DOW JONES

FX Asia: Negative Wealth Effect Could Prod FOMC On Rates

By Benjamin Pedley
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A Dow Jones Newswires Column

SINGAPORE -(Dow Jones)- Fed Chairman Alan Greenspan probably isn't all that worried about lower stock valuations per se - particularly in the previously high-flying technology sector. But he may well be worried about how recent plunges in stock prices might affect consumer confidence in a period when the economy is already slowing.

Already there have been plenty of reports indicating this has been a bleak holiday season for the U.S. retail sector. And now the negative wealth effect caused by falling stock prices will likely give Scrooge the upper hand this Christmas.

The upshot of this is that Greenspan may well cut interest rates before the Federal Open Market Committee holds its next scheduled meeting Jan. 30-31. Evidence of a more rapidly slowing economy could prompt a 25 basis point cut in the federal funds rate, which could very well be followed by another cut on Jan. 31.

Moreover, if Greenspan perceives that the Fed is too far behind the curve - as some would say it already is - and Wall Street continues to swoon, a pre-FOMC cut of 50 basis points could well be in the cards. That would lower fed funds to 6%.

Wall Street fell sharply Wednesday for the second consecutive session, led by a 7.1% selloff in the tech-heavy NASDAQ Composite Index, which ended more than 50% off its year-high in March and at a 21-month low of 2,332.78. A broader stocks measure, the S&P500, closed down 40.86 points on the day at 1,264.74 - a 14% decline so far this year.

A series of rate cuts - quickly carried out - is the only thing likely to save U.S. equity markets from their recent mauling, which has spilled over into dollar weakness against most currencies with the exception of those in North Asia.

Greenspan will have several key economic indicators over the next week to help him make his decision.

Back on Tuesday, the FOMC said: "The drag on demand and profits from... eroding consumer confidence, reports of substantial shortfalls in sales and earnings, and stress in some segments of the financial markets suggest that economic growth may be slowing further."

So, the Dec. 22 issue of a University Of Michigan Consumer Sentiment index for December, and the Conference Board Consumer Confidence Index on Dec. 26 will be key. Also closely watched will be a BTM-UBS Warburg store sales, and Redbook retail sales indexes for the week ended Dec. 23, which are due for release Dec. 27.

Weak Data Could Prompt Early January Easing

If these figures look weak and more anecdotal evidence from retailers of slower-than-expected Christmas sales emerges, the Fed could well ease policy in the first or second week of January. In such a climate, swift action would be needed, as changes in monetary policy take up to nine months to affect the real economy. Even today, a 50 basis-point hike May 16 is still filtering through to the bottom line.

It's reasonable to expect, therefore, that the U.S. economy is in for a fairly hard landing in mid-2001 even if the Fed does begin a round of easing early next year.

Even if the slowdown in U.S. growth doesn't accelerate, and bottoms at around 2.5% as many analysts expect, the dollar's recent weakness against the previously battered euro, Swiss franc, Australasian dollars and some Southeast Asian currencies should continue.

Indeed, the weakness of these exchange rates helped protect their economies to some degree from a slowdown in the U.S. by stimulating their export sectors. The prospect of more favorable interest rate differentials is also fueling their strength against the dollar.

Talk of such swift rate cuts came after the FOMC Tuesday shifted from a tightening bias - that is risks tilted toward inflation - to an easing bias - or risks tilted toward a slowing economy. It also said "the Committee will continue to monitor closely the evolving economic situation," which analysts took as Fed code for a possible move on rates before the policy making arm next meets.

A between meetings change in monetary policy has precedence.

For example, on Oct. 15, 1998, as Asia slid into economic crisis and a region-wide recession loomed, the Fed lowered the discount rate by 25 basis points to 4.75% and cut the federal funds rate to 5% from 5.25%. That move came in the interim between FOMC meetings on Sept. 29 and Nov. 17 at which the policy-setting body also lowered rates.

The only problem with a pre-FOMC cut, however, is it would undoubtedly spark an element of panic in markets, as investors might question whether Greenspan has finally lost his Midas touch on the economy.

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AMEX Short Interest: Alterra Healthcare - Xcelera.Com Inc

