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## Stock picks by the pros Stock strategists see upside to companies in the drug, defense and semiconductor sectors.

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**NEW YORK (CNN/money) - Stocks reversed early losses Wednesday and moved higher after Iraq agreed to U.N. resolution to admit weapons inspectors into the country.**

"We are eager to see them [the inspectors] perform their duties in accordance with international law," said Mohammad Al-Douri, Iraqi ambassador to the United Nations. "We are [prepared to receive the inspectors](#) within the assigned timetable."

For those looking to enter the markets after Iraq's acceptance of the U.N. resolution, two stock strategists appeared on CNNfn to suggest some stocks in the semiconductor, pharmaceutical and defense sectors.

**Don Peters**, portfolio manager with T. Rowe Price, likes Northern Trust for a play in the financial services industry.

"The company is in a very strong competitive position in the high net worth space and it has a very attractive valuation," he said. "It's a franchise business and a stock that will do well when the capital markets start to rise."

Peters' second selection is Pfizer. "This is a very attractive pharmaceutical company selling at a very reasonable valuation," he added. "It has a 1.5 percent yield and is trading at 18.2 times 12-month forward earnings."

Maxim Integrated Products makes the list as Peters' final pick. "This is an analog semiconductor company and it recently initiated a dividend," he said. "It is in a very strong competitive position and has a high return on its capital business."

Funds under Peters' management own stakes in the companies mentioned.

[Northern Trust](#) ([NTRS](#): up \$0.56 to \$35.66, [Research](#), [Estimates](#)) shares are in a 52-week range of \$62.67 to \$30.41.

Shares of [Pfizer](#) ([PFE](#): down \$0.52 to \$33.05, [Research](#), [Estimates](#)) have been between \$44.04 and \$25.13 in the past year.

[Maxim Integrated Product](#) ([MXIM](#): up \$0.53 to \$34.54, [Research](#), [Estimates](#)) shares are in a

52-week range of \$62.67 to \$20.75.

**Michael Painchaud**, director of research for Market Profile Theorems, says insider buying points to a positive for shares of General Dynamics.

"Our modeling process for General Dynamics in the insider area has improved dramatically, and we also have accelerating earnings model expectations. So for those two reasons, in a very growth sense, we like General Dynamics," he said. "Whether or not there's a war, that's kind of irrelevant relative to the way that we do our modeling process. Insiders are looking at this positively, and I'm seeing improvement in the earnings picture."

Painchaud's second pick is Disney. "The positive recommendation in that area comes from two sources. One is our summary model, which combines all of our models, which include insider, the analyst behavior style that is growth versus value, and technical," he noted. "The insider is the strongest one of these, however, with some nice insider buying occurring at the lows around \$14, \$14.50 a couple of months ago, and that signal remains in effect, so we like Disney."

Painchaud does not have a stake in any of the companies mentioned.

Shares of [General Dynamics](#) ([GD](#): down \$1.15 to \$78.91, [Research](#), [Estimates](#)) are in a 52-week range of \$111.18 to \$73.25.

[Disney](#) ([DIS](#): up \$0.40 to \$17.95, [Research](#), [Estimates](#)) shares have been between \$25.17 and \$13.48 in the past year. ■

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