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WHAT THEY'RE BUYING: LARGE CAPS, CONSUMER AND ENERGY STOCKS

Compiled by Mark Armijo, The Arizona Republic

This week's panel of financial advisers ranges from cautiously optimistic to simply cautious.

Jason Lattin

Lowry Hill, Scottsdale

Lattin is cautiously optimistic. He notes that inflation fears seem to be contained and the economy is growing, albeit at a slower pace. But the credit crunch and subprime-lending debacle will continue to impact the financial-services sector.

"A lot of the banks and investment banks still have some issues to work through," he says.

Lattin is buying railroad operator Norfolk Southern Corp. (NSC) and investment banker Merrill Lynch & Co. (MER). Lattin is also buying cereal maker Kellogg Co. (K).

David Fernandez

Wealth Engineering LLC, Scottsdale

Fernandez is cautiously optimistic about the near-term prospects for securities.

"I'm pleasantly surprised how quickly the market has rebounded from the sell-off in August," he says.

Fernandez is shedding real-estate investment trusts and small caps and picking up large-cap growth companies with international business.

He is buying the iShares S&P 500 Growth Index Fund (IVW) and the Vanguard Energy Exchange Traded Fund (VDE). He's also buying the iShares MSCI Emerging Markets Index Fund (EEM).

Scott R. Grady

Raymond James & Associates, Scottsdale

Grady suggests investors exercise caution, noting the time to be bullish was back in August.

Credit concerns will continue to roil the market and investors should expect more big write-offs at banks, he says.

Grady is counseling clients to concentrate on "tangible values."

He is buying consumer-products firm Procter & Gamble Co. (PG) and General Electric Co. (GE). Big pharmaceutical companies such as Pfizer Inc. (PFE) also are appealing.

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