

## INTERNATIONAL:

### U.S. RELATIONS WITH RUSSIA

January will be a difficult month between the U.S. and Russia, and then tensions will abate slightly in February and March. I see Hillary Clinton putting out harsher rhetoric toward Russia in April, which will increase pressure on the U.S. Administration, and cause friction with Vladimir Putin. I feel the U.S. continues to maintain a stronger position economically with respect to Russia, and while Russia cannot be trusted as an ally, I am beginning to see U.S. and Russian stabilization in about three years. I also see a subsurface incident in the Arctic mid 2016 between Russian and Canadian submarines, as countries jockey and position themselves for control of Arctic seabed resources, and climate change continues to shrink the polar icecap.

### U.S. RELATIONS WITH CHINA

While China's public statements may come across as friendly and reassuring, I see an increase in cyber espionage, and continued building and occupation in the South China Sea. An incident in March will anger the U.S., but a diplomatic solution will be reached. For several years I have seen 2020 as the year China flexes its muscle, but that may be accelerated now. I think the U.S. and China are in a dance of destiny with each other, and hopefully the leaders of both countries will find a balance, which takes into account their strong economic interdependency, and find peaceful diplomatic solutions.

### WAR AGAINST ISIS

Whether it was apparent or not, December was a struggle for U.S. interests, but I see slow gains throughout 2016. ISIS will continue to be able to fund raise from wealthy supporters, especially during the summer and fall. There will be several smaller attempted terrorist attacks in Europe during the first 8 months of 2016, and another larger attack will be foiled in France at the end of this month or early February. Another major attempt will be averted in May, again in France. However, I see in the U.S. an attempt in the spring of 2017, not on a city, but on infrastructure such as a power plant, or electrical grid.

### WORLD WEATHER

Climate change is here now, and there will continue to be more storms, land inundations, glacial and icecap melting, sea level creep, and animal and plant changes due to warming.

An event will occur in February or March that will get the world's attention and motivate an outward show of action by world leaders, but they will still pursue as much political and economic gain for their countries as they can before the bell rings, and they absolutely have to do something. I get that measurable positive indications of slowing climate change will not occur until 2019, which is better than not slowing it down at all.

## PRICE OF GOLD

As I saw last year, gold prices maintain, or decline gradually through 2017, but then a sharp increase in late 2018.

## NATIONAL:

### REPUBLICAN PRESIDENTIAL NOMINATIONS FOR 2016

Donald Trump's success so far- I did not see that coming. I feel the Donald is in a three horse race with Marco Rubio and Ted Cruz. Ben Carson's campaign will slowly run out of steam, as will the campaigns of Mike Huckabee, and Jeb Bush. Chris Christie's campaign will make a renewed push in the spring. Rand Paul supporters will have an influence in the race, and Carly Fiorino may be considered for Vice President. As far as the outcome, Trump will have to show grit, obliviousness to attacks, and staying power. Rubio will have to get more conversions to his side, and seem national rather than regional, and while Ted Cruz seems to have a huge war chest, I see him feeling at the end, if he doesn't get it, that the nomination was taken away from him in the final moments of the race.

### DEMOCRATIC PRESIDENTIAL NOMINATIONS FOR 2016

Hillary Clinton is concerned about her vulnerability to the email situation, and Republicans in Congress will continue to put pressure on that process for the next six months in an attempt to weaken or derail her chances of getting the nomination. Smears and negative advertising from super pacs will also take a toll on her campaign and leave her weakened if she wins the nomination. I do not see Bernie Sanders agreeing to run as Vice-President.

## U.S. CONGRESS

It's the U.S. Congress. Business as usual most of the year, then a flurry of action after the election, then in 2017 it is business as usual, again.

## U.S. ECONOMY

The U.S. economy will be strong overall, but will take a dip around February or March, and will recover quickly within a month. Indicators will strengthen in late spring with a burst upward around June. The summer and fall should be stable.

