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MARKET WEEK

Stocks --- The Trader: Stocks Notch Sixth Straight Monthly Gain

By Sandra Ward

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2013 年 6 月 3 日

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Investors stayed glued to another week of "As the Fed Turns."

Unease about Federal Reserve Chairman Ben Bernanke's recent suggestion of possibly curtailing the central bank's bond buying in coming months and debate included in the minutes of the latest Fed policy meeting unsettled the markets during the holiday-shortened week. Investors tried to guess when and by how much the Fed might ease up on its easing. U.S. Treasuries posted their biggest losses in more than two years, pushing yields to their highest levels in more than a year. The 30-year mortgage rate rose above 4% and the yield on the 10-year U.S. Treasury broke through 2%, putting the benchmark bond on a par with the dividend yield of the S&P 500 for the first time this year.

When is a Fed tightening not a tightening? When it's a tapering. In other words, the Fed would continue its longstanding program of buying bonds as a way of spurring economic growth, also known as quantitative easing, but at a lesser pace than the current \$85 billion a month as long as economic conditions are good enough to warrant a let up.

"You're really talking about how much pressure the Fed is putting on the gas pedal. They are still accelerating and still easing aggressively," says Jason Trennert, chief investment strategist at Strategas Research Partners, a New York City-based institutional-investment research firm.

The Dow Jones Industrial Average fell by 208.96 points, or 1.36%, to 15,115.57 Friday to end the week off 187.53 points, or 1.23%. Still, the blue-chip index ended the month of May up 1.86%, marking the sixth straight month of gains. The Dow has risen in 17 of the past 20 months, the longest such streak since 1951. The Nasdaq Composite was flat for the week at 3455.91. It rose 3.82% for the month of May, the seventh consecutive month of gains.

The S&P 500 fell 18.86 points on the week to close at 1630.74, down 1.14%. It notched its first positive performance for May since 2009 and has been up seven straight months, and 15 of the past 18.

The week started strong as investors enthusiastically responded to news that house prices spiked 10.9% in March from the year-ago period, the biggest appreciation in seven years. The S&P/Case-Shiller index, which measures price changes of existing single-family detached residences, showed all 20 U.S. cities tracked in the index posted gains for the third month in a row. Tempering the exuberance a bit was the disclosure that the gains may have been exaggerated by limited supply.

Still, April housing data released by the U.S. Commerce Department revealed that sales of newly constructed homes were strong, too, coming in higher than expected at a seasonally adjusted annual rate of 454,000, nearly 30% higher than that of a year ago.

No wonder, then, that consumers have 'tude! The Consumer Confidence Index clocked in at its highest level since February 2008, according to the Conference Board, soaring to 72.6 in May from 69 in April. Its Expectations Survey jumped to 82.4 from 74.3 the previous month.

Further good news was delivered by none other than Moody's Investor Services, which lifted its assessment of the U.S. banking system to stable from negative for the first time since the dark days of 2008. Banks rallied.

Citigroup (C) reached a 52-week high of \$53.56 during the week, approaching levels last achieved in 2009 when it hit \$54.30 a share and exceeding its highs in 2010 and 2011. That suggested to technical analysts its stock price is on the verge of a breakout, according to Ron Meisels, principal at Phases & Cycles, a Montreal-based independent technical-research firm.

All of this good news, of course, points to economic strength and provides fodder for the Fed to pull back from the pump. Yet, later in the week, disappointing figures on jobless claims, U.S. economic growth and consumer spending suggested the Fed will continue to prime the pump.

Importantly, Bernanke made clear he is reluctant to taper too soon for fear of jeopardizing the recovery, and without more progress on job creation.

Speaking of tapirs . . . Okay, we're speaking of pigs, really, but we couldn't resist. China's Shuanghui International Holdings agreed to acquire U.S.-based pork processor Smithfield Foods (SFD) for \$4.7 billion, or \$34 a share, and the assumption of debt. The price represents a 30% premium to Smithfield's Tuesday closing price of \$26. Should the deal proceed, it will rank as the biggest takeover of a U.S. company by a Chinese firm yet. As the world's largest hog farmer and pork producer, Smithfield provides a valuable commodity to a China interested in securing food supplies for its upwardly mobile population. While there were hints of other competing bids emerging, Smithfield shares ended the week at \$32.96, suggesting otherwise.

In another major transaction, Berkshire Hathaway's (BRKA) MidAmerican Holdings announced a bid for NVEnergy (NVE), a power company serving Nevada, for about \$5.6 billion in cash, or \$23.75 a share and debt assumption. That's a 23% premium to its May 29 closing price of \$19.28. But when you consider that as recently as April 30 NVEnergy traded at \$21.63 a share, shareholders perhaps didn't make out as well as MidAmerican. NVEnergy shares have suffered as investors have been rotating out of defensive sectors and into more cyclical areas. MidAmerican seized the opportunity.

Indeed, on an equal-weighted basis cyclical stocks such as industrials, materials, energy, and technology have been outperforming defensive sectors such as health care, consumer staples, utilities, and telecom since late April, an early sign perhaps of stronger economic growth and the start of a new credit cycle, according to Strategas's Trennert. "Most people think that all the stock-market gains are driven by central-bank liquidity. But maybe the stock market is telling us the economy is stronger."

Last week notwithstanding, the stock market's been partying like it's 1995!

The current trajectory of the S&P 500 is nearly a mirror image of 1995, and, as the good folks at Bespoke Investment Group point out, that would be a very good year to emulate. The S&P 500 delivered a 34.1% gain for the year and never dropped more than 2.5% from a prior closing high all year long. The one pullback happened 11 days before the end of the year, a long time to wait before grabbing the bull by the horns. A chart of both years through May 19 shows almost identical patterns as the S&P followed its skyward swing.

A similar pattern emerges in the behaviors of the leaders and laggards in both years. In 1995, the five best-performing sectors as of May 19 were up 13.5% during the remainder of the year while the five worst performing sectors gained 23.9%.

If the 1995 pattern holds true this year, look for the lagging sectors --materials, technology, energy, and utilities --to dominate the second half after underperforming in the first half. In turn, investors would rotate out of the top performing sectors --health care, consumer discretionary, consumer staples, and financials. It's still early but that move appears to be under way.

Echoes of 1995 also show up in the work of the analysts at Ned Davis Research, based in Venice, Fla. They note that through May 29, the S&P 500 closed the day higher than the previous day 61.8% of the time. Only 1971, when that happened 62.5% of the time, and 1995, at 66%, showed more positive closes.

Will Geisdorf, global strategist at NDR, points out that one successful strategy in the second half of 1995 was to invest in companies showing upward earnings revisions. Alcoa (A), DirecTV (DTV), and Weyerhaeuser (WY) are among the stocks that fit that bill right now.

For those interested in divining the direction of the stock market, it pays to watch what's happening to corporate bond prices.

Tracking the rise and fall of the Dow Jones Equal-Weight U.S.-Issued Corporate Bond Index (Barron's Market Lab, page M52) and looking at the rate of change in the 26-week moving average of the index has proved a reliable predictor of intermediate-term moves in the stock market for much of the past century.

The 26-week rate of change in the corporate bond index turned negative in April and remains bearish.

In periods when corporate bond prices are rising, the Dow Jones Industrial Average has tended to rise by 11.6% annually, on average. When prices on corporate issues are falling, the DJIA has declined annually by 0.5%, on average. Many other sacred market indicators have broken down in recent times, but the corporate bond index still holds merit.

The indicator has added value in all of the last nine decades with the exception of the 1990s, when it underperformed slightly, according to Doug Ramsay, chief investment officer at the Leuthold Group. The Leuthold Group, founded by the venerable Steve Leuthold, has been cranking out investment research and analysis from the North Country of Minneapolis for three decades.

In the 'Nineties, the DJIA rose 15.1% a year on average when corporate bond prices rose, but also rose 15.7% when corporate bond prices fell. In the Fifties, the DJIA gained 15% on average when corporate bond prices advanced and only 10.6% when corporate prices dropped. In the turbulent decade from January 2000 to December 2009, the DJIA advanced 5.2% on average on rising corporate bond prices and lost 10.8% when they fell. Leuthold incorporates the corporate bond index information as one of three dozen indicators in the Major Trend Index it uses to track the relationships between stocks and bonds and inflation and interest rates to help determine allocations to stocks and bonds.

"It's clear that credit information embedded in corporate bond prices provides very valuable information for stock investors," in the intermediate term, says Ramsay.

If, indeed, it is cyclical's time to shine, then perhaps it is time to take a ride in General Motors (GM) shares. Since coming public 2.5 years ago, after the bankruptcy and government bailout, the giant auto maker's stock has been spinning its wheels, underperforming the S&P 500 by about 42%. Changing hands at a recent \$33.89, the stock trades at less than eight times 2014 estimated earnings of \$4.38 a share despite expected earnings growth of about 30%. Morgan Stanley is overweight the stock and has a price target of \$45 a share, noting that GM is highly leveraged to the fastest-growing markets in the world, has net operating loss credits that will shield it from tax payments until 2018, a strong balance sheet, and, importantly, a popular new truck.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15115.57 | -187.53 | -1.23 |
| DJTransportation | 6290.18 | -105.52 | -1.65 |
| DJUtilities | 482.16 | -17.05 | -3.42 |
| DJ65Stocks | 5093.15 | -89.90 | -1.73 |
| DJUSMarket | 410.14 | -4.38 | -1.06 |
| NYSEComp. | 9302.27 | -139.96 | -1.48 |
| NYSEMKTComp. | 2364.99 | -37.44 | -1.56 |
| S&P500 | 1630.74 | -18.86 | -1.14 |
| S&PMidCap | 1184.32 | -3.75 | -0.32 |
| S&PSmallCap | 551.98 | -1.20 | -0.22 |
| Nasdaq | 3455.91 | -3.23 | -0.09 |
| ValueLine(arith.) | 3719.72 | -7.71 | -0.21 |
| Russell2000 | 984.14 | -0.13 | -0.01 |
| DJUSTSMFloat | 17014.54 | -171.02 | -1.00 |

Last Week Week Earlier

| | | |
|----------------------|---------|---------|
| NYSE | | |
| Advances | 896 | 1,089 |
| Declines | 2,277 | 2,077 |
| Unchanged | 48 | 61 |
| NewHighs | 404 | 851 |
| NewLows | 216 | 81 |
| AvDailyVol(mil) | 3,572.3 | 3,504.8 |
| Dollar | | |
| (Finexspotindex) | 83.38 | 83.70 |
| T-Bond | | |
| (CBTnearbyfutures) | 130-080 | 131-110 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 91.97 | 94.15 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 281.85 | 284.89 |
| Gold | | |
| (CMXnearbyfutures) | 1392.60 | 1386.80 |

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文件 B000000020130601e96300018

UK MORNING BRIEFING: FTSE Faces Further Losses as Nikkei Slides

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2013 年 6 月 3 日 06:35

Dow Jones Global Equities News

DJI

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SNAPSHOT:

- FTSE seen lower, sterling, gilts mixed; spot gold higher, Brent lower
- BOE Says U.K. Economy Not Growing Fast Enough
- Vodafone to Increase Investment in the U.K. -FT
- Glencore, Blackstone Looking at Rio Tinto's Canadian Iron-Ore Business - Sources
- Bidders Emerge for Rio Tinto Ore Business
- Watch for: CIPS Manufacturing PMI

SHARES:

London shares look set to continue their downward path Monday following another sharp sell-off in Japan.

"Markets are expected to open lower this morning, led by the Nikkei, which is currently trading over 3% lower," said Joshua Mahony, Research Analyst at Alpari (UK).