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英文

	10/13/00	9/15/00	%Chg
Alterra Healthcare	2,493,147	2,491,394	0.07
Avalon Holdings Co	940,454	869,841	8.12
B2B Internet Holdr	1,161,300	983,930	18.03
Biotech Holdrs Tru	3,194,219	2,195,468	45.49
BioTime Inc	1,441,606	1,449,166	- 0.52
Blackrock 1999 Ter	1,500,061	1,485,498	0.98
Columbia Labs	1,611,432	1,593,715	1.11
Crystallex Interna	944,439	945,439	- 0.11
Devon Energy Corp	3,695,298	3,897,099	- 5.18
Diamonds Trust	1,981,893	2,375,294	-16.56
Echo Bay Mines	5,382,385	5,404,579	- 0.41
E-Medsoft.Com	1,691,626	1,891,250	-10.56
Global Light Telec	1,439,570	1,493,734	- 3.63
Harken Energy Corp	4,062,135	4,067,695	- 0.14
Hemispherx Biophar	3,584,269	3,604,235	- 0.55
Hooper Holmes	1,032,822	828,286	24.69
Indentix Inc.	1,241,599	1,279,465	- 2.96
Internet Holdrs Tr	3,163,550	3,107,890	1.79
iShares MSCI Mexico	2,005,032	2,058,464	- 2.60
iShares MSCI Taiwan	1,111,483	1,182,015	- 5.97
iShares MSCI UK	71,920	793,733	-90.94
iShares S&P500	1,815,197	1,138,255	59.47
iSharesMSCI Japan	1,088,569	776,674	40.16
Ivax Corp	6,758,079	7,387,020	- 8.51
Keane Inc	1,317,039	1,209,403	8.90
Metromedia Inter	3,918,476	3,961,527	- 1.09
Nabor Indus Inc.	10,054,415	9,649,077	4.20
Nasdaq-100 Trust	43,061,899	51,574,112	-16.50
Organogenesis Inc	3,112,218	3,559,415	-12.56
S&P MidCap	2,428,659	3,661,636	-33.67
Semtech Corp	1,675,540	1,860,000	- 9.92
Seven Seas Petrole	2,203,375	2,253,031	- 2.20
SPDR	15,145,106	14,877,818	1.80
SPDR Enrgy Sel XLE	4,328,985	1,511,584	186.39
SPDR Fin Selct XLF	3,269,081	720,753	353.56
Technology Select	2,635,189	2,583,329	2.01
Trans World Airlin	9,233,693	9,673,034	- 4.54
U.S. Cellular Corp	3,693,788	4,688,187	-21.21
Xcelera.Com Inc	1,997,525	2,090,663	- 4.45

t-Possibly involved in arbitrage. s-Stock split or dividend in current month only. n-New security. r-Previous month revised.

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THE WALL STREET JOURNAL.

Short Interest Highlights

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2000 年 10 月 20 日
The Wall Street Journal
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英文

Corrections & Amplifications

SHORT INTEREST for Brascan Corp. on the American Stock Exchange on Oct. 13 totaled 1,500,061 shares, up 6,225 shares from the previous report, with a short-interest ratio of 241 days to cover. The short-interest table in Friday's edition incorrectly attributed the figures to Blackrock 1999, an issue no longer traded, in the table of "largest short interest ratios." (WSJ Oct. 23, 2000)

NYSE AND AMEX SHORT-SELLING HIGHLIGHTS
LARGEST SHORT POSITIONS

Rank	Oct 13	Sep 15	Change
NYSE			
1 Sprint Corp PCS	66,415,612	74,456,483	-8,040,871
2 Citigroup Inc	59,637,216	49,068,672	10,568,544
3 Conseco Inc	59,353,764	66,583,520	-7,229,756
4 Disney (Walt)	58,335,995	56,281,733	2,054,262
5 Nortel Networks	53,909,149	49,342,343	4,566,806
6 VodafoneGroPlcAd	51,661,895	47,106,170	4,555,725
7 America Online Inc	49,938,130	56,219,225	-6,281,095
8 Motorola Inc	43,513,358	37,351,171	6,162,187
9 Rite Aid Corp	41,647,092	37,854,017	3,793,075
10 Lucent Techs	39,733,955	30,721,305	9,012,650
11 AT&T Corp	39,382,017	45,378,252	-5,996,235
12 Deutsche Telkom AG	38,821,574	27,056,296	11,765,278
13 Dow Chemical	35,187,991	33,674,653	1,513,338
14 HCA-Healthcare Co.	34,518,092	32,378,947	2,139,145
15 Wal-Mart Stores	33,995,355	35,030,387	-1,035,032
16 Chase Manhattan	30,865,889	7,336,920	23,528,969
17 Adv Micro Dev Inc.	30,368,955	25,631,649	4,737,306
18 General Electric	27,419,114	27,622,049	-202,935
19 Telefonos Mex Serl	27,175,400	28,008,846	-833,446
20 Wells Fargo Co	26,907,461	23,438,098	3,469,363
AMEX			
1 Nasdaq-100 Trust	43,061,899	51,574,112	-8,512,213
2 SPDR	15,145,106	14,877,818	267,288
3 Nabor Indus Inc.	10,054,415	9,649,077	405,338
4 Trans World Airlin	9,233,693	9,673,034	-439,341
5 Ivax Corp	6,758,079	7,387,020	-628,941

LARGEST CHANGES

	Oct 13	Sep 15	Change
NYSE			
POSITIVE			
1 Chase Manhattan	30,865,889	7,336,920	23,528,969
2 Federal-Mogul	18,858,451	4,338,848	14,519,603
3 Deutsche Telkom AG	38,821,574	27,056,296	11,765,278
4 Citigroup Inc	59,637,216	49,068,672	10,568,544
5 Lucent Techs	39,733,955	30,721,305	9,012,650
6 Tyco Intl	25,881,088	17,064,93	48,816,154
7 NiSource Inc	18,143,636	11,517,53	96,626,097
8Motorola Inc	43,513,358	37,351,17	16,162,187

NEGATIVE

1 Sprint Corp PCS	66,415,612	74,456,483	-8,040,871
2 Conseco Inc	59,353,764	66,583,520	-7,229,756
3 America Online Inc	49,938,130	56,219,225	-6,281,095
4 AT&T Corp	39,382,017	45,378,252	-5,996,235
5 Compaq Computer	20,483,166	26,301,585	-5,818,419
6 ClearChannelCommun	14,613,705	20,108,201	-5,494,496
7 Micron Technology	12,028,233	16,242,673	-4,214,440
8 Limited Inc	7,468,738	11,520,926	-4,052,188

