

FIRST COVERAGE WEEKLY SENTIMENT (May 26, 2009)

First Coverage Market Sentiment: Neutral	First Coverage Index: 51.6	Weekly Change: +1.5%	Sell-Side Certainty: Positive
Bullish Industries (4)	Neutral Industries (5)	Bearish Industries (1)	Weekly Sentiment Change
Basic Materials			
	Consumer Goods		
	Consumer Services		
		Financials	Bearish
Health Care			
	Industrials		
	Oil & Gas		
Technology			Bullish
Telecommunication			
	Utilities		Bullish

Status Quo is the New Black!

Even as our British friends saw the S&P go medieval on their country's credit. Even as it became somewhat inevitable that the USA would see their credit follow suit (Well, Bill Gross from PIMCO said it, so it had to be inevitable right?). Even as more layoffs were announced (HP and American Express) ...the market continued to do what it's been doing almost every week since March 9. It paid attention to what it liked, ignored the rest and eked out the smallest of gains, so that everybody could head into the long weekend breathing easy.

What did it like? Well, it liked the fact that many experts are out there talking up the market right now and sounding credible. It liked the fact the noted economist Paul Krugman stated that he thought "...the worst might be over." It liked the fact that John Paulson, who has made more running his hedge fund than most of us can count (and we're all in the financial services profession), stepped in to purchase \$1 billion of Bank of America in the secondary offering it was forced to do on the back of the stress test

results. And it probably liked the fact that it was able to shrug off the largest bank closing of the year to date (BankUnited in Florida) with nary a dip or concern.

So, while more data is better than less data, the real problem most individuals and sell-side professionals are having with today's market is that the data and opinions coming forward on a daily basis can be morphed to support whatever opinion you want to support.

Mark Twain might have popularized the notion that there were three kinds of untruths, "lies, damned lies and statistics," but this current market environment is showing that it's not just numbers that can be twisted now; it's anything and everything.

Want an example? How about housing starts? Last week, they were at 458,000 vs. an expectation of above 520,000. You'd think that coming in well below what most had anticipated should have been bad news for bulls looking for encouraging "green shoots" that the economy was back on track. But, giving time to "re-think" things, the momentary disappointment ended up being good news because the bulls felt that this would allow the current excess inventory of homes to be drawn down which is, in some people's opinion, a better result.

This kind of good news is bad, and bad news is good. This is what continues to account for individuals on the sell-side praying that another one of their peers take the lead in calling this market. Our numbers clearly indicate (again looking at the number of new ideas being opened relative to other weeks) that no one wants to be a hero right now. No one wants to be the person who gets it wrong. No one is looking to make a name for themselves by calling an end to the rally, and no one is going to make a name for themselves by calling a continued rally. In fact, with all that going on, it shouldn't be surprising that this is the first week we can recall that didn't have one industry change sentiment categories and didn't have a change in the overall trend of the market (still bullish until otherwise indicated).

Status quo is the new black.

That being said, calls continue to be made, and below we've included the five stocks with the most bearish and bullish sentiment shifts over the last week according to the sell-side. (Yes, that is Bank of America at the top of stocks with bullish shifts; apparently Mr. Paulson carries a VERY BIG STICK.)

Bullish Shifts:	
BK OF AMERICA CP	Financials
BRITISH AIRWAYS	Consumer Services
CUBIC CP	Industrials
MONSANTO COMPANY	Consumer Goods
BECTON DICKINSON CO	Health Care

Bearish Shifts:	
HUNTSMAN CORPORATION	Basic Materials
POTASH CP SASKATCHEW	Basic Materials

NEWMONT MIN CP (HLDG)	Basic Materials
JA SOLAR HOLDINGS	Oil & Gas
PET SMART INC	Consumer Services

So, we'll leave you for the third week in a row with, according to our data, a market divided. The only and most obvious thing we can accurately conclude is that half of this market will be right and half is going to be wrong...we'll just wait a few weeks before we tell you which half is which.

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 or contact us at info@firstcoverage.com.

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