

Joe Nicols' Predictions 2013

INTERNATIONAL

● *Europe*

In the EU, the United Kingdom will maintain stability in the next 18 months, but is not out of the woods yet and will still tend to struggle during a period from 2-5 years from now. France will maintain stability and regain strength within 5 years. Germany will continue to lead the way with creative solutions and will be in an even stronger position 3 years from now. I continue to agree with my predictions from last year that Italy will recover surprisingly well, Greece will emerge as the big winner, and Spain will be the big loser as a result of the Eurozone crises.

Although there will be difficulties in February and March, I see the Eurozone surviving and I believe all of the countries will stay with the Euro. While Silvio Berlusconi will throw a lot of money into trying to regain the position of Prime Minister of Italy, I don't see him achieving that in 2013, but he may try again in 2014 and may actually succeed.

I see a scandal and possible associated death in one of the non-U.K. European royal families, around April.

● *U.S. Success in Afghanistan*

I see the number of lives lost in insurgent and terrorist attacks being reduced, but the events will continue, with a particularly devastating event occurring in about six months (May/June 2013). The engagement there is slowly wearing down the U.S.'s energy and will continue to do so throughout 2013. In 2014, as the U.S. is pulling out, the energetic drain will dramatically lessen, which will unexpectedly rejuvenate the U.S.'s economy and military readiness.

● *U.S. Relations with Pakistan*

Pakistani leaders are responsive to politics and the sentiments of their people, but they are also responsive to economics and will continue to take U.S. aid and will continue to work both sides of the street. In about 2 ½ years, as the U.S. role is more covert, the U.S. interest in Pakistan will wane, resulting in a noticeable lack of Pakistani support which will again require more U.S. aid to shore up the Pakistani connection and help protect the Pakistani/Indian balance and U.S. interests in India.

- *U.S. Relations with Russia*

I have always seen Russia as a "fair-weather" friend to the U.S. and I get that Russia is causing the U.S. heartburn and embarrassment right now. With all of its resources, the Russian economy is still a work in progress and President Putin is using authoritarian tactics to control the country. Russia has its own priorities and will continue to be hot and cold with the U.S. into the future.

The U.S. and Russia may find more common interests as China flexes its muscles in 8-10 years.

- *Resolution of Civil War in Syria*

There is still a stalemate and a cloud over Syria for 6 to 7 months. It appears some sort of compromise or peace may be attained at the end of the Summer. However, I seem to see President Assad still present in some capacity for at least another year and possible 4 to 5 years.

- *U.S. Relations with India*

As I have previously predicted, I see positive economic and cultural ties between India and the U.S. continuing for many years. However, especially in early 2013, I see India feeling snubbed by the U.S. and angered by U.S. concessions to and support for Pakistan.

- *U.S. Relations with China*

If there ever was a honeymoon with China, it's over now. The U.S. recognizes the challenges China can bring, but the U.S. will still have the upper hand until about 2018. After 2018, China will become more of the U.S.'s bigger brother, and as I have predicted before, if the U.S. is not able to establish communication and effective diplomacy by 2020, China will have an economic and military "big stick," and will be less afraid to use it. Even if the U.S. achieves more energy independence, China's thirst for energy will start crowding U.S. friends and allies, which could draw the U.S. into showdowns or conflicts.

- *U.S. Relations with Iran*

Relations with Iran will be prickly for the next 16 months, but the U.S. has the upper hand with technology and embargos. There will be a serious incident during the summer of 2013 which will greatly anger the U.S. and indicate a short-term political victory for Iran. Last year I predicted that Iran was only 6 months away from a nuclear bomb,

but it appears that this program has suffered setbacks, possibly due to cyber attacks or espionage, and now it seems they will still reach that goal within 18 months. They will have a nuclear deterrent in about 3 years.

- *U.S. Relations with North Korea*

While the U.S. continues to present North Korea as a threat, I feel it is becoming less so now. Some diplomatic incident, or another missile launch will occur in the fall of 2013. North Korea seeks notice, attention and respect, especially from the U.S., but it will not get what it wants.

I get that the new South Korean regime will seek more communication and exchanges from their northern brothers, with tacit approval from the U.S. Relationship between the U.S. and South Korea will continue to be strong, although some sort of scandal or political problem will occur in the South Korean arena around April.

- *Resolution of the Israeli-Palestinian Situation*

To some degree I see the influence of women being powerful in Syria and I see it being even stronger in the Israeli-Palestinian ongoing crises. Powerful women will start a movement in 2013, which will grow and bear fruit in about 4 years. Unfortunately, I pick up a huge fear from at least the Israeli government of being swept away by a tide of united militant Arabs, reminiscent of the Hamas claim of wanting to wipe Israel "off the map." Despite the fear, some degree of mutual acceptance and peaceful coexistence may be achieved in 4 years. (Maybe.)

- *World Climate Change*

In last year's predictions I said that if the world doesn't take steps by 2015, climate change will be irreversible. In 2013, I do see openness to remedies but limited action. In early 2014 there will be more extreme accelerated signs and events which will register with world leaders who will begin to take meaningful steps to at least diminish the advent of severe changes and dire consequences. Continuously melting glaciers and polar icecaps will of course eventually alter coastlines and weather patterns, but I believe governments and global corporations are planning shipping trade routes through the opening northwest passage, and preparing to carve up the Arctic seabed to extract natural resources. (Sorry, polar bears.)

- *Gold Prices*

I believe the price of gold will be stable with a slight increase this Spring and a slight drop in the Summer. It will rise again mid-Fall and then stabilize. I see gold increasing significantly again 3 to 4 years from now.

