Zacks Analyst Blog Highlights: Boston Beer, InterActive, Oracle, Smurfit Stone and Vivo Participacoes

CHICAGO, Jan. 14, 2011 /PRNewswire/ -- Zacks.com Analyst Blog features: **Boston Beer** (NYSE: SAM), **InterActiveCorp.** (Nasdaq: IACI), **Oracle** (Nasdaq: ORCL), **Smurfit Stone** (NYSE: SSCC) and **Vivo Participacoes** (NYSE: VIV).

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Here are highlights from Thursday's Analyst Blog:

Those Calling for a Market Correction Make Me Laugh

After stocks ended 2010 making new highs, many experts have been calling for a healthy correction before putting more money into equities. And if you had listened to those folks you would have missed out on even more gains in the opening days of the New Year.

There are 2 main camps of folks that are calling (nay, *praying*) for this correction. Let me share with you their sad stories and why you should continue to pass on their faulty strategies.

Correction Camp #1: Missed the Party All Along

In 2008 it was easy (and 100% sane) to be a bearish investor as most signs looked like we were headed towards a second Great Depression. Even through most of 2009, when stocks rebounded, it was hard to fully embrace the turnaround story while economic booby traps seemed around every corner.

However, by the latter half of 2010 the clarity of the economic rebound story should have been obvious to all. But not all embraced this notion because their egos were so fully invested in being members of the bearish camp.

These double-dippers and doomsayers have already missed out on the lion's share of the easy gains to be made from this rebound. So they need to invent reasons to get back in that allow them to save some face. And that reason is the "great correction." Unfortunately for them, that correction keeps not coming. And they continue to miss out.

When will they learn? When they stop joining bullish or bearish camps and simply become investors who weigh the evidence at hand to make more clear headed decisions.

Correction Camp #2: Technicians

The market has rallied about 20% from the lows of the summer. And that has been a steady and smooth ride with virtually no substantial pullback. Technical investors read this as being an overbought rally given the length and strength of the move.

However, this one-sided form of analysis is missing the entire fundamental reason for the market to go higher. The short answer is that corporate earnings are on the rise. Better yet, they are exceeding estimates. And better yet, the P/E of the market going forward is only about 13.2 versus 14-15 historical average.

The reality is that the market had the "big correction" back in the summer when too many folks succumbed to double-dip fever. That swoon had stocks way too oversold. So the move up to this point was more of a reflexive rise back to sanity, which still leaves room for more upside.

This is something that technical investors would miss when just looking at their charts. Fundamental investors have been better at reading the tea leaves on the move...and gladly there seems plenty of more upside on the move.

Last Thought on the Big Correction That Isn't Coming

So even though earlier on I took some cheap shots at the double-dippers, it's not to say that their concerns are without merit. There are many potential hazards down the road. But that's the key...they are down the road.

So in the meantime the economy is rebounding. Corporate profits are at record highs. And stocks are reasonably valued in that light. So for now, it's most profitable riding these bullish signals. Yet we should keep a watchful eye on the potential pitfalls out there. If and when the odds increase of them coming to life, that is the time to make adjustments. And that time is not now.

Take 5

This is where I share 5 of my favorite stocks that all have a coveted Zacks #1 Rank (Strong Buys).

1) **Boston Beer** (NYSE: SAM): This is a very well run company with a highly respected brand. Not surprisingly they keep growing profits at a healthy clip with more share price gains likely on tap.

2) **InterActiveCorp.** (Nasdaq: IACI): Ad spending is on the rise. And online ad spending is the healthiest group of them all. IACI is well positioned to benefit. Their $1 billion in cash on hand is also a head turner for investors.

3) **Oracle** (Nasdaq: ORCL): Their recent earnings report showed great strength. Couple that with Intel's earnings tonight and you see that tech is alive and well. Oracle is one of the better large-cap choices in the group.

4) **Smurfit Stone** (NYSE: SSCC): A rebounding US economy means more products are being purchased...which means more products are being packaged and shipped...which means packaging companies like SSCC are in line to profit from this clear trend.

5) **Vivo Participacoes** (NYSE: VIV): Hot emerging market in Brazil meets hot emerging industry of mobile phones. Do I really need to say more?

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