## U.S. STOCK MARKET

The market will be sluggish in the first few months of 2016, but strengthen during summer and early fall. I see stability at the end of the year with a positive burst in January 2017.

## U.S. INTEREST RATES

If the Fed raises interest rates again in 2016, I see the most likely time being around March or April for another slight increase. Early 2017 will possibly see a more significant rise.

## DOMESTIC TERROR OR MASS SHOOTINGS

My sense is America doesn't need to worry only about ISIS attacks in the U.S., as we already have our hands full with domestic terror and continuous mass shootings right here.

I think there will be a terrible mass shooting in about two weeks, possibly in the Midwest.

Another horrible shooting event including explosives will occur at the end of March, which will cause more reaction in our country than previously experienced. I also get something this year concerning a situation around the Golden Gate Bridge.

## DRIVERLESS VEHICLES

Insurance company lobbyists will pressure legislators to fast track approvals and traffic laws to allow more driverless vehicles as they continue to be shown to be safer, and therefore reduce accident claims. Driverless technology will also expand to construction, and logging equipment, and even utility watercrafts.

## DRONES

There will be a serious drone/airplane collision in the U.S. in late March or early April, and another incident around June, which will accelerate Congress's action to more effectively regulate drone flight, and punish drone violations. However, drone flight will be hard to control, and within three years in the U.S. will be vulnerable to drone delivery systems for terrorist attempts.

## TEXAS:

### THE PRICE OF OIL AND THE TX PETROLEUM INDUSTRY

While there are huge external pressures to increase oil prices, Opec will continue to artificially suppress the market through 2016, which will also continue to depress the Texas petroleum industry. Oil prices will begin to rise in the spring of 2017, which will breathe life back into Texas, and domestic operations. However, I get that since Opec has seen the power it can wield in the market, it will again consider manipulating production in the future to further its own needs, and agenda, and may try to suppress the price of oil again after 2017.

## TEXAS WEATHER

I believe 2016 will be dryer than 2015 (a safe bet since 2015 was a record year). I see a wet early year, then uncharacteristically dry in March and April, then rains from late April through August, and a relatively dry fall. I see an extreme winter storm in Texas at the end of January, and tornado activity in Texas in late May.

## AUSTIN:

### AUSTIN ECONOMY

The Austin economy is strong and growing at the moment with an increase in families, and young children, which will continue to burden schools and infrastructure. In the late summer and fall, some larger companies will begin to outsource or relocate all or part of their operations, putting a temporary crimp on that portion of the employment sector. After the circuit of the Americas (COTA) was built, I noted that the funding was more thin than they were letting on, and now that the state is withdrawing some funding, keeping the Formula 1 event will be shaky during the next three months. Funding will be found for this year, but the future is year to year.

### REAL ESTATE MARKET

While the Austin real estate market has been strong, there are hints of a slight slow down in the late spring due possibly to overbuilding. Prices of existing homes will continue to rise, but then stabilize in about three years.

### U.T. FOOTBALL

As an alumnus and fan, it is difficult to be objective. So, here we go. I think Texas has plenty of room to improve, which they will do next year with Sterlin Gilbert and Matt Maddox now on board; although, they will stumble again early in the season. They will have a better year, but yet not stellar. I see Texas having a good football team in 2017, but I'm not sure that Charlie Strong will still be there. I think he will be angry about the message he will get from administrators about productivity during the summer. I sense he feels he inherited more severe problems than can be turned around in three seasons, and may even accept another job after this coming season.

### OTHER U.T. SPORTS

Shaka Smart's mens' basketball team will show improvement, and will make it to the NCAA Tournament. I see the team being better in the 2016-2017 season. The Lady Longhorns will have a good season, and will also make it to the NCAA's, but I see immaturity, and internal dissention within the team, especially after losses in January, negatively affecting performance. New, young players next season will heighten the excitement, and solidify the team.