On March 19th the Bowden Investment Group students participating in the CFA Institute Global Investment Research challenge competed against fourteen other teams in the Americas Region. We would like to congratulate the winning team, FGV Sao Paulo, from Brazil. We would also like to congratulate Texas A&M and Boston University who were first and second runners up, respectively.

The CFA Challenge group would like to personally thank Ms. Kay Norwood for her hard work, patience, and constructive critiques throughout the competition. She helped immensely with the construction of the written report as well as the presentation itself. She attended both the NC Regional competition in Greensboro as well as the Americas Regional in New York to show her support.

Members of the Bowden Investment Group will begin presenting spring "BUY" recommendations within the upcoming weeks. As we look forward to the upcoming presentations we also look forward to meeting with the upcoming members of the Bowden Investment Group. We will be having a meet and great with the twelve new members in the next few weeks. As the school year is coming to an end the Bowden Investment Group has plenty to look forward to. After the upcoming "Buy" recommendations and presentations are completed the next exciting task is the Bowden Investment Group Security Analysis Competition which will take place near the end of April.

In this competition the group has been broken into teams and the teams will be given less than 48 hours to research a stock and make a recommendation to a panel of judges. We look forward to all the upcoming events.

Chris Simmons
President

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**LETTER FROM THE PRESIDENT**

**ENERGY OUTLOOK—MARKET PERFORM**

The energy sector largely trades in-line with oil prices and given that the price of oil appears to have found a steady trading range—the sector should ‘market-perform’ through 2009. The drastic rise in oil prices during the summer of 2008 has had a lasting impact on the supply of energy fuels gasoline, natural gas, heating oil, and coal. Although the price of oil has drastically fallen from its highs, the global economic crisis has delayed the surge in demand.

Therefore, the supply-demand unequilibrium is still in place, and has experienced further pressure from OPEC’s lethargic production cuts and various countries failing to steady their respective economies. Demand for gasoline in the United States should improve as ‘pump prices’ remain well below last year’s levels.

However, this could be countered with near-term increases in the supply of gasoline due to a renewed commitment to exploration and technological improvements. In addition, the ‘green’ forms of energy—solar, wind, geothermal, etc.—are currently not financially viable for the majority of potential users.

Longer-term, the energy sector and subsequent industries has a positive outlook. The sector should rebound as rapidly developing countries Brazil, India, China, etc. return to their high demand levels for energy fuels once the global economy rebounds.

Marshall Hargrave
Energy Industry Analyst

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As we near the lengthiest post-war recession, signs of life are beginning to emerge in the economy. Consumer spending rose slightly by 0.2% over the past month. Existing home sales edged up 5.1%, though home prices continued to fall. Retail sales were slightly lower in February, but well above expectations.

The Federal Reserve committed to purchase up to 300 billion dollars in long-term treasuries and an additional 750 billion dollars in mortgage-related debt, which drove down mortgage rates. Lastly, the Treasury Department released their highly anticipated bank bailout package, which has been well received. The Treasury will buy up to one trillion dollars in toxic assets while working closely with the FDIC and private investors to create the necessary market place to remove the assets.

DOMESTIC ECONOMIC OUTLOOK

For the past several months, we have tried to paint a portrait that provides some sense of optimism. Several indicators have served as our guide. We believe commodity prices have Bottomed, we also believe treasury rates have Bottomed, the money supply has grown over twenty percent, and consumer sentiment has reached highs not seen in over a year. We believe that the steepening yield curve indicates that after a year of aggressive monetary policy, tractions is beginning to take place.

All of these indicators set the stage for a nice recovery and we maintain our outlook of an economic recovery taking place by the end of 2009 or early 2010. However, despite optimism regarding U.S. conditions, other countries may continue to experience turmoil.

William See

INTERNATIONAL ECONOMIC OUTLOOK

As the G20 meeting approaches and we come to the end of another month, the international economic environment remains worrisome. This month, the Bank of England received permission to print currency and buy toxic assets in an attempt to restore liquidity. Next month look for the European Union to adopt a similar quantitative easing policy to provide liquidity and confidence.

Production and manufacturing within the United Kingdom and Europe continued to contract, but at a slower pace which could signal a bottom in the PMI. This could provide a boost in confidence, but until the indicator reaches the prosperity level of 50 we will see no material effects. Euro area inflation reached a record low of 0.6%, which will continue to see downward pressure until capital re-enters the market.

China has made significant headlines this month with the questioning of the safety of government debt, as well as their call for a “super sovereign reserve currency.” Although these are alarming developments, we view this as an unprecedented move for China to become more engaged in the global economy.

We feel emerging markets will continue to struggle, especially in eastern Europe, as their access to capital has virtually dried up, which will put enormous pressure on the International Monetary Fund to provide rescue funds. Our largest concern remains a reversion to protectionism which will amplify the global recession and build back the walls that countries have worked so hard to tear down.

Charles Rasmussen