

# HIGHLIGHTS OF PREVIOUS FORECASTS AT SPEEDNEWS

## “NOTABLE (?)” WALSH AVIATION FORECASTS PRESENTED AT SPEEDNEWS IN THE PAST

*Prepared for the*

**SPEEDNEWS 30<sup>th</sup> ANNUAL  
AVIATION INDUSTRY SUPPLIERS CONFERENCE**

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*Presented by*

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**“In The Future, Everyone Will Be World Famous  
For 15 Minutes” - Andy Warhol, 1968**

**Fame will have to wait – I only have 5 minutes  
and 3 (?) slides.**

## FORECASTING “TIPS” FOR AVIATION FORECAST OBSERVERS

- Do not underestimate the power of “Monkey See – Monkey Do” as a corporate strategy in the airline / aviation industry.
- “Bizarre” does not last long (but it lasts longer than it should).
- Sometimes you don’t know you’ve over ordered something (a/c orders) until you start eating (a/c deliveries)?

## FORECASTING “TIPS” FOR FUTURE AVIATION FORECASTERS

- Don’t’ just talk about it. Write it down somewhere. Remember what you said. Find a way for others to remember what you said. A continuous forecasting improvement program is essential.
- Identifying market corrections are not easy but they are predicable (and inevitable). The “when” part of the market correction in the forecast can be the most challenging.
- You need to be analyzing this market 23/7 (I left some free time for rounding out your personality).
- “Telling it like it is” can be a hard sell compared to “what you want to hear” but here is a market for it. It does require a level of independence, a lot of data, analytical thinking, and a tough skin at times.

# **SOME MAJOR FORECASTING CHALLENGES** **IN MY “CHECKERED” PAST**

- **THE “DOCTOR DOOM” LABEL (Getting the name right)**
- **FORECASTING BIZJETS (Market Drivers not Clear)**
- **THE VLJ / ECLIPSE MARKET (Smoke and Mirrors)**
- **OIL PRICES (Supply and Demand Forces not Working)**

# GETTING THE NAME RIGHT

MARCH 2003

- Dr. Death is a name that was given to Dr. Kevorkian.
- Dr. Doom is a name that was given to the noted economist Henry Kaufman.
- Dr. Gloom is a “self inflicted” name of this presenter from a Speednews Conference during the late 80’s as the market was peaking (not many believers at the time).
- Dr. Boom is a “self inflicted” name of this presenter from a Speednews Conference during the early 90’s as the market upturn was building (not many believers at the time).
- I do use both names (Gloom and Boom), at different times.
- Some positive notes for you (in your time of need).

