

BUSINESS

Will the bull sprint, trot or limp through 1998?

Special to Sentinel-Voice

There have been plenty of financial fireworks in 1997, but not all of them shot upward.

The Dow Jones Industrial average appears poised to post another solid annual increase, yet it sustained several triple-digit losses.

This year also saw the Dow's biggest daily point gain and biggest daily point drop. Consumer Price Index levels showed little inflation, and the federal reserve maintained a neutral stance on interest rates.

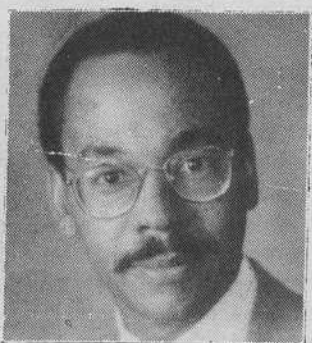
So, what may the stock market and economy hold for us next year? Here's one set of perspectives.

- **The economy should grow slow and easy.** A Number of economists forecast that real Gross Domestic Product (GDP) growth, which measures the increase of products and services produced by U.S. companies, should rise about 2.3 percent next year compared to a projected 3.7 percent increase in 1997. The recent financial turmoil in Southeast Asia is one reason why the U.S. economy's growth could stay restrained.

- **Inflation could go up, but not much.** Despite slower economic growth, wage increases stemming from a continued tight labor market could provide some modest upward pressure on the inflation rate. This anticipated rise in wages could lead to a slight uptick in the inflation rate (as measured by the consumer price index) next year to 2.8 percent, compared to the 2.4 percent

Financial Report

By Fred T. Snyder



projected inflation rate for 1997.

- **Interest rates should stay level.** Despite an expected minor boost in the inflation rate, slower economic growth in 1998 should keep any possible short-term interest rate increases small. A softer economy later in the year accompanied by surprising weak inflation might even inspire the fed to make a small reduction in short-term interest rates.

- **Economy's history favors the financial markets.** In both 1993 and 1995, the U.S. economic growth rate softened but then increased again in the following year. In both of those years, the U.S. treasury and stock markets were higher at the end of the year than at the beginning. While past performance can not guarantee

future results, a similar market scenario is possible should the growth softening in 1998 prove to be temporary.

- **Stocks should still forge ahead.** Several stock market experts believe the combination of slow but steady economic growth and low inflation provide the "best of two worlds" for the stock market. They expect the Dow to reach all-time highs between now and the middle of 1998.

Recent instability in stock markets overseas, combined with attractive U.S. corporate earnings growth, could result in more investors flocking to the U.S. stock market in search of solid, stable companies in the first half of the year. This could be good news for large-capitalization stocks.

If concern about the economy fades, however, investors may want to consider small-capitalization companies, as they could offer greater return potential. Keep in mind small companies' stock prices generally are more volatile than those of large companies' stocks.

Overall, you may want to consider stocks of companies whose fortunes are typically less dependent on the economy's performance. Among the industries that are expected to see favorable results in 1998 are consumer nondurables—household products, foods, beverages, cosmetics—international oil producers, electrical equipment and life/property insurance.

Here's hoping 1998 brings you another year of investment happiness.

A round-up of progressive black stocks for 1997

By John William Templeton
Special to Sentinel-Voice

SAN FRANCISCO — A 24 percent gain in the Black Stock Worldwide index since May 1 underscores the most significant year for African-American and African companies in the world's equity markets ever.

Shareholders of Black Entertainment Television (BTV: NYSE) and Carver Federal Savings Bank of Harlem (CNY:OTC) are making joyful noises as 1997 comes to a close.

BET Founder Bob Johnson's decision to buy back the outstanding shares of BTV doubled the share value from 28 7/8 to 56 at the end of November. The U.S.'s largest Black bank, Carver, did even better in

percentage terms, making a Lazarus-like move from 2 7/8 to 17.

