

A high investment grade

Joseph Dancy eats his own cooking — of the investment variety — and it's paid off for him.

Mr. Dancy, an adjunct professor of energy law at Southern Methodist University, placed second for the second straight year in *Barron's* annual stock-picking contest for college students and professors.

Mr. Dancy, who manages \$21 million in assets at LSGI Advisors Inc. in Duncanville, placed second in the professor division.

For the contest period of Oct. 30, 2006, to the end of April, his portfolio soared 33 percent, whipping Standard & Poor's 500-stock index of large companies, which rose 4 percent.

About two-thirds of his portfolio consisted of energy stocks.

"Global demand-and-supply issues should push crude oil prices well above \$70 a barrel before the Fourth of July," Mr. Dancy predicts. "Expect fireworks in the energy sector this summer, with a potentially explosive move to the upside."

One factor that has boosted oil prices is demand from fast-growing China.



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"In 1993, China had zero imports, and today they are the second-largest importer of oil," Mr. Dancy said.

Mr. Dancy's overall strategy? "I'm trying to buy Michael Jordan when he's in grade school," Mr. Dancy said. "We also look to see if institutions are buying the stock, and if they are, that's very good because it tends to increase the price as more people buy."

He's trying to pass his stock-picking skills to the next generation.

His son's seventh-grade team from Cistercian College Preparatory School finished first and second in *The Dallas Morning News*' Stock Market Game last fall. Mr. Dancy served as adviser to the teams.

"I give them a list of companies that have these characteristics, and then I let them choose. The kids who use my list generally do much better than the ones who decide otherwise."

Pamela Yip