"The recent weakness within global equities always looked set to occur from the moment the likes of the **S&P500** reached record highs given the weaknesses inherent within most advanced economies currently. However, the increased liquidity derived from substantial monetary loosening measures globally along with a shift away from fixed income investments owing to low bond yields has forced markets higher until the substantial correction we have recently seen."

Ahead of Monday's opening, IG has called the FTSE down 33 at points 6550.

FOREX:

Sterling was mixed in Asia as markets continued to focus on when the U.S. Federal Reserve will curtail its loose monetary policy. The pound is likely to hold in narrow ranges early in the session amid countervailing influences and technicals.

Although speculation towards prospects for a Fed tapering and the attendant effects on the dollar may continue to dominate at this juncture, OCBC said, "the volatility cocktail may grow potentially more flammable if widespread global equity weakness is added to the mix in the coming sessions." This scenario may well play out if global investors ask uncomfortable questions surrounding the potential withdrawal of global excess liquidity over the medium term, it said.

"We increasingly pencil in the potential exogeneity of implicit and widespread dollar strength, although the summer months may see some capitulation if the Fed remains less than committed pending data developments," the house added. Meanwhile, it expects Asian currencies "to be more attuned with dollar developments if procyclical greenback characteristics continue to materialize."

GILTS:

Gilts may start mixed as investors look to manufacturing data due out to decipher whether central banks should maintain loose policies. The U.K. economy is growing but not as fast as the Bank of England would like, outgoing governor Mervyn King said in an interview broadcast Sunday.

"You can see signs now of a recovery. The economy is growing. Not as fast as we would like it to grow, but no one can foretell the future and all sorts of unexpected events will come along," Mr. King said in an interview with the BBC.

Mr. King will vote on Thursday at his final meeting as a member of the rate-setting Monetary Policy Committee at the BOE.

ENERGY:

Crude-oil futures were lower in Asian trading with heavy losses on Friday and concerns about U.S. oversupply still weighing on investor sentiment, according to ANZ analysts.

Nymex crude was last trading at \$91.78/bbl--down 19 cents from its previous settlement; Brent crude was off 45 cents at \$99.94/bbl. Technically Friday's slide has left Brent looking vulnerable near term after it slipped below support at \$100/bbl, ANZ said. For now surprisingly strong China manufacturing data released over the weekend isn't helping shore up prices in spite of gains in the industrial-metal market in response to the numbers.

This week the focus for crude futures will be Friday's U.S. jobs report as investors remain sensitive to cues on the duration of Fed stimulus measures.

METALS:

Base metals were higher in Asian trading after a surprise upturn in China's key gauge of manufacturing activity at the weekend. Traders said industrial metals have been boosted by the better figures, which appeared to show the economy stabilizing.

Some funds had exited long positions in the market ahead of the data, amid expectations it would show a contraction in the sector. Copper is also taking support from reports that Indonesia has ordered a halt in operations at the Grasberg mine run by PT Freeport Indonesia, the Indonesian unit of Freeport-McMoRan Copper & Gold (FCX), while inspectors probe a fatal tunnel collapse. LME three-month copper traded up 0.7% at US\$7,362.75/ton.

Sluggish growth in top consumer India may weigh on gold demand this year and next, ANZ analysts said in a report.

"ANZ expects India's economy to continue to grow below trend through 2013-2014, which could be a drag on future demand for gold," the house said. In the near term, ANZ notes that a strong U.S. dollar and data signaling a firming U.S. economy are dampening sentiment towards the precious metal, as some investors start to price in a possible end to Fed stimulus measures. Spot gold was \$8.02 higher at \$1,395.

PRICES:

| | | | |
|-----------|-----------|---------|--------|
| DJIA | 15115.57 | -208.96 | -1.36% |
| Nasdaq | 3455.91 | -35.38 | -1.01% |
| S&P 500 | 1630.74 | -23.67 | -1.43% |
| FTSE 100 | 6583.09 | -73.90 | -1.11% |
| FTSE 250 | 14,337.08 | -105.66 | -0.73% |
| FTSE AIM | | | |
| All-Share | 730.26 | -0.12 | -0.02% |

Closing prices

| | | | |
|---------------|----------|--------|-------|
| Dow Future | 15151.00 | +51.00 | +0.3% |
| NASDAQ Future | 2988.50 | +8.25 | +0.3% |
| S&P Future | 1633.40 | +4.40 | +0.3% |

As of 0330 GMT

| | | | |
|--------------|----------|---------|--------|
| Nikkei | 13475.64 | -298.90 | -2.17% |
| S&P/ASX 200 | 4922.50 | -4.10 | -0.08% |
| ShanghaiComp | 2309.30 | +8.70 | +0.38% |

As of 0325 GMT

| | | |
|---------|---------------|--------|
| USD/JPY | 100.64-66 | +0.20% |
| Range | 100.71 100.40 | |
| EUR/USD | 1.3006-08 | +0.10% |

Range 1.3010 1.2986
GBP/USD 1.5213-18 +0.06%
Range 1.5222 1.5194
EUR/GBP 0.8548-51 +0.05%
Range 0.8555 0.8543
As of 0250 GMT vs NY close

Asian Gold \$1,395.00 +\$8.02 +0.6%
Comex Gold \$1,394.10 +\$1.10 +0.1%
Brent Crude \$99.94 -\$0.45 -0.4%
As of 0300 GMT vs NY close

CORPORATE CALENDAR:
GW Pharmaceuticals (GWP.LN)Interim 2013 Results

Phoenix IT Group (PNX.LN)Full year 2013 Preliminary results

Scottish Investment Trust (SCIN.LN)Interim 2013 Results

Thomas Cook Group (TCG.LN)General Meeting

DIVIDEND CALENDAR:
BAE Systems (BA.LN)Full year 2012 Dividend payment date - proposed (seen 0.11700)
JPMorgan Claverhouse Investment Trust (JCH.LN)Q1 2013 Dividend payment date (seen 0.04500)
Sage Group plc (SGE.LN)General Meeting re special dividend & share consolidation
Smart (J) & Co (SMJ.LN)Interim 2013 Dividend payment date (seen 0.00920)

ECONOMIC CALENDAR - GMT:
0830 May CIPS Manufacturing PMI
2301 May BRC-KPMG Retail Sales
Monitor
Contact: London NewsPlus/Services, Dow Jones Newswires; +44-20-7842-9319 [03-06-13 0535GMT]

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DOW JONES NEWSWIRES

DJ CHART ProShares Short **S&P500** ST: short term rebound

164 字

2013 年 6 月 3 日 17:59

Dow Jones Newswires

DJDN

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SHUSD130603185808.gif>

Our pivot point stands at 28.8.

Our preference: short term rebound.

Alternative scenario: the downside breakout of 28.8 would call for 28.4 and 28.1.

Comment: the RSI is above 50. The MACD is above its signal line and negative. The MACD must break above its zero level to call for further upside. Moreover, the share stands above its 20 day MA (29.04) but below its 50 day MA (29.94). ProShares Short **S&P500** is currently trading near its 52 week low at 28.3 reached on 22/05/13.

Supports and resistances:

30.4 *

30.2 **

29.9

29.32 last

29

28.8 **

28.4 *

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(END) Dow Jones Newswires

June 03, 2013 12:59 ET (16:59 GMT)

文件 DJDN000020130603e963004i0

DOW JONES NEWSWIRES

DJ UK MORNING BRIEFING: FTSE Faces Further Losses as Nikkei Slides

1,181 字

2013 年 6 月 3 日 06:35

Dow Jones Newswires

DJDN

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SNAPSHOT:

-FTSE seen lower, sterling, gilts mixed; spot gold higher, Brent lower

-BOE Says U.K. Economy Not Growing Fast Enough

-Vodafone to Increase Investment in the U.K. -FT

-Glencore, Blackstone Looking at Rio Tinto's Canadian Iron-Ore Business - Sources

-Bidders Emerge for Rio Tinto Ore Business

-Watch for: CIPS Manufacturing PMI

SHARES:

London shares look set to continue their downward path Monday following another sharp sell-off in Japan.

"Markets are expected to open lower this morning, led by the Nikkei, which is currently trading over 3% lower," said Joshua Mahony, Research Analyst at Alpari (UK).

"The recent weakness within global equities always looked set to occur from the moment the likes of the **S&P500** reached record highs given the weaknesses inherent within most advanced economies currently. However, the increased liquidity derived from substantial monetary loosening measures globally along with a shift away from fixed income investments owing to low bond yields has forced markets higher until the substantial correction we have recently seen."

Ahead of Monday's opening, IG has called the FTSE down 33 at points 6550.

FOREX:

Sterling was mixed in Asia as markets continued to focus on when the U.S. Federal Reserve will curtail its loose monetary policy. The pound is likely to hold in narrow ranges early in the session amid countervailing influences and technicals.

Although speculation towards prospects for a Fed tapering and the attendant effects on the dollar may continue to dominate at this juncture, OCBC said, "the volatility cocktail may grow potentially more flammable if widespread global equity weakness is added to the mix in the coming sessions." This scenario may well play out if global investors ask uncomfortable questions surrounding the potential withdrawal of global excess liquidity over the medium term, it said.

"We increasingly pencil in the potential exogeneity of implicit and widespread dollar strength, although the summer months may see some capitulation if the Fed remains less than committed pending data developments," the house added. Meanwhile, it expects Asian currencies "to be more attuned with dollar developments if procyclical greenback characteristics continue to materialize."

GILTS:

Gilts may start mixed as investors look to manufacturing data due out to decipher whether central banks should maintain loose policies. The U.K. economy is growing but not as fast as the Bank of England would like, outgoing governor Mervyn King said in an interview broadcast Sunday.

"You can see signs now of a recovery. The economy is growing. Not as fast as we would like it to grow, but no one can foretell the future and all sorts of unexpected events will come along," Mr. King said in an interview with the BBC.

Mr. King will vote on Thursday at his final meeting as a member of the rate-setting Monetary Policy Committee at the BOE.

ENERGY:

Crude-oil futures were lower in Asian trading with heavy losses on Friday and concerns about U.S. oversupply still weighing on investor sentiment, according to ANZ analysts.

Nymex crude was last trading at \$91.78/bbl--down 19 cents from its previous settlement; Brent crude was off 45 cents at \$99.94/bbl. Technically Friday's slide has left Brent looking vulnerable near term after it slipped below support at \$100/bbl, ANZ said. For now surprisingly strong China manufacturing data released over the weekend isn't helping shore up prices in spite of gains in the industrial-metal market in response to the numbers.

This week the focus for crude futures will be Friday's U.S. jobs report as investors remain sensitive to cues on the duration of Fed stimulus measures.

METALS:

Base metals were higher in Asian trading after a surprise upturn in China's key gauge of manufacturing activity at the weekend. Traders said industrial metals have been boosted by the better figures, which appeared to show the economy stabilizing.

Some funds had exited long positions in the market ahead of the data, amid expectations it would show a contraction in the sector. Copper is also taking support from reports that Indonesia has ordered a halt in operations at the Grasberg mine run by PT Freeport Indonesia, the Indonesian unit of Freeport-McMoRan Copper & Gold (FCX), while inspectors probe a fatal tunnel collapse. LME three-month copper traded up 0.7% at US\$7,362.75/ton.

Sluggish growth in top consumer India may weigh on gold demand this year and next, ANZ analysts said in a report.

"ANZ expects India's economy to continue to grow below trend through 2013-2014, which could be a drag on future demand for gold," the house said. In the near term, ANZ notes that a strong U.S. dollar and data signaling a firming U.S. economy are dampening sentiment towards the precious metal, as some investors start to price in a possible end to Fed stimulus measures. Spot gold was \$8.02 higher at \$1,395.

