

FIRST COVERAGE WEEKLY SENTIMENT (October 13, 2009)

First Coverage Market Sentiment: Bullish	First Coverage Index: 55.7	Weekly Change: +0.9%	Sell-Side Certainty: Positive
Bullish Industries (9,+1)	Neutral Industries (1,-1)	Bearish Industries (0)	Weekly Sentiment Change
Basic Materials(+)			
	Consumer Goods		
Consumer Services			Bullish(x2)
Financials			
Health Care			Bearish
Industrials			
Oil & Gas			
Technology			
Telecommunication			Bullish(x2)
Utilities			

Sell-Side Loves Everything and Everybody.

I Love you Man!

Have you ever met one of those people who have an almost eerie ability to see the good in everybody and everything? You know, the type of person who comes away from meeting someone incredibly offensive and comments on how refreshing their 'frankness' was or some such thing? Well, these days the sell-side is kind of like that person.

For the first time ever, nine out of the ten industries we follow for sell-side sentiment are in the bullish camp and the only one that isn't, Consumer Goods, is just a hair away from making it an even ten for ten. There is no fear amongst the sell-side that this rally is ending shortly and while three or four months ago, the longer this rally went the more uncomfortable people seemed to get with its ability to sustain itself, it now seems the opposite is true. With each passing week, the sell-side gets more comfortable that the next week will be similar to the one that just passed, and the one before that, and the thirty before that.

Over the last two months bullishness clearly begat more bullishness and the sell-side continues to suggest to their buy-side client base that they stay fully invested in this market as we enter the last earnings season of 2009.

No Give in Technology but Financials Continue to Show Modest Declines

Following up on an issue we discussed last week, there was, once again, no sentiment slippage in technology over the last seven days. The industry remains the most bullish by sentiment and the sell-side shows no sign of abandoning the higher beta plays that signify a healthy risk appetite. With tolerance for risk clearly evident, it demonstrates that market participants are still trying to scratch out Q4 returns even as the major indices are up anywhere from 12% – 35% already in 2009.

As far as Financials, the sell-side distanced themselves a touch more from this industry during the last week and is no longer as strongly suggesting that their clients hold these stocks. A minor, almost insignificant move of a 0.3% decline in sentiment towards financials indicates that the love affair between the sell-side and their own industry has definitely thawed. At the very least it can be surmised that they are suggesting their clients look to other industries rather than Financials for fresh capital allocations.

Consumer Services up Significantly for Second week in a Row.

In a move that some might consider surprising, sentiment surrounding the Consumer Services industry is up significantly for the second consecutive week. Leading the rally are sharp sentiment gains in Media and Travel & Leisure. Not sure what the sell-side is seeing that others might be overlooking but clearly there is a growing belief amongst this group that the recovery is real. It would be difficult, if not impossible, to be in a position to suggest that capital be allocated to areas such as those mentioned above if one thought discretionary income was going to dry up and a double dip was anticipated.

Another area that the sell-side has been rallying around for the last couple of weeks is the telecommunications industry with most of the gains coming from increased suggestions of being long in the mobile / wireless area.

Stocks to Watch.

Over the last week the following stocks had the largest bullish and bearish sentiment shifts amongst the sell-side.

Bullish:

Symbol	Company	Industry
HPQ	Hewlett-Packard	Technology
CNX	Consol Energy	Basic Materials
PXD	Pioneer National Resource	Oil & Gas
VCI	Valassis Coms	Consumer Services
RIMM	Research In Motion	Technology

Bearish:

Symbol	Company	Industry
BBT	BB&T Corp	Financials
NTES	Netease.com Inc Depository Receipt	Technology
ONXX	Onyx Pharma.	Health Care
EOG	EOG Resources	Oil & Gas
KEY	Keycorp	Financials

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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