

## **FIRST COVERAGE WEEKLY SENTIMENT (March 2, 2010)**

First Coverage Market Sentiment: <b>Bullish</b>	First Coverage Index: <b>58.8</b>	Weekly Change: <b>+1.5%</b>	Sell-Side Certainty: <b>Negative</b>
<b>Bullish Industries (7)</b>	<b>Neutral Industries (3)</b>	<b>Bearish Industries (0)</b>	<b>Weekly Sentiment Change</b>
Basic Materials			<b>Bullish</b>
	Consumer Goods		
Consumer Services			<b>Bullish</b>
	Financials		
Health Care			<b>Bullish(x2)</b>
Industrials			
Oil & Gas			
Technology			<b>Bullish</b>
	Telecommunication		
Utilities			<b>Bullish</b>

### **Sell-Side Sentiment Very Positive Last Week**

#### **Short-Term Market Outlook Remains Positive**

Last week was not much of a week for price changes, but sell-side sentiment was decidedly bullish, with an aggregate gain of 1.5%. This is a week of important economic news, including the all important employment data on Friday. However, bad weather in the survey week may lead to investors ignoring the number if it surprises on the negative side. This week started off with data on personal income and consumer spending, and the market looked on that data as favorable. It seems likely that, one way or another, the market may be in for price rises this week, if the focus remains on US economic data. Hopefully, the rises in sell-side sentiment last week will prove prescient. However, the uncertainty remains that economic data could deteriorate in subsequent months, but the bullish sell-side sentiment says stay positive on the market, at least for the short term.

### **Upside Breakout Possibilities Continue to Build for Telecomm and Industrials**

In the last two weeks, we have mentioned that Telecomm and Industrials may be poised for upside breakouts. Sell-side sentiment for Telecomm collapsed in December and early January, but has now been recovering since mid-January. The first month of that sharp decline in sell-side sentiment preceded the decline in prices that began at the turn of the year. Prices in recent weeks have leveled off, so maybe the market is warming up to the six-week rise in sentiment that included a 1% rise in each of the last two weeks.

Sentiment for Industrials was only flat last week, after rises of 3% in each of the prior weeks, but sentiment still seems poised for an upward breakout for the industry. Sentiment had broken out to the upside in November 2009 and through early December, but from mid-December through mid-January gave back half of the earlier rise. Two weeks ago, it surpassed that mid-December peak and held onto that new peak last week. Prices for the industry have been rising in February but still have not broken out of the flattish channel of the last four months. It increasingly appears that the sell-side may be on to something in its increasing sentiment for Industrials.

### **Strongest Upside Sell-side Sentiment Still Lies in Tech and Consumer Services**

The march upward in the Tech and Consumer Services Industries continues. Sell-side sentiment for Tech was up a rousing 6%. That followed a modest 1% gain the week before. The 6% was more like the big gains in sentiment in other recent weeks. Tech sentiment has been sharply rising throughout December, January and February. After falling in January, the market has been on board in supporting Tech industry stocks through February, although some tapering off in prices last week coupled with the big gain in sentiment for Tech may have created another opportunity to jump on the Tech train. Tech sell-side sentiment has now matched the high hit in June 2008.

Meanwhile, a huge jump of 9% in sell-side sentiment for Consumer Services reaffirmed both a three-month upward trend and a broader 27-month trend. In January, sentiment for the industry had spiked up a little above the short-term trend but fell back in the first three weeks of February, only to the trend line. The big surge last week eliminated any worries that the pullback was not the start of a reversal in the long-term or short-term trends in sentiment for Consumer Services. Prices for the industry had been in a holding pattern over the last four or five months, but the gains in late February put the industry right at the top of that holding pattern.

### **Financials is Still the Dud Industry**

Prices for Financials have been in a flattish channel for the last seven weeks. Even though it was the best performing industry pricewise last week with a 1% gain, prices are only in the middle of the channel. The sell-side sentiment for Financials has been declining for the last four months. It was flat last week, so that downward trend remains intact. The sell-side has been right on this one for those four months by saying stay away from this industry.

## **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
TJX	TJX Cos Ord Shs	Consumer Services	NYSE
FLR	Fluor Ord Shs	Industrials	NYSE
MCD	McDonald's Ord Shs	Consumer Services	NYSE

### **Bearish:**

Symbol	Company	Industry	Exchange
ESI	ITT Education Ord Shs	Consumer Services	NYSE
MAS	Masco Ord Shs	Industrials	NYSE
PLM	PolyMet Mining Ord Shs	Basic Materials	AMEX

Until next week ... when we'll move the publication of the Weekly Street Sentiment to Sunday evening/Monday morning going forward.

## **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](#) 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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