AMEX

POSITIVE

1 SPDR Enrgy Sel XLE	4,328,985	1,511,584	2,817,401
2 SPDR Fin Selct XLF	3,269,081	720,753	2,548,328
3 SPDR Cycl/Trans	1,643,780	232,040	1,411,740
4 Biotech Holdrs Tru	3,194,219	2,195,468	998,751
5 iShares S&P500	1,815,197	1,138,255	676,942

NEGATIVE

1 Nasdaq-100 Trust	43,061,899	51,574,112	-8,512,213
2 S&P MidCap	2,428,659	3,661,636	-1,232,977
3 U.S. Cellular Corp	3,693,788	4,688,187	-994,399
4 iShares MSCI UK	71,920	793,733	-721,813
5 Ivax Corp	6,758,079	7,387,020	-628,941

LARGEST SHORT INTEREST RATIOS

The short interest ratio is the number of days it would take to cover the short interest if trading continued at the average daily volume for the month.

	Oct 13 Short Int.	Avg Dly Vol-ac	Days To Cover
NYSE			
1 Philippine LdTel-G	1,839,900	1,605	1,146
2 Madeco Adr	4,170,300	15,335	272
3 Quebecor World Inc	1,181,093	5,715	207
4 Comp Cerv Unidas	4,161,100	29,225	142
5 Co Siderurgica ADS	4,034,006	31,815	127
6 Royal Group Techno	3,081,090	26,165	118
7 Compnha Vle DoRioD	14,830,873	151,035	98
8 FltchrChlBlgADS	2,000,900	24,150	83
9 Advocat Inc.	1,945,200	29,375	66
10 Vector Group LTD	1,577,345	25,530	62
11 TelecomNZ ADR	4,108,655	65,915	62
12 Revlon Inc. Cl A	3,400,272	58,330	58
13 Total Sys Svcs	1,735,756	29,905	58
14 Nova Chemicals	1,225,518	21,895	56
15 Penn Treaty Americ	954,091	18,175	52
16 Chiquita Brands	3,827,179	78,880	49
17 Aviation Sales	2,563,891	54,405	47
18 Coachmen Indus	1,133,375	24,055	47
AMEX			
1Blackrock 1999 Ter	1,500,061	6,225	241
2BioTime Inc	1,441,606	22,630	64
3iShares MSCI Mexico	2,005,032	33,160	60
4Hemispherx Biophar	3,584,269	64,320	56
5Alterra Healthcare	2,493,147	73,055	34

a -- Includes securities with average daily volume of 20,000 shares or more.

n -- New.

r -- Revised.

Issues that split in the latest month are excluded.

The largest percentage increase and decrease sections are limited to issues with previously established short provisions in both months.

Largest % Increases

Rank	Oct 13	Sep 15	%
NYSE			
1 Conectiv	2,802,595	264,949	957.8
2 Gulf Canada Resour	3,368,086	341,607	886.0

3 GPU Inc	1,808,172	381,978	373.4
4 Federal-Mogul	18,858,451	4,338,848	334.6
5 Chase Manhattan	30,865,889	7,336,920	320.7
6 Alliant Energy	1,306,216	364,477	258.4
7 Gabelli Eqty Tr	964,100	284,662	238.7
8 AmbacFinlGrp	984,589	299,174	229.1
9 Vivendi	4,806,932	1,559,812	208.2
10 JohnsonControls	1,081,475	379,814	184.7
11 Analog Devices Inc	5,289,947	1,893,027	179.4
12 Scana Corp	1,629,705	625,838	160.4
13 Intl Game Tech	2,519,920	1,032,534	144.1
14 Korea Telecom	1,121,799	459,884	143.9
15 Paine Webber Grp	1,957,592	841,000	132.8
16 Rockwell Intl	3,774,401	1,663,914	126.8
17 SunGard Data Systm	3,930,772	1,762,217	123.1
18 Pitney Bowes	4,653,647	2,090,339	122.6
19 United Technolgies	4,558,864	2,051,191	122.3
20 Furniture Brands	1,208,087	545,090	121.6
AMEX			
1 SPDR Cycl/Trans	1,643,780	232,040	608.4
2 SPDR Fin Selct XLF	3,269,081	720,753	353.6
3 SPDR Enrgy Sel XLE	4,328,985	1,511,584	186.4
4 iShares S&P500	1,815,197	1,138,255	59.5
5 Biotech Holdrs Tru	3,194,219	2,195,468	45.5

Largest % Decreases

	Oct 13	Sep 15	%
NYSE			
1 Pearson PLC	146,001	1,240,855	-88.2
2 Energy East Cp-Hld	114,351	936,646	-87.8
3 Repsol YPE S.A.Ads	379,705	2,136,419	-82.2
4 Homestake Mining	939,550	4,797,345	-80.4
5 Northeast Util	250,892	1,263,620	-80.1
6 UltramarDiamondShm	353,513	1,408,915	-74.9
7 Unicom Corp	775,030	2,564,199	-69.8
8 Ahold NV ADS	474,805	1,483,099	-68.0
9 Nabisco Grp Hldgs	489,992	1,483,293	-67.0
10 Praxair Inc	700,894	1,877,167	-62.7
11 Scientific-Atlanta	732,349	1,914,601	-61.7
12 TXU Corp	2,328,336	6,079,240	-61.7
13 Lincoln Natl Corp	1,079,785	2,799,976	-61.4
14 Stora Enso Oyj	1,066,432	2,764,438	-61.4
15 OGE Energy Corp	1,180,221	2,946,598	-59.9
16 Taiwan Semi	2,525,063	6,088,230	-58.5
17 Fox Entertainment	1,214,996	2,899,208	-58.1
18 Intrstate Bakeries	537,136	1,263,873	-57.5
19 Sherwn-Williams	729,687	1,694,424	-56.9
20 Hillenbrand Indus	657,187	1,453,999	-54.8
AMEX			
1 iShares MSCI UK	71,920	793,733	-90.9
2 S&P MidCap	2,428,659	3,661,636	-33.7
3 U.S. Cellular Corp	3,693,788	4,688,187	-21.2
4 Diamonds Trust	1,981,893	2,375,294	-16.6
5 Nasdaq-100 Trust	43,061,899	51,574,112	-16.5

