Energy firms highlight Burkenroad Conference

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With oil prices hovering around $120 a barrel, it doesn't take much imagination to guess what the hot ticket was at this year's Burkenroad Reports Investment Conference.

"Energy stocks were white hot," says Peter Ricchiuti, assistant dean and organizer of the event. "Everybody was interested in energy. There were some presentations where I couldn't even get into the room."

Energy companies, banks, offshore service providers, a chicken processor and a manufacturer of products for infants were among the 34 regional small- and mid-cap companies to participate in this year's conference, an annual event that brings investors together with top management at companies followed by the Freeman School's Burkenroad Reports equities research program. More than 400 investors attended this year's program, which took place on April 25 at the New Orleans Sheraton.

According to Ricchiuti, energy companies generating a buzz this year included Hornbeck Offshore Services, Energy Partners, Omni Energy Services, Callon Petroleum and McMoRan Exploration, a pioneer in deeper-pool exploration.

"Everybody else drills for oil at 10,000 to 12,000 feet, but McMoRan believes there's oil at 35,000 feet," explains Ricchiuti. "They hit a good-sized well off of Lafayette, and they have a new well just off the mouth of the river that they're waiting to find the results on. It's very exciting. There might be a whole other layer of dead dinosaurs under Louisiana."

Burkenroad Reports Investment ConferenceBank stocks - including Teche Holdings, Iberia Bank and First M&F Corp. - also had an interesting story to tell. "People are running away from banks because of what happened to Citigroup, but these guys have little or no subprime lending, they were not involved in those really complicated derivative securities that blew up, and the housing market here is completely different from the rest of the country," Ricchiuti says. "With the Fed having lowered interest rates so much, they're in a better position to make money

on loans. There just seems to be a real misperception about these stocks and these companies, and it's probably an opportunity for investors."

Despite the market's poor performance in the wake of the subprime mortgage bust, local stocks have actually done relatively well. The S&P 500 is down 5 percent since January, but the Burkenroad Fund, a mutual fund that invests in many of the stocks followed by Burkenroad Reports, is up 5 percent. "I think people are starting to realize this part of the country is a good place to hide in a downturn," Ricchiuti says. "We're big in oil and gas, the weakness of the dollar has created a huge surge in exports coming through the port, and we're just starting to get all this insurance money. Whereas the rest of the country has come to a screeching halt in housing, there's still so much to do here."

Burkenroad Reports was founded in 1993 to give students practical experience as research analysts while at the same time highlighting Louisiana companies often overlooked by Wall Street. Today, the program has grown to include 200 student analysts covering more than 40 small- and mid-cap "stocks under rocks" in six states.