Until the recent global stockmarket volatility makes front page news, ousting human interest headlines, says *Forbes Magazine*'s Portfolio Strategy columnist and Fisher Investments chief executive Ken Fisher, investors should not be unduly worried

Have I got news for you

In America it is stories such as illegal Mexican immigration that make the headlines — things that fundamentally haven't changed in decades. In Britain I note a corporate pornography claim in Bristol, "Lesbian wives sue", and "Road rage as a medical condition".

All this makes me comfortable that, despite a recent downdraft, the stockmarket will suffer no major bear phase until something comes along evil enough to eliminate these silly stories from the front pages.

Less true in Britain than America, but true generally everywhere nonetheless, real bad news knocks bizarre human interest stories off the front page. Unless something comes along with the brute force to do that, stocks should suffer no worse than normal volatility corrections within the context of a longer bull market — despite constant chatter to the contrary.

I BET WE STILL HAVE SILLY NEWS FOR A LONG TIME, AND THAT'S BULLISH. SO, BUY CHEAP STOCKS OF GOOD COMPANIES.

I am thinking back to times I recall from my younger years in the industry, for example, late 1978. Then, all the big, enduring headlines were human interest. The People's Temple mass suicide, the shooting of pornographer Larry Flynt, a baseball star's 44-day hitting record, Naomi James solo-sailing the globe, and sadly Pope Paul VI's death. And, gratefully, an amazing 48 weeks when *The Times* wasn't published, always a blessed event!

Of course, my memory isn't really that good but today you can look up old years' headlines online via Google from multiple sources. A good British site is www.iln.org.uk, which gives you the Illustrated London News, year by year. My point is a tiring 1978 transitioned into booming 1979 and 1980 returns, with the FTSE 100 up 11% and 35%.

The grist of bear markets includes something unexpectedly big and bad enough appearing, which has not already been discounted into pricing, to surprise markets downward materially. Old stories won't do it because their topic matter has been discounted into pricing. And anyway, old stories are boring so they have a hard time maintaining headline status. But as long as pornography being exposed can make the front page, stocks aren't too vulnerable.

These days the internet bombards us with news that isn't important. But I liked hearing in May and June an endless barrage on the pregnancy and birth of the Brad Pitt/Angelina Jolie baby. Or that people take Al Gore's movie *An Inconvient Truth* as anything more than just a movie.

The big question is will real news hit the headlines and knock the investor spirit? Despite what you read now, I don't believe it can possibly come from the forthcoming American mid-term elections. There are not enough vulnerable seats to change hands to make much difference to policy in America. Iran? Maybe, but not likely. I bet we still have silly news for a long time, and that's bullish. So, buy cheap stocks of good companies, like these.

Germany's speciality chemical and pharmaceutical firm, **Altana**, should be able to keep growing at about 20% a year. It is particularly strong in respiratory, gastrointestinal and cancer drugs. Yet the stock, which has been a dog for several years with the other drug stocks, is ripe for a pop. It sells at 14 times this year's earnings with a 2% dividend yield.

I recommended Finland's **Metso** last October. It is up 38% and there should be still more ahead. It is better than its peers in industrial machinery and cheaper. Its strength is in paper and rock processing machinery. It sells at 14 times my estimate of 2006 earnings. The dividend this year should exceed 4%.

Forget the Dow Jones and buy **Dow Chemical**. It was one of the first stocks I ever studied as a kid. In the 1960s it was America's fourth-largest chemical company. By the late 1970s, the second largest. Now it is the world's second largest. From its early days as a speciality chemical firm Dow was built to dominate. Paying 80% of revenue, eight times 2006 earnings and a 3.5% dividend yield is a great price for the world's greatest basic materials company.

America's **Seacor Holdings** is on a roll. It will keep strong as long as oil pricing does. Its ships and helicopters service offshore oil drilling rigs all over the world. In this environment 13 times 2006 earnings is too cheap.

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