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Voices
Voices Events with... Phillip H. Perelmuter
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Phillip H. Perelmuter, portfolio manager of Hartford MidCap Fund participated in a Voices Event on Sept. 27, 2000. The following is a transcript of that event, which has been edited for clarity.

WSJ_Host: Welcome to Voices Events with Philip H. Perelmuter, portfolio manager of the Hartford MidCap Fund. I'm your host Ravina Khosla.

PPerelmuter: Hi, it's good to be here today.

WSJ_Host: Let's just get right to the questions from the audience...

FinLover: My broker tells me that Mid Cap stocks have outperformed the S&P for the last 10 years. Is this true?

PPerelmuter: You are pretty insightful. I thought it was a well kept secret that the S&P mid cap 400 index has outperformed the S&P500 over not only the last 10 years but also the last 1, 2, and 3 years. Through the end of August, the S&P MidCap 400 is up 21.1% per year over the last ten years versus 19.5% for the S&P 500.

nancy lieber: Are midcaps going to continue to outperform? How long? Why?

PPerelmuter: As a mid cap manager, I sure hope so! The reasons that mid cap stocks have outperformed in the past continue to be true today. I think the factors are fast earnings growth, relatively low price volatility versus small caps and attractive relative valuation versus large cap stocks. Over the past 10 years, mid cap stocks have had the same P/E ratio as large cap stocks and today -- even after their good performance -- they still trade at a 20% discount to large caps.

chloe: I read today that some mutual funds will be sending out estimates of the year's taxable capital-gains distributions a month early. Will you as well and why are others doing this?

PPerelmuter: Because we at Wellington Management are sub-advisers to Hartford, we are responsible for managing the portfolio only. Please ask your financial advisor or call Hartford because they're better equipped to answer that question.

FinLover: How do you define mid cap stocks and what percent of your holdings fall within that range?

PPerelmuter: We define mid cap as stocks ranked between 250 and 1000 in the overall stock market. Today, that range is roughly $2 billion to $10 billion. We currently have about 75% of the portfolio invested in stocks in that $2 to $10 billion market cap range. Last we checked, that put us in the top 5% of all mid cap funds in "style purity."

cjchase: Are there some midcap stocks that you find particularly appealing right now?

PPerelmuter: Amongst our top ten holdings are American Tower, Rational Software, Manpower, and R&B Falcon. Our top ten holdings much like the rest of our portfolio are well-diversified amongst several different sectors of the market.

379med: Which industries do you feel mid caps are best positioned to fair well in the coming 3-5 years?

PPerelmuter: At this point, we have fewer big sector bets than at any other point in the last three years because no sector of the market appears broadly undervalued. As far as themes go, we continue to own a number of different companies benefiting from the trend towards outsourcing. For example, we own Iron Mountain, the leading document storage company; Cintas, the largest uniform rental company, State Street, the largest mutual fund processor and Manpower, the second largest temporary help company in the world. The outsourcing trend should continue regardless of the economic environment we are in.

WSJ_Host: I see that Dollar General is in your top 10 holdings...

FinLover: What do you think about Dollar General?

PPerelmuter: Dollar General is one of less than 10 companies to deliver 12% or better earnings growth each of the last ten years. Their strategy makes sense, has worked in the past, and will continue to do well going forward. The stock was down 14% yesterday on disappointing short term same store sales. We think this is a very good buying opportunity.

WSJ_Host: What about the retail sector as a whole?

PPerelmuter: We are overweight the retail sector. The stocks as a group have performed poorly for the last 18 months. The Fed is close to or done raising rates, so year over year comparisons should improve in about six months, and the stocks are at very low valuations.

WSJ_Host: I see you were also overweight in the technology sector at the end of June. Is that still the case?

PPerelmuter: Actually, we are currently very slightly underweight in technology today. We trimmed some positions as some of the pillars of technology appeared to be slowing, such as wireless, Internet infrastructure, and PCs.

feedr: Do you think that some of the Net stocks which have suffered spectacular falls in recent weeks are capable of mounting any kind of a comeback?

PPerelmuter: In the Internet sector, there will continue to be very few big winners and many big losers. Our only pure Internet stock which, fortunately, has not had a spectacular fall in the last several weeks, is Homestore.com. Homestore.com is attacking a very large market, have a very good management team in place, has a fully funded balance sheet and is already delivering over 75% gross margins.

Rahulb: IPO's came back in full swing today, does that change your strategy in the near future?

PPerelmuter: No...I think there is no correlation between how IPOs do in any given day, week, or month, and what the stock market is going to do over the next year.

chloe: Can you speak at all about the reasons that the pillars of technology, as you put it -- wireless, Internet infrastructure and PCs -- are slowing?

