

FIRST COVERAGE WEEKLY SENTIMENT (January 12, 2010)

First Coverage Market Sentiment: Bullish	First Coverage Index: 57.8	Weekly Change: +0.6%	Sell-Side Certainty: Positive
Bullish Industries (9)	Neutral Industries (1)	Bearish Industries (0)	Weekly Sentiment Change
Basic Materials			Bearish
Consumer Goods			Bullish
Consumer Services			Bullish
Financials			Bullish
Health Care			Bullish
Industrials			
Oil & Gas			Bearish
Technology			Bullish
	Telecommunication		Bearish
Utilities			Bearish

Sell-Side Throws Caution to the Wind!

2010 Already looks a lot like 2009 to the Sell-Side.

After living through a month in which the sell-side did their best impression of a timid wallflower, last week they decided to jump back into the markets with both feet. While their actions could indicate that something finally convinced the sell-side professionals that a turning of the calendar didn't necessarily mean the turning of the markets, we think the data speaks less to new found excitement and more to the exhaustion this group felt after a month spent tilting at windmills.

A top line increase of only 0.6% during the past week might seem somewhat subdued, yet this is truly a week in which the total is much less than the sum of the parts. Underlying a minor overall market move are significant weekly sentiment moves in nine out of the ten industries. This type of volatility is an all-time record.

It's clear when looking at the data that the only reason that the overall number didn't dramatically move is because new found bullishness for old favorites like Technology and Financials was offset by a large exodus from the newer sell-side stories in areas like Basic Materials and Oil & Gas. This was a week in which the sell-side decided 2009 was the new 2010.

"It's alive, it's ALIVE!"

The sell-side's concern about the sustainability of the bull market they helped create last year was one of the overarching themes we pulled out of the data during the last weeks of 2009. More than ever, coming into this past week, there was a stark divide between the markets continuing to rally even as the sell-side was hesitant to suggest their buy-side client base stay long to start the New Year.

Well, this week demonstrated that old adage, "If you can't beat 'em, join 'em."

Faced with a market that was being powered on by the retail masses, industry professionals who were hoping to take time to gather their thoughts, and even potentially some data, abandoned that noble pursuit in a rush not to get left behind. It's clear now that the sell-side is not in control of what this market does and last week was about them coming to grips with this new reality. And, for better or worse, the sell-side is suggesting that their client base go along for the ride even as they remain alert for things that might go bump in the night.

Health Care might Save us All!

You can see this sense of sell-side capitulation in the stories that are being discussed on the Street. Sentiment surrounding Basic Materials fell 5.7% last week while that surrounding Oil & Gas fell an astonishing 14.1%. These were the industries that the sell-side were suggesting to the buy-side over the last month, and apparently, based on the quick turn about, these stories just weren't taking.

At the same time, over the last week, the conversations going on between the two sides of the Street changed to become almost identical to the ones that were popular during 2009. Industries including Financials and Technology (both up over 3.0% last week) are favorites again while some better than expected holiday shopping has the sell-side talking up Consumer Goods and Consumer Services to their client base.

In short, if it worked in 2009, the sell-side is talking about it again.

Part of that could clearly reflect a resistance from the buy-side to look in new directions. Part of it could be the power of bullish retail investors staying with what worked last year. Whatever the reasoning, there's nothing to indicate that the sell-side necessarily believes in a new bull market as much as they are finding themselves going back to what worked last year as they capitulate to the sustained momentum of a bull market that is seemingly going to continue with or without them.

Finally, if you want something new and different, then here's a fact for you. Health Care is the industry associated with the most bullish sentiment. A double digit increase of over 13% last week, fuelled

almost 2/3 by Pharmaceuticals and 1/3 by Health Care Equipment and Services, might be giving us a first look at what will be one of the big investment stories amongst professionals during the upcoming year.

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	Exchange
AFL	AFLAC	Financials	NYSE
UPS	United Parcel Service Class B	Industrials	NYSE
MFC	Manulife Financial	Financials	TSX
STX	Seagate Technology	Technology	NASDAQ
RIMM	Research In Motion	Technology	NASDAQ

Bearish:

Symbol	Company	Industry	Exchange
VLO	Valero Energy	Oil & Gas	NYSE
IPI	Intrepid Potash	Basic Materials	NYSE
PNK	Pinnacle Entertainment	Consumer Services	NYSE
KSU	Kansas City Sthn	Industrials	NYSE
EW	Edwards Lifescience	Health Care	NYSE

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 worldwide 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.

**For media inquiries, please contact Deborah Jorge at First Coverage:
Deborah.Jorge@FirstCoverage.com, 617-303-0067 (office) or 413-531-0959 (mobile).**

--DISCLAIMER--

First Coverage's Weekly Street Sentiment ("WSS") is derived from sources believed to be reliable, but which we furnish "AS IS" and "WITH ALL FAULTS." We do not warrant or guarantee the suitability, timeliness, sequence, accuracy, or completeness of WSS. THERE ARE NO WARRANTIES OF ANY KIND, EXPRESSED, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, SUITABILITY, TIMELINESS, TRUTHFULNESS, SEQUENCE, ACCURACY OR COMPLETENESS), ANY IMPLIED WARRANTIES ARISING FROM TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE, OR THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED FROM USE OF WSS. Any analysis, observation or other opinion that WSS may contain is, and must be construed solely as, a statement of opinion and not a statement of fact, indication of preference or recommendation of any nature. Content contained in WSS is not intended to and does not constitute investment advice and no investment adviser-client relationship is formed.