

FIRST COVERAGE WEEKLY SENTIMENT (October 27, 2009)

First Coverage Market Sentiment: Bullish	First Coverage Index: 56.2	Weekly Change: +0.0%	Sell-Side Certainty: Positive
Bullish Industries (10)	Neutral Industries (0)	Bearish Industries (0)	Weekly Sentiment Change
Basic Materials			
Consumer Goods			
Consumer Services			
Financials			
Health Care			
Industrials			
Oil & Gas			
Technology			Bearish
Telecommunication			
Utilities			

Market Prepares for ‘Trick or Treat.’

Sell-side comes dressed as unimpressed for Halloween.

With Halloween less than a week away, it seems quite appropriate that this market is ready to play with the fears, worries and anxieties of industry professionals everywhere. Even as earnings season blew the doors off what most had anticipated, sentiment didn't budge from last week and those in the know reacted with a collective yawn.

One of the problems when you've been in love with the market for so long (going on seven months now) is that you become harder and harder to impress. Traditionally, there had been a dip in sentiment as we came into earnings season as market professionals hoped for the best, while secretly preparing for the worst. Not so this time. Sentiment rallied into earnings announcements, which meant we were left with what is referred to in show business as a 'tough crowd.' And, even with all the impressive numbers that have recently been posted...that tough crowd remained unmoved.

Now, we're not saying that the rally is all of sudden over. After all, sentiment not increasing is not the same as sentiment decreasing. And, as we've been consistently reporting for the last two months, we still believe that based on the data we're tracking, too many people have too much of a vested interest to finish 2009, with bonuses and performance numbers intact, to let the rally just peter out without any large negative catalyst. However, that being said, sentiment is a fickle beast, and we need to remain

alert at all times for any indications that the mood of the crowd might be getting surly...and traditionally we've always looked to Technology and Financials to gauge the temperature of the masses, and this week...not so hot.

Technology goes bump in the night!

Technology suffered a 7% decline in sentiment.

This was the largest single week decline since the lazy, hazy days of summer.

This could be indicative of many things -- some as benign as retracing part of the large gains we've made in technology sentiment over the last few weeks; some as significant as indicating a lowering of risk appetite post earnings announcements.

Other reasons for the dip could include a general dissatisfaction with the numbers that companies just posted or a belief that the fundamentals of the industry don't support current valuations. For those who are looking for a worst case scenario, it could also mean that those who have been buying these stocks non-stop for the last seven months have had enough and are moving on to greener pastures with less risk. One week doesn't make a story, but it does make an interesting data point that we'll continue to watch. In the meantime, the good news is that when we look to Financials to see if there was a similar decline in sentiment over the last week, we didn't see it.

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
GILD	Gilead Sciences	Health Care
WMS	WMS Industries	Consumer Services
COH	Coach	Consumer Goods
MTG	MGIC Investment	Financials
STD	Banco Santander ADR	Financials

Bearish:

Symbol	Company	Industry
LXK	Lexmark International Ord Shs	Technology
MCO	Moody's Corp Ord Shs	Financials
IMMU	Immunomedics Ord Shs	Health Care
BKH	Black Hills Corp Ord Shs	Utilities
WFC	Wells Fargo & Company Ord Shs	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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