PPerelmuter: No, because we're trying to fully understand it ourselves. Although economic growth slowing in the US and in Europe clearly doesn't help.

Gerda: How are your holdings in the financial sector?

PPerelmuter: We have been underweight banks for some time while being overweight insurance and brokerage companies. The fundamentals at the insurance companies and brokerage firms continue to be reasonably good and the troubles plaguing the banks are still in place.

cjchase: Have you identified any potential takeover targets in the financial services arena?

PPerelmuter: Our focus is on buying companies that are well positioned in good industries not on speculating on potential takeovers. Sometimes speculating on takeovers could be a very profitable strategy, but that's not our approach. Our biggest holdings in the financial sector are State Street, Ace Ltd., and MBIA.

FinLover: When you buy a stock for the "Hartford MidCap Fund", what criteria do you look for outside of sectors?

PPerelmuter: We're looking for companies that we think are on the "Verge of Greatness", meaning they have established critical mass, are #1 or #2 in their industry, have a management team we have high confidence in, and have the potential to be much bigger in three to five years.

rhelming: What are your thoughts on the telecom sector?

PPerelmuter: Growth is slowing within the telecom sector, however, we still have some exposure to this sector because it is still growing faster than the economy as a whole. For example, our largest holding is American Tower, the largest owner of wireless communication towers in the country. Regardless of which service provider is winning the battle for customers or which handset company has the hottest handset, we think they will all need more space on towers and most of the incremental rent paid to American Tower is profits.

feedr: Do you think the SEC's fair disclosure ruling has had a negative impact on stocks? Should it review or revise its ruling?

PPerelmuter: I do not think Reg FD has had a negative impact on stocks. Stocks trade based on their earnings prospects, not based on a rule from the SEC. We at Wellington Management Company think that our thorough, long-term oriented fundamental research will thrive in this environment.

Bro: Do you expect the consolidation to continue in the financial sector? Do you expect consolidation fever to hit any other sectors?

PPerelmuter: Consolidation probably will continue in the financial services sector. Based on current prices in the telecom sector, there may be some consolidation there in the future.

chloe: What sort of effect do you think the presidential election will have on your portfolio? Will one candidate hurt or help more than the other?

PPerelmuter: I really haven't paid much attention to how the election might impact the portfolio. As I heard Warren Buffett once say, "I pay attention to what is important and knowable." And the outcome of the election is unknowable.

WSJ_Host: Do you think most investors are concerned about the outcome or are they more apathetic?

PPerelmuter: I have no idea, however, the current cash flows into our fund indicate that people are not terribly worried about the election's outcome.

spaced: Given the volatility of the markets, do you think that more investors are turning to mid cap stocks and funds as a hedge against market turbulence?

PPerelmuter: I think that mid cap stocks have several great attributes, such as strong earnings growth, relatively low volatility and attractive valuation. However, make no mistake, if the market experiences a significant downturn, mid cap stocks will not come out unscathed.

FinLover: How many names do you hold in the "Hartford MidCap Fund" and what level of turnover do you shoot for?

PPerelmuter: We currently own 90 companies and that has ranged between 80 and 90 over the past three years. Our turnover over the past three years has averaged 100% per year. Over the past year, the turnover has been slightly higher -- 130% -- because of market volatility presenting us with opportunities to buy and sell stocks sooner than we expected. Going forward, I would expect the turnover over the next three years to average 100% as it has over the last three.

Didi: How do you expect the President's announcement to release oil reserves will impact the energy stocks in the short term and long term?

PPerelmuter: Short term oil prices have come down, and the energy stocks have hung in okay. Long term his move is relatively insignificant in its potential impact on oil prices, and, therefore, oil stocks.

WSJ_Host: What are some your holdings in the energy sector?

PPerelmuter: Our holdings include Anadarko Petroleum, R&B Falcon, Nabors Industries, and Varco International.

WSJ_Host: What is the outlook on those holdings?

PPerelmuter: Our outlook is for oil to remain above $20 a barrel and natural gas to stay above $3 per mcf. In that environment, energy stocks and in particular the oil drillers should do fairly well.

WSJ_Host: The health sector funds were up 10.98% in the third quarter? How did your holdings in this sector perform?

PPerelmuter: Health care is one of our five sectors of opportunity where the bulk of the portfolio is invested. Some of our health care holdings were up over 20% in the quarter, such as Human Genome Science, Health Management Associates and Quest Diagnostics.

FinLover: In this day and age, are mid cap stocks a good replacement for small cap? What percent of my portfolio should be in midcap?

PPerelmuter: As a mid cap manager, I'm biased so I'd say...100% of your portfolio! Seriously, I think mid cap stocks are a good replacement for small cap stocks because their valuations are comparable and the earnings growth of mid cap stocks has been higher. Maybe in today's age, where because of free trade there are more global opportunities and also in a time when investing in technology to make your company more efficient is extremely important, mid cap companies have the assets available to take advantage of both opportunities.

FinLover: What are your "five sectors of opportunity" in the Hartford MidCap Fund?

PPerelmuter: Our five sectors of opportunity are technology, health care, consumer products, services, and telecommunications. These are the sectors of the market that we believe will be the fastest growing over the next 18 months.

WSJ_Host: Thanks for joining us this afternoon, Phil.

PPerelmuter: It was a pleasure.

