

FIRST COVERAGE WEEKLY SENTIMENT (March 17, 2009)

First Coverage Market Sentiment: Bearish	First Coverage Index: 48.5	Weekly Change: +1.7%	Sell-Side Certainty: Negative
Bullish Industries (0)	Neutral Industries (7)	Bearish Industries (3)	Weekly Sentiment Change
	Basic Materials		
	Consumer Goods (+)		Bullish (x3)
	Consumer Services		
		Financials	Bullish
	Health Care		Bullish
		Industrials	Bullish (x3)
	Oil & Gas		Bearish
	Technology		Bullish
	Telecommunication		
		Utilities	Bullish

From Conviction to Confusion...Welcome to Investing 2009 Style!

What a week! What a Rally! What a call by the sell-side! Now, the obvious trillion dollar question with the not so obvious trillion dollar answer ... What now?

Two weeks ago, we reminded our readers that in the middle of February, before that last turn down happened; the sell-side warned their clients to get out of the market.

“Just over two weeks ago, First Coverage’s Sell-side Sentiment underwent a noticeable week-over-week decline. The following week, the decline was three times as large. Since that first bearish indication on February 13, the S&P 500 has fallen more than 15%.

Don’t say we didn’t warn you!”

In that same issue, looking forward, we used this space to make certain that everyone understood that changes were happening in the market, and we wrote the following:

“In short, it’s time to get long.

This is the first time we’ve said this in over a month. Things have stabilized on the sentiment front. It’s not simply that there is a bullish sentiment percolating through the market, but it’s that the bulls are congregating in areas that have been ignored, shunned and despised for months if not quarters now.”

The sell-side got bearish ahead of a 15% decline. The sell-side got bullish ahead of a 10% rally. Clearly with all this predictive ability and undeniable intelligence, some might be asking why they couldn’t have shown this amount of value-add at the decision making levels that got us into this mess, but we digress.

The undisputable fact is that intelligent life continues to exist amongst the sell-side and, to nobody’s surprise, at many of the independent research providers that have dotted the landscape over the past couple years. While your agreement or disagreement with that former statement more probably reflects the individuals you are deciding to listen to (or not listen to as the case may be), the aggregate of the more than 1,000 sell-side professionals sending information through First Coverage are definitely a force to be reckoned with.

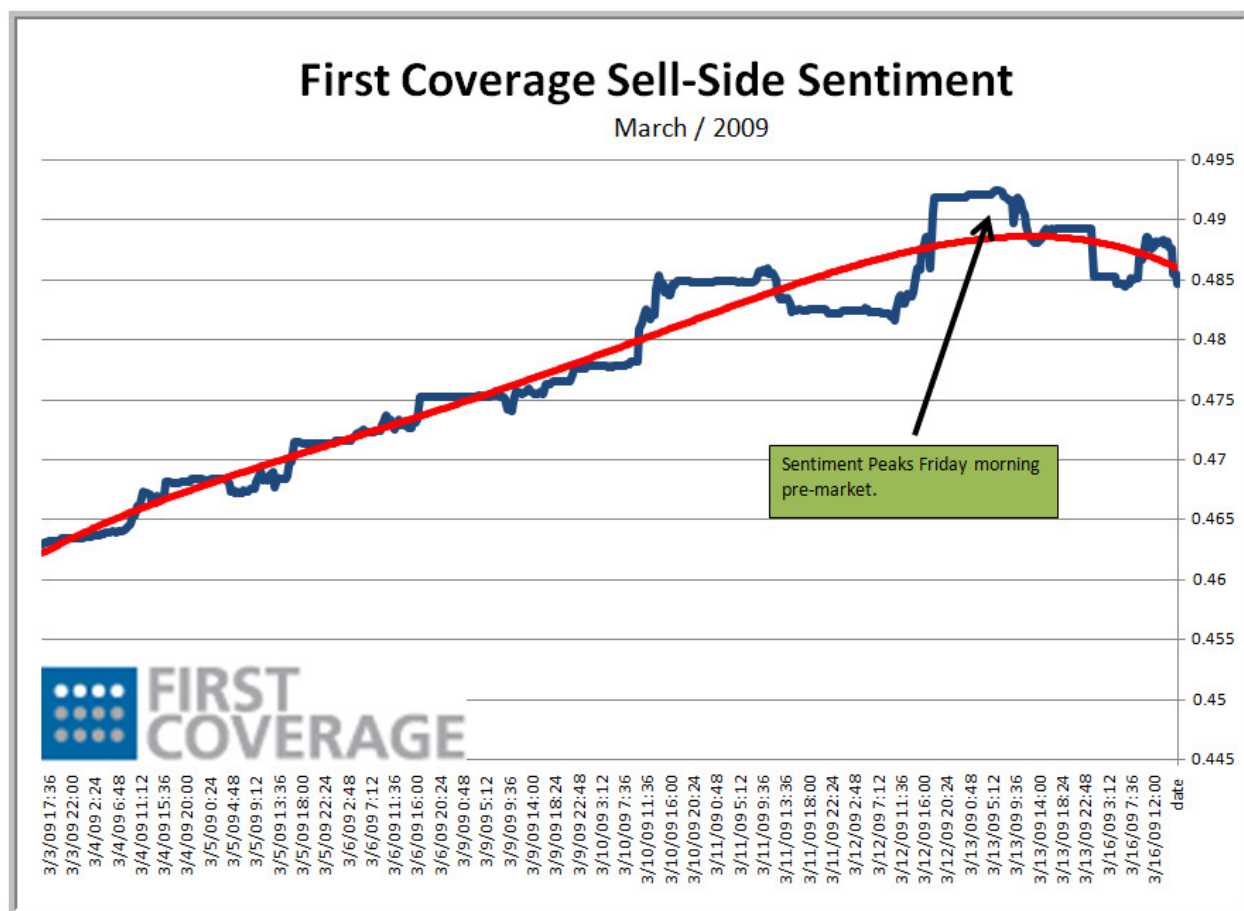
The sell-side continues to, time and time again, position their First Coverage institutional buy-side clients correctly to make money in this market... So again, the trillion dollar question: What’s next?

Unfortunately the answer today is ... we’re not sure!

We wish we had all the answers here, but we don’t create or relay ‘certainty’ amongst the sell-side when it doesn’t exist. Right now, unlike at any time in the last month, when the sell-side seemed to be moving as a single mass towards the bullish or bearish camps, right now we are seeing a mass divided.

It has often been stated within these pages that it is not the level or direction that matters most when you are examining sentiment; it is the change in the direction or the acceleration or deceleration in speed that matters most. An understanding of this is what makes this week’s number muddier than any other in the past month.

The week-over-week change in sentiment is positive. That’s bullish. The slope, as indicated by the red line seen in the graph below, is decelerating since Friday pre-market. That’s bearish.



The market, for the first time we can recall since 2008 began, has only three industries in bearish territory. That's bullish. There are still no industries that are bullish. That's bearish.

Point made, but we can go on and on like this.

The short answer is that for the first time in months, we're seeing the sell-side exhibit uncertainty, indecision, and caution about the next move in this market. Based on hindsight, this means that the easy money is already off the table, the smart money is already safely locked away, and the rest of the money is wrestling with what to do next.

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](http://www.firstcoverage.com) 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 or contact us at info@firstcoverage.com.

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