

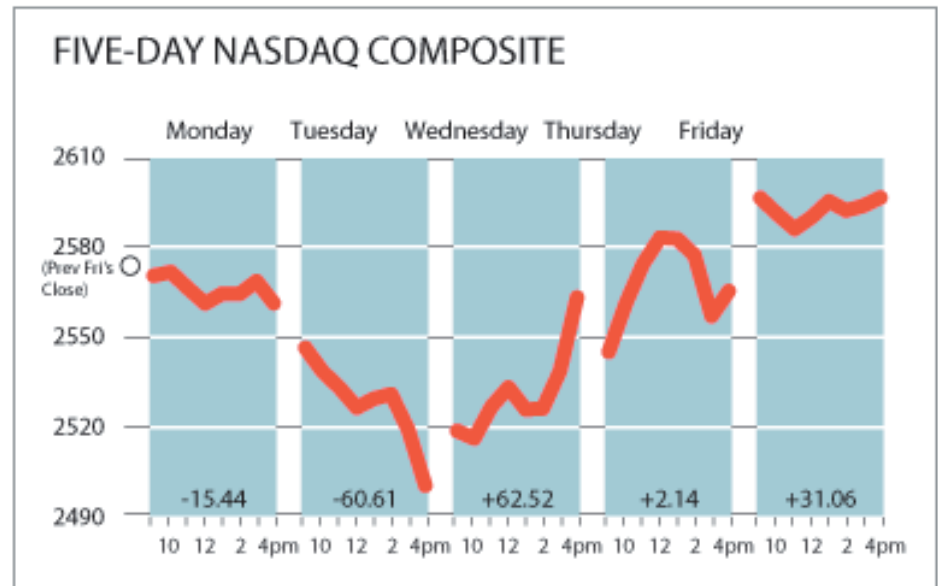
Tech -- That's Right, Tech -- Is the New Haven

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Barrons

CRISIS? I DON'T SEE NO STINKIN' CRISIS. Oh, I understand that the rest of you, in Manhattan, and Washington and Dubuque, you all seem to be having trouble with these subprime mortgage thingamajigs. But out here in Silicon Valley where the geeks, nerds, coders and billionaires live, I simply can't find any signs of a crisis at all.

I mean, have you looked at the big-cap tech stocks lately? As my buddy Andrew Bary pointed out to me the other day, all the quality tech stocks are riding high. Intel (ticker: INTC), which I wrote about in the June 25 Tech Trader, is near a 52-week high, and up 26.7% this year. Cisco (CSCO), which recently reported a blowout quarter, is up 15% for the year, and likewise flirting with a new high. Oracle (ORCL) is up 18%, and near a fresh peak. Apple (AAPL) is up 61%; Google (GOOG) is up 11%; IBM (IBM) is up 20%. Research in Motion (RIMM) is up 95%; VMware (VMW), the instant tech blue chip, is up 136% since its recent IPO. Through Thursday, the average tech stock fund is up more than 10% this year, says Morningstar; the S&P 500 is up less than 3%.



Heat Shield: Tech stocks have been a refuge from financial-sector firestorms. Summer fun at Intel and Cisco helped the Nasdaq Composite rise 0.7% on the week, to 2,596.

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So, what's the secret? Well, there isn't one, really. You'll notice I mentioned it is the quality names that are flying; there are some

troubled companies -- Advanced Micro Devices (AMD), Motorola (MOT), Yahoo (YHOO) -- that are taking it on the chin. But the good news for quality is intuitively logical. Most of these companies have little debt and piles of cash. They're all growing. And they simply have little exposure to the current insanity. Tech, of all places, has become a place to hide from the madness; growth stocks have become the safe stocks.