Consumer confidence abounds at Burkenroad Reports Conference

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This year's Burkenroad Reports Investment Conference attracted a record attendance, and according to conference organizer Peter Ricchiuti, that's a good sign for the economy.



Peter Ricchiuti, right, says the best-performing Burkenroad Reports stocks this year were tied to consumer products and consumer confidence. (Photo by Stephen Daigle)

"I think investors are starting to get a little bit of their mojo back, and that really showed up in terms of how many people came," says Ricchiuti, professor of practice

and research director of Burkenroad Reports. “The other reason is people are really sick of getting 0 percent on their CDs and money markets. I think that was a driving force, too.”

The conference, which took place on Friday (April 27) at the Westin New Orleans Canal Place, is an annual showcase for the small- and mid-cap companies covered by the Freeman School’s Burkenroad Reports equities research program, but it also serves as a barometer of sorts for the economy, and judging by this year’s results, consumer confidence is back with a vengeance. Of the 40 companies followed by the program’s student analysts, the best performers this year were all consumer-oriented firms.

Leading the pack was Conn’s Inc., a Texas-based electronics retailer, whose stock boasted a total return of 229 percent in the last 12 months. Conn’s was followed by Susser Holdings Corp., an operator of convenience stores in Texas, New Mexico, Oklahoma and Louisiana, which returned 98 percent, and Pool Corp., a wholesale distributor of pool and pool-related products, which returned 56 percent.

Perhaps an even bigger story at the conference this year was the disaster in natural gas prices. A boom in production coupled with an unusually warm winter has had a devastating effect on prices, and that drop has hit some Burkenroad companies hard. RPC Inc., an oilfield services company that does a lot of work with natural gas projects, has seen its share price fall from $18 to $9 in the last year.

The short-term picture may look bleak, but Ricchiuti says the long-term outlook for natural gas—an abundant domestic source of clean-burning fuel—remains bright.

“Sometimes, the stocks that are least loved turn out the best,” Ricchiuti says. “Last year at this time, everybody was worried if consumers would come back, and consumer stocks led the way this year. Now everybody’s fearing that natural gas will be swallowed up alive, so this is probably the time to be buying those stocks.”

This year’s conference attracted more than 700 attendees hailing from 18 states and three foreign countries, and in keeping with tradition, Ricchiuti says that number was almost equally divided between pinstriped professionals and so-called retail investors, the amateurs and hobbyists who attend the conference each year to help them better manage their IRAs and 401(k)s.

“We had some big-name professional people from some big firms, but you still had the housewives from Marrero, ” Ricchiuti laughs. “That was fun too.”