PRICES:

| | | | |
|-----------|-----------|---------|--------|
| DJIA | 15115.57 | -208.96 | -1.36% |
| Nasdaq | 3455.91 | -35.38 | -1.01% |
| S&P 500 | 1630.74 | -23.67 | -1.43% |
| FTSE 100 | 6583.09 | -73.90 | -1.11% |
| FTSE 250 | 14,337.08 | -105.66 | -0.73% |
| FTSE AIM | | | |
| All-Share | 730.26 | -0.12 | -0.02% |

Closing prices

| | | | |
|---------------|----------|--------|-------|
| Dow Future | 15151.00 | +51.00 | +0.3% |
| NASDAQ Future | 2988.50 | +8.25 | +0.3% |
| S&P Future | 1633.40 | +4.40 | +0.3% |

As of 0330 GMT

| | | | |
|--------------|----------|---------|--------|
| Nikkei | 13475.64 | -298.90 | -2.17% |
| S&P/ASX 200 | 4922.50 | -4.10 | -0.08% |
| ShanghaiComp | 2309.30 | +8.70 | +0.38% |

As of 0325 GMT

USD/JPY 100.64-66 +0.20%
Range 100.71 100.40
EUR/USD 1.3006-08 +0.10%
Range 1.3010 1.2986
GBP/USD 1.5213-18 +0.06%
Range 1.5222 1.5194
EUR/GBP 0.8548-51 +0.05%
Range 0.8555 0.8543
As of 0250 GMT vs NY close

Asian Gold \$1,395.00 +\$8.02 +0.6%
Comex Gold \$1,394.10 +\$1.10 +0.1%
Brent Crude \$99.94 -\$0.45 -0.4%
As of 0300 GMT vs NY close

CORPORATE CALENDAR:
GW Pharmaceuticals (GWP.LN)Interim 2013 Results
Phoenix IT Group (PNX.LN)Full year 2013 Preliminary results
Scottish Investment Trust (SCIN.LN)Interim 2013 Results
Thomas Cook Group (TCG.LN)General Meeting

DIVIDEND CALENDAR:
BAE Systems (BA.LN)Full year 2012 Dividend payment date - proposed (seen 0.11700)
JPMorgan Claverhouse Investment Trust (JCH.LN)Q1 2013 Dividend payment date (seen 0.04500)
Sage Group plc (SGE.LN)General Meeting re special dividend & share consolidation
Smart (J) & Co (SMJ.LN)Interim 2013 Dividend payment date (seen 0.00920)

ECONOMIC CALENDAR - GMT:
0830 May CIPS Manufacturing PMI
2301 May BRC-KPMG Retail Sales
Monitor
Contact: London NewsPlus/Services, Dow Jones Newswires; +44-20-7842-9319

(END) Dow Jones Newswires

June 03, 2013 01:35 ET (05:35 GMT)

文件 DJDN000020130603e963000xs

DOW JONES NEWSWIRES

Barron's: The Trader: Stocks Notch Sixth Straight Monthly Gain

2,103 字

2013 年 6 月 1 日 05:09

Dow Jones Institutional News

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(FROM BARRON'S 6/3/13)

By Sandra Ward

Investors stayed glued to another week of "As the Fed Turns."

Unease about Federal Reserve Chairman Ben Bernanke's recent suggestion of possibly curtailing the central bank's bond buying in coming months and debate included in the minutes of the latest Fed policy meeting unsettled the markets during the holiday-shortened week. Investors tried to guess when and by how much the Fed might ease up on its easing. U.S. Treasuries posted their biggest losses in more than two years, pushing yields to their highest levels in more than a year. The 30-year mortgage rate rose above 4% and the yield on the 10-year U.S. Treasury broke through 2%, putting the benchmark bond on a par with the dividend yield of the S&P 500 for the first time this year.

When is a Fed tightening not a tightening? When it's a tapering. In other words, the Fed would continue its longstanding program of buying bonds as a way of spurring economic growth, also known as quantitative easing, but at a lesser pace than the current \$85 billion a month as long as economic conditions are good enough to warrant a let up.

"You're really talking about how much pressure the Fed is putting on the gas pedal. They are still accelerating and still easing aggressively," says Jason Trennert, chief investment strategist at Strategas Research Partners, a New York City-based institutional-investment research firm.

The Dow Jones Industrial Average fell by 208.96 points, or 1.36%, to 15,115.57 Friday to end the week off 187.53 points, or 1.23%. Still, the blue-chip index ended the month of May up 1.86%, marking the sixth straight month of gains. The Dow has risen in 17 of the past 20 months, the longest such streak since 1951. The Nasdaq Composite was flat for the week at 3455.91. It rose 3.82% for the month of May, the seventh consecutive month of gains.

The S&P 500 fell 18.86 points on the week to close at 1630.74, down 1.14%. It notched its first positive performance for May since 2009 and has been up seven straight months, and 15 of the past 18.

The week started strong as investors enthusiastically responded to news that house prices spiked 10.9% in March from the year-ago period, the biggest appreciation in seven years. The S&P/Case-Shiller index, which measures price changes of existing single-family detached residences, showed all 20 U.S. cities tracked in the index posted gains for the third month in a row. Tempering the exuberance a bit was the disclosure that the gains may have been exaggerated by limited supply.

Still, April housing data released by the U.S. Commerce Department revealed that sales of newly constructed homes were strong, too, coming in higher than expected at a seasonally adjusted annual rate of 454,000, nearly 30% higher than that of a year ago.

No wonder, then, that consumers have 'tude! The Consumer Confidence Index clocked in at its highest level since February 2008, according to the Conference Board, soaring to 72.6 in May from 69 in April. Its Expectations Survey jumped to 82.4 from 74.3 the previous month.

Further good news was delivered by none other than Moody's Investor Services, which lifted its assessment of the U.S. banking system to stable from negative for the first time since the dark days of 2008. Banks rallied.

Citigroup (C) reached a 52-week high of \$53.56 during the week, approaching levels last achieved in 2009 when it hit \$54.30 a share and exceeding its highs in 2010 and 2011. That suggested to technical analysts its stock price is on the verge of a breakout, according to Ron Meisels, principal at Phases & Cycles, a Montreal-based independent technical-research firm.

All of this good news, of course, points to economic strength and provides fodder for the Fed to pull back from the pump. Yet, later in the week, disappointing figures on jobless claims, U.S. economic growth and consumer spending suggested the Fed will continue to prime the pump.

Importantly, Bernanke made clear he is reluctant to taper too soon for fear of jeopardizing the recovery, and without more progress on job creation.

Speaking of tapirs . . . Okay, we're speaking of pigs, really, but we couldn't resist. China's Shuanghui International Holdings agreed to acquire U.S.-based pork processor Smithfield Foods (SFD) for \$4.7 billion, or \$34 a share, and the assumption of debt. The price represents a 30% premium to Smithfield's Tuesday closing price of \$26. Should the deal proceed, it will rank as the biggest takeover of a U.S. company by a Chinese firm yet. As the world's largest hog farmer and pork producer, Smithfield provides a valuable commodity to a China interested in securing food supplies for its upwardly mobile population. While there were hints of other competing bids emerging, Smithfield shares ended the week at \$32.96, suggesting otherwise.

In another major transaction, Berkshire Hathaway's (BRKA) MidAmerican Holdings announced a bid for NVEnergy (NVE), a power company serving Nevada, for about \$5.6 billion in cash, or \$23.75 a share and debt assumption. That's a 23% premium to its May 29 closing price of \$19.28. But when you consider that as recently as April 30 NVEnergy traded at \$21.63 a share, shareholders perhaps didn't make out as well as MidAmerican. NVEnergy shares have suffered as investors have been rotating out of defensive sectors and into more cyclical areas. MidAmerican seized the opportunity.

Indeed, on an equal-weighted basis cyclical stocks such as industrials, materials, energy, and technology have been outperforming defensive sectors such as health care, consumer staples, utilities, and telecom since late April, an early sign perhaps of stronger economic growth and the start of a new credit cycle, according to Strategas's Trennert. "Most people think that all the stock-market gains are driven by central-bank liquidity. But maybe the stock market is telling us the economy is stronger."

Last week notwithstanding, the stock market's been partying like it's 1995!

The current trajectory of the S&P 500 is nearly a mirror image of 1995, and, as the good folks at Bespoke Investment Group point out, that would be a very good year to emulate. The S&P 500 delivered a 34.1% gain for the year and never dropped more than 2.5% from a prior closing high all year long. The one pullback happened 11 days before the end of the year, a long time to wait before grabbing the bull by the horns. A chart of both years through May 19 shows almost identical patterns as the S&P followed its skyward swing.

A similar pattern emerges in the behaviors of the leaders and laggards in both years. In 1995, the five best-performing sectors as of May 19 were up 13.5% during the remainder of the year while the five worst performing sectors gained 23.9%.

If the 1995 pattern holds true this year, look for the lagging sectors --materials, technology, energy, and utilities --to dominate the second half after underperforming in the first half. In turn, investors would rotate out of the top performing sectors --health care, consumer discretionary, consumer staples, and financials. It's still early but that move appears to be under way.

Echoes of 1995 also show up in the work of the analysts at Ned Davis Research, based in Venice, Fla. They note that through May 29, the S&P 500 closed the day higher than the previous day 61.8% of the time. Only 1971, when that happened 62.5% of the time, and 1995, at 66%, showed more positive closes.

Will Geisdorf, global strategist at NDR, points out that one successful strategy in the second half of 1995 was to invest in companies showing upward earnings revisions. Alcoa (A), DirecTV (DTV), and Weyerhaeuser (WY) are among the stocks that fit that bill right now.

For those interested in divining the direction of the stock market, it pays to watch what's happening to corporate bond prices.

Tracking the rise and fall of the Dow Jones Equal-Weight U.S.-Issued Corporate Bond Index (Barron's Market Lab, page M52) and looking at the rate of change in the 26-week moving average of the index has proved a reliable predictor of intermediate-term moves in the stock market for much of the past century.

The 26-week rate of change in the corporate bond index turned negative in April and remains bearish.

In periods when corporate bond prices are rising, the Dow Jones Industrial Average has tended to rise by 11.6% annually, on average. When prices on corporate issues are falling, the DJIA has declined annually by 0.5%, on average. Many other sacred market indicators have broken down in recent times, but the corporate bond index still holds merit.

The indicator has added value in all of the last nine decades with the exception of the 1990s, when it underperformed slightly, according to Doug Ramsay, chief investment officer at the Leuthold Group. The Leuthold Group, founded by the venerable Steve Leuthold, has been cranking out investment research and analysis from the North Country of Minneapolis for three decades.

In the 'Nineties, the DJIA rose 15.1% a year on average when corporate bond prices rose, but also rose 15.7% when corporate bond prices fell. In the Fifties, the DJIA gained 15% on average when corporate bond prices advanced and only 10.6% when corporate prices dropped. In the turbulent decade from January 2000 to December 2009, the DJIA advanced 5.2% on average on rising corporate bond prices and lost 10.8% when they fell. Leuthold incorporates the corporate bond index information as one of three dozen indicators in the Major Trend Index it uses to track the relationships between stocks and bonds and inflation and interest rates to help determine allocations to stocks and bonds.

"It's clear that credit information embedded in corporate bond prices provides very valuable information for stock investors," in the intermediate term, says Ramsay.

