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Market Scan

## LDK Solar Expects To Shine

Carl Gutierrez, 11.19.08, 03:00 PM EST

**The China-based company released a glowing outlook, but investors weren't buying it.**

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Wall Street has doubts about **LDK Solar's** positive crystal-ball reading.

On Wednesday, China-based solar energy firm **LDK Solar** (nyse: [LDK](#) - [news](#) - [people](#) ) announced its third-quarter earnings beat expectations due to rising demand. It also offered a

rosy outlook.

Analysts, unpersuaded, pulled the solar wafer maker down 11.5%, or \$1.71, to \$13.18, in midday trading. "In general, investors don't believe the guidance," said Sam Dubinsky, an analyst at Oppenheimer.


"They painted a very rosy picture in an industry that's going through an adjustment right now,"

Dubinsky said. "If you just look at the solar sector in general, major companies have had some pretty horrific forecasts."

For the fourth quarter, China-based LDK Solar anticipates revenue of \$555.0 million to \$565.0 million, and expects fiscal 2009 sales of \$2.9 billion to \$3.1 billion. Wall Street, on the other hand, expects sales of \$513.0 million in the fourth quarter, and \$2.6 billion for the year.

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 LDK is facing more long-term problems. Philip Miller, an analyst at Strategic International Securities Research, expects substantial growth in the industry, driven by the incoming administration of President-elect Barack Obama responding to the domestic needs of the U.S.

Miller is concerned, however, that Chinese companies will fall behind the curve, as the strongest avenues of growth will be paved by technological development in America.

For its third quarter, LDK's earnings climbed to \$88.4 million, or 77 cents per American Depository Share, from \$41.6 million, or 37 cents per ADS, during the same period last year. Analysts surveyed by Thomson forecast a more modest profit of 71 cents per share, on average.

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Sales surged to \$541.8 million from \$158.7 million during the prior-year period. Analysts forecast sales of \$486.7 million, on average.

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Common now, isn't this a joke? Why is everyone (major players are market makers) trying to bring this stock down despite this firm consistently beating estimates? This is not just painting a rosy pic [\[Read More\]](#)

Tags: LDK, Solar Industry

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sure, everyone is a crook except those in the investment banks that brought down the world's markets.

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