

Pros See Stocks Up In 2012, But Big Risks Too

BY BERNARD CONDON
AP Business Writer

NEW YORK — The good news is that Wall Street experts think stock prices will rise more than 10 percent next year. The bad news is that they expected big gains in 2011 and got nearly zero instead. It's forecasting time on Wall Street, and once again the pros are trying to predict the unpredictable. History suggests their target price for stocks by the end of 2012 will prove too high or too low. They might even get the direction wrong — predicting a gain when there's a loss. In typical times, guessing where stocks will end up in a year is difficult. There are many assumptions about economic growth, inflation and consumer spending that go into the calculation. Now, forecasting has become nearly impossible. Big unknowns hang over the market as rarely before. Will the euro break up? Will China slow too sharply? Will squabbling in Washington scuttle the economic recovery? "Normally, you wonder, How will sales do? How are drug companies doing?" says Howard Silverblatt, senior index analyst at Standard & Poor's, which puts out its own forecasts. "Now there are so many high-level issues that affect the market." Silverblatt's firm says the S&P 500 index should rise to 1,400 by the end of 2012, up more than 10 percent from Friday's close of 1,265. That figure is an average of expectations from investment strategists, economists and other big thinkers. More bullish yet are stock analysts focused on individual companies. Add up their price targets for each stock in the index, and they see it rising to 1,457, up 15 percent. There's plenty of reason to think stocks will rise fast in the coming year. U.S. companies are generating record profits. Americans are spending more than expected and factories are producing more. The job market finally appears to be healing, too.

The odds of the U.S. slipping into another recession have fallen since the summer, when the economy had slowed. Stocks seem attractively priced, too. The S&P 500 is trading at 12 times its expected earnings per share for 2012. It typically trades at 15 times, meaning stocks appear cheaper now. Binky Chadha, chief strategist at Deutsche Bank, says the S&P 500 could hit 1,500 by the end of 2012, a gain of more than 18 percent. Still, there is worry amid the bullishness. Michael Hartnett, chief global equity strategist at Bank of America-Merrill Lynch, expects the S&P to close next year at 1,350, up 6.7 percent from Friday's close. He thinks the U.S. will avoid recession and U.S. companies will generate decent profits. What could wreck that prediction is a worse situation in Europe than he is expecting. If European leaders move too slowly to solve their government debt crisis, the region could fall into a deep recession and throw the U.S. into one, too. If Europe tanks, profits will drop sharply and push the S&P down to 1,000, he says. That would be a sharp drop of 21 percent from Friday's close. The frightening part is that Hartnett gives this "bear" case four-in-10 odds. Similarly, Barry Knapp, strategist at Barclays Capital, predicts the S&P will rise to 1,330 next year. But he expects Europe's struggles with its debt and Washington gridlock could lead investors to sell before they buy. He says the S&P could fall to 1,150 by the middle of the year before rising to his target. It could drop sooner. In the first three months next year, Italy needs to sell national bonds to raise money to pay holders of \$172 billion worth of old ones coming due. The risk is that investors will demand high interest rates to buy the new bonds, and that will spread fears of a possible default. After Italy was forced to pay unexpectedly high rates in a bond auc-

tion earlier this month, stocks fell hard around the world. One solution is to invest in companies selling goods that people need in both good times and bad, such as drugs and food. If the economy falls into recession, profits of these companies are less likely to collapse. In 2011, these so-called defensive companies bucked the flat market. Stocks of utility companies have risen almost 15 percent through Friday. Healthcare and consumer staples were each up 10. Standouts include insurer UnitedHealth Group Inc., which has risen 42 percent, and Kraft Foods, up almost 20 percent. Then again, you might do better investing in the opposite kind of companies, like makers of toys and other consumer discretionary goods. Their profits tend to zoom up and down with the economy. A report from S&P Capital IQ notes that stocks of cyclical companies such as these tend to gain the most after market drops like the one in October, when stocks fell nearly 20 percent. In the five times that the S&P 500 has fallen between 15 percent and 25 percent since 1978, consumer discretionary stocks have risen an average 30 percent in the next six months, according to S&P. Those stocks are up 16 percent since their Oct. 3 lows. One reason it's difficult to guess future stock prices is that figuring out where the economy is heading isn't so easy either. In December 2007, economists expected the economy to grow an average 2.4 percent in 2008, ac-

