

Trendpost: *We anticipate that \$4 per gallon gas will be the price point that begins to wean the world from its fossil fuel dependency by forcing governments and industry to focus, with Manhattan Project urgency, on creating new energy alternatives. When that happens, beyond the obvious socioeconomic implications, a new geopolitical order will also begin to take shape. (See Trends 2000, Warner Books.)*

Trendpost: *New profit opportunities will be found in anything that's money-saving "green." New "green" home construction and self-sustaining home environments (not high tech wired), will set the 21st century invogue standard. At this stage of the trend line, green self-sustaining housing is where "organic" was twenty years ago – barely on the mind of the masses or mass media.*

Conversely, the major home construction companies, who have flooded the marketplace with high maintenance, low efficiency, 20th century cookie cutter models, will find themselves with an excess of inventory, mountains of debt, a shrinking customer base and an assault by Wall Street's bears ready to short them.

Trendpost: *Raging oil prices will also reinvigorate the recycling trend that fell out of favor over the last decade of easy money and high extravagance fueled by the dot-com and real estate frenzies. However, with no such economic miracle grow products on the horizon, recycling will enjoy a solid and sustained rebirth as profit margins shrink, inflation increases, and businesses and individuals scramble to cut costs to make ends meet. (See Trends 2000, Warner Books.)*

Trendpost: *As we had noted a week before Katrina struck, the hot IPO and investment opportunities for the remainder of the decade will be in the energy related sector ... both traditional and alternative. Unlike the dot-com craze, or the housing market mania, the long term trends for energy demand will remain strong in the absence of such wild card events as mentioned above. We recommend Infinite Energy Magazine for updates on cutting edge R&D and alternative energy news (www.infinite-energy.com).*

The hottest investment funds will be those specializing in an array of energy related businesses that provide breakthrough energy technologies, energy efficient solutions and energy saving products. Unlike energy crises during the Cold War days when prices fluctuated with the shifting geopolitical climate, today's oil prices are

also governed by voracious global demand, finite supply and limited refining capabilities.

HARDEST HIT. *Regardless of cause or intention – arrogance, ignorance, greed, or the genetic creative limitations attributed to engineers and bean counters – the domestic and foreign auto industry's track record of incompetence and short-sightedness is incontrovertibly proven by the products they design, produce and sell.*

Firmly focused on their bottom line by making big cars with big profits, US auto makers have facilitated their demise by exploiting customer wants rather than addressing both the consumer's and society's essential needs. Instead of developing 21st century innovative fuel efficient vehicles, the reactive industry built stage-coach platformed Hummers and roll over susceptible SUV gas gobblers loaded with hi-tech gadgetry that's expensive to buy and costly to fix.

OIL SHOCK DAYS

Those old enough can remember the oil crisis days of the 1970s and early 80s, the long lines, odd and even number gas queues and the near overnight downsizing trend when people abandoned their Land Cruisers for small compact cars.

A similar trend will evolve over the next decade. In the 1970s and 80s good quality Japanese cars sped to the forefront with price, reliability and performance and grabbed a large market share from the off-trend "Big Three." But in the coming decades of the 21st century, even the Japanese will take a back seat to the newly developing Chinese auto industry which will use its competitive strengths to become the market share winner.

Although the trend for high oil prices was evident, it's taken \$3 a gallon gasoline and an oil shock to jolt the industry into producing small cars and hybrids. Volkswagen, for example, a company that lost some of its reputation for fine engineering and practical simplicity by producing large, higher priced and lower quality products, is now teaming up with Shanghai Automotive Industry Corp. to produce hybrids.

Editor's note: *Of the many auto industry alliances suddenly being formed to produce hybrids and small vehicles, most will use existing technology rather than adequately investing in alternative energy solutions that will produce energy efficiency and environmental benefits that hybrids do not provide.*