文件 WSJO000020250623dw9r0095r

SSB Citi Fund Management To Run Managed Sectors Fund

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2000 年 6 月 9 日 23:29
Federal Filings Newswires
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ISSUER: FEDERAL FILINGS BUSINESS NEWS
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WASHINGTON (FFBN)--SSB Citi Fund Management LLC is planning to advise a new open-end fund under the Smith Barney Shearson Investment Funds Inc. series, according to a filing Thursday with the Securities and Exchange Commission.

The proposed Smith Barney Managed Sectors Fund will seek capital appreciation and will also seek to outperform the Standard & Poor's 500 Index. The fund will invest 80% of its total assets in common stocks that comprise the sectors of the S&P 500 Index that have been determined by the use of the Smith Barney Group Spectrum Allocation Model as likely to outperform the entire S&P 500 Index.

The Allocation Model tracks the sectors that comprise the S&P500 Index, which now numbers more than 100 and employs technical analysis of each sector in compiling on a weekly basis a "buy," "hold," "avoid" or "sell" recommendation for each such sector, the filing said.

The filing didn't specify the portfolio manager for the fund.

The fund will offer Class A, Class B, Class L and Class Y shares. Class A shares will have a maximum front-end load fee of 5% and Class L shares will have a 1% fee. Class B shares will have a maximum closed-end fee of 5% and Class L shares will have a 1% fee. The filing didn't disclose the management fee, however, it noted that Class A shares will have a 0.25% distribution fee and Class B and Class L shares will each have a distribution fee of 1%. Class Y shares won't carry any load fees or a distribution fee.

For general accounts, the minimum initial investment for Class A, Class B and Class L shares is $1,000 and $15 million for Class Y shares. Minimum subsequent investments are $50 each.

New York-based SSB Citi Fund Management LLC is a wholly owned subsidiary of Salomon Smith Barney Holdings Inc., which in turn, is a wholly owned subsidiary of Citigroup Inc (C).

-Marc A. Wojno; 202-628-9792

18:29

文件 ff00000020010806dw6900fj3

Altera To Replace Atlantic Richfield In S&P500 Index

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NEW YORK -(Dow Jones)- Altera Corp. (ALTR) will replace Atlantic Richfield Co. (ARC) -- which is being acquired by BP Amoco PLC (BPA), in the S&P 500 Index on a date to be announced.

In a press release Wednesday, Standard and Poor's said Micrel will replace Altera Corp. in the S&P MidCap 400 Index, and SCP Pool Corp. (POOL) will replace Micrel in the S&P SmallCap 600 Index.

EMC Corp. (EMC) will take the place of Atlantic Richfield in the S&P 100 Index, according to Standard & Poor's, a division of McGraw-Hill Cos. (MHP).

Banyan Systems Inc. (BNYN) will replace NFO Worldwide Inc. (NFO) in the S&P SmallCap 600 Index after the close of trading Tuesday. Interpublic Group of Cos. (IPG) is acquiring NFO Worldwide, subject to shareholder approval.

Administaff Inc. (ASF) will replace TCBY Enterprises Inc. (TBY) in the S&P SmallCap 600 Index after the close of trading April 20. TCBY is being acquired by Capricorn Investors.

In addition, Standard & Poor's said it won't any changes to the S&P 500 Index regarding Times Mirror Co. (TMC) upon the completion of the first step of a two-step tender offer for the company by Tribune Co. (TRB). The first step of the tender offer -- for 28 million or 46.7% of Times Mirror's shares -- is scheduled to expire Monday.

-Ralph Tasgal; Dow Jones Neswires; 201-938-5400

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Transcript Of Letter From Tiger Mgt's Robertson To LPs

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2000 年 3 月 30 日 20:03
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英文

The following is a transcript of a letter sent to limited partners of Tiger Management LLC by fund leader Julian H. Robertson, Jr.:

In May of 1980, Thorpe McKenzie and I started the Tiger funds with total capital of $8.8 million. Eighteen years later, the $8.8 million had grown to $21 billion, an increase of over 259,000%. Our compound rate of return to partners during this period after all fees was 31.7%. No one had a better record.

Since August of 1998, the Tiger funds have stumbled badly and Tiger investors have voted strongly negatively with their pocketbooks, understandably so. During that period, Tiger investors withdrew some $7.7 billion of funds. The result of the demise of value investing and investor withdrawals has been financial erosion, stressful to us all. And there is no real indication that a quick end is in sight.

And what do I mean by "there is no quick end in sight."? What is "end" the end of? "End" is the end of the bear market in value stocks. It is the recognition that equities with cash-on-cash returns of 15% to 25% regardless of their short-term market performance are great investments. "End" in this case means a beginning by investors overall to put aside momentum and potential short-term gain in highly-speculative stocks to take the more assured, yet still historically high returns available in out of favor equities.

There is a lot of talk now about the new economy (meaning Internet, technology and telecom). Certainly, the Internet is changing the world and the advances from biotechnology will be equally amazing. Technology and telecommunications bring us opportunities none of use have dreamed of. "Avoid the old economy and invest in the new economy and forget about the price," proclaim the pundits. And in truth, that has been the way to invest over the last 18 months.

As you have heard me say on many occasions the key to Tiger's success over the years has been a steady commitment to buying the best stocks and shorting the worst. In a rational environment this strategy functions well. But in an irrational market, where earnings and price considerations take a back seat to mouse clicks and momentum, such logic, as we have learned, does not count for much.