cording to a survey of three dozen of them by the Federal Reserve Bank of Philadelphia. It shrank 0.3 percent instead. For 2009, they forecast the economy would shrink 0.8 percent. It shrank 3.5 percent. Economists were more accurate the next two years, though not by much. Now they say the economy will grow 2.2 percent next year. A few mutual fund managers say people aren't skeptical enough about forecasts. In a recent letter to their investors, the folks who run Castle Focus, a \$43 million fund, say hopes of big profits may be dashed given all the economic uncertainty. The fund had 28 percent of its assets in cash in September, its latest report. Most funds are doing the

opposite and investing cash. The average stock mutual fund had just 3.5 percent of its assets in cash in October, according to a report from the Investment Company Institute. That is the nearly the lowest level since the firm started keeping records 25 years ago. Maybe fund managers have been listening too much to bullish stock analysts. For the record, the same analysts surveyed by S&P who expect a 16 percent stock jump next year were optimistic about 2011, too. A year ago, they called for the S&P to rise 9 percent. It still may, but the odds are long and time is running out. As of Friday, the index was up 0.6 percent for the year.

Give

From Page 1

"It is just an amazing thing happening in K-Marts across the country," Simpson said. "It isn't anything we promoted. It is just something that one person started and it has swelled across the country."

Simpson said K-Mart has not done press releases on the event because it is not something it has organized.

"This is really happening by people's own choice," he said. "They come into the store and say they wish to make an anonymous donation. What an amazing thing to do."

While the majority of the donations have been made at K-Marts across the country, Yankton Wal-Mart store manager said that they have seen donations, as well.

Meanwhile, the Yankton Mall did a Christmas Tree fundraiser for families in the Yankton area who might not have had a Christmas tree were it not for the kindness of 43 individuals, businesses and groups from the community.

In November, each group involved donated a tree, complete

with decorations, to be set up in the mall and then donated it to an area family. To select the winning tree, the mall collected donations for the Yankton Contact Center's food pantry.

"This year the winning tree was donated by the United States Postal Service (USPS)," said Mandi Mueller of Rita's Purse-ornalities in the mall which co-sponsored this year's event. "In total from 43 Christmas trees, we collected 3,131 food items. But perhaps the best thing about this year was that the USPS also donated Christmas presents and the \$100 mall gift certificate they won to the family who got their tree."

Denise Willman of the USPS in Yankton said the postal carriers have always gotten together to donate presents to families at Christmas, but this was the first year they tied it to the tree they decorate at the mall.

"We collected donations from our unions as well as individuals that work here," she explained. "Then we went and purchased the items, wrapped them and gave them to two families in the community — one of them the family which selected our tree at the mall."

In total, the USPS wrapped and gave a total of 35 presents to the children of the two families.

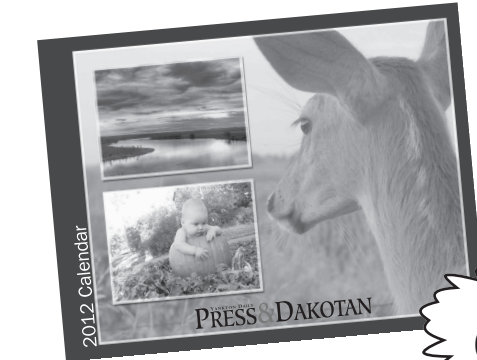
Take a load off this holiday season... a load or two of dishes that is!

Amana, LG, Maytag, & Fridigaire Dishwashers in stock at...

Larry's APPLIANCE
920 Broadway • 665-9461



Need a Stocking Stuffer?



ONLY 75¢ each

LIMITED QUANTITIES!

Reader Submitted 2012 Photo Calendar

E-mail classifieds@yankton.net to reserve yours today!

YANKTON DAILY PRESS & DAKOTAN
319 Walnut, Yankton, SD • 605-665-7811

Assisted Living/Hospice

Q What is futile care?

A We all want the medical care that will bring our loved ones back to health, especially when an unexpected health condition strikes them. We are grateful when that care is successful and our loved ones are able to resume their lives.

But when further medical care offers little or no hope of improvement for an incapacitating condition then we are faced with making serious decisions.

