

Arizona Republic

Estimated printed pages: 2

July 31, 2005

Section: Business

Edition: Final Chaser

Page: D6

WHAT THEY'RE BUYING: TO EVERY SEASON ...

Compiled by Russ Wiles, The Arizona Republic

Valley investment advisers harbor mixed outlooks as the stock market's summer rally continues.
David Fernandez

Wealth Engineering LLC, Scottsdale

Views the stock market with caution in the belief U.S. stocks are overvalued. "A weakening dollar does not bode well for the large global companies" of the Standard & Poor's 500 index, he said, citing the trade deficit as another worry.

Fernandez is emphasizing diversified portfolios with a focus on bonds, foreign stocks and hedging strategies. To do this, he uses mutual funds such as Hussman Strategic Growth (HSGFX), Pimco Commodity Real Return (PCRIX) and Pimco Foreign Bond (PFUIX).

Mark Langerman

Wells Fargo Private Client Services, Scottsdale

Remains mostly optimistic about stock prices, based on continuing strong consumer spending and expectations that the recent change in the Chinese-currency situation will improve America's trade balance at least slightly.

One stock Langerman, a senior vice president of investments, likes is Danaher Corp. (DHR). The company has notable business exposure to China and has been posting improving earnings, he said. Langerman also likes General Electric Co. (GE) for both its dividend yield and earnings potential.

Stan Rulapaugh

Stanley E. Rulapaugh CFA, Scottsdale

Sees upside potential for stocks, with many companies reporting solid earnings.

Rulapaugh seeks out companies with good growth prospects selling at reasonable valuations. Examples include oil giant Exxon Mobil Corp. (XON), maker of insulin Novo-Nordisk (NVO) and L-3 Communications Holdings (LLL), a firm that makes surveillance and reconnaissance equipment that's in demand amid terrorist threats.

Copyright (c) The Arizona Republic. All rights reserved. Reproduced with the permission of Gannett Co., Inc. by NewsBank, inc.