

**Zacks Buy List Highlights: ACE Limited, Knight Trading Group, ADTRAN, and EMC Corporation**

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CHICAGO Zacks.com releases another list of stocks that are currently members of the coveted Zacks #1 Ranked list which has produced an average annual return of +33.7% since inception in 1988 and has gained +100.3% since January 2000 when the market was in the grips of the worst bear market in 60 years. Among the #1 ranked stocks today we highlight the following companies: ACE Limited (NYSE:ACE) and Knight Trading Group, Inc. (NASDAQ:NITE). Further they announced #2 Rankings (Buy) on two other widely held stocks: ADTRAN, Inc. (NASDAQ:ADTN) and EMC Corporation (NYSE:EMC). To see the full Zacks #1 Ranked list or the rank for any other stock then visit. <http://at.zacks.com/?id=88>

Here is a synopsis of why these stocks have a Zacks Rank of 1 (Strong Buy). Note that a #1 Strong Buy rating is applied to 5% of all the stocks we rank:

ACE Limited (NYSE:ACE) is a holding company that provides insurance and reinsurance, which serves a diverse group of clients. Late October saw ACE Limited reported income, excluding net realized gains (losses) of \$1.04 per share for the third quarter, which beat the consensus by 2 cents, or almost +2%, while also marking a sharp improvement over its year-ago performance. Net premiums written during the quarter advanced by +4% to \$2.3 billion, while, out of total net premiums written, consolidated property and casualty increased by +27%. ACE Limited stated that the quarter's strong results demonstrated the growing strength of its organization, its global presence and diversified product capability. Earnings estimates for the year ending December 2003 have improved by about a penny from 2 months ago, but estimates for the year ending December 2004 have advanced by 21 cents, or about +4%. Analysts expect earnings results for December '04 to come in about +19% better than the previous year. There are several different types of companies related to insurance that are experiencing earnings estimate improvement from analysts in this environment, including Arch Capital Group (NASDAQ:ACGL) and Max Re Capital (NASDAQ:MXRE), for example. ACE Limited said that it remains optimistic about business conditions for the balance of the year and beyond, so investors may want to add some insurance to their portfolios with a piece of this company.

Knight Trading Group, Inc. (NASDAQ:NITE) is a liquidity center that offers superior execution services to its broker-dealer and institutional clients in over-the-counter and listed equity securities, and in equity options. In December, Knight Trading Group reported that the average daily U.S. equity trading volume jumped by +26% in November to 822,000, as it turned over an average of 2.16 billion shares a day during the month. In October, Knight Trading Group posted third quarter 2003 GAAP net income of 20 cents per diluted share, which was about +5% ahead of the consensus. Revenues improved to \$182.3 million from \$119.5 million last year. Earnings estimates for the years ending December 2003 and December 2004 have advanced by about 3 cents and 13 cents respectively over the past three months, which mark rises of about +6% and +13%. Knight Trading is certainly not the only company in its space with improved earnings estimates, with others like Goldman Sachs (NYSE:GS) also reaping benefits from an improving market. As the market continues to strengthen, analysts could decide to give Knight Trading Group's earnings estimates another boost moving forward, which would bode well for the company and its shareholders.

Here is a synopsis of why these stocks have a Zacks Rank of 2 (Buy). Note that a #2 Buy rating is applied to 15% of all the stocks we rank:

ADTRAN, Inc. (NASDAQ:ADTN) designs, develops, manufactures, markets and services a broad range of high-speed digital transmission products utilized by telephone companies and corporate end-users to implement advanced digital data services over existing telephone networks. ADTRAN is scheduled to report its fourth quarter 2003 earnings results on January 21st. Earlier this week, the company stated that it expects fully diluted earnings per share for the quarter between 24 cents and 25 cents, split effected, which was above the consensus at the time. It would also mark an increase of +50% to +55% over the year-ago result. Furthermore, the company increased its revenue estimate for the quarter to \$113.4 million. ADTRAN stated that revenue would be higher than expected due to the positive effects of market share gains accompanied by a broad based increase in enterprise demand. In October, the company reported third quarter earnings that matched the consensus and easily surpassed the year-ago result. Earnings estimates for the year ending December 2003 have improved by about 3 cents, or +4%, over the past three months, while estimates for the year ending December 2004 have advanced by about 7 cents, or +9%, in that time. ADTRAN appears to be on the right track for the future and might be able to transmit higher returns to your portfolio.

EMC Corporation (NYSE:EMC) is the world leader in products, services, and solutions for information storage and management. EMC is gearing up to announce its quarterly earnings report on January 22nd. In October, the company posted third quarter 2003 net income of 5 cents per share, excluding items, that was 1-cent, or +25%, better than the consensus. Total consolidated revenue also rose to \$1.51 billion. EMC stated that the quarter's results reflect strong customer acceptance of its comprehensive lineup of automated networked storage solutions. Earnings estimates for the year ending December 2003 are now about 2 cents higher than levels from three months ago, while expectations for the year ending December 2004 have advanced by about 4 cents in that time. These rises represent gains of approximately +13% and +14% respectively. EMC is a market leader that is looking confidently toward the future, so investors might want to consider making some room in their portfolios.

To truly take advantage of the Zacks Rank, you need to first understand how it works. That's why we created the free special report; "Zacks Rank Guide: Harnessing the Power of Earnings Estimate Revisions." Download your free copy now to prosper in the years to come. <http://at.zacks.com/?id=89>

About the Zacks Rank

For over 15 years the Zacks Rank has proven that "Earnings estimate revisions are the most powerful force impacting stock prices." Since inception in 1988 the #1 Ranked stocks have generated an average annual return of +33.7% compared to the (a)S&P 500 return of only +12.1%. Plus this exclusive stock list has generated total gains of +100.3% since January 2000 as the market suffered its worst downturn in 60 years. Also note that the Zacks Rank system has just as many Strong Sell recommendations (Rank #5) as Strong Buy recommendations (Rank #1). And since 1988 the S&P 500 has outperformed the Zacks #5 Ranked Strong Sells by 170.3% annually (12.1% vs. 4.5% respectively). Thus, the Zacks Rank system can truly be used to effectively manage the trading in your portfolio.

For continuous coverage of Zacks #1 Ranked stocks, then get your free subscription to "Profit from the Pros" e-mail newsletter where we highlight #1 Ranked stocks poised to outperform the market. <http://at.zacks.com/?id=90>

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Language	English
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