



>: Director Dumps \$25M in Auto Parts Stock Copart

Monday, December 29, 2008 / Tycoon Staff

BUYS For all the analysts and pundits in the financial media, there is still no better judge of a company's health and future prospects than the owners and executives of those companies themselves, along with major institutional shareholders.

Hess Corp. (HES)

That's why insider buying and selling is a critical piece of data that is monitored by people who invest for a living.

Hess Chairman & CEO John Hess has BOUGHT \$9.4 million in HES stock.

As part of our continuing effort here at *The Tycoon Report* to level the playing field between individual investors and the fat cats on Wall Street, we're [View Details](#) keeping you informed -- on a daily basis and at no cost whatsoever -- of the most significant insider buying and selling.

James River Coal Co. (JRCC) re-cap of the past week's activity of insider buys and sells of \$5 million or more. We publish this re-cap every Monday, and it can be accessed in your email issues or on the Tycoon Report [website](#).

James River Coal insider Steelhead Partners LLC and 10% Owner Steelhead Navigator Master have BOUGHT \$6.69 million in JRCC stock.

Very important note: While these Monday re-caps are available on the Tycoon Report website, if you want the most timely information we provide on [View Details](#) insider buying and selling you've got to be sure and read the email issues that we send each weekday morning.

SELLS

Copart Inc. (CPRT)

Copart Director Barry Rosenstein has SOLD \$24.82 million in CPRT stock.

[View Details](#)

Infospace Inc. (INSP)

Infospace 10% Owner Merrill Lynch & Co. has SOLD \$17.76 million in INSP stock.

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IAC/Interactivecorp (IACI)

IAC 10% Owner Liberty Media Corp. has SOLD \$9.17 million in IACI stock.

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Steel Dynamics Inc. (STLD)

Steel Dynamics Director John Bates has SOLD \$9.10 million in STLD stock.

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Vornado Realty Trust (VNO)

Vornado Realty Trust Chairman & CEO Steven Roth has SOLD \$8.78 million in VNO stock.

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Boston Scientific Corp. (BSX)

Boston Scientific Directors John Abele and Peter Nicholas plan to SELL \$6.03 million in BSX stock.

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Tycoon Staff
Chief Investment Officer

[>](#)

Economic Calendar for the week of December 30 to January 2

Tuesday, Dec. 30

9:45 Chicago PMI

- **Importance (A-F):** The Chicago PMI merits a **B**.
- **Source:** Chicago Purchasing Managers Association.
- **Release Time:** Last business day of the month at 10 ET for the current month.

There are many regional manufacturing surveys, and they tend to be ranked in order of timeliness and the importance of the region. The New York and Philadelphia Fed's surveys are the first each month followed by the Chicago purchasing managers' report on the last day of each month. A few, such as the Atlanta and Richmond Fed surveys, are released after the ISM and are of little value. The purchasing managers' reports are measured like the national ISM -- 50% marks the breakeven line between an expanding and contracting manufacturing sector. For the New York, Philadelphia and Atlanta Fed indexes, 0 is the breakeven mark. These surveys can be of some help in forecasting the national ISM.

Big Picture

The Chicago PMI has little overall economic value, and is only watched by the financial markets because it is usually released one day in advance of the similar national ISM manufacturing survey. A significant move in this regional survey will therefore sometimes be seen as having predictive value for the ISM index.

10:00 Conference Board Consumer Confidence

- **Importance (A-F):** This release merits a **B-**.
- **Source:** The Conference Board.
- **Release Time:** 10:00 ET on the last Tuesday of the month (data for current month).
- **Raw Data Available At:** <http://www.tcb-indicators.org/>.

The Conference Board conducts a monthly survey of 5000 households to ascertain the level of consumer confidence. The report can occasionally be helpful in predicting sudden shifts in consumption patterns, though most small changes in the index are just noise. Only index changes of at least five points should be considered significant. The index consists of two subindexes - consumers' appraisal of current conditions and their expectations for the future. Expectations make up 60% of the total index, with current conditions accounting for the other 40%. The expectations index is typically seen as having better leading indicator qualities than the

current conditions index.

Big Picture

Consumer sentiment indices get way too much attention. The simple fact is that sentiment does not correlate with consumer spending and thus has little predictive value. Consumer spending correlates more closely with income. Sentiment tends to reflect well known factors such as unemployment rates and gas prices more than it predicts future spending patterns.

Friday, Jan. 2

10:00 ISM: Institute for Supply Management

- **Importance (A-F):** This release merits an **A-**.
- **Source:** Institute for Supply Management
- **Release Time:** 10:00 ET on the first business day of the month for the prior month.
- **Raw Data Available At:** <http://www.ism.ws/>.

The ISM report is a national survey of purchasing managers which covers such indicators as new orders, production, employment, inventories, delivery times, prices, export orders, and import orders. Diffusion indexes are produced for each of these categories, with a reading over 50% indicating expansion relative to the prior month, and a sub-50% reading indicating contraction.

The total index is calculated based on a weighted average of the following five sub-indexes, with weights in parentheses: new orders (30%), production (25%), employment (20%), deliveries (15%), and inventories (10%).

The ISM is one of the first comprehensive economic releases of the month, typically preceding the employment report. Though it covers only the manufacturing sector, it can often provide accurate hints regarding the tone of subsequent releases. During periods of inflation concerns, the prices paid and vendor deliveries indexes often determine the bond market's reaction to the report.

Big Picture

This is a highly over-rated index. It is merely a survey of purchasing managers. It is a diffusion index, which means that it reflects the number of people saying conditions are better compared to the number saying conditions are worse. It does not weight for size of the firm, or for the degree of better/worse. It can therefore underestimate conditions if there is a great deal of strength in a few firms. That may well be what is happening at present with exports booming at large firms, but not necessarily across all manufacturing sectors. The current readings on the ISM manufacturing index are providing a more negative view of conditions than the actual industrial production data. The data have thus not been either a good forecasting tool or a good read on current conditions during this business cycle. It must be recognized that the index is not hard data of any kind, but simply a survey that provides broad indications of trends.