



Central Plains Advisors, Inc.
Interim Market Update

June 1, 2001

Double Dip

It is entirely possible we may soon have another inverted yield curve on our hands. The word (reality) is getting around that this economy is nowhere close to a recovery. The bond vigilantes will be wrong again, as they have been since 1981. Who knows where the long bond will go this time. It was 5.26% at its best during January, could it go to 4.26% on this next move? It may. It will, of course, in time.

If you may recall, it was the inverted yield curve (long rates lower than short rates) that allowed us to have an exceptional performance during 2000.

As we have said many times before, look upon contrary moves against our outlook as a buying opportunity. Don't let the Keynesian "know it alls" (bond market traders) fake you out. You might ask, what is their 26-year record?

Don Peters