



CENTRAL PLAINS ADVISORS, INC.
Interim Market Update

September 17, 2001

WHAT WE EXPECT

The U.S. economy was suffering and teetering on the brink of recession well before the terrorist attack on our country on September 11, 2001. All the financial pundits and investors who were in denial concerning the state of the economy can and will change their forecasts after the ramifications of the terrorist attack sink into their consciousness.

We believe, when all of the revisions have been made to the second quarter Gross Domestic Product (GDP), the second quarter of 2001 will have been the first quarter with a negative GDP. It is certain to be followed by at least two more quarters with negative economic growth. According to the traditional definition, two consecutive quarters with a negative GDP constitute a recession.

The stock market in the U.S. has been in a bear market since March 2000. As you may recall, we recognized this by June 29, 2000 with a call for those holding stocks to go to bonds. Economists have been looking for a bottom to this bear market week after week and have even called a bottom at least once, only to find out they were mistaken. There will surely be a bottom at some point. When we reach the bottom, it will represent the buy of a lifetime for investors. However, don't make the mistake of expecting that bottom too soon.

More and more damage has affected the stock market. Factors such as the decline in capital spending led by the technology sector, the need for inventory reduction, consumer retrenchment and increasing problems with sub-prime loans, to name a few, have led to the current bear market. The terrorist attack is now another of these factors. It will take time to undo the damage and steer the market back on course.

The bond market, whose participants are the last to learn, has been in a secular bull market since 1981. There, of course, have been corrections along the way. This bull market is far from over. The correction during the first two quarters of 2001 have laid the ground work for another leg down in yield in which we expect to occur at any moment.

America remains the world's safe haven. Expect the dollar, which has been weak recently, to reach new highs. Our decisive action in response to the terrorist attack on our country, the New War or War on Terrorism, will convince the world that we are not a

paper tiger. In the long-term, this is bullish for all our capital markets. The dollar is this country's common stock. It will prove to be the greatest asset in the world.

A final note. We are all filled with patriotic fervor, as well we should be. Please sustain the feelings of the moment, but keep in mind some important factors concerning the management of your money:

- The public good is best served by all of us looking after our own self-interests in an ethical manner. Our country will best be served by each of us being good stewards of our assets. Manage your money in a manner that you believe is right for you and your circumstances. In aggregate, this will help us all.
- Remember the business of America is business. Work hard and pray as your faith leads you.

God Bless America.

Don Peters

Past performance is not a guarantee of future results.