Ariel Mutual Funds' two primary investment vehicles, Ariel Growth (ARGFX) and Ariel Capital Appreciation (CAAPX) nearly tripled during 1997, moving from a trading range around \$14 respectively to the end of November, closing at \$40.95 and \$35.58.

In April, Ariel released the first study of African-American investment attitudes, projecting that \$36 billion of investible assets were drawing little or no appreciation due to lack of awareness in the markets.

The strong performance of their funds and identifiable companies like BTV and Carver is a powerful incentive to change those attitudes.

Significantly, the African-

Black Stock Worldwide Index shows remarkable 24% increase for African-American & African companies since May 1, 1997!

American and African public companies traded on U.S. exchanges as a group performed in a counter-cyclical fashion. They continued to rise when the rest of the market went through a correction.

On the African continent, commodity prices are having a more profound impact on share prices, particularly the price of gold. Africa's

new billion-dollar conglomerates are taking advantage of the opportunity to go on a buying spree.

JCI and New Africa Investments (JCI.J) and (NAIL.J) have purchased the British conglomerate Lonrho, with 140 subsidiaries across the African continent and Gold Fields of South Africa (GLFY:NYSE). The price of gold continues to fall below \$300 per ounce due to falling demand from Asia and the planned gold dumping by European central banks. Companies like Ashanti Goldfields (ASL:ADR:NYSE) lost two-thirds of their share price during 1997.

It is a rare buying opportunity because this dip is at the same time that Ashanti has expanded from its Ghana base to pick up concessions in 20 other African nations. The JCI

purchase of Lonrho removes the threat that competitor Anglo-American might swallow Ashanti through its former controlling stake in Lonrho.

More significantly, North American, European and Australian firms have snapped up more than 1,000 concessions for gold mining across Africa in the past four years. Clearly they're counting on gold rebounding, although it may take until the turn of the century. Long-term investors, (college, retirement) with at least a 10-year horizon should take a serious look at this sector.

The year 1997 has conclusively demonstrated that individuals and institutions can make money in the emerging equity markets serving Black businesses worldwide. Get in while it's still inexpensive.

Entrepreneur's Corner

Securing corporate contracts through relationship building

By Pierre A. Clark
Special to Sentinel-Voice

It's a fact that more business deals are conceived and completed on golf courses and at social/charity events than anywhere else. Why? Because people who are club members or attendees at social events feel that they are dealing with equals, other people of accomplishment who are known to them and other club members or guests.

That familiarity fosters an ease in discussing business deals. These people know personal facts about each other, visit each other's homes and are comfortable in discussing both personal and professional issues.

The truth is, if you want to establish long-term, highly profitable business relationships, you have to work at establishing long-term personal relationships with the

people with whom you want to do business.

Although attaining membership in an exclusive golf club or social club may be a desirable option, there's a less costly, less stressful way to meet and establish

relationships with the corporate decision makers of your town or city.

You can participate as an attendee or volunteer staffer in any of your city's many charity events. The United Negro
(See Entrepreneur, Page 7)

SELF-EMPLOYED SPECIAL

**BUY TODAY!
5% DOWN
Good Credit
No Income
Qualifying**



"What are you waiting for?"



Crystal Cole
391-7474

1640 Alta Drive, #12
Las Vegas, NV 89106

Remember Crystal Cole Funds Las Vegas!!

Window Bright

WINDOW CLEANING
MIRRORS • SCREENS
CONSTRUCTION

Anthony Mosley
Owner

Free Estimates! P.O. Box 27748
497-6342 - Cellular Las Vegas, NV 89126



**WHERE DO
SOUTHERN
NEVADA
EMPLOYERS
FIND THE WORKERS
THEY NEED?**

NBS
NEVADA BUSINESS SERVICES

A Human Resource and Career Training Service

Free employee screening, assessment and training services for Southern Nevada Businesses.

• 930 West Owens • 638-8750 or 638-1159 TDD •

Equal Opportunity Employer/Program; Auxiliary aids and services available upon request to individuals with disabilities.