1 Jun 2013 00:09 EDT Barron's: The Trader: Stocks Notch Sixth Straight -2-

If, indeed, it is cyclical's time to shine, then perhaps it is time to take a ride in General Motors (GM) shares. Since coming public 2.5 years ago, after the bankruptcy and government bailout, the giant auto maker's stock has been spinning its wheels, underperforming the S&P 500 by about 42%. Changing hands at a recent \$33.89, the stock trades at less than eight times 2014 estimated earnings of \$4.38 a share despite expected earnings growth of about 30%. Morgan Stanley is overweight the stock and has a price target of \$45 a share, noting that GM is highly leveraged to the fastest-growing markets in the world, has net operating loss credits that will shield it from tax payments until 2018, a strong balance sheet, and, importantly, a popular new truck.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15115.57 | -187.53 | -1.23 |
| DJTransportation | 6290.18 | -105.52 | -1.65 |
| DJUtilities | 482.16 | -17.05 | -3.42 |
| DJ65Stocks | 5093.15 | -89.90 | -1.73 |
| DJUSMarket | 410.14 | -4.38 | -1.06 |
| NYSEComp. | 9302.27 | -139.96 | -1.48 |
| NYSEMKTComp. | 2364.99 | -37.44 | -1.56 |
| S&P500 | 1630.74 | -18.86 | -1.14 |
| S&PMidCap | 1184.32 | -3.75 | -0.32 |
| S&PSmallCap | 551.98 | -1.20 | -0.22 |
| Nasdaq | 3455.91 | -3.23 | -0.09 |
| ValueLine(arith.) | 3719.72 | -7.71 | -0.21 |
| Russell2000 | 984.14 | -0.13 | -0.01 |
| DJUSTSMFloat | 17014.54 | -171.02 | -1.00 |

Last Week Week Earlier

| | | |
|----------------------|---------|---------|
| NYSE | | |
| Advances | 896 | 1,089 |
| Declines | 2,277 | 2,077 |
| Unchanged | 48 | 61 |
| NewHighs | 404 | 851 |
| NewLows | 216 | 81 |
| AvDailyVol(mil) | 3,572.3 | 3,504.8 |
| Dollar | | |
| (Finexspotindex) | 83.38 | 83.70 |
| T-Bond | | |
| (CBTnearbyfutures) | 130-080 | 131-110 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 91.97 | 94.15 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 281.85 | 284.89 |
| Gold | | |

(CMXnearbyfutures) 1392.60 1386.80

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(END) Dow Jones Newswires

June 01, 2013 00:09 ET (04:09 GMT)

文件 DJDN000020130601e961000ch

MARKET WEEK

Stocks --- The Trader: Investors Flinch, Four-Week Win Streak Ends

By Avi Salzman

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2013 年 5 月 27 日

Barron's

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Investors got to face some of their biggest fears last week, and for the first time in more than a month, they flinched.

We learned last week that the Federal Reserve is considering ways to reduce the stimulus program, and that China's manufacturing sector appears to be contracting. The cumulative stress of that news sent stocks around the world lower. U.S. equities performed better than some overseas markets, but they weren't immune.

The Dow fell 51.3 points on the week, or 0.33%, to 15,303.1. The S&P 500 dropped 17.87 points, or 1.07%, to end at 1,649.60. The technology-heavy Nasdaq Composite index lost 38.92 points, or 1.14%, to 3,459.14. All three indexes snapped four-week winning streaks.

It was the week that the Fed tested the brakes on the easy-money machine currently driving the market forward. Multiple members of the Fed Open Market Committee were open to slowing down the stimulus program as soon as June if the economy improves, minutes released Wednesday from the group's meeting a month ago showed. In testimony before Congress the same day, Fed Chairman Ben Bernanke reassured the markets that he doesn't want to stop the asset-buying program too abruptly. But investors balked nonetheless.

Aside from Wednesday, though, U.S. equity trading didn't have a strong bearish tilt, and few expect the six-month bull run to suddenly reverse. After a late rally on Friday, the Dow made it past 100 days without a single three-day losing streak, the longest such streak ever.

But investors are still a little giddy, like the high school seniors coasting through second semester who haven't yet realized they should be looking for a summer job. Investor surveys and put-call ratios are remarkably bullish, says Christian Andreach, the co-head of global equities at Manning & Napier. "We are a little bit concerned by some of the complacency out there," he says.

Some fear that investors now entering the market are simply playing catch-up.

"When people are being forced to buy for no other reason than they feel they have to for fear of missing the rally, that's not a healthy market," said Garth Friesen, co-chief investment officer at hedge fund III Associates, and a member of the New York Fed's Investor Advisory Committee. "We've been advocating a little more caution. The whole move we've had in the S&P this year has been due to multiple expansion."

Some stocks saw particularly large swings on the week. Procter & Gamble (PG) rose 4% on Friday after the company announced late on Thursday that CEO Robert McDonald had suddenly retired and former CEO A.G. Lafley was taking his place. McDonald had been under fire from investors after the company posted weak third quarter results last month, and activist investor Bill Ackman had been agitating for change.

Saks (SKS) jumped 31% on the week on news speculating the retailer might merge with privately held rival Neiman Marcus.

Touch-screen company Uni-Pixel (UNXL) fell 12% on the week, after a 22% drop the previous week. Uni-Pixel said it now expects products with its UniBoss films to hit shelves in the fourth quarter instead of the third quarter because of delays at a partner; management said its own manufacturing schedule was still on track. The company was featured in a skeptical Barron's story two weeks ago ("Out of Touch," May 13).

Two largely unrelated themes have developed in the equity market in the past few months. Investors have plowed money into defensive stocks as they seek higher dividend yields and steady growth outside of the bond markets. As a result, health care and consumer stocks have soared this year.

But among many investors, risk-taking is in favor. Stocks considered riskier, or "higher beta," have outperformed the overall market, with the Powershares High Beta Portfolio (SPHB) advancing 9% in the past month, even as the S&P has risen 4.5%.

Investors willing to bet on stocks with high short interest, such as Netflix (NFLX) and First Solar (FSLR), have been richly rewarded. Those stocks are among the top performers in the S&P 500 in the second quarter, so far. In fact, the 50 stocks in the S&P 500 with the highest short interest have far outperformed the 50 stocks with the lowest short interest in the current quarter. As of early last week, the short-sellers' favorites were up 12%, while the stocks they've ignored were down 5%, according to Bespoke Investment Group. Bespoke calls it "the dash for trash."

"People are either reaching for yield or groping for growth," says Brian Jacobsen of Wells Fargo Funds Management. "You've got a lot in the middle there that just doesn't seem to move much one way or the other."

One sector that has performed well this year is health care, up about 22%. But some companies have been left behind in the rally.

St. Louis-based Express Scripts (ESRX), a pharmacy-benefits manager, has lagged the market after warning investors last year that analysts' earnings expectations for 2013 were "overly aggressive." That pre-emptive pessimism has kept a lid on the stock for months, and it now trades at 13.8 times earnings, cheaper than its main competitor CVS Caremark (CVS) and below its own five-year average of 15.8 times.

Express Scripts acts as a middleman between employers and pharmacies, processing about 1.5 billion prescriptions every year. The company bought rival Medco Health Solutions last year, and now manages prescriptions for roughly a third of Americans. Its sales are expected to jump to \$101.1 billion in 2013 from \$46.1 billion in 2011, before the Medco deal closed.

"Now they're the dominant player," says Maxim Group analyst Anthony Vendetti. "Express Scripts clearly has the No. 1 foothold in the market, in terms of revenues, in terms of customers. The stock hasn't yet reflected its bargaining power" with both drug companies and clients.

Analysts and bullish investors expect Express Scripts' results to start showing the company's increased power and greater efficiency soon. Express Scripts could benefit as major drugs continue to lose patent protection, because the company earns a better margin on generic drug prescriptions than on branded ones. The Medco acquisition has helped Express Scripts boost its specialty pharmaceutical and mail-order businesses, both of which add to profitability. And CEO George Paz says the company has gotten hip to what he calls "consumerology," a far-out way of saying that the company is mining its prescription data to find better ways of keeping patients healthy and improving its business.

The improvements are starting to show up in Express Scripts' results. After initially tamping down expectations late last year on concerns about the economy, the company is now exceeding its lowered targets.

In the first quarter, Express Scripts posted earnings of \$374 million, or an adjusted 99 cents a share, on \$26.06 billion in revenue. Analysts had been expecting 97 cents a share on \$25.048 billion in revenue. For the full year, Express Scripts raised its guidance by three cents to between \$4.23 and \$4.33 a share, which amounts to growth of 13% to 16%. Analysts are projecting \$4.29.

Managing prescriptions is a low-margin business -- the company is paid a small fee for each prescription it processes. But the merger is helping Express Scripts cut costs, and margins are expected to swing higher.

Gross margins rose to 7.8% in the first quarter from about 7.1% a year ago.

"A 10-to-20-basis-point change in gross margin [a 0.1%-0.2% change] has a major impact on the bottom line," says Vendetti. "If the margins expand, there's a lot of opportunity for the shares to benefit."

Express Scripts has estimated that it will be able to cut \$1 billion in annual costs through the merger, a small but still significant portion of the company's \$90 billion in costs. Following the Medco merger, total debt spiked to nearly \$16 billion at the end of 2012 from \$2.5 billion in 2010. But Express Scripts has been able to boost its free cash flow considerably, allowing it to pay off its obligations more quickly than it had anticipated. The company generated \$4.6 billion in free cash flow in 2012, more than double what it generated in 2011.

That allowed Express Scripts to begin buying back shares earlier than expected. After holding off on buybacks for a year to pay off debt, the company announced a new plan in March to repurchase 75 million shares, or about 9% of its total share count.

The buybacks could help the company post annual growth in earnings per share of 15%, wrote Jefferies analyst Brian Tanquiltat this month in upgrading shares to Buy with a \$74 price target.

Jeff Jonas, co-portfolio manager of the Gabelli Healthcare and Wellness Trust, thinks the company is slow-playing a very good hand. "Management has been overly conservative with guidance," said Jonas, whose fund holds shares in the company.

Express Scripts could struggle if health insurers decide to run their own pharmacy- benefits programs instead of outsourcing them to Express Scripts -- UnitedHealth Group (UNH) is beginning to handle many of its own services this year, for instance. But health-care trends are working in Express Scripts' favor. Companies rushing to comply with Obamacare are unlikely to switch providers, experts predict, and CEO Paz said the company is "enjoying one of our highest client-retention years ever." As Express Scripts attracts clients, it should also attract investors looking for an inexpensive stock.

In an item on Orbitz (OWW) last week, we incorrectly said that 70% of its revenue comes from air travel, which has low profit margins. Air travel is 70% of gross bookings, or the total amount that customers pay in transactions; much of that goes directly to the airline, hotel, or car-rental company. Air travel is 33% of Orbitz's revenue, which is the cut the company takes of gross bookings.

It was a serious goof, but it doesn't affect our view that Orbitz's 250% jump in share price over the past six months -- mainly in reaction to increases in hotel revenue -- isn't justified by the long-term prospects. Though the hotel business has markedly higher margins than those of air travel, it accounts for just 31% of revenue, too small to justify such an enormous stock rise.

We asked Orbitz for a hotel outlook for 2013, but the company declined to comment. Marketing costs and other expenses are increasing faster than the first quarter's 7% rise in total revenue, and will probably continue to do so. Despite the first-quarter hotel improvement, Orbitz reported a \$12 million loss before taxes, double the level of a year earlier. Still doesn't sound like a stock that should be trading at 22 times next year's estimated earnings.

