

Pittsburgh Business Times - January 5, 2009
<http://pittsburgh.bizjournals.com/pittsburgh/stories/2009/01/05/story2.html>

PITTSBURGH
BUSINESSTIMES

Friday, January 2, 2009

Pittsburgh stocks tumbled as economy faltered; Wabtec one of few to buck trend

Pittsburgh Business Times - by [Ethan Lott](#)

You know it has been a tough year in the public markets when a 25 percent drop in stock price could be something to brag about.

Through Dec. 29, the S&P Index dropped by 40 percent in 2008. The Dow Jones Industrial Average fell 33 percent for the year. Local companies fared a little worse than those indexes.

From the opening bell on Jan. 2 to the close of business Dec. 29, 44 local public companies lost 47.4 percent of their combined stock value. The Business Times looked at the 36 nonbank, public companies traded on major exchanges and the public banks that rank among the 10 largest in the region by deposits.

"They haven't been able to defy gravity, that's for sure," said Brian Koble, senior research analyst at Hefron-Tillotson, Downtown.

In fact, the only local public companies to grow stock price in 2008 were two Indianabased banks, S&T Bancorp. and **First Commonwealth Financial Corp.**, and Wilmerding-based **Wabtec Corp.**

Al Neupaver, CEO of Wabtec Corp., credits the company's employees and management team and its strategy focused on lean manufacturing. He said Wabtec was well diversified, with business coming from markets that are on different cycles — half its business is aftermarket and half is OEM, for instance.

"Our balance sheet is really clean," Neupaver said. "That's given us the opportunity to make acquisitions with the credit crunch the way it is."

While it is not surprising that local stocks were down, the fact that the median performance was a drop of almost half was startling.

"It's a little surprising it's down that much," said Tim Slevin, director of research and senior vice president at **Parker/Hunter Asset Management**, Downtown.

Slevin said it is difficult to generalize about locally based public companies. But the market as a whole, Slevin said, is paying a premium because of the higher perceived risk of equities. This, he said, creates some potential bargains and opportunities in coming years.

Norman Robertson, chief economist with **Smithfield Trust Co.**, Downtown, said it is difficult right now to predict who will do well in 2009.

"Looking at which companies are going to have a tough year is easier than which companies are going to have a good year," Robertson said. "The only bright spot is the assumption that some kind of large program of government spending is going to be announced."

While Robertson noted that "we're all liable to be swept away by the prevailing sense of gloom and doom," he joins other experts in expecting the bottom-out to occur around midyear.

elott@bizjournals.com | (412) 208-3823

All contents of this site © American City Business Journals Inc. All rights reserved.



Matt Bulveny

Wabtec Corp. CEO Al Neupaver and CFO Al Garcia-Tunon led the company to record earnings in 2008. Wabtec was the only local, nonbank public company traded on the major exchanges that had stock price growth during 2008.

[View Larger](#)