

## FIRST COVERAGE WEEKLY SENTIMENT (August 25, 2009)

First Coverage Market Sentiment: <b>Bullish</b>	First Coverage Index: <b>53.3</b>	Weekly Change: <b>+0.8%</b>	Sell-Side Certainty:  Positive
Bullish Industries (6)	Neutral Industries (4)	Bearish Industries (0)	Weekly Sentiment Change
Basic Materials			
	Consumer Goods		
	Consumer Services		<b>Bullish</b>
Financials			<b>Bullish</b>
Health Care			
	Industrials		
	Oil & Gas		
Technology			
Telecommunication			
Utilities			

## **Sell-Side is Tanned, Rested and Somewhat Disinterested!**

### Summer is Still Summer.

Regardless of what else is going on in the marketplace, summer is still summer. And for those lucky enough to still be employed within the Financial Industry, August means time away from the markets and a chance to reunite with those strange people who keep telling you they're related to you. So, it shouldn't be a surprise that even on First Coverage, the last few weeks of August represent a lower level of sell-side activity in the marketplace.

Last week, the sell-side broke a run of three weeks with declining sentiment. It was done by posting a marginal 0.7% overall gain in the market and amid declining volume of new ideas and old ideas being closed. As it's been since almost the beginning of the month...the mantra to the buy-side remains "play 'em as you find 'em." Sell-side professionals continue to advise their clients that, if you were long this

market prior to August, stay long, and if you were out of this market, stay out. Indifference and indecision look very similar in the dog days of summer.

### **Financial Service still Supported by Sell-Side**

While no industries moved in their sentiment classifications this week, it is interesting to note that the sell-side now views Financials as the third most bullish amongst the ten that are tracked. Part of this love could have to do with the uncanny ability of the banks to make money off of everything from the government bail-out packages to consumers so broke they are now paying billions of dollars in fees on things like overdrafts providing bank profits at an unprecedented rate. Talk about getting you coming and going.

That being said, even if the sell-side isn't worried, there are many others out there calling for another 150+ bank failures this year as well as pointing out that the run-up in Financials has been led by institutions with not exactly sterling balance sheets. That being the case, it is likely that if we were really going to witness a turn in the overall market sentiment, it would be either accompanied, or preceded, by a decline in the bullishness towards Financials. Over the last couple months, the volatility in the sentiment surrounding Financial Services and Consumer industries has been higher than in other industries, so we'll make sure to keep an eye on this going forward.

### **Double the fun this week...**

Normally we just publish the five tickers that have undergone the largest sentiment shifts each week, both bullish and bearish. For a change this week, we have listed the ten stocks that are currently associated with the most bullish and bearish sentiment amongst the sell-side. (This list is not the stocks with the greatest changes from last week, but those with the highest and lowest absolute levels of sentiment.)

#### **Bullish:**

Ticker	Company	Industry
WMT	Wal Mart	Consumer Services
PFE	Pfizer	Health Care
DTV	DIRECTV Group	Consumer Services
TEVA	Teva Depository Receipt	Health Care
ATVI	Activision Blizzard	Consumer Goods
C	Citigroup	Financials
BARC	Barclays	Financials
RIO	Rio Tinto	Basic Materials
AH	Koninklijke Ahold	Consumer Services
ARO	Aeropostale	Consumer Services

#### **Bearish:**

Ticker	Company	Industry
FSLR	First Solar	Oil & Gas
WYNN	Wynn Resorts	Consumer Services
VMW	VMware	Technology
CAT	Caterpillar	Industrials
AMZN	Amazon Com	Consumer Services
PALM	Palm	Technology
LOGN	Logitech International	Technology
BA	Boeing	Industrials
CBK	Commerzbank	Financials
IGT	International Game Tech	Consumer Services

### **A Body in Motion...**

Sir Isaac Newton is famous for his laws of motion, which most people summarize with the statement that “a body in motion stays in motion.” That is exactly what is going on with the current market. Up over 50% since March lows, the path of least resistance is the direction it’s already travelling in. While, the sentiment numbers do indicate that the sell-side might not be as enthused as they once were for this rally, they are still on board. And, as mentioned last week, until they see enough data to make them believe “beyond a reasonable doubt” that this rally has hit some unquestionable bad data, they believe, and are advising their clients, that this rally will continue.

First Coverage Weekly Sentiment will be on hiatus next week and will be back on September 9<sup>th</sup>.

### **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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