

# FINANCE

## TUCSON STOCK EXCHANGE

Stock market quotations of some publicly traded companies doing business in Southern Arizona

Company Name	Symbol	Oct. 13	Oct. 6	Change	52-Week Low	52-Week High
<b>Tucson companies</b>						
Applied Energetics Inc	AERG	1.21	1.14	0.07	0.25	1.80
CDEX Inc	CEXI.OB	0.07	0.07	0.00	0.04	0.19
Providence Service Corp	PRSC	17.95	17.43	0.52	9.64	18.57
Timken Co	TKR	40.69	38.98	1.71	20.84	41.00
UniSource Energy Corp (Tucson Electric Power)	UNS	34.25	33.76	0.49	27.81	34.43
<b>Southern Arizona presence</b>						
Alcoa Inc (Huck Fasteners)	AA	13.37	12.37	1.00	9.81	17.60
AMR Corp (American Airlines)	AMR	6.31	6.21	0.10	5.11	10.50
APAC TeleServices Inc	APAC	5.76	5.74	0.02	4.61	7.02
Augusta Resource Corp (Rosemont Mine)	AZC	4.09	3.92	0.17	1.30	4.23
Bank Of America Corp	BAC	13.29	13.39	-0.10	12.18	19.86
BBVA Compass	BBV	13.82	13.77	0.05	8.65	19.78
Belo Corp (KMSB 11, KTTU 18)	BLC	6.44	6.18	0.26	4.20	9.45
Berkshire Hathaway (Geico, Long Cos)	BRK-B	83.66	83.54	0.12	64.72	85.86
Best Buy Co Inc	BBY	41.03	40.82	0.21	30.90	48.83
BOK Financial Corp (Bank of Arizona)	BOKF	45.88	45.50	0.38	41.06	56.12
Bombardier Inc* (Bombardier Aerospace)	BBDB	5.10	5.18	-0.08	4.16	6.24
Capitol Bancorp (Bnk of Tucson, SoAz Com Bnk)	CBC	1.20	1.16	0.04	0.95	3.81
CB Richard Ellis Group	CBG	19.92	18.59	1.33	9.98	20.38
Citigroup Inc	C	4.25	4.10	0.15	3.11	5.07
Comcast Corp	CMCSA	18.14	17.76	0.38	13.95	20.56
Community Health Sys (Northwest Med Cntrs)	CYH	32.39	31.71	0.68	25.63	42.30
Computer Sciences Corp	CSC	47.58	46.03	1.55	39.61	58.36
Convergys Corp	CVG	11.42	10.75	0.67	9.50	13.78
Costco Wholesale Corp	COST	63.36	65.41	-2.05	53.41	65.46
Cvs/Caremark (CVS pharmacy)	CVS	31.64	32.41	-0.77	26.84	38.27
Delta Air Lines	DAL	11.58	11.78	-0.20	6.78	14.94
Dillard Department Stores	DDS	26.79	23.88	2.91	12.57	31.22
Dover Corp (Sargent Controls & Aerospace)	DOV	54.69	53.98	0.71	37.28	55.50
DR Horton Inc	DHI	10.78	10.81	-0.03	9.41	15.44
Freeport-McMoRan (Phelps Dodge)	FCX	99.08	93.62	5.46	56.71	99.92
Granite Construction Inc	GVA	23.89	23.47	0.42	21.22	36.00
Home Depot Inc	HD	31.00	31.74	-0.74	24.47	37.03
Honeywell Intl Inc	HON	46.41	45.72	0.69	35.60	48.63
IBM	IBM	140.37	137.84	2.53	116.00	141.48
Iron Mountain	IRM	21.25	20.43	0.82	19.93	28.49
Intuit Inc	INTU	47.57	44.92	2.65	28.79	47.90
Journal Communications (KGUN 9, KMXZ)	JRN	4.96	4.57	0.39	3.00	6.52
JP Morgan Chase & Co	JPM	39.84	39.90	-0.06	35.16	48.20
Kaman Corp (Electro-Optics Developmnt Cntr)	KAMN	26.41	26.09	0.32	20.25	28.40
KB Home	KBH	11.11	11.27	-0.16	9.43	20.13
Kohls Corp	KSS	53.01	53.07	-0.06	44.07	60.89
Kroger Co (Fry's Food Stores)	KR	22.01	21.22	0.79	19.08	24.80
Lee Enterprises (Arizona Daily Star)	LEE	2.79	2.55	0.24	1.93	4.77
Lennar Corporation	LEN	15.85	15.41	0.44	11.56	21.79
Lowe's Cos (Lowe's Home Improvement)	LOW	21.89	22.67	-0.78	19.15	28.54
Loews Corp (Ventana Canyon Resort)	L	39.87	38.76	1.11	30.22	40.16
Macerich Co (Westcor, La Encantada)	MAC	44.52	43.82	0.70	27.98	47.19
Macy's Inc	M	24.34	23.70	0.64	15.34	25.26
Marriott Intl Inc	MAR	36.00	37.86	-1.86	24.47	38.15
Marshall & Ilsley Corp New (M&I Bank)	MI	7.29	7.44	-0.15	4.97	10.66
Meritage Homes Corp	MTH	19.15	19.44	-0.29	15.19	25.44
Northern Trust Corp	NTRS	49.48	48.89	0.59	45.30	60.09
Northrop Grumman Corp	NOC	62.19	62.08	0.11	49.34	69.80
Penney, J.C.	JCP	33.46	29.00	4.46	19.42	37.21
Pulte Homes Inc (Pulte, Del Webb)	PHM	8.18	8.48	-0.30	7.70	13.91
Qwest Communications	Q	6.35	6.41	-0.06	3.42	6.42
Raytheon Co (Raytheon Missile Systems)	RTN	45.88	45.93	-0.05	42.65	60.10
Roche Holdings AG (Ventana Medical Systems)	RHHBY	36.05	35.95	0.10	31.69	45.19
Rural/Metro Corp	RURL	8.84	8.68	0.16	4.09	9.35
Safeway Inc	SWY	21.32	21.32	0.00	18.73	27.04
Sanofi-Aventis SA	SNY	34.86	34.16	0.70	28.01	41.59
Sears Holdings (Sears, Kmart, Customer Care)	SHLD	73.83	71.22	2.61	59.21	125.42
SkyWest Inc	SKYW	14.43	14.25	0.18	11.38	18.08
Southwest Airlines Co	LUV	12.97	12.94	0.03	8.10	14.16
Southwest Gas Corp	SWX	34.81	34.45	0.36	24.81	35.00
Stantec Inc	STN	28.67	27.51	1.16	20.80	29.53
Target Corp	TGT	54.42	54.07	0.35	45.11	58.52
TeleTech Holdings Inc	TTEC	15.04	14.80	0.24	12.17	20.95
Texas Instruments Inc	TXN	28.12	28.31	-0.19	22.26	28.98
Time Warner Inc (AOL)	TWX	31.49	30.45	1.04	26.43	34.07
Ual Corp (United Airlines)	UAUA	26.69	24.97	1.72	6.23	27.63
Union Pacific Corp	UNP	86.82	83.29	3.53	54.20	87.32
Apollo Group Inc (University of Phoenix)	APOL	49.50	50.47	-0.97	38.39	76.86
US Airways Group Inc	LCC	9.80	9.23	0.57	2.82	11.40
US Bancorp (US Bank)	USB	22.86	22.41	0.45	20.44	28.43
Wal-Mart Stores Inc (Wal-Mart, Sam's Club)	WMT	53.82	54.56	-0.74	47.77	56.27
Walgreen Co	WAG	34.80	34.06	0.74	26.26	40.69
Wells Fargo & Co	WFC	25.81	26.30	-0.49	23.02	34.25
Western Alliance Bancorp (Alliance Bank)	WAL	6.60	6.72	-0.12	2.99	9.64
Zions Bancorp (National Bank of Arizona)	ZION	21.82	21.95	-0.13	12.50	30.29

