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WHAT THEY'RE BUYING: KINDER MORGAN, INTERNATIONAL REITS, MID-CAPS

Compiled by Max Jarman, The Arizona Republic

This week's panel of financial experts offers three different suggestions based on their views on the market: trending up, overheated or fully valued.

Scott Grady

Wedbush Morgan Securities, Scottsdale

Grady sees the market moving upward, driven by low inflation and increased liquidity.

There will be periodic sell-offs as investors take short-term profits and a possible Fed rate cut to counter lower housing starts.

He's looking for companies that are buying back shares and is buying international exchange-traded funds.

Common stocks Grady that is buying include pipeline operator Kinder Morgan Energy Partners LP (KMP) and food and tobacco conglomerate Altria Group Inc. (MO).

David Fernandez

Wealth Engineering LLC, Scottsdale

Fernandez believes the market is overheated and due for a correction. He notes the economy is showing signs of slowing and that problems in the residential real estate market are far from over. Now is a good time to take profits and rebalance portfolios to "take the risk off the table," he says.

Fernandez is buying the Hussman Strategic Growth Fund (HSGFX) and the Pimco Foreign Bond (Unhedged) Fund (PFUIX). He also is buying the DFA International Real Estate Fund (DFITX).

David Daughtrey

Copperwynd Financial, Scottsdale

Daughtrey sees the market as fully valued and projects only modest returns for the rest of the year. He also believes there could be a pullback of 3 to 5 percent in the next few months.

He is buying the Keeley Mid Cap Value Fund (KMCVX) and the SPDR DJ Wilshire International Real Estate Fund (RWX). He's also buying the PowerShares Dynamic Market Fund (PWC).

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