

## BARRON'S

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THE following companies are subjects of research reports issued recently by investment firms. Many of the reports listed may be purchased from Investext, a division of Thomson Financial Services, in New York, or are available on line from Investext from Dow Jones News Retrieval. Share prices at the time the report was issued and the date of the report are in parentheses.

-- AAR (AIR-NYSE)

by A.G. Edwards

(12, March 22)

We recommend that aggressive investors looking for a current earnings story sell the stock. Our rating downgrade was prompted by disappointing third-quarter sales and earnings. The loss and delay of sales of larger components, particularly engines, hurt the company's results. It remains very competitive and should post sharp earnings improvement once the airline industry recovers.

-- ALC Communications (ALC-ASE)

by Wheat First

(15 1/4, March 23)

Buy. We are raising our earnings estimates to 90 cents a share from 85 cents for 1993 and to \$1.20 from \$1 for 1994. Our estimate revisions stem from two areas: ALC's growing financial flexibility and our sense that it is focusing strongly on the efficiency of its sales force, resulting in the prospect of a lower cost of sales to revenue in 1994 than previously anticipated.

-- American Travellers (ATVC-OTC)

by Securities Corp. of Iowa

(8 1/2, March 25)

We are initiating coverage with a Buy rating for investors seeking speculative capital appreciation. Its niche is attractive -- with America growing older, paying for nursing-home care will become more prominent in the future. As one of the five largest players in this emerging insurance market, and the only "pure play," we think American Travellers is going to experience above-average growth through the end of the decade.

-- Arbor Drugs (ARBR-OTC)

by McDonald

(18 1/2, March 30)

Long-Term Buy. An outstanding regional operator of conventional drug stores.

-- Babbage's (BBGS-OTC)

by Alex. Brown

(24, March 24)

Strong Buy. The company is ideally positioned to benefit from the significant increase in the installed base of video-game hardware and from heightened consumer interest in multimedia products.

-- Bally Manufacturing (BLY-NYSE)

by Hibbard Brown

(6 1/2, March 22)

Is continuing to show improvement in all areas of operations, a result of the recent restructuring that has trimmed operating costs. Will benefit from expected general economic growth and an increase in consumer spending. We continue to recommend it for risk-tolerant investors seeking long-term capital appreciation.

-- BellSouth (BLS-NYSE)

by Brown Brothers Harriman

(54 3/4, March 29)

Buy. We look for it to achieve a second consecutive year of solid profit improvement in 1993 after two years of lower profits in the 1990-91 period. Beyond 1993, we expect the company will register earnings per share gains at a rate about one percentage point above the 5%-6% that we envision for the regional holding companies on average.

-- Biomatix (BIOX-OTC)

by Prudential Securities

(6 1/2, March 22)

Hold. We believe the company is essentially on track. We are awaiting new developments related to the U.S. filing for approval of its osteoarthritis product, Synvisc. In 1992, the product was granted marketing approval in Canada, and the company has filed for approval in Europe.

-- H&R Block (HRB-NYSE)

by PNC Financial

(38, March 15)

Reasonably Priced. Will continue to increase its market share of returns prepared, because tax-code changes (regardless of nature) historically have meant a greater share of business for paid preparers. Critical to the continued future success of electronic filing is reaching an agreement with the IRS on filer investigation procedures prior to tax refund authorization.

-- Boeing (BA-NYSE)

by NatWest Securities

(35, March 12)

Hold. Access to viable foreign markets, adequate availability of reasonably priced capital to finance aircraft purchases and a significant rebound to profitable operation by U.S. carriers in 1993 and European, Asian and Japanese carriers in 1994, all continue to remain formidable hurdles to a recovery in its near-term fundamental prospects.

-- Cabot Oil & Gas (COG-NYSE)

by Bear Stearns

(22, March 29)

Buy. Unit volume growth should drive strong earnings growth.

-- Commonwealth Edison (CWE-NYSE)

by UBS Securities

(27 3/4, March 22)

Buy. CWE is the most undervalued of the major dividend-paying electrics. Offering, by our calculation, 30% appreciation potential and a superior yield, CWE appears to be one of the most attractive investments in the group.