The current technology, Internet and telecom craze, fueled by the performance desires of investors, money managers and even financial buyers, is unwittingly creating a Ponzi pyramid destined for collapse. The tragedy is, however, that the only way to generate short-term performance in the current environment is to buy these stocks. That makes the process self-perpetuating until the pyramid eventually collapses under its own excess.

I have great faith, though, that "this, too, will pass." We have seen manic periods like this before and I remain confident that despite the current disfavor in which it is held, value investing remains the best course.

There is just too much reward in certain mundane old economy stocks to ignore. This is not the first time that value stocks have taken a licking. Many of the great value investors produced terrible returns from 1970 through 1975 and from 1980 to 1981, but then they came back in spades.

The difficulty is predicting when this change will occur and in this regard I have no advantage. What I do know is that there is no point in subjecting our investors to risk in a market. which I frankly do not understand. Consequently, after thorough consideration I have decided to return all capital to our investors effectively bringing down the curtain on the Tiger funds. We have already largely liquefied the portfolio and plan to return assets as outlined the attached plan.

No one wishes more than I that I had taken this course earlier. Regardless, it has been an enjoyable and rewarding 20 years. The triumphs have by no means been totally diminished by the recent setbacks. Since inception, an investment in Tiger has grown 85-fold, net of fees; more than three times the average of the S&P500, and five-and-a-half times that of the Morgan Stanley Capital International World Index. The best part, by far, has been the opportunity to work closely with a unique cadre of coworkers and investors.

For every minute of it, the good times and the bad, the victories and the defeats, I speak for myself and a multitude of Tigers, past and present, who thank you from the bottom of our hearts.

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THE WALL STREET JOURNAL.

Monthly Mutual Funds Review: Mutual-Fund Performance Yardsticks

662 字
2000 年 3 月 6 日
The Wall Street Journal
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R8
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How Lipper Indexes Stack Up

INVESTMENT OBJECTIVE	FEB.	YEAR TO-DATE	1 YEAR	3 YEARS	5 YEARS
	------- ON A TOTAL-RETURN BASIS -------		------ ANNUALIZED ------		
GENERAL STOCK FUNDS					
Large-Cap Core	- 0.03%	- 4.07%	+ 14.14%	+ 1.23%	+23.00%
Large-Cap Growth	+ 5.26	+ 1.03	+ 33.38	+31.26	+29.90
Large-Cap Value	- 4.21	- 8.25	+ 2.32	+13.38	+18.71
Midcap Core	+16.62	+15.39	+ 59.88	+24.73	+22.94
Midcap Growth	+25.06	+22.91	+120.56	+40.91	+32.59
Midcap Value	+ 2.79	- 2.59	+ 15.80	+ 8.87	+13.49
Multicap Core	+ 3.85	+ 0.92	+ 22.69	+20.47	+22.56
Multicap Growth	+15.99	+14.81	+ 67.00	+36.22	+31.31
Multicap Value	- 5.26	- 9.35	- 2.02	+ 7.33	+14.26
Small-Cap Core	+14.10	+11.91	+ 47.55	+16.73	+18.53
Small-Cap Growth	+29.30	+27.95	+122.79	+34.58	+29.11
Small-Cap Value	+ 2.91	- 1.01	+ 11.36	+ 5.82	+11.17
Equity Income	- 5.63	- 9.21	- 3.50	+ 8.55	+14.40
S&P500 Fund	- 1.92	- 6.87	+ 11.38	+21.46	+24.83
Sector Funds					
Science & Tech.	+26.94	+25.61	+165.60	+63.17	+46.38
Health/Biotech	+13.86	+21.99	+ 35.97	+24.73	+25.99
Financial Services	- 9.69	-13.82	- 16.52	+ 5.47	+17.02
Natural Resources	+ 1.47	- 2.86	+ 43.03	+ 6.32	+12.35
Utility	+ 0.29	+ 2.14	+ 21.38	+19.46	+18.26
Real Estate	- 1.72	- 2.58	- 2.19	- 2.70	N.A.
World Stock Funds					
International	+ 6.60	+ 0.36	+ 41.13	+17.90	+17.23
Emerging Market	+ 2.98	+ 1.78	+ 77.06	+ 0.42	+ 5.99
European	+13.78	+10.11	+ 42.09	+26.26	+24.19
Global	+ 6.18	+ 2.04	+ 37.58	+20.09	+19.40
Pacific (excl. Jap)	+ 1.64	+ 0.48	+ 84.63	- 1.80	+ 3.07
Pacific	- 0.26	- 5.23	+ 72.51	+ 6.46	+ 6.54
Mixed Equity					
Balanced	- 0.24	- 2.75	+ 6.88	+12.34	+14.73
Global Flexible	+ 5.56	+ 3.41	+ 28.17	+14.71	+15.72
FIXED INCOME					
General Bond	+ 1.06	+ 0.54	+ 1.26	+ 5.02	+ 7.61
General U.S. Gov't	+ 1.27	+ 0.96	- 0.13	+ 4.81	+ 5.83
General U.S. Trea.	+ 2.40	+ 3.47	- 0.80	+ 5.91	+ 6.78
Global Income	+ 0.83	- 0.82	- 1.21	+ 2.31	+ 6.27
GNMA	+ 1.23	+ 0.35	+ 1.05	+ 5.09	+ 6.32
High Yield Bond	+ 0.71	+ 0.21	+ 3.56	+ 4.96	+ 8.66

BENCHMARKS FOR MUTUAL-FUND INVESTORS

INVESTMENT OBJECTIVE	FEB.	YEAR TO-DATE	1 YEAR	3 YEARS	5 YEARS
	------- ON A TOTAL-RETURN BASIS -------		------ ANNUALIZED ------		
DJIA (w/divs.)	- 7.25	-11.70	+ 10.49	+15.67	+22.66

S&P 500 (w/divs.) - 1.89 - 6.82 + 11.73 +21.76 +25.13
N.A.: Not applicable
Source: Lipper

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SMARTMONEY.COM DAILY SCREEN: Laughing At Interest Rates

By Matthew Goldstein
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Smartmoney.com

(This repeats an article originally published late Friday.)

