

FIRST COVERAGE WEEKLY SENTIMENT (January 26, 2010)

First Coverage Market Sentiment: Bullish	First Coverage Index: 57.5	Weekly Change: -0.2%	Sell-Side Certainty: Positive
Bullish Industries (9)	Neutral Industries (1)	Bearish Industries (0)	Weekly Sentiment Change
Basic Materials			Bullish
Consumer Goods			
Consumer Services			Bullish
Financials			
Health Care			Bearish
Industrials			Bearish
Oil & Gas			
Technology			
	Telecommunication		
Utilities			

Sell-Side Find Itself At Odds With Itself!

Data continues to support anything you want...for now!

Another week into 2010 and the rift between sell-side professionals who think we're fine and those who feel we're not continues to grow. For every stock that has a sentiment move up, there's one that moves down. For each bullish industry, there's a bearish one during the past week. While overall market sentiment stays fairly static, there's an immense amount of movement underneath the surface.

While neither side can yet point to irrefutable data that backs them up, both sides can point to question marks that weaken the other's position. And before the sell-side get accused of being reckless, it's not that professionals within our industry are taking uninformed positions about future market direction; rather it's the fact that the information is so ambiguous right now that it can support either side.

Health Care reform: dead or slowed? Ben Bernanke: in or out? Volker Plan: real or rhetoric? Double Dip recession: valid or paranoia? China: able to engineer a soft landing or not? Last week's market drop: blip or bear?

All these uncertainties have created an environment where for the first time in over a year and a half market participants are desperately trying to convince others of the merit of their arguments. It's almost like how one imagines a real market should work instead of everybody spinning data first one way and then the other.

In the context of this debate, as each new piece of data emerges, it is scrutinized and analyzed by both sides to determine if it stands a chance of being "The Piece" that unifies The Street and sends this market in to its next leg, up or down.

Over the years that we've been tracking sentiment, we have occasionally found ourselves with markets that have divided the sell-side. Typically, in that environment of uncertainty, the market stays range bound even as it undergoes periods of sharp moves. Rapid and quick movements occur and revert to current index levels until eventually a data points convince one side or the other to defer. When that occurs, sentiment then shifts as a precursor of a sustained market move. Until that occurs it is likely there will be lots of noise and lots of static in the market movements, but not much in the way of a valid signal.

Good isn't good enough when you're expecting better.

As we start 2010, market reactions to corporate earnings are demonstrating that today's bulls are like 2009's bulls. There are no simple market optimists in rose-colored glasses to be found; there are just realistic bulls and realistic bears. Current sell-side professionals might differ over whether the market can be supported at these levels by fundamental underpinnings, but they are all aware that the only thing that can and should continue to take us higher is much better than expected data.

So, without anyone knowing how good is good enough, (clearly better than consensus, clearly better than whisper numbers), it's no surprise that amongst all this confusion of what's to come, the VIX as a proxy for uncertainty had a mighty resurgence, rallying itself into the high 20s for the first time in ages.

At the very least, this divided market has come together on one thing. Whatever position they are advocating to their buy-side clients, they recognize that that risk is back in fashion and must be respected.

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
PWR	Quanta Services	Industrials	NYSE
TNDM	Neutral Tandem	Technology	NASDAQ
HBAN	Huntington Bancshares	Financials	NASDAQ
XOM	Exxon Mobil	Oil & Gas	NYSE
FCX	Freeport McMoRan Copper	Basic Materials	NYSE

Bearish:

Symbol	Company	Industry	Exchange
CXW	Correct Cp Amer	Industrials	NYSE
HK	Petrohawk Energy	Oil & Gas	NYSE
POT	Potash Corporation of Saskatchewan	Basic Materials	NYSE
JNJ	Johnson & Johnson	Healthcare	NYSE
WABC	Westamerica Banc	Financials	NASDAQ

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.

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