IT'S NOT A GLOOM AND DOOM MARKET

IT'S A GLOOM AND BOOM MARKET

YOU ARE  
HERE NOW



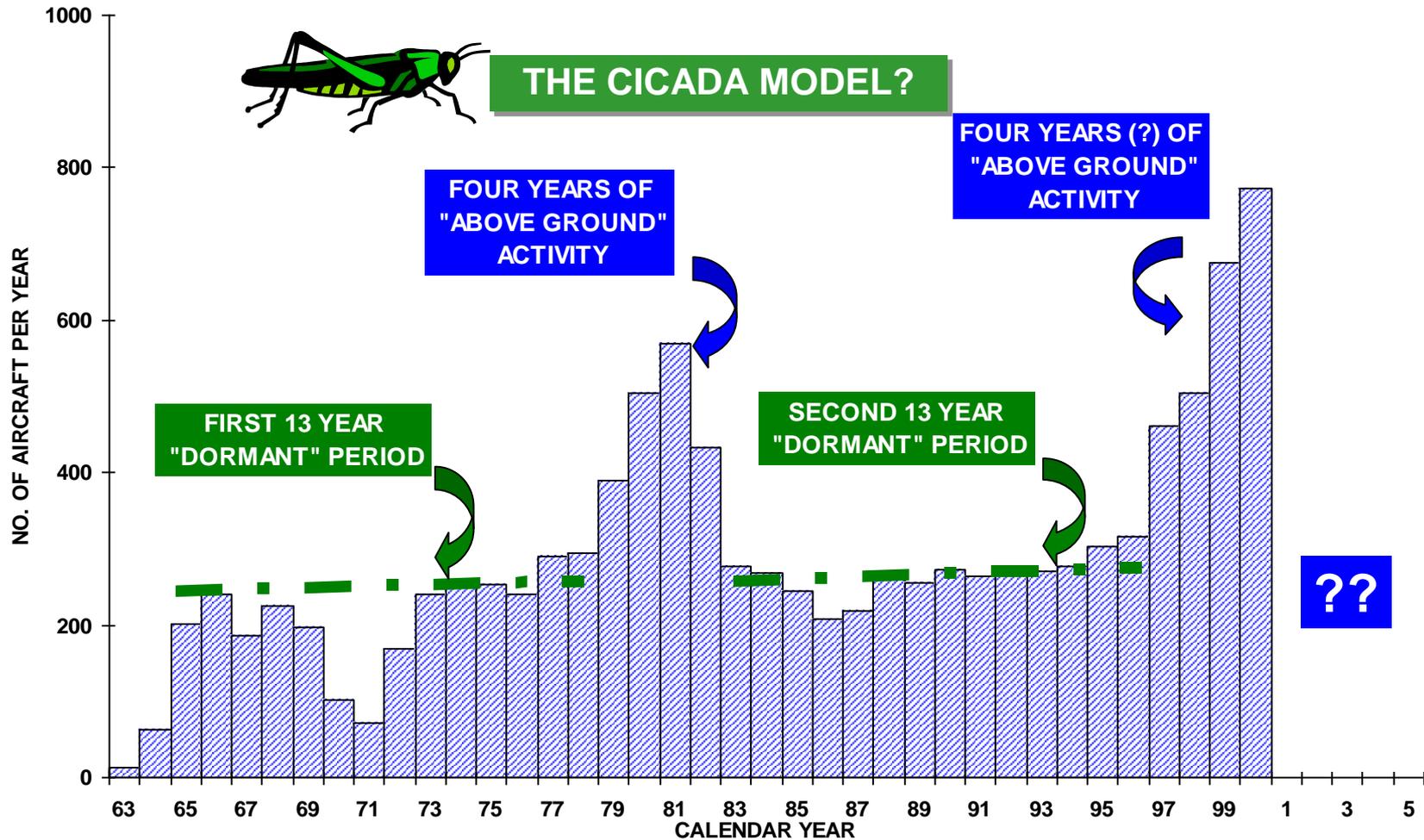
# THE TRADITIONAL MARKET DRIVERS ARE NOT WORKING?

NOV. 2000

## WORLD EXECUTIVE TURBOFAN / JET AIRCRAFT DELIVERIES



### THE CICADA MODEL?



# VLJ / ECLIPSE – THIS IS AN **EXCITING** MARKET

SMOKE AND MIRRORS

NOV. 2006

- This is a very **exciting** market. It is a new, fresh, **exciting** market not bound by any of the traditional thinking of the past. New aircraft manufacturers, new aircraft types, new airlines, flying to new locations - very **exciting**.
- Are you **excited** yet? The FAA is very excited about VLJs (for FAA budget issues – they need to staff up for this – big time). PWC is also very **excited** about this market.
- The major airlines and their pilots are very **excited** about this market as these jets fly up in “their airspace”. Wealthy private aircraft owners flying jets for the first time? It might be a chance for the mainline pilots to finally meet one of their next door neighbors up there? – very **exciting**.
- This is one of the most **excited** markets I have looked at in some time. Not sure if there is a lot of self induced **excitement** going on or if it is for real? If it’s nothing else, it is **exciting**.
- Are you **excited** yet? I am! I am so **excited** I cannot figure out where the real customers are for this stuff. Maybe when I calm down a bit it will become a bit clearer to me?
- I have been told that the market is 2000 aircraft per year, or was it 1000 aircraft per year? Either one of these numbers is very **exciting**.
- It does feel good to be **excited** – doesn’t it?

MARCH 2008

## OIL STUFF – “25 IN 5(?)”

SUPPLY AND DEMAND FORCES NOT WORKING

# LONG TERM VIEW

MARCH 2016

↓ DOWNLOAD

Spot Prices

\$/bbl



# SOME ENERGY / OIL MARKET THOUGHTS TO SHARE WITH THE SPEEDNEWS GROUP ON FORECASTING OIL

- What do these three things have in common with oil?

**MARCH 2008**

1. Energy
2. Sex
3. Broadband Width

The more you get the more you want.

- The Stone Age did not end because we ran out of stones. The Bronze Age did it in.
- Not sure they were trying to sell stones at \$100 plus per barrel but if they were, that would have accelerated the process.

# WHAT HAVE I LEARNED FROM ALL OF THIS?

MARCH 2008

- Never underestimate the power of fear and greed in the oil market.
- A logical and analytical mind may be a severe handicap to someone trying to forecast oil prices.
- People do not forget a bold forecast (unless you got it right).
- It's not the geology stupid!
- Supply and demand have nothing to do with price?
- A !#@&\*^% commodity demands a premium price in the market?
- “Bizarre pricing” should not last very long – but it has?
- I should never forecast oil prices again.
- But I have to - keep thinking 25 / 5 – those are “the right numbers”. I might have to change the units again?