

## FIRST COVERAGE WEEKLY SENTIMENT (February 17, 2009)

First Coverage Market Sentiment: <b>Bearish</b>	First Coverage Index: <b>45.8</b>	Weekly Change: <b>-0.7%</b>	Sell-Side Certainty: <b>Positive</b>
<b>Bullish Industries (0)</b>	<b>Neutral Industries (6)</b>	<b>Bearish Industries (4)</b>	<b>Weekly Sentiment Change</b>
	Basic Materials		
		Consumer Goods	
		Consumer Services	<b>Bullish</b>
		Financials	<b>Bearish</b>
	Health Care		<b>Bearish</b>
		Industrials	<b>Bearish</b>
	Oil & Gas		<b>Bullish</b>
	Technology		
	Telecommunication		
	Utilities		<b>Bearish</b>

### **If the devil's in the details, then all our leaders are angels right now!**

It was a relatively flat week if you don't count Tuesday.

Of course, we can't ignore the day that the "new and improved" bank bailout plan was unveiled. The end result was a populous that was so amazed at the staggering lack of detail provided by Treasury Secretary Geithner that it went on to take the market down almost 5% by the end of the day.

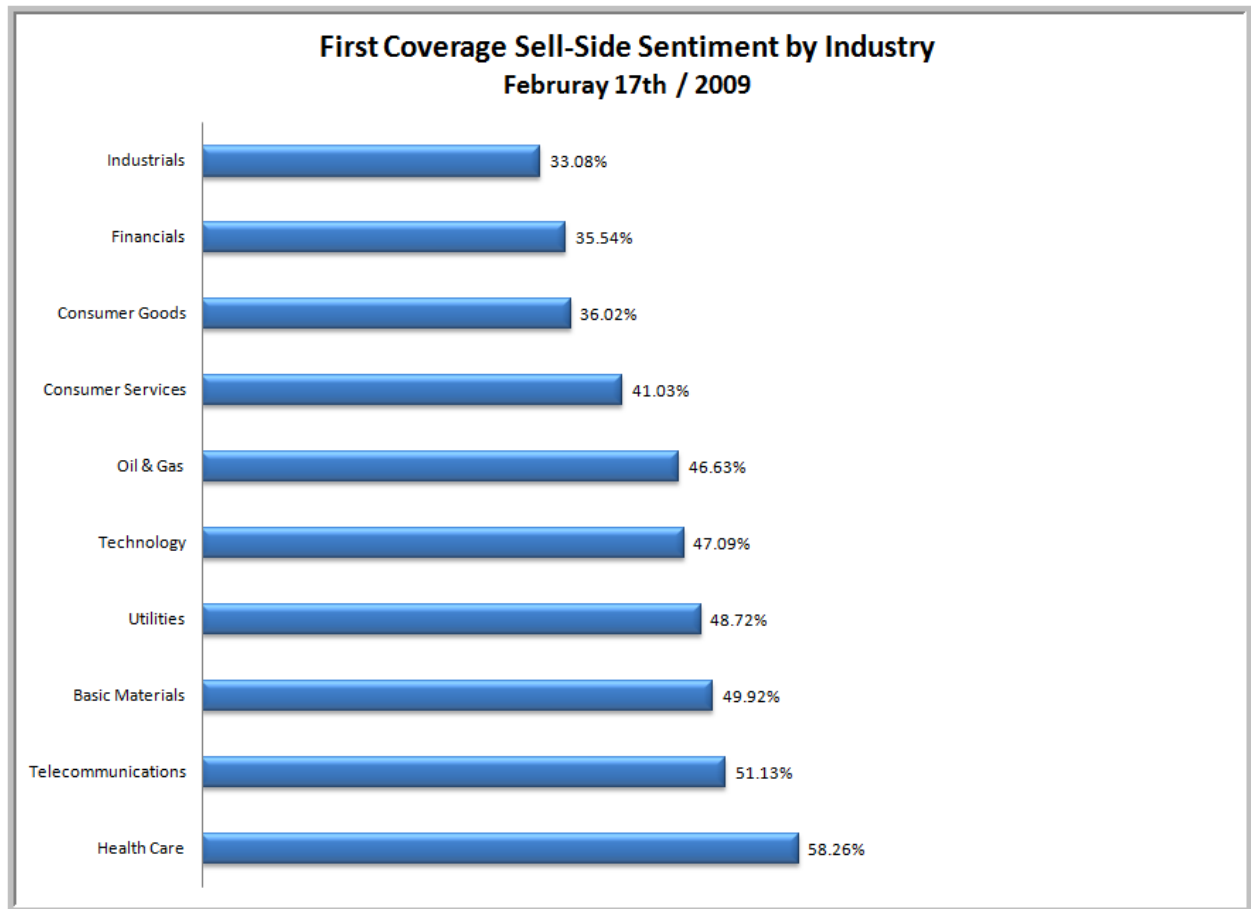
The lesson is clear and has been the bane of all recent attempts at sustained rallies. Renewed optimism continues to be undermined not by new bad news (I mean...what more can be said that hasn't been said already?) but instead by an increasingly obvious conclusion by market participants that whoever is steering this ship, regardless of background or party affiliation, doesn't seem to have any true convictions about what needs to be done, how it needs to be done and the likely impact of it once it

actually is done. (To put it in simpler terms, if we were playing the game “rock, paper, scissors,” optimism would be the scissors and the lack of details would be the rock.)

Twice this year, the sell-side has already exhibited that they are ready to believe in better days ahead if someone is able to convince them. However, in the absence of details or true leadership, they will continue to suggest the path of least resistance to their buy-side clients. And, in this environment, that path is to sell.

We’ve talked many times about the fact that data is never consumed within a vacuum. We have also mentioned that it is the overarching sentiment, at any given point in time, which determines how data will impact the market. A great example of this theory in practice was last week’s retail sales numbers for January, which were up 1.0% – much better than the decline that everybody was anticipating. However, instead of lifting the market, the number was almost immediately discounted as not possibly accurate. That’s our world today, and it impacts everything. Bad news is bad news, but good news is just bad news that’s been incorrectly calculated.

The most uncertainty continues to swirl around financials, which are now the second worst industry by sell-side sentiment and slipping once more. (Are we nationalizing the banks or bailing out the bankers? Does anyone know yet?)



Financials suffered a short-term bearish sentiment shift over the last week driven by the uncertainty already discussed as well as news about Lloyds and Wells Fargo, which both suffered company specific incidents that made the “light” at the end of the tunnel seem further and further away.

With the market already down 10.0% year-to-date and a couple rallies already snuffed out, it’s certain that the only thing with a chance of turning the sell-side (and subsequently the market) around is if someone, somewhere can start to provide specifics, details and clarity about what needs to be done and how it is going to be accomplished.

Until next week ...

### **About The First Coverage Weekly Street Sentiment**

***Derived from the aggregated analysis of thousands of actual trade ideas and data being sent in real-time from the sell-side to the buy-side, the First Coverage Weekly Street Sentiment provides a snapshot of market trends and a unique perspective of the mindset of the Street for the week ahead. The following data has been extracted directly from all information transmitted in the past week by sell-side representatives from more than 250 firms submitting information to portfolio and asset managers across North America via the First Coverage platform.***

### **About First Coverage**

***Catering to more than 300 financial institutions worldwide, [First Coverage](#) provides a web-based platform that simplifies the gathering, evaluation and organization of all sell-side services and information. For more information, visit [www.firstcoverage.com](http://www.firstcoverage.com) or contact us at [info@firstcoverage.com](mailto:info@firstcoverage.com).***

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