

Local mining, bank stocks had solid gains in 2010

By Bert Caldwell

bertc@spokesman.com, (509) 459-5450

The composite market value of 15 Inland Northwest stocks reached a record Dec. 31, possibly foretelling more good things for 2011, Hart Capital Management President Craig Hart said Wednesday.

The company's Inland Northwest Composite finished the year at \$13.2 billion, up almost 35 percent for the year, he said, based largely on substantial gains in its mining and banking components.

Hecla Mining Co. shares rose 82 percent to \$11.26, and Coeur d'Alene Mines Corp. 51 percent to \$27.32. Hecla finished 2010 with a market capitalization of almost \$2.9 billion, moving it ahead of Itron Inc., which finished at \$2.2 billion after its shares fell almost 19 percent.

Itron, which makes electronic metering equipment, has topped the composite for several years running.

Northwest Bancorporation, up 69 percent to \$4.90, and Red Lion Hotels Corp., up 61.5 percent to \$7.98, were also big gainers for the year. Northwest is the parent of Inland Northwest Bank.

Sterling Financial Corp. was the biggest loser for 2010, closing the year off 53.6 percent at \$18.97 after allowing for a 1-for-66 reverse stock split. Sterling was the beneficiary of a \$730 million recapitalization in August.

Other stocks taking a loss for the year: Intermountain Community Bancorp, off 38.3 percent to \$1.48; Coldwater Creek Inc., off 29 percent to \$3.17; Idaho Independent Bank, off 26.4 percent to \$3.90; and Ambassadors Group Inc., off 13.3 percent to \$11.50.

The other gainers were W.T.B. Financial Corp., up 50 percent to \$105, Clearwater Paper Corp., up 42.4 percent to \$78.30, Key Tronic Corp., up 35.6 percent to \$5.22, Avista Corp., up 4.3 percent to \$22.52, and Potlatch Corp., up 2.1 percent to \$32.55 were the other gainers.

Nighthawk Radiology Holdings Inc., which was taken private, was dropped from the composite. W.T.B. replaced AmericanWest Bancorporation, also taken private.

Another measure of stock performance, the Hart Capital Inland Northwest Index, rose 22.6 percent, compared with 12.8 percent for the Standard and Poor's 500 Index and 25.3 percent for the Russell 2000.

Hart said investors told at the outset of 2010 their portfolios would increase in value by 22 percent would have been "tickled."

Stocks have a tailwind, he said, in part because investors are moving money out of bonds into equities.

Strengthened financial stocks are a particularly good omen because they will be in a better position to increase lending and stimulate business activity, he said.

"I think the market is starting to look forward, and that's a good thing," he said.

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