-- Vito J. Racanelli

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15303.10 | -51.30 | -0.33 |
| DJTransportation | 6395.70 | -153.46 | -2.34 |
| DJUtilities | 499.21 | -17.49 | -3.38 |
| DJ65Stocks | 5183.05 | -78.55 | -1.49 |
| DJUSMarket | 414.52 | -4.99 | -1.19 |
| NYSEComp. | 9442.22 | -134.20 | -1.40 |
| NYSEMKTComp. | 2402.42 | -24.27 | -1.00 |
| S&P500 | 1649.60 | -17.87 | -1.07 |
| S&PMidCap | 1188.07 | -23.47 | -1.94 |
| S&PSmallCap | 553.18 | -7.42 | -1.32 |
| Nasdaq | 3459.14 | -39.82 | -1.14 |
| ValueLine(arith.) | 3727.43 | -38.05 | -1.01 |
| Russell2000 | 984.28 | -12.00 | -1.20 |
| DJUSTSMFloat | 17185.56 | -203.69 | -1.17 |

Last Week Week Earlier

| | | |
|------------------|---------|---------|
| NYSE | | |
| Advances | 1,089 | 1,865 |
| Declines | 2,077 | 1,332 |
| Unchanged | 61 | 34 |
| NewHighs | 851 | 914 |
| NewLows | 81 | 74 |
| AvDailyVol(mil) | 3,504.8 | 3,365.2 |
| Dollar | | |
| (Finexspotindex) | 83.80 | 84.25 |
| T-Bond | | |

| | | |
|----------------------|---------|---------|
| (CBTnearbyfutures) | 131-110 | 131-275 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 94.15 | 96.02 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 284.89 | 287.60 |
| Gold | | |
| (CMXnearbyfutures) | 1386.80 | 1364.90 |
| --- | | |

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DOW JONES NEWSWIRES

Barron's: The Trader: Investors Flinch, Four-Week Win Streak Ends

2,109 字

2013 年 5 月 25 日 05:06

Dow Jones Institutional News

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(FROM BARRON'S 5/27/13)

By Avi Salzman

Investors got to face some of their biggest fears last week, and for the first time in more than a month, they flinched.

We learned last week that the Federal Reserve is considering ways to reduce the stimulus program, and that China's manufacturing sector appears to be contracting. The cumulative stress of that news sent stocks around the world lower. U.S. equities performed better than some overseas markets, but they weren't immune.

The Dow fell 51.3 points on the week, or 0.33%, to 15,303.1. The S&P 500 dropped 17.87 points, or 1.07%, to end at 1,649.60. The technology-heavy Nasdaq Composite index lost 38.92 points, or 1.14%, to 3,459.14. All three indexes snapped four-week winning streaks.

It was the week that the Fed tested the brakes on the easy-money machine currently driving the market forward. Multiple members of the Fed Open Market Committee were open to slowing down the stimulus program as soon as June if the economy improves, minutes released Wednesday from the group's meeting a month ago showed. In testimony before Congress the same day, Fed Chairman Ben Bernanke reassured the markets that he doesn't want to stop the asset-buying program too abruptly. But investors balked nonetheless.

Aside from Wednesday, though, U.S. equity trading didn't have a strong bearish tilt, and few expect the six-month bull run to suddenly reverse. After a late rally on Friday, the Dow made it past 100 days without a single three-day losing streak, the longest such streak ever.

But investors are still a little giddy, like the high school seniors coasting through second semester who haven't yet realized they should be looking for a summer job. Investor surveys and put-call ratios are remarkably bullish, says Christian Andreach, the co-head of global equities at Manning & Napier. "We are a little bit concerned by some of the complacency out there," he says.

Some fear that investors now entering the market are simply playing catch-up.

"When people are being forced to buy for no other reason than they feel they have to for fear of missing the rally, that's not a healthy market," said Garth Friesen, co-chief investment officer at hedge fund III Associates, and a member of the New York Fed's Investor Advisory Committee. "We've been advocating a little more caution. The whole move we've had in the S&P this year has been due to multiple expansion."

Some stocks saw particularly large swings on the week. Procter & Gamble (PG) rose 4% on Friday after the company announced late on Thursday that CEO Robert McDonald had suddenly retired and former CEO A.G. Lafley was taking his place. McDonald had been under fire from investors after the company posted weak third quarter results last month, and activist investor Bill Ackman had been agitating for change.

Saks (SKS) jumped 31% on the week on news speculating the retailer might merge with privately held rival Neiman Marcus.

Touch-screen company Uni-Pixel (UNXL) fell 12% on the week, after a 22% drop the previous week. Uni-Pixel said it now expects products with its UniBoss films to hit shelves in the fourth quarter instead of the third quarter because of delays at a partner; management said its own manufacturing schedule was still on track. The company was featured in a skeptical Barron's story two weeks ago ("Out of Touch," May 13).

Two largely unrelated themes have developed in the equity market in the past few months. Investors have plowed money into defensive stocks as they seek higher dividend yields and steady growth outside of the bond markets. As a result, health care and consumer stocks have soared this year.

But among many investors, risk-taking is in favor. Stocks considered riskier, or "higher beta," have outperformed the overall market, with the Powershares High Beta Portfolio (SPHB) advancing 9% in the past month, even as the S&P has risen 4.5%.

Investors willing to bet on stocks with high short interest, such as Netflix (NFLX) and First Solar (FSLR), have been richly rewarded. Those stocks are among the top performers in the S&P 500 in the second quarter, so far. In fact, the 50 stocks in the S&P 500 with the highest short interest have far outperformed the 50 stocks with the lowest short interest in the current quarter. As of early last week, the short-sellers' favorites were up 12%, while the stocks they've ignored were down 5%, according to Bespoke Investment Group. Bespoke calls it "the dash for trash."

"People are either reaching for yield or groping for growth," says Brian Jacobsen of Wells Fargo Funds Management. "You've got a lot in the middle there that just doesn't seem to move much one way or the other."

One sector that has performed well this year is health care, up about 22%. But some companies have been left behind in the rally.

St. Louis-based Express Scripts (ESRX), a pharmacy-benefits manager, has lagged the market after warning investors last year that analysts' earnings expectations for 2013 were "overly aggressive." That pre-emptive pessimism has kept a lid on the stock for months, and it now trades at 13.8 times earnings, cheaper than its main competitor CVS Caremark (CVS) and below its own five-year average of 15.8 times.

Express Scripts acts as a middleman between employers and pharmacies, processing about 1.5 billion prescriptions every year. The company bought rival Medco Health Solutions last year, and now manages prescriptions for roughly a third of Americans. Its sales are expected to jump to \$101.1 billion in 2013 from \$46.1 billion in 2011, before the Medco deal closed.

"Now they're the dominant player," says Maxim Group analyst Anthony Vendetti. "Express Scripts clearly has the No. 1 foothold in the market, in terms of revenues, in terms of customers. The stock hasn't yet reflected its bargaining power" with both drug companies and clients.

Analysts and bullish investors expect Express Scripts' results to start showing the company's increased power and greater efficiency soon. Express Scripts could benefit as major drugs continue to lose patent protection, because the company earns a better margin on generic drug prescriptions than on branded ones. The Medco acquisition has helped Express Scripts boost its specialty pharmaceutical and mail-order businesses, both of which add to profitability. And CEO George Paz says the company has gotten hip to what he calls "consumerology," a far-out way of saying that the company is mining its prescription data to find better ways of keeping patients healthy and improving its business.

The improvements are starting to show up in Express Scripts' results. After initially tamping down expectations late last year on concerns about the economy, the company is now exceeding its lowered targets.

In the first quarter, Express Scripts posted earnings of \$374 million, or an adjusted 99 cents a share, on \$26.06 billion in revenue. Analysts had been expecting 97 cents a share on \$25.048 billion in revenue. For the full year, Express Scripts raised its guidance by three cents to between \$4.23 and \$4.33 a share, which amounts to growth of 13% to 16%. Analysts are projecting \$4.29.

Managing prescriptions is a low-margin business -- the company is paid a small fee for each prescription it processes. But the merger is helping Express Scripts cut costs, and margins are expected to swing higher.

Gross margins rose to 7.8% in the first quarter from about 7.1% a year ago.

"A 10-to-20-basis-point change in gross margin [a 0.1%-0.2% change] has a major impact on the bottom line," says Vendetti. "If the margins expand, there's a lot of opportunity for the shares to benefit."

Express Scripts has estimated that it will be able to cut \$1 billion in annual costs through the merger, a small but still significant portion of the company's \$90 billion in costs. Following the Medco merger, total debt spiked to nearly \$16 billion at the end of 2012 from \$2.5 billion in 2010. But Express Scripts has been able to boost its free cash flow considerably, allowing it to pay off its obligations more quickly than it had anticipated. The company generated \$4.6 billion in free cash flow in 2012, more than double what it generated in 2011.

That allowed Express Scripts to begin buying back shares earlier than expected. After holding off on buybacks for a year to pay off debt, the company announced a new plan in March to repurchase 75 million shares, or about 9% of its total share count.

The buybacks could help the company post annual growth in earnings per share of 15%, wrote Jefferies analyst Brian Tanquilat this month in upgrading shares to Buy with a \$74 price target.

Jeff Jonas, co-portfolio manager of the Gabelli Healthcare and Wellness Trust, thinks the company is slow-playing a very good hand. "Management has been overly conservative with guidance," said Jonas, whose fund holds shares in the company.

Express Scripts could struggle if health insurers decide to run their own pharmacy- benefits programs instead of outsourcing them to Express Scripts -- UnitedHealth Group (UNH) is beginning to handle many of its own services this year, for instance. But health-care trends are working in Express Scripts' favor. Companies rushing to comply with Obamacare are unlikely to switch providers, experts predict, and CEO Paz said the company is "enjoying one of our highest client-retention years ever." As Express Scripts attracts clients, it should also attract investors looking for an inexpensive stock.

In an item on Orbitz (OWW) last week, we incorrectly said that 70% of its revenue comes from air travel, which has low profit margins. Air travel is 70% of gross bookings, or the total amount that customers pay in transactions; much of that goes directly to the airline, hotel, or car-rental company. Air travel is 33% of Orbitz's revenue, which is the cut the company takes of gross bookings.

25 May 2013 00:07 EDT Barron's: The Trader: Investors Flinch, Four-Week -2-

It was a serious goof, but it doesn't affect our view that Orbitz's 250% jump in share price over the past six months -- mainly in reaction to increases in hotel revenue -- isn't justified by the long-term prospects. Though the hotel business has markedly higher margins than those of air travel, it accounts for just 31% of revenue, too small to justify such an enormous stock rise.

We asked Orbitz for a hotel outlook for 2013, but the company declined to comment. Marketing costs and other expenses are increasing faster than the first quarter's 7% rise in total revenue, and will probably continue to do so. Despite the first-quarter hotel improvement, Orbitz reported a \$12 million loss before taxes, double the level of a year earlier. Still doesn't sound like a stock that should be trading at 22 times next year's estimated earnings.

-- Vito J. Racanelli

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15303.10 | -51.30 | -0.33 |
| DJTransportation | 6395.70 | -153.46 | -2.34 |
| DJUtilities | 499.21 | -17.49 | -3.38 |
| DJ65Stocks | 5183.05 | -78.55 | -1.49 |
| DJUSMarket | 414.52 | -4.99 | -1.19 |
| NYSEComp. | 9442.22 | -134.20 | -1.40 |
| NYSEMKTComp. | 2402.42 | -24.27 | -1.00 |
| S&P500 | 1649.60 | -17.87 | -1.07 |
| S&PMidCap | 1188.07 | -23.47 | -1.94 |
| S&PSmallCap | 553.18 | -7.42 | -1.32 |
| Nasdaq | 3459.14 | -39.82 | -1.14 |
| ValueLine(arith.) | 3727.43 | -38.05 | -1.01 |
| Russell2000 | 984.28 | -12.00 | -1.20 |
| DJUSTSMFloat | 17185.56 | -203.69 | -1.17 |

Last Week Week Earlier

| | | |
|-----------|-------|-------|
| NYSE | | |
| Advances | 1,089 | 1,865 |
| Declines | 2,077 | 1,332 |
| Unchanged | 61 | 34 |

| | | |
|----------------------|---------|---------|
| NewHighs | 851 | 914 |
| NewLows | 81 | 74 |
| AvDailyVol(mil) | 3,504.8 | 3,365.2 |
| Dollar | | |
| (Finexspotindex) | 83.80 | 84.25 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-110 | 131-275 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 94.15 | 96.02 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 284.89 | 287.60 |
| Gold | | |
| (CMXnearbyfutures) | 1386.80 | 1364.90 |
| --- | | |

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(END) Dow Jones Newswires

May 25, 2013 00:07 ET (04:07 GMT)

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DOW JONES NEWSWIRES

*DJ ProShares Announces ETF Share Splits >UGE.P

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2013 年 5 月 24 日 21:15

Dow Jones Newswires

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24 May 2013 16:15 EDT PRESS RELEASE: ProShares Announces ETF Share Splits

ProShares Announces ETF Share Splits

ProShares Share Splits of Seven ETFs; Reverse Share Splits of Eight ETFs

BETHESDA, Md.--(BUSINESS WIRE)--May 24, 2013--

ProShares, a premier provider of alternative ETFs, announced today share splits on seven of its ETFs and reverse share splits on eight of its ETFs. The splits and reverse splits will not change the value of a shareholder's investment.