We need to fully understand interventions such as aggressive life support and placement of feeding tubes. Discussions with the physicians, nurses, social workers, and clergy are crucial to clarify all these options and to allow us to make decisions that support the wishes of our loved ones.

Care is not futile if we believe it will help our loved ones.



Lars Aanning, MD
Medical Director



605-689-0382

Family Medicine

Q Am I a candidate for allergy testing?

A You may be a candidate for allergy testing if you have experienced any of the following symptoms more than twice per year. Cough, cold, congestion, difficulty breathing, headache, wheezing, runny nose, sore throat, itchy/irritated eyes, sinus pain, ear pain, unexplained fatigue, skin irritation, or snoring or if you have ever been diagnosed with asthma or bronchitis.

An allergy is an over reaction of the immune system to a stimulus of some type. There are many items in the environment that could cause your allergies. They fall into four general categories: 1.) Animal dander — from dogs, cats and cockroaches 2.) Mold and mildew 3.) Dust mites 4.) Pollen — from trees, grass and weeds.

Allergy testing with results available within just 15 minutes is now available at Lewis & Clark Family Medicine. Based on the results, allergy drops placed directly under the tongue are ordered as immunotherapy.

Benefits of the allergy drops include the following:

- Natural and extremely safe with rare, mild side effects
- Noticeable relief within just two months of starting treatment; many patients improve in as little as a few weeks.
- Painless — no shots or needles
- Eliminate the need for excess trips to the doctor's office, thus saving lots of time and money
- Effective for everyone from young children to seniors
- Long-lasting results — possible for your entire life

Call us today to schedule your consultation and allergy testing at 605-260-2100.



1101 Broadway, Suite 103A
Morgen Square, Yankton, 260-2100



Jeffrey Johnson,
M.D.



Brandi Pravacek, CNP
L&C Specialty Hospital

Ear, Nose & Throat

Q Dr. Rumsey, I found out recently that I have a permanent hearing loss in both my ears. Is it really necessary to have a hearing aid in both ears, even if my hearing improves with only one hearing aid?

A For most people, the answer is that two hearing aids are better than one. The reason it is beneficial to have amplification in both ears is because our brains use timing and volume cues from each ear to make sense of auditory information. Basically, two ears work better together than just one. Research tells us that only 5% of people with hearing loss do better with one hearing aid. Research has also shown us that word recognition skills in un-aided ears often deteriorate at a faster rate than in aided ears due to decreased stimulation. These are the reasons why it is best to get hearing aids in both ears when you realize you are having hearing difficulties. At Avera Yankton Ear, Nose and Throat we let you decide by offering a 90 day trial period and no fees for returning one aid if you choose to only get one hearing aid. If you have any further questions about this I encourage you to contact my office at (605) 665-6820.

Jeffrey J. Liudahl, M.D.
Matthew Rumsey, AuD., CCC-A
Professional Office Pavilion,
Suite 2800, 409 Summit, Yankton
665-6820 • 888-515-6820 • www.yanktonent.com

Avera
Yankton Ear, Nose & Throat

Podiatry

Q The High Arched Foot (Cavus Foot)

A The person with a very high arched foot often has pain and foot problems specific to their high arch. Many of the problems that people with high arched feet experience are due to the fact that they bear all of their weight on a small area of the foot (the ball-of-the-foot and the heel). This increases pressure under these areas and leads to pain. In addition, it makes the foot less stable. Some common problems that are seen in people with cavus feet include: * metatarsalgia (ball-of-foot pain) * ankle sprains * plantar fasciitis (arch and heel pain) * Instability when walking

The goal when treating a person with problems due to a high arch is to spread the weight over a larger area of the foot and to increase the stability of the foot. This can usually be accomplished with the use of custom orthotics. One of the most important factors in getting the best outcome is to ensure that orthotics conform very closely to the arch of the foot.

We use many pre-fabricated orthotics in our office, however, our experience has shown that people with high arches almost always need custom orthotics for best pain relief. Prefabricated orthotics simply do not conform close enough to the arch of the foot to provide adequate relief of pain.

With correctly prescribed custom orthotics most pain due to high arches can be relieved. If you have high arches and would like us to evaluate your feet, contact one of our offices that is convenient for you.

Avera Sacred Heart Hospital Professional Office Pavilion
409 Summit St., Ste. 2600, Yankton
668-8601

Avera
Foot and Ankle Clinic



Terence Pedersen,
D.P.M.



