

# Keeping investors' summertime blues at bay

By: Daniel Rome Levine May 26, 2008



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**Experience:** 21 years | **Assets under management:** \$485 million

From this week's Markets

## **CRAIN'S: What's your investment strategy?**

**MS. SEMINETTA:** The infrastructure building boom in developing countries like India, Brazil and Russia, coupled with crumbling infrastructure in the developed world, has launched an unprecedented amount of money being spent on things like roads, rails, airports, oil pipelines and refineries and power-generation equipment.

## **What companies will benefit?**

We really like Honeywell, a diversified manufacturer that makes automated building controls, such as thermostats and light switches that help companies be more energy-efficient. Its avionic division is benefiting from strong global demand for airplanes. It also makes pumps and flow-control devices for the oil-refining and petrochemical industries. We also like General Cable, which makes connectors to transmit power. It doesn't matter if you're using coal, natural gas, solar or wind — General Cable supplies products for all these forms of power transmission. Oil services companies like National Oilwell Varco have the sophisticated equipment necessary to drill into new offshore oil fields more than 10,000 feet beneath the ocean surface.

## **The S&P 500 is up 8.1% from a March 10 low. Will this rally continue into summer?**

I wouldn't be surprised to see the market go sideways for a while. For the year, I think the S&P will be up 5% to 10%. I also think having a "sell in May and go away" mentality will prevent you from making money in these companies benefiting from the global infrastructure boom. Many are growing their earnings at 20% a year and are trading at just 12 to 14 price-to-earnings ratios.

## **FIVE TO BUY**

Ms. Seminetta recommends shares of these companies:

1. Honeywell (HON)
2. General Cable (BGC)
3. National Oilwell Varco (NOV)
4. Precision Castparts (PCP)
5. Suntech Power Holdings (STP)