Splits

Seven ETFs will split shares 2-for-1.

| Ticker | Fund | Split Ratio |
|--------|-----------------------------------|-------------|
| UGE | ProShares Ultra Consumer Goods | 2:1 |
| UPRO | ProShares UltraPro S&P500(R) | 2:1 |
| UMDD | ProShares UltraPro MidCap400 | 2:1 |
| UWC | ProShares Ultra Russell3000 | 2:1 |
| RXL | ProShares Ultra Health Care | 2:1 |
| UCC | ProShares Ultra Consumer Services | 2:1 |
| URTY | ProShares UltraPro Russell2000 | 2:1 |

All splits will apply to shareholders of record as of the close of the markets on June 5, 2013, payable after the close of the markets on June 7, 2013. The funds will trade at their post-split price on June 10, 2013. The ticker symbol and CUSIP numbers for the funds will not change.

The splits will decrease the price per share of each fund with a proportionate increase in the number of shares outstanding. For example, for the 2-for-1 splits, every pre-split share will result in the receipt of two post-split shares, which will be priced at half the net asset value ("NAV") of a pre-split share.

Illustration of a Split

The following table shows the effect of a hypothetical 2-for-1 split:

| Period | # of Shares Owned | Hypothetical NAV | Value of Shares |
|--------|-------------------|------------------|-----------------|
|--------|-------------------|------------------|-----------------|

| | | | |
|------------|-----|----------|-------------|
| Pre-Split | 100 | \$100.00 | \$10,000.00 |
| Post-Split | 200 | \$50.00 | \$10,000.00 |

Reverse Splits

Eight funds will reverse split shares at the following split ratios:

| Ticker | Fund | Split Ratio | Old CUSIP | New CUSIP |
|--------|--|-------------|-----------|-----------|
| KOLD | ProShares UltraShort DJ-UBS Natural Gas | 1:4 | 74347W767 | 74347W387 |
| VIXY | ProShares VIX Short-Term Futures ETF | 1:5 | 74347W692 | 74347W361 |
| UVXY | ProShares Ultra VIX Short-Term Futures ETF | 1:10 | 74347W411 | 74347W379 |
| DUG | ProShares UltraShort Oil & Gas | 1:4 | 74347X591 | 74348A525 |
| FINZ | ProShares UltraPro Short Financials | 1:4 | 74348A574 | 74348A517 |
| TTT | ProShares UltraPro Short 20+ Year Treasury | 1:4 | 74347X740 | 74348A491 |
| SJF | ProShares UltraShort Russell1000 Value | 1:4 | 74347R453 | 74348A483 |
| EFU | ProShares UltraShort MSCI EAFE | 1:4 | 74347R339 | 74348A475 |

All reverse splits will be effective at the market open on June 10, 2013, when the funds will begin trading at their post-split price. The ticker symbol for the funds will not change. All funds undergoing a reverse split will be issued a new CUSIP number.

The reverse splits will increase the price per share of each fund with a proportionate decrease in the number of shares outstanding. For example, for a 1-for-4 reverse split, every four pre-split shares will result in the receipt of one post-split share, which will be priced four times higher than the NAV of a pre-split share.

Fractional Shares from Reverse Splits

For shareholders who hold quantities of shares that are not an exact multiple of the reverse split ratio (for example, not a multiple of 4 for a 1-to-4 reverse split), the reverse split will result in the creation of a fractional share. Post-reverse split fractional shares will be redeemed for cash and sent to your broker of record. This redemption may cause some shareholders to realize gains or losses, which could be a taxable event for those shareholders.

Illustration of a Reverse Split

The following table shows the effect of a hypothetical 1-for 4 reverse split:

| Period | # of Shares Owned | Hypothetical NAV | Value of Shares |
|-----------|-------------------|------------------|-----------------|
| Pre-Split | 1,000 | \$10.00 | \$10,000.00 |

Post-Split 250 \$40.00 \$10,000.00

About ProShares

Offering the nation's largest lineup of alternative ETFs, ProShares helps investors to go beyond the limitations of conventional investing and face today's market challenges. Each ProShares ETF provides access to an alternative investment strategy delivered with the liquidity, transparency and cost effectiveness of an ETF. ProShares' lineup of 141 ETFs includes Global Fixed Income, Hedge Strategies, Geared (leveraged and inverse), and Inflation and Volatility ETFs.

ProShares has the largest lineup of alternative ETFs in the United States according to Financial Research Corporation ("FRC"), based on analysis of all the known alternative ETF providers (as defined by FRC) by their number of funds and assets (as of 3/31/2013).

ProShares' geared (leveraged and inverse) ETFs seek returns that are 3x, 2x, -1x, -2x or -3x the return of an index or other benchmark (target) for a single day, as measured from one NAV calculation to the next, before fees and expenses. Due to the compounding of daily returns, ProShares' returns over periods other than one day will likely differ in amount and possibly direction from the target return for the same period. Investors should monitor their holdings consistent with their strategies, as frequently as daily. For more on correlation, leverage and other risks, please read the prospectus.

Investing involves risk, including the possible loss of principal. These Funds are non-diversified and entail certain risks, including risk associated with the use of derivatives (swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, and market price variance, all of which can increase volatility and decrease performance. Short ProShares should lose money when their benchmarks or indexes rise. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. Bonds will decrease in value as interest rates rise. International investments may also involve risk from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, and from economic or political instability. There is no guarantee any ProShares ETF will achieve its investment objective.

Investing in ETFs involves a substantial risk of loss. KOLD, VIXY and UVXY are not investment companies regulated under the Investment Company Act of 1940 and are not afforded its protections. Please read the prospectuses carefully before investing. KOLD, VIXY and UVXY invest in futures. VIX futures are among the most volatile futures contracts. A fund's exposure to its index may subject that fund to greater volatility than investments in traditional securities, which may adversely affect an investor's investment in that fund. VIX futures indexes are mean reverting; funds benchmarked to them should not be expected to appreciate over extended periods. Due to defined time periods and other features, VIX futures indexes and funds benchmarked to them can be expected to perform differently than the VIX. These ETFs are not suitable for all investors.

Carefully consider the investment objectives, risks, charges and expenses of ProShares before investing. This and other information can be found in their summary and full prospectuses. Read them carefully before investing. Obtain them from your financial adviser or broker/dealer representative or by visiting ProShares.com.

This information must be accompanied or preceded by a current ProShares Trust II prospectus (http://www.proshares.com/funds/trust_ii_prospectuses.html). ProShares Trust II (issuer) has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at sec.gov. Alternatively, the issuer will arrange to send you the prospectus if you request it by calling toll-free 866.776.5125, or visit ProShares.com.

24 May 2013 16:15 EDT PRESS RELEASE: ProShares Announces ETF Share -2-

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24 May 2013 16:17 EDT *DJ Proshares Announces Share Splits Of Seven ETFs; Reverse Shr Splits Of Eight ETFs >UGE.P

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May 24, 2013 16:17 ET (20:17 GMT)

文件 DJDN000020130524e95o0067n

DOW JONES NEWSWIRES

DJ Financial News: Nomura- and Reservoir-Backed Hedge Fund Shuts Down

By Harriet Agnew

516 字

2013 年 5 月 22 日 14:45

Dow Jones Institutional News

DJDN

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Of FINANCIAL NEWS

Occitan Capital Partners, a hedge fund that was set up by former traders from Nomura and asset manager Boussard & Gavaudan, is shutting down after two years of performance losses, according to four people familiar with the situation.

Occitan was set up in 2010 by Herve Gallo, a former senior equity derivatives trader at Nomura, and Thomas de Garidel-Thoron, who previously worked at Boussard & Gavaudan. Shortly afterwards, John Candillier, Nomura's head of distribution for Europe, left to join Occitan as chief executive.

One person familiar with the situation said: "2012 was a tough year for macro and volatility-based strategies. As a consequence, early this year Occitan's founders decided to enter a process to proactively return capital to investors and treat them all fairly. Most of the money has now been returned and the business will shut down in the next few months."

Candillier left the firm in January, according to the U.K. Financial Services Register. Gallo and Candillier were named in Financial News' 2012 list of 40 Under 40 Rising Stars of the hedge fund industry.

In January 2011, Occitan secured a \$150 million investment from Dan Stern's U.S. seed investor Reservoir Capital Group, as well as money from Nomura, to launch the hedge fund, which invested in equities and equity derivatives. It was the largest launch of 2011 and the fund grew to manage over \$1 billion at its peak.

The fund lost 2% in 2011, its first calendar year, and fell an additional 14% in the first nine months of last year, according to investors. More recent performance figures were not available.

Last year, Occitan bet that volatility in stock prices would increase. However, markets steadied after European Central Bank president Mario Draghi pledged in July that he would do "whatever it takes" to save the euro zone.

In an October investor letter, Gallo and de Garidel-Thoron wrote: "We underestimated the impact of policy makers and governments to damp the crisis, not only on equity prices but also on the regime of volatility." They added: "Our timing has been very off, making these positions painful."

The Vix index, which tracks the volatility in the shares of the **S&P500** index, has roughly halved to 13.37 since last year's peak in May.

A spokeswoman for Nomura declined to comment. Reservoir did not immediately respond to an email seeking comment.

Occitan was one of a new breed of managers which relied heavily on using derivatives, not just in managing the risk in their portfolios, but also in expressing investment views. Start-up managers such as DSAM Partners and Apson Capital launched similar derivatives-heavy strategies around the same time as Occitan.

Apson shut down in December after 18 months in business after losing money, as first reported by Financial News.

Web site:


<http://www.efinancialnews.com/story/2013-05-22/occitan-capital-partners-shuts-down-nomura-reservoir>

(END) Dow Jones Newswires

May 22, 2013 09:45 ET (13:45 GMT)

文件 DJDN000020130522e95m003r8

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 [When Bernanke starts talking, here's what markets might do](#)

MarketWatch Blogs, 2013 年 5 月 22 日 10:03, 744 字, (英文)

The Fed event we've all been waiting for kicks off at 10 a.m. Eastern Time on Wednesday. That's when Fed Chairman Ben Bernanke will take a seat in front of the Joint Economic Committee of Congress, his first testimony since late February. ...

文件 WCMWB00020130522e95m0002t

MARKET WEEK

Stocks --- The Trader: Another Week of Record Highs for S&P, Dow

By Vito J. Racanelli

2,039 字

2013 年 5 月 20 日

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Another week, another record high. The stock market continues to party like it was 1999, and last week equities soared 2% on mostly good economic news and a strong dose of reviving animal spirits.

Not even chatter that the Federal Reserve might tap the brakes on its easy money policy this year was enough to spoil the festivities. Friday's release of stronger-than-expected U.S. leading economic indicators and consumer sentiment data helped bring the week to a strong finish.

On the week, the Dow closed at 15,354.40, up 236 points, or 1.6%, while the S&P 500 rose 34, or 2%, to end at 1667.47. Both indexes closed at all-time highs -- again. The technology-heavy Nasdaq Composite index gained 62 points, or 1.8%, to 3498.97.