Scott Torness,
D.P.M.

Urological

Q I am 72 years old and I have just been diagnosed with early stage prostate cancer. Should I be treated? It is my understanding that most men with prostate cancer die from other causes?



Dr. Joseph Boudreau
MD, F.R.C.S.

A Excellent question with a not so easy answer. A very important study from Sweden, compared men with early state prostate cancer who were treated with surgery to those who chose "watchful waiting" or no treatment but who had regular frequent checkups to make sure their cancer was not progressing. At 15 years, the incidence of the death from prostate cancer was 14.6% for those treated with surgery compared to 20.7% for those men who chose no treatment. The study also showed that only men 65 years old or younger benefited from having surgery. For those older than 65 the survival rate was similar no matter if they had surgery or no treatment. So, if you are young or have at least a 15 year life expectancy then consider having your prostate cancer treated. If you are 70 years old or older, you should seriously consider being monitored for disease progression and hopefully avoid having to be treated. You need to have this discussion with a doctor who is experienced in treating all stages of prostate cancer and who can recognize the characteristics that make your prostate cancer risky enough to be treated.

Yankton Urological Surgery, Prof., L.L.C. 2009 Locust, Yankton • 689-1100

Chiropractic

Q What is chiropractic about?



Sheila Fitzgerald,
DC

A Chiropractic care is a great choice for many different types of problems and especially wellness. It is a personalized service of professionals who take time to understand the patient's history and problem. It continues to rank high in patient satisfaction rates. Historically, it has great benefits in a multitude of conditions. Chiropractic has withstood the controversy in health care and wellness. And, over the past several years, research has proven the effectiveness of chiropractic care in various conditions of pain and pain management. With increased demand by their patients, it has been made more accessible to the public. If you are considering chiropractic, please visit us and use our resources available on our website at firstchiropracticcenter.com.

Have a safe and healthy Holiday season!



2507 Fox Run Parkway,
Yankton, SD, 665-8073

Fitness/Health

Q I have high cholesterol and I want to lower it on my own. How can exercise help?



Angie O'Connor
Clinical Exercise
Specialist

A Making appropriate lifestyle changes can certainly make a big impact on your cholesterol levels. Things like eating more heart healthy foods, quitting smoking, limiting alcohol to 1-2 drinks per day and losing weight are all things that can positively affect cholesterol. Consistent moderate to vigorous activity on most days of the week has also been shown to reduce bad (LDL) cholesterol and increase good (HDL) cholesterol. Maintaining a heart rate of approximately 75% of your maximum (for healthy adults) is suggested. The largest change in cholesterol was found in those who had the worst exercise habits to begin with, noting a decrease in LDL by 10-15% and an increase in HDL of up to 20%. Although intensity is important (don't just go for leisurely strolls) several studies suggest it is the duration and consistency that has the most impact.

Avera
Sacred Heart Wellness Center
501 Summit • 665-9006

Pharmacy/Nutrition

Q Is there harm in taking excessive amounts of over the counter (OTC) medicines?



Leah Rempher
Pharm. D.

A The flashy marketing colors and easy accessibility to OTC products do not mean they are always safe. If taken outside the recommended guidelines, all drugs including OTC products have the potential to cause serious adverse effects.

For example, throughout the country in many local newspapers, there most likely are articles related to teenage deaths associated with overdosing on OTC products containing the particular cough and cold ingredient dextromethorphan. At normal dosages, dextromethorphan acts to relieve coughing from the common cold or flu. However, when used recreationally at high doses, it may cause unsteadiness, seeing things or hearing voices that do not exist, difficulty in breathing, or even a coma. Although some in the present culture believe high doses of dextromethorphan are safer than other known abused drugs, dextromethorphan is also dangerous and can cause detrimental effects. The high risk of abuse potential due to low cost and purchasing capabilities has lead many pharmacies to place dextromethorphan and other similar products behind the counter to help monitor purchasing patterns.

Within family and friend circles, people should observe the behavior of loved ones to understand if medication abuse is happening and talk to them if there are suspicions. Following the indicated dosages on OTC medicines, reading the labels of all current OTC products, and consulting a pharmacist with questions can also decrease the potential of adverse effects.

HuVee
Pharmacy • 665-8261
EMPLOYEE OWNED