- *Science Breakthroughs*

There will be a snowballing effect in discovering more uses of nanotechnology in medicine, computer technology, mechanics and communications devices. Robotics will make huge strides using artificial intelligence for interplanetary travel and exploration, and researchers will produce robots who can accurately perform simple surgical procedures. Genetically modified food will continue to develop in response to world food shortage, but I also get some researchers are working on genetic modifications for food that may be more nutritious, but for a price.

NATIONAL

- *U.S. Supreme Court*

One of the older members of the Court (other than Justice Ginsburg) will have an illness that will cause them to consider retiring, but it is unclear if they will actually leave the bench immediately, or hang on for awhile.

- *U.S. Stock Market*

The U.S. stock market seems to reflect more optimism about the economy and growth, as I see it being fairly steady, with an upturn around March of this year, and then a small downturn by April, stable during the Summer and Fall, and then a downturn at the end of the year. I see markets being steady overall in 2014, but a serious drop in mid and late 2015.

- *U.S. Economy*

The U.S. economy will still be under a cloud over the next 12 months with an upward spurt during the late Spring and early Summer, and a pretty good holiday season at the end of the year. Summer of 2014 will be a low spot with a gradual increase after that. The economy will be solid and stable again in less than 2 years, growing in less than 3 years, and robust and firing on all cylinders in 4 years.

- *Price of Oil*

I get that the price of oil will drop after the holidays and rise again during May and into the Summer. The market will stabilize in

the Fall and rise gradually in 2014. Prices will rise dramatically in 3 years and drop again in 4 years.

- *Gun Control*

I get that there will be some gun control legislation that will pass, such as reinstatement of the bans on assault rifles or large clips, but by the Summer of this year the movement will stall and the powerful gun lobbies and the NRA will successfully influence public fears about perceptions of government control and loss of freedoms.

- *Mass Shooting in U.S.*

I get an incident this Spring with a smaller number of victims, and events with larger numbers of victims during the Summer and again at the end of 2013.

- *Cyber Attacks*

In addition to criminals and domestic hackers, China, North Korea and Iran will continue to challenge U.S. computer security during 2013. There will be a serious temporary breach in March, and U.S. authorities will play "whack-a-mole" (literally and figuratively) with a continuous series of overseas hackers between August and December. Perpetrators are looking for both information and future vulnerability.

- *Presidential Nominees - 2016*

Hillary Clinton is a current favorite and front-runner for the 2016 Democratic nomination, but the race will get tighter and nastier in 3 years, and she could again be eclipsed by an articulate, dynamic younger man. In the GOP Chris Christie is being talked about but does not seem to be as well-placed and by then could be eclipsed by a older, stable, powerful man.

- *U.S. Drought*

In general in the U.S. I see more low rainfall over the next 2 months, then a period of rain for much of the country in March, April and May. Unfortunately, I see lower national rainfall totals in the U.S. from June of this year into the Spring of 2014. It will be like one step forward, 1.1 steps backward. Despite the possibility of more frequent severe weather events, people need to expect less water availability in the future.

- *U.S. Weather & Hurricanes*

There will be major storms throughout the U.S. in late January and during February of this year and again in April which will include tornadoes affecting several states. The Summer will be relatively

calm, but there will be at least 3 or possibly 4 serious hurricanes coming out of the Caribbean in September, October and November. Although state and federal dollars will be allocated during the Summer, I believe the Fall of 2013 will be another "wake-up" call for Gulf and eastern seaboard states to spend more money to protect vulnerable coastal facilities and infrastructure. Waiting too late will mean more expensive replacements and population displacement in the near future.

TEXAS

- *Texas A & M*

Last year I said A&M would be better than people thought. A&M will again do well in 2013, but it will be difficult, although not impossible, for Johnny Manziel to repeat as the Heisman Trophy winner, as SEC defenses will be focused on attempting to neutralize his skills.

- *Drought in Texas*

While parts of Texas may have some rain over the next 2 months I feel Texas will sustain a serious drought beginning in April and lasting through November 2013. December will see return of rains which will rebound to normal levels during most of 2014. In the future, water conservation, xeriscaping and drought-resistant planting will become staples in Austin, and I hope I am wrong, but Central Texas could begin to resemble Tucson or Phoenix within 20 to 30 years.

AUSTIN

- *Success of the Austin F-1 Track and Facility*

The Austin Formula One Track has people optimistic, and the facility will find various activities in the Spring to service its debt, but the funding and investment situation is more serious than the public knows, and organizational authority figures are not disclosing the real circumstances. The facility will look good for the next 11 months and the next Formula 1 race in November will be a success. However, I get that serious infusions of private or public cash will be required in early 2014 in order to keep the operation afloat. If it can survive until Summer of 2014, it will be a stable venue.

- *Austin Economy*

The Austin economy will be stable during 2013, with property taxes and other assessments rising but the revenues and incomes of companies and

individual will not, causing outrage and political backlash. I get that the Austin economy will grow much more slowly in 2014.

- *Austin Real Estate Market*

Real Estate markets in Austin will continue to grow slowly in 2013. In 2014, the residential market will stabilize but the commercial market becomes sluggish due to governmental restrictions and zoning requirements, and difficulties in city negotiations with large corporations.

- *UT Football Success*

Of course as an alumnus and fan, I'm not able to be objective about UT. But last year I predicted that U.T. was getting better and would win 9 regular season games, and I was close. I said 2013 would be a good rebound year, but now I am not so sure. It looks like U.T. will struggle with inconsistency and flirt with "average," continuing to look for key position players. Now it appears 2014 will see the Longhorns gel, reenergizing their reputation and recruiting.

Last year I suggested Mack Brown might retire after the 2013 season, but now I believe he might try to continue for several more years.