The parade of new highs is a nice rush for investors, but when things start to look euphoric, it should awaken a bit of caution, at least for the short term, and the upcoming traditionally weak summer season. "At this point, the market looks like a giant momentum machine," says Steve Sosnick, a senior trader at Timber Hill. Selloffs have been minor, even in reaction to negative Fed news.

The market fell on Thursday after John Williams, head of the Federal Reserve's San Francisco branch, said the central bank could end its bond-buying program later this year if the jobs market continues to improve. The Fed's monthly purchases of some \$85 billion in bonds has kept interest rates low and stock prices high.

Investors should note, adds Sosnick, that some of the best-performing stocks have been those with the highest concentrations of short interest, like Tesla Motors (ticker: TSLA), the maker of upscale electric cars. The stock is up 140% since March, to \$91.50 on Friday.

Such moves, he adds, suggests the fear of being left out is now bigger than the fear of a market drop, and that investors are chasing performance. The bears are throwing in the towel, he says.

Still, a little bit of caution doesn't hurt. "It's increasingly hard to come up with the next worry that could derail the market," Sosnick says. "Ironically, that's my worry."

With the broad market hitting new high after new high, many stocks are being swept up in the general excitement. In some cases, valuations seem stretched beyond what the fundamentals can bear.

For example, shares of Orbitz (OWW) have taken flight. At Friday's close of \$7.44, they've soared 250% since November, most of that in 2013, giving the online travel booker a market cap of nearly \$800 million. The market is up 25% in the same time period.

This enthusiasm looks overdone for the smallest of the big three U.S. online-travel firms. Beyond its main Website, Orbitz owns cheaptickets.com and hotelclub.com, among others. It competes with much bigger and faster-growing Priceline.com (PCLN) and Expedia (EXPE).

The Orbitz bull case is brief. Global gross travel bookings are projected to post double-digit annual percentage growth in the next few years. At Orbitz, where 70% of revenue comes from low-margin air travel, bulls expect that growth in hotel bookings -- which have margins of 15%-plus, five times better than air -- will help turn the Chicago-based firm profitable this year.

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The problem is that the current valuation assumes all that and more. Six Flags trades at a rich 31 times consensus estimates of \$2.56 per share this year and 27 times 2014 earnings-per-share estimate of \$2.89, for just 10% growth in that period. This year, Ebitda is expected to grow 16%, to \$409 million, from \$353 million in 2012. Even if those numbers materialize, it doesn't justify such a lofty valuation.

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For example, Six Flags' average revenue growth since 2005 has been about 2%, and Ebitda 10%. According to the Themed Entertainment Association, attendance growth at the top 20 U.S. parks from 2007 to 2011 averaged 1%, excluding the relatively new Harry Potter park in Florida. These are not sparkling figures.

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Like Orbitz, Six Flags will disappoint eventually, and even a minor letdown could end the stock's rally, perhaps reminding investors of the company's Drop of Doom ride at its Valencia, Calif., parks.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15354.40 | +235.91 | +1.56 |
| DJTransportation | 6549.16 | +173.64 | +2.72 |
| DJUtilities | 516.70 | +2.99 | +0.58 |
| DJ65Stocks | 5261.60 | +90.09 | +1.74 |
| DJUSMarket | 419.51 | +8.29 | +2.02 |
| NYSEComp. | 9576.42 | +133.66 | +1.42 |
| NYSEMKTComp. | 2426.69 | -13.44 | -0.55 |
| S&P500 | 1667.47 | +33.77 | +2.07 |
| S&PMidCap | 1211.54 | +21.61 | +1.82 |
| S&PSmallCap | 560.60 | +12.02 | +2.19 |
| Nasdaq | 3498.97 | +62.38 | +1.82 |
| ValueLine(arith.) | 3765.48 | +73.72 | +2.00 |
| Russell2000 | 996.28 | +21.12 | +2.17 |
| DJUSTSMFloat | 17389.25 | +345.38 | +2.03 |

Last Week Week Earlier

| | | |
|----------------------|---------|---------|
| NYSE | | |
| Advances | 1,865 | 2,237 |
| Declines | 1,332 | 941 |
| Unchanged | 34 | 42 |
| NewHighs | 914 | 925 |
| NewLows | 74 | 49 |
| AvDailyVol(mil) | 3,365.2 | 3,255.4 |
| Dollar | | |
| (Finexspotindex) | 84.25 | 83.14 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-275 | 132-025 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 96.02 | 96.04 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 287.60 | 288.68 |
| Gold | | |
| (CMXnearbyfutures) | 1364.90 | 1436.80 |

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Fund of Information

Fidelity Cleared to Launch Active ETFs

By Beverly Goodman

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Never before has a firm's second product been so widely anticipated.

Last week, Fidelity won approval for its long-heralded foray into the world of exchange-traded funds, and already has an actively managed corporate bond fund in registration; some expect it to launch in the next few months or even weeks.

But this isn't Fidelity's first salvo -- that was nearly 10 years ago. The firm was early(ish) out of the gate with the Fidelity Nasdaq Composite Tracking Stock ETF (ONEQ), which it rolled out in September 2003; it now has \$205 million in assets, a paltry sum reflecting Fidelity's near retreat from the ETF business for the next few years. That has left many industry observers -- and competitors -- wondering why Fidelity wasn't getting into the ETF business.

"That question always puzzled me," says Jacques Perold, president of Fidelity Management & Research, the firm's mutual-fund unit. "Unlike other firms with no retail distribution, we have no need for an ETF business for the sake of being in the business. It is just a question of could we deliver our capabilities in an ETF format."

Those capabilities are where Fidelity's ETF opportunities are, Perold says. And in an industry where the modus operandi has been to throw a lot of products at the market and see what sticks -- more than a third of all the ETFs on the market don't have even \$25 million in assets -- Fidelity plans to be choosy in its offerings. "The ETF industry is littered with a lot of failed ETFs," Perold says. "We don't want to put out another 'me-too' fund, or the seventh version of what's already out there."

Though Fidelity also received permission to launch index ETFs, its focus will likely be on actively managed fixed-income funds in the near term. This makes sense: Fidelity has a strong partnership with BlackRock, allowing commission-free trading for 65 of its iShares (which are all passive), as well as the integration of iShares into Fidelity asset-allocation strategies. Fidelity also has a strong culture of active management. "They're not going to make a splash with an S&P 500 index fund; that market is already established," says Matt Reiner, chief investment officer of wealth manager Capital Investment Advisors in Atlanta, a firm that employs heavy use of ETFs in its strategies. "Fidelity is such a good fixed-income firm, they can make a splash on the active front in that area."

Perhaps even more important, fixed-income investing isn't as subject to the pitfalls of disclosing an active manager's every move in real time, as ETFs demand. "Those calls are about duration, credit quality, TIPS versus Treasuries; it's more about asset allocation," Perold says. "We're more comfortable transmitting those positions in fixed income."

The ETF industry is a highly concentrated business, and the clear winners are the big, established asset managers -- 47% of the assets are in 25 funds; all but one are either managed by BlackRock's iShares, State Street, or Vanguard. That makes it tough for most newcomers to crack, but Fidelity has a rare advantage. Two, actually: Its nearly impeccable brand, and its vast distribution abilities. "Fidelity bringing anything to the table is meaningful," says Reiner. Like most advisors, Reiner says he's typically very cautious with new ETFs, wanting to see at least a three-year track record and \$50 million in assets, but would relax those criteria for a Fidelity fund that seemed otherwise appealing.

"People underestimate Fidelity's ability to play catch-up," says Jim Lowell, president of FundWorks, a research firm with a focus on Fidelity. "There's no actively managed premier player in ETFs. Fidelity deepened its relationship with BlackRock and has gained a good education in the ETF business, and now everyone is rowing in the same direction. And they're wearing Viking hats."

Others aren't so sure. "If they launch an ETF version of Contrafund (FCNTX) and [manager] Will Danoff starts trumpeting it aggressively, they have a chance," says Matt Hougan, managing director of ETF analytics for IndexUniverse. "If they launch no-name products with unknown managers, they're going to struggle."

One thing to watch: How Fidelity's ETF business works with its mutual-fund business. For instance, "Are they going to be the first major provider of ETFs in 401k plans?" Reiner wonders. "That's direct cannibalization of their fund business." Perold is careful to note that "We want to jealously guard our existing products," and while he wouldn't rule anything out, he indicated that investors would not see ETFs flooding their Fidelity-administered 401(k) plans.

Fidelity is no stranger to competition among different business units, and it will be interesting to see how that tension affects its ETF business. "Big firms that tiptoe in [to the ETF business] or have internal conflicts fail," Hougan says, pointing to the early misfires of Deutsche Bank, Northern Trust, Russell, and even Vanguard, all of which shut down, rebranded, and/or otherwise sharply refocused their initial ETF efforts. "We have seen that time and time again. You have to be all-in in this industry; halfway won't do. Does Fidelity have the guts to do that? I guess we'll see."

Scoreboard: Stock Up

-- Diversified U.S. stock funds gained 1.5% in the week ended Thursday, reports Lipper, on par with the broad market. Small-cap growth funds gained 2.2%. Among the big funds, Dodge & Cox International was up 1.7%.

One Week Year-to-Date

| | | |
|--|-------|--------|
| U.S. STOCK FUNDS | 1.49% | 14.95% |
| U.S. BOND FUNDS | -0.24 | 1.67 |
| TOP SECTOR / Health/Biotechnology Funds | 2.40 | 23.14 |
| BOTTOM SECTOR / Precious Metals Equity Funds | -8.15 | -37.97 |

THE WEEK'S TOP 10

| Fund | One Week | Year-to-Date |
|-------------------------|----------|--------------|
| Investment Objective | | |
| Direxion Gold M Bear 3X | | |
| DSB | 25.97% | 237.07% |
| VelShs 3x Inverse Gold | | |
| CMS | 18.04 | 59.33 |
| VelShs 3x Invs Silver | | |
| CMS | 16.63 | 94.29 |
| ProShs II UIS Silver | | |
| CMS | 16.10 | 60.61 |
| ProShs II UIS Gold | | |
| CMS | 12.11 | 36.88 |
| Direxion Russia Bear 3x | | |
| DSB | 12.07 | 29.61 |
| Guggenhm Solar ETF | | |
| GNR | 11.16 | 45.02 |
| Gbl X FTSE Greece 20 | | |
| European Region | 9.89 | 20.77 |
| Footprints Disc Val A | | |
| Flexible | 8.08 | 15.00 |

| | | |
|------------------------|------|-------|
| First Tr NASD CE Green | | |
| Natural Resources | 7.48 | 44.39 |

THE WEEK'S BOTTOM 10

| Fund | Investment Objective | One Week | Year-to-Date |
|-------------------------------------|----------------------|----------|--------------|
| Direxion Gold M Bull 3X | | | |
| DL | -22.75% | -82.98% | |
| VelShs 3x Long Gold | | | |
| CMS | -16.06 | -47.53 | |
| VelShs 3x Long Silver | | | |
| CMS | -15.27 | -63.51 | |
| ProShs II Ult Silver | | | |
| CMS | -14.75 | -48.04 | |
| FctrShs Gld Bl S&P500 Br | | | |
| DL | -13.84 | -54.32 | |
| Wegener Adaptive Growth | | | |
| Small Cap Core | -12.93 | -26.95 | |
| Direxion Russia Bull 3x | | | |
| DL | -11.37 | -33.78 | |
| ProShs II Ult Gold | | | |
| CMS | -11.37 | -32.41 | |
| Dynamic Gold&Prec I | | | |
| Gold Oriented | -11.31 | -45.92 | |
| ProFunds Prec Metals Inv | | | |
| DL | -9.67 | -45.17 | |