-- CompUSA (CPU-NYSE)

by Salomon Brothers

(33, April 2)

Buy. The distribution of personal computers likely will shift rapidly toward large-format retailers, and CompUSA, through its exceptional execution of superstore retailing, technical and training services, and direct corporate and government sales, will benefit from this change.

-- Cragin Financial (CRGN-OTC)

by Advest

(26 1/8, March 22)

Buy. The shares, in our judgment, warrant a premium multiple relative to the Thrift Group, and we project a price advance from current levels in excess of 20% over the next 12-18 months.

-- Delta Queen Steamboat (DQSB-OTC)

by Stephens

(12 3/4, March 19)

Buy. The only provider of overnight paddlewheel steamboat cruises in North America. Appeals to older Americans -- the fastest growing segment of the U.S. population. Eighty-five percent of customers are over the age of 50 and the average age is 64.

-- Finish Line (FINL-OTC)

by A.G. Edwards

(17 3/8, March 18)

Buy. Emerging as one of the leading and fastest-growing retailers within its area of specialization, athletic/leisure footwear and related apparel/accessories.

-- Flow International (FLOW-OTC)

by Piper Jaffray

(6 1/8, March)

Buy. Is the unquestioned technology and quality leader in the ultrahigh-pressure waterjet cutting market.

-- Hawkeye Bancorp. (HWKB-OTC)

by Piper Jaffray

(18 1/2, April)

Buy. We expect continued strong earnings growth. Meets all of the minimum capital requirements and continues to build its capital ratios.

-- Healthtrust (HTI-NYSE)

by Sands Brothers

(15 7/8, March 30)

Strong Buy. In the expectation of 20% minimum annual growth in earnings per share and increasing investor discrimination in valuing leaders in the acute-care hospital-management segment, we anticipate that the share price will strengthen to \$22 within six months and \$26 within a year. This appreciation would yield a 39% six months' return and a 64% 12 months' return.

-- Liz Claiborne (LIZ-NYSE)

by Hancock Institutional

(36 3/4, April 2)

Buy. The largest women's sportswear company in the world in total sales should continue to benefit from its consumer franchise in a global marketplace, just as it has in the U.S. in the past 16 years.

-- Midlantic (MIDL-OTC)

by Sherwood Research

(20 1/2, March 25)

Purchase is recommended for both intermediate and long-term investors. The earnings momentum we forecast for Midlantic should be among the highest in the banking industry. Moreover, we expect its earnings momentum to remain above the industry average through 1995. Simultaneously, the quality of earnings will rise.

-- Nike (NKE-NYSE)

by Hancock Institutional

(76 5/8, April 2)

Buy. Is well-positioned to benefit from the continued globalization of its well-known brand name.

-- Promus (PRI-NYSE)

by Bear Stearns

(37, March 29)

New Purchase Recommendation. Aggressively expanding into new gaming markets, particularly riverboat gaming.

-- Seacor Holdings (CKOR-OTC)

by Morgan Keegan

(19, March 29)

A shortage of vessels serving the oil industry is on the horizon.

-- Sensormatic Electronics (SRM-NYSE)

by Gerard Klauer Mattison

(39, March 30)

Buy. The dominant factor in the rapidly growing electronics article surveillance industry.

-- Tandem Computers (TDM-NYSE)

by Fahnstock

(13 3/8, March 18)

We recommend purchase because of the growth potential of its on-line transactions-processing systems business. Its high value-added product line generates some of the best gross margins in the computer industry and the company is restructuring its marketing organization to reduce selling costs.

-- VMX (VMXI-OTC)

by Fahnstock

(3 3/4, March 29)

Purchase Recommendation. The founder of voice-mail and inbound call-processing technology designs, manufactures and markets systems that automatically direct callers to a party's extension or voice mailbox. The systems deliver information without human assistance. Over 9,000 systems have been installed for customers around the world. Is making a strong comeback.

-- Wal-Mart Stores (WMT-NYSE)

by Alex. Brown

(31 1/2, March 31)

A combination of anticipated pressure on gross margin, an estimated heavy level of expenditures tied to the Supercenter rollout (and other growth facets of Wal-Mart's business) and forecast further soft sales at Sam's Wholesale Clubs make us less optimistic about fiscal 1994, causing us to trim our 1994 earnings estimate to \$1.02 a share from \$1.05.

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