NEW YORK (Dow Jones)--Wall Street has a case of the interest rate jitters.

Even though there's nary a sign of inflation on the horizon, the yield on the 30-year Treasury bond has been hitting levels it hasn't seen in 30 months. And there's little doubt now that the Federal Reserve's policy-making committee will raise interest rates when it meets Feb. 2.

Fed chairman Alan Greenspan and his colleagues seem intent on boosting interest rates to tame the economy's torrid growth and keep inflation in check. Most Fed watchers are expecting Greenspan & Co. to raise rates by one-quarter of a percentage point at the next meeting. And despite Greenspan's comments in a speech Thursday night that suggested the Fed might be less aggressive in hiking rates than some have feared, additional rate hikes may still be in the offing for later this year.

All this uncertainty over interest rates is creating quite a headache for active traders, particularly investors who buy and sell highflying Internet stocks. Some of the recent volatility on the tech-heavy Nasdaq Stock Market (up 155 points one day, down 128 the next) reflects investor unease over rising rates. New companies with little or no earnings -- a description that pretty much applies to the entire dot-com sector -- are particularly vulnerable to any hint of economic slowdown and often find it difficult to raise new financing when interest rates go up.

'Theoretically, companies without earnings -- companies dependent on new financing -- you would think they would be hit,' says Lisa Cullen, a Merrill Lynch vice president and investment strategist.

But note that Cullen says 'theoretically.' Even though Internet stocks are mostly trading lower so far this year, those stocks are coming down from record gains last year. Interest rates would need to rise an awful lot before investors end their love affair with Internet stocks. Some economists say the economy is so strong that rising rates are still an abstraction to many retail investors. It won't be until investors feel the impact of rising rates on their wallets -- in terms of higher credit card bills and steeper mortgage payments -- that they will really start changing their investment decisions.

'Interest rates are going up because we are in good times,' says Steven Wieting, an economist with Citigroup's Salomon Smith Barney. 'The high P/E [price-to-earnings] stocks are the ones that are supposed to be falling. But there's been no sea change. The further and further we get away from the last recession, people can't remember the last time they had a bad year.'

Yet there will come a time when investors start taking the threat of rising interest rates to heart and look for equity investments that can ride them out. Corporate borrowing is at an all-time high, and any increases in the cost of servicing that debt could begin to crimp earnings. Indeed, Greenspan noted in his speech that corporate borrowing costs had increased by about a percentage point over the past two years. This screen looks for companies whose strong balance sheets render them relatively immune to such rising costs. 'Generally, the areas hurt by rising rates are financials, housing and consumer durable goods,' says Cullen. 'Companies that have heavy debt loads are going to be hurt.'

Maybe such concerns are one reason investors in America Online (AOL) have reacted with something less than glee to the online service provider's $165 billion megamerger with Time Warner (TWX). If there's one thing a media and cable giant like Time Warner has, it's a lot of debt. Analysts estimate that the merged company will carry a debt load of more than $15 billion, with most of that coming from Time Warner. AOL shares are down about 11% since the merger announcement.

The 23 companies on this list all have healthy balance sheets, with debt levels lower than the mean for the Standard & Poor's 500. They also boast good cash flow and positive earnings. And companies like Dell Computer (DELL), Texas Instruments (TXN), Applied Material (AMAT) and Eli Lilly (LLY) all make the kinds of things that consumers and businesses want and need. The market for core products like pharmaceuticals, computers, semiconductors and telecommunications equipment isn't likely to evaporate anytime soon -- even if interest rates go higher.

The companies in this screen also should have no problem withstanding a modest rise in rates because none of them is heavily leveraged. In this screen, we looked for companies that had debt-to-capital levels below the S&P 500 mean. Even more important, each of these businesses has a good current ratio, which serves as a barometer of a company's ability to pay its short-term debt. To calculate the current ratio, divide a company's current assets by its current liabilities. A company that has no problem covering its short-term debts has less to worry about from the Fed.

But be warned -- some of our companies have not performed well when it comes to their stock prices. Six of them, including Eli Lilly, Franklin Resources (BEN) and 3Com (COMS), saw their stock prices either decline last year or not rise as high as the rest of the S&P500. That's what happens to so-called value investments when more money can be made investing in companies with lots of promise but little profit. And while there are a few highflying technology companies on our list, such as Qualcomm (QCOM), most of these companies posted more modest stock gains, ranging anywhere from 15% to 54%.

So, if worries about interest rates are keeping you up at night, relax. The economy's not about to go in the tank. If you're still worried, rest assured that there are companies out there that have less to fear from whatever Greenspan & Co. do next month.

For more information and analysis of companies and mutual funds, visit SmartMoney.com at http://www.smartmoney.com/

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SMARTMONEY.COM DAILY SCREEN: Laughing At Interest Rates

By Matthew Goldstein
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Smartmoney.com

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