



TRILLION DOLLAR SURVEY

FEBRUARY 27, 2008

These survey results represent the opinions of 39 of the nation's top money managers, investment strategists and professional economists.

They responded to CNBC's invitation to participate in our online survey. Their responses were collected between 1:30 pm on Tuesday, February 26 and 12:30 pm ET on Wednesday, February 27, 2008.

Except for an opportunity to write comments at the end of the survey, participants were told their answers would be reported only in the aggregate unless CNBC requested and received permission to publicly reveal specific responses. Participants were not required to answer every question.

This is not intended to be a scientific poll and its results should not be extrapolated beyond those who did accept our invitation. Percentages for a particular question may add up to more or less than 100% due to rounding.

What grade would you give to Ben Bernanke's **overall performance** as Federal Reserve Chairman?

Response	February 27, 2008	January 30, 2008	August 6, 2007
A (95)	14%	4%	53%
B (85)	58%	67%	40%
C (75)	21%	20%	5%
D (65)	5%	7%	0%
F (55)	2%	2%	0%
Weighted Average	B (82.7)	B- (81.4)	B+ (89.4)

What is the probability of a U.S. recession in 2008?

Response	Feb.27, 2008	Jan. 30, 2008	Jan. 22, 2008	Jan. 2, 2008	Sept. 17, 2007*	August 6, 2007*
0%	2%	2%	3%	7%	0%	14%
25%	19%	31%	14%	33%	80%	75%
50%	62%	47%	54%	58%	17%	9%
75%	14%	16%	20%	2%	3%	2%
100%	2%	4%	9%	0%	0%	0%
Weighted Average	48.25%	47.25%	54.50%	38.75%	30.74%	24.75%

* In the August and September surveys, the question asked about "the probability of a U.S. recession over the next 12 months."



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The Fed is:

	February 27, 2008	August 7, 2007
Too worried about rising inflation	14%	34%
Too worried about slowing growth	33%	2%
Addressing both concerns properly	52%	64%

What do you think the Federal Reserve will do about the Fed Funds target rate **next month?**

No action	2%
Cut one-quarter of a percentage point before the March meeting	5%
Cut one-half of a percentage point before the March meeting	20%
Cut one-quarter of a percentage point at the March meeting	24%
Cut one-half of a percentage point at the March meeting	49%

Where do you think the **Fed Funds rate** will be on **August 1?**

Response	February 27	January 30*	January 22*
4.00% or higher	0%	0%	0%
3.75%	0%	0%	3%
3.50% (January 22 level)	0%	2%	0%
3.25%	0%	0%	3%
3.00% (January 30 & February 27 level)	0%	9%	24%
2.75%	2%	16%	30%
2.50%	44%	43%	27%
2.25%	24%	14%	3%
2.00% or less	29%	16%	11%
Weighted Avg.	2.28%	2.49%	2.72%

* In the two January surveys, the question asked where the Fed Funds rate will be "six months from now."

What do you think the **U.S. stock market** will do over the **next three months?**

Move higher	44%
Retest January lows and then bounce higher	17%
Retest January lows and the decline further	15%
Remain about where it is now	24%



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Appearing on CNBC on February 26, investor Sam Zell said he thinks "the housing market this spring will begin its recovery phase." When do you expect to see a U.S. housing market recovery?

This spring	5%
This summer	18%
This fall	18%
First half of 2009	40%
Second half of 2009	10%
After 2009	10%

How would you invest \$10,000 right now, with a one-year time horizon?

U.S. Stocks	68%
International Stocks	11%
Bonds	5%
Commodities	11%
Mattress	5%

Comments:

Diane Swonk, Mesirow Financial: 'Recovery' in the housing market is a relative concept. Anything is better than what we have. That doesn't mean it will be 'good.' Indeed, prices will recover much slower than volumes of home sold.

Arun Raha, Swiss Re: The persistence of inflation is complicating the Fed's task. But, when growth does slow as it is expected to, inflationary pressures should ease.

Bernie Schaeffer, Schaeffer's Investment Research: The Fed is still behind the curve as long as the Funds rate remains above the yield on 2-year notes, as it has been for many months.

Thomas Melcher, PNC's Hawthorn: It has often been said that when the stock market has a sale, no one comes. I think people will look back on the current market environment and wish they had committed more capital to large cap U.S. stocks. There will be some bumps ahead for sure, but valuation always trumps fear over time.



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Subodh Kumar, Subodh Kumar and Associates: To avoid a 1990s Japan type debacle, central banks need to be aggressive on liquidity to boost growth. The Fed is likely to prioritize recovery now with potentially Fed Funds as low as 2% but other central banks need to contribute also, the ECB especially with European growth even lower than in the U.S. We expect the S&P 500 potentially 1450 by y/e 2008 and 1550 fair value for y/e 2009 while stabilizing near term now at a fair value around 1350. We expect quality leadership now from staples and healthcare, transitioning later through 2009 to financials, info tech and industrials.

James Smith, W. Carolina Univ. & Parsec Financial Mgmt.: My actual recession probability is 12 percent. A majority of forecasters still expect no recession in 2008, but watch out for 2010.

Brian Wesbury, First Trust Advisors: My recession estimate is 10%, which is closer to 0% than 25%. The Fed is too worried about both the economy (your question) and financial markets (not part of your question).

David Resler, Nomura Securities International: Question on housing 'recovery' may give confusing results. Home building might hit a bottom late this year but the sort of bounce back toward more normal levels of building will come later (even though even a small increase from very low levels will add to GDP.)

Scott Anderson, Wells Fargo: I think the Fed's too complacent about inflation, even though their concerns about growth are justified. The 'bulls' who are counting on a near-term bottom in the stock market are fooling themselves. Nearly every economic data point now is coming in weaker than expected. The wheels appear to be coming off this expansion at an alarming rate. The temporary fiscal stimulus and Fed rate cuts will do little to solve the economic and financial imbalances still present in the economy.

Bill Hummer, Wayne Hummer Investments: Economic illiteracy of much of the public prevents understanding that massive easing of monetary ordinarily lifts stocks over time. Confronted by deteriorating conditions in the U.S., which could spread abroad, the Fed is right to ease. Inflationary concerns should be dampened by the economic slowdown and the deflationary effects of credit rationing and pervasive housing weakness.

Allen Sinai, Decision Economics: Stuck with 'stagflation,' a 'no-win' situation. Have to swallow recession to get inflation down.

Stuart Freeman, A.G. Edwards: The Fed has come a long way in the last few months to bring the Fed funds rate in line with the needs of the slowing economy. None-the-less, there is a 6-9 month lag on this blunt instrument. Fiscal policy will help out in the mean time. However, lower rates are not going to magically sop up the excess supply of homes on the marketplace. Only time can work the full magic on the housing situation as demand grows back into supply. The recession is likely to be shallow and short for now. However, we expect the full year to 'feel' sluggish to consumers due to their financial conditions, energy prices, the housing market, and employment conditions which are likely to become worse before they ameliorate. Employment growth lags a recovering economy.