

## **OBSERVER: Stock picker AVENUE OF THE AMERICAS**

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### **Stock picker**

Let's hope next year's Harvard MBAs don't rush to take high-flying jobs on Wall Street. That is because Ray Soifer, who made his name as a banking analyst, reckons he has stumbled across what economists like to call a leading indicator.

Soifer earned a masters of business administration at Harvard in 1965 and then embarked on a Wall Street career that has taken him from Bankers Trust to Brown Brothers Harriman and - currently - his own consulting firm.

Soifer is proud of his background but worried about those who follow in his footsteps. He says the more Harvard MBAs who go to Wall Street, the worse it is for stock prices - and this year the percentage is high by historical standards.

"It's not that Harvard MBAs are stupid," Soifer says, noting that the current US president, George W. Bush, is a product of the Harvard Business School.

Rather, Soifer says, Wall Street firms tend to make their best offers when stock prices are at their peak, drawing in more Harvard MBAs, who have been taught to know a good deal when they see one.

Soifer's rule of thumb is that it is a long-term buy signal if 10 per cent or fewer of Harvard MBAs choose careers in investment banking, investment management, sales and trading, venture capital, private equity or leveraged buyouts.

He says it is a long-term sell signal if 30 per cent or more choose such careers. Thirty per cent of the class of 2000 went to Wall Street; figures released last week show that figure climbed to 32 per cent for the class of 2001. Soifer notes the readings for the past two years have been the most bearish since 1987, the year of the last stock market crash. Investors, take note.

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