Data Source: Dow Jones Market Watch

\*Quotes in U.S. dollars, except Bombardier is Canadian dollars.

### YOUR MONEY

# Recessions and bear markets; not as close as you might think

Recent developments in the economic and capital markets have contributed to a surge in stock-market volatility, leading some investors to worry that the odds of a double-dip recession have risen — along with the risk of a significant market downturn.

These investors are nervous because they assume another economic recession would lead to a decline in corporate profits, which would likely push stock prices down.

It may sound like a plausible assumption. However, it also could be wrong.

History suggests the link between recessions and bear markets is not a tight one. Over the past 11 recessions (as defined by the nonprofit research group, the National Bureau of Economic Research) the Standard & Poor's 500 Index posted an average annualized return of 12.1 percent — a percentage point and a half higher than the index's 81-year annualized return. All told, market returns have been positive in seven of the past 11 recessions.

Those results may seem illogical, given that recessions usually are bad for corporate profits — sometimes very bad. Commerce Department figures show that corporate earnings have fallen in all but two of the 10 recessions since World War II — with an average annualized decline of almost 10 percent.

Standard financial theory teaches that the price of a stock should reflect the stream of earnings it is expected to produce. So, all else being equal, lower earnings should mean lower equity valuations and negative returns.

But all things are seldom equal. Other factors frequently influence stock prices, even during recessions. These forces can include:

- **Inflation.** Rapid price increases may create uncertainty about the quality of corporate earnings — and the real value of future earnings. This uncertainty can push down stock prices. Conversely, if an economic slump slows inflation, stock prices might rise, or at least not fall as much as they would have fallen otherwise.

- **Interest rates.** The Federal Reserve typically reacts to a recession by quickly lowering short-term interest rates. Long-term bond yields often also decline. Lower rates increase the relative attractiveness of equities, which can help offset lower earnings.

- **Non-economic shocks.** Unexpected bad news, such as a war or terrorist attack,



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can drive stock prices down, worsening the impact of a recession. Good news like tax cuts, peace deals or mergers, can drive prices higher, despite a recession.

• **Investor psychology.**

Sometimes markets rise and fall for reasons that seem to have little or nothing to do with economic fundamentals. The 1987 bear market, for example, occurred at a time when economic growth was accelerating. It's also important to understand that financial markets tend to be forward looking. That is to say, prices are usually influenced by what investors expect to happen, not by what has already happened.

Periods before a recession often see a spike in market volatility, as investors react to rising uncertainty about the direction of earnings. In seven of the last 10 recessions, profits also peaked before the economy did, giving investors additional reason to be cautious.

By the same token, the market often hits bottom and starts to recover before the economy does — as investors begin to anticipate a rebound in earnings.

You've heard it before that past performance is no guarantee of future results, but history suggests that recessions, like bear markets, are short-term corrections in a longer-term rising trend. Investors who have tried to second-guess the market — for example, by exiting the stock market when they thought a recession was at hand and jumping back into the market when they thought the economy had hit bottom — often have been disappointed.

For most investors, the wisest course is to develop a long-term investment strategy and stick to it, even during market corrections and economic downturns.

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