-07	-0.3	-23.8	0.8	4.8	4.5	7.5
Nov-07	-0.9	-23.3	1.3	4.5	3.9	7.3
Dec-07	1.0	-24.8	1.5	4.2	3.5	6.8
Jan-08	1.3	-23.6	1.6	4.0	3.3	5.9
Feb-08	0.7	-23.2	1.8	4.0	2.6	4.9
Mar-08	0.2	-23.8	1.4	4.2	1.4	4.8
Apr-08	-0.8	-25.4	1.8	4.1	0.2	3.8
May-08	-1.5	-25.7	2.2	3.9	-0.8	3.5
Jun-08	-1.6	-26.5	2.4	3.7	-2.0	3.3
Jul-08	-2.0	-27.6	2.4	3.5	-3.0	2.8
Aug-08	-1.4	-29.3	2.4	3.3	-3.8	1.3
Sep-08	-1.3	-28.9	2.3	2.8	-7.3	-0.3
Oct-08	-2.3	-31.4	2.3	2.0	-8.9	-1.2
Nov-08	-2.4	-33.1	1.8	1.2	-11.7	-1.6
Dec-08	-1.5				-14.6	-1.9
Jan-09						
Feb-09						
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Nov-09						
Dec-09						

12/12 Figures for Charts

	Amusement & Theme Park Construction CONAMUS - 12/12	Private Lodging Construction CONLODGE - 12/12	<40 HP Tractor Retail Sales EMI30 - 12/12	Casino Gambling Expenditures Gambling - 12/12
Jan-07	81.7	44.9	-2.8	7.4
Feb-07	65.4	48.5	-4.0	7.5
Mar-07	46.2	52.7	-3.5	7.8
Apr-07	33.8	54.2	-3.8	7.9
May-07	21.5	55.6	-5.2	8.2
Jun-07	20.8	55.6	-3.8	8.5
Jul-07	19.3	55.6	-4.3	8.9
Aug-07	22.6	56.0	-3.7	8.7
Sep-07	25.7	57.3	-3.2	8.0
Oct-07	28.7	58.0	-3.8	7.5
Nov-07	33.5	58.2	-3.0	6.3
Dec-07	39.2	58.4	-3.8	4.5
Jan-08	36.9	57.5	-4.1	3.5
Feb-08	42.8	56.7	-3.2	2.6
Mar-08	41.9	54.3	-6.8	1.5
Apr-08	33.4	52.5	-7.0	0.7
May-08	28.4	50.2	-7.5	-0.1
Jun-08	17.5	48.1	-8.7	-0.9
Jul-08	7.8	45.2	-9.1	-2.0
Aug-08	-6.3	42.8	-10.3	-2.4
Sep-08	-17.0	39.5	-9.3	-3.3
Oct-08	-26.9	35.5	-10.3	-4.1
Nov-08	-38.4	31.8	-11.1	-4.3
Dec-08			-11.9	
Jan-09				
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