THE LARGEST 10

| Fund | Net Assets (billions) | Investment Objective | 3-Year* Return | 1-Week Return | YTD Return |
|--------------------------|--------------------------|----------------------|-------------------|------------------|---------------|
| PIMCO Tot Rtn Inst | | | | | |
| \$182.817 | Intmd Inv Grade | 6.73% | -0.30% | 1.19% | |
| SPDR S&P 500 ETF | | | | | |
| 132.152 | S&P 500 Funds | 14.85 | 1.53 | 16.62 | |
| Vanguard T StMk Idx Inv | | | | | |
| 92.414 | Multi Cap Core | 14.86 | 1.54 | 16.80 | |
| Vanguard Instl Indx Inst | | | | | |
| 76.880 | S&P 500 Funds | 14.95 | 1.53 | 16.68 | |
| Vanguard T StMk Idx Adm | | | | | |
| 69.517 | Multi Cap Core | 14.99 | 1.54 | 16.86 | |
| Vanguard 500 Index Adm | | | | | |
| 67.851 | S&P 500 Funds | 14.94 | 1.53 | 16.67 | |
| Fidelity Contrafund | | | | | |
| 64.295 | Large Cap Growth | 14.75 | 1.51 | 15.24 | |
| American Funds CIB A | | | | | |
| 63.588 | MTAG | 11.94 | 0.65 | 10.37 | |

| | | | | | |
|----------------------|------|-------|------|-------|--|
| American Funds Inc A | | | | | |
| 63.320 | MTAM | 13.13 | 0.81 | 11.09 | |

| | | | | | |
|----------------------|------------------|-------|------|-------|--|
| American Funds Gro A | | | | | |
| 60.604 | Large Cap Growth | 13.23 | 1.47 | 14.88 | |

*Annualized. Through Thursday.

Source: Lipper

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DOW JONES NEWSWIRES

DJ CHART ProShares Short **S&P500** ST: the RSI is oversold

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2013 年 5 月 20 日 15:09

Dow Jones Newswires

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SHUSD130520160816.gif>

29.2 is our pivot point.

Our preference: the downside prevails as long as 29.2 is resistance.

Alternative scenario: the upside breakout of 29.2 would call for 29.8 and 30.2.

Comment: the RSI is trading below 30. This could mean that either the stock is in a lasting downtrend or just oversold and that therefore a rebound could shape (look for bullish divergence in this case). The MACD is negative and below its signal line. The configuration is negative. Moreover, the share stands below its 20 and 50 day MA (respectively at 29.58 and 30.3). ProShares Short **S&P500** is currently trading near its 52 week low at 28.64 reached on 20/05/13.

Supports and resistances:

29.8 *

29.2 **

28.9

28.69 last

27.9

27.6 **

27.2 *

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May 20, 2013 10:09 ET (14:09 GMT)

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DOW JONES NEWSWIRES

Barron's: The Trader: Another Week Of Record Highs For S&P, Dow

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2013 年 5 月 18 日 05:10

Dow Jones Institutional News

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(FROM BARRON'S 5/20/13)

By Vito J. Racanelli

Another week, another record high. The stock market continues to party like it was 1999, and last week equities soared 2% on mostly good economic news and a strong dose of reviving animal spirits.

Not even chatter that the Federal Reserve might tap the brakes on its easy money policy this year was enough to spoil the festivities. Friday's release of stronger-than-expected U.S. leading economic indicators and consumer sentiment data helped bring the week to a strong finish.

On the week, the Dow closed at 15,354.40, up 236 points, or 1.6%, while the S&P 500 rose 34, or 2%, to end at 1667.47. Both indexes closed at all-time highs -- again. The technology-heavy Nasdaq Composite index gained 62 points, or 1.8%, to 3498.97.

The parade of new highs is a nice rush for investors, but when things start to look euphoric, it should awaken a bit of caution, at least for the short term, and the upcoming traditionally weak summer season. "At this point, the market looks like a giant momentum machine," says Steve Sosnick, a senior trader at Timber Hill. Selloffs have been minor, even in reaction to negative Fed news.

The market fell on Thursday after John Williams, head of the Federal Reserve's San Francisco branch, said the central bank could end its bond-buying program later this year if the jobs market continues to improve. The Fed's monthly purchases of some \$85 billion in bonds has kept interest rates low and stock prices high.

Investors should note, adds Sosnick, that some of the best-performing stocks have been those with the highest concentrations of short interest, like Tesla Motors (ticker: TSLA), the maker of upscale electric cars. The stock is up 140% since March, to \$91.50 on Friday.

Such moves, he adds, suggests the fear of being left out is now bigger than the fear of a market drop, and that investors are chasing performance. The bears are throwing in the towel, he says.

Still, a little bit of caution doesn't hurt. "It's increasingly hard to come up with the next worry that could derail the market," Sosnick says. "Ironically, that's my worry."

With the broad market hitting new high after new high, many stocks are being swept up in the general excitement. In some cases, valuations seem stretched beyond what the fundamentals can bear.

For example, shares of Orbitz (OWW) have taken flight. At Friday's close of \$7.44, they've soared 250% since November, most of that in 2013, giving the online travel booker a market cap of nearly \$800 million. The market is up 25% in the same time period.

This enthusiasm looks overdone for the smallest of the big three U.S. online-travel firms. Beyond its main Website, Orbitz owns cheaptickets.com and hotelclub.com, among others. It competes with much bigger and faster-growing Priceline.com (PCLN) and Expedia (EXPE).

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18 May 2013 00:11 EDT Barron's: The Trader: Another Week Of Record -2-

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| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15354.40 | +235.91 | +1.56 |
| DJTransportation | 6549.16 | +173.64 | +2.72 |
| DJUtilities | 516.70 | +2.99 | +0.58 |
| DJ65Stocks | 5261.60 | +90.09 | +1.74 |
| DJUSMarket | 419.51 | +8.29 | +2.02 |
| NYSEComp. | 9576.42 | +133.66 | +1.42 |
| NYSEMKTComp. | 2426.69 | -13.44 | -0.55 |
| S&P500 | 1667.47 | +33.77 | +2.07 |
| S&PMidCap | 1211.54 | +21.61 | +1.82 |
| S&PSmallCap | 560.60 | +12.02 | +2.19 |
| Nasdaq | 3498.97 | +62.38 | +1.82 |
| ValueLine(arith.) | 3765.48 | +73.72 | +2.00 |
| Russell2000 | 996.28 | +21.12 | +2.17 |
| DJUSTSMFloat | 17389.25 | +345.38 | +2.03 |

| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 1,865 | 2,237 |
| Declines | 1,332 | 941 |
| Unchanged | 34 | 42 |
| NewHighs | 914 | 925 |
| NewLows | 74 | 49 |
| AvDailyVol(mil) | 3,365.2 | 3,255.4 |
| Dollar | | |
| (Finexspotindex) | 84.25 | 83.14 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-275 | 132-025 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 96.02 | 96.04 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 287.60 | 288.68 |
| Gold | | |
| (CMXnearbyfutures) | 1364.90 | 1436.80 |

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DOW JONES NEWSWIRES

DJ UPDATE: Table On DJIA, Nasdaq, S&P 500 Weekly, Year-To-Date Changes

89 字

2013 年 5 月 17 日 22:20

Dow Jones Newswires

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(Reflects latest settlement price for the **S&P500**)

| Index | Daily Point Change | Weekly % Change | Year-To-Date % Change |
|---------|-----------------------|--------------------|--------------------------|
| DJIA | Up 121.18 | Up 1.56% | Up 17.17% |
| Nasdaq | Up 33.72 | Up 1.82% | Up 15.88% |
| S&P 500 | Up 17.00 | Up 2.07% | Up 16.92% |

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UPDATE: Table On DJIA, Nasdaq, S&P 500 Weekly, Year-To-Date Changes

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DOW JONES NEWSWIRES

Barron's Blog: CSCO: Bulls Cheer Stability in a Gloomy Neighborhood

1,499 字

2013 年 5 月 16 日 23:00

Dow Jones Institutional News

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(This story has been posted on Barron's Online's Tech Trader Daily blog at <http://blogs.barrons.com/techtraderdaily..>)

By Tiernan Ray

Shares of Cisco Systems (CSCO) are up 42.77, or 13%, at \$23.98, and earlier went as high as \$24.24, following better-than-expected fiscal Q3 revenue and profit per share last night, and a more-or-less in-line outlook for revenue.

Analysts are impressed with the company's ability to hang onto gross margin, and the ability to beat, if only slightly, in a market that has seen multiple warnings of late from competitors struggling to deliver.

Many today were also heartened by the company raising its quarterly dividend payout by 21% in the quarter, and by comments by CEO John Chambers on last night's conference call to the effect that he is listening to what large investors in the stock have to say.

Bullish!

Mark Sue, RBC Capital: Reiterates an Outperform rating, and raises his price target a dollar to \$25. Sue trims his 2013 revenue estimate to \$48.58 billion, while maintaining a \$2.02 EPS estimate for the year. "Cisco's results show another positive turn in its business with improving execution, better margins and higher FCF generation [...] Cisco is diligently managing its gross margins with a focus on profitability vs. top-line growth and we're seeing better discipline on pricing. Gross margins of 63.0% were above the 61% to 62% outlook and F2Q13 levels of 62.3% [...] UCS and Nexus (2k, 5k, 7k) combined grew +35% YoY at a \$5.5B run-rate, while Wireless increased +27% YoY with Service Provider Wi-Fi up +100% YoY, growing faster than Aruba [Networks' (ARUN) +10% YoY and Ruckus Wireless' (RKUS) +27% YoY."

Jess Lubert, Wells Fargo: Reiterates an Outperform rating, and raises his "valuation range" from \$23 to \$24 to \$24 to \$26. Lubert sticks with this year's revenue projection of \$48.6 billion, while raising his EPS estimate a penny to \$2.01. "There were a number of positive developments in the quarter, as order

trends improved across customer segments and geographies, and Cisco appeared to gain share in a number of key markets. Margins were also better than expected due to a combination of mix and expense discipline. While Cisco's FQ4 sales outlook was slightly below consensus (EPS was in line), strengthening trends in the US, signs of stabilization in Europe and improved momentum in several emerging markets lead us to view the outlook as conservative and present a reason for optimism approaching the second half of CY2013."

Simona Jankowski, Goldman Sachs: Reiterates a Buy rating and raises her price target to \$28 from \$25. Jankowski leaves her estimates mostly in tact, projecting \$48.77 billion in revenue this year and \$2.01 per share versus a prior \$48.67 billion and \$2.01. "We believe this quarter will go a long way in catalyzing the re-rating process for Cisco stock. Multiple expansion is a key part of our thesis, as Cisco trades at a 30%+ discount to the **S&P500** despite similar growth and better balance sheet and dividend yield characteristics. We believe this discount has developed as a function of Cisco being lumped in with other large-cap tech companies that are viewed as being technologically disrupted by trends in cloud computing and mobility. In Cisco's case specifically, the secular concerns over its future have been magnified by the recent hype around software-defined networking (SDN) [...] Cisco is out-growing its large-cap IT peers by about 9%, yet it is receiving the same "broken tech" multiple. With the significant divergence in performance evident this quarter, we expect the market will begin rewarding Cisco for its outsized growth."

Stuart Jeffrey, Nomura Equity Research : Reiterates a Buy rating and raised his price target to \$26.50 from \$25. He cut his estimate for this fiscal year to \$48.81 billion and \$2.02 per share from a prior \$48.99 billion and \$2.04, and trims next year to \$52.2 billion and \$2.23 from \$52.72 billion and \$2.28 to reflect macroeconomic outlook and less in the way of buybacks. "While many rivals missed and guided down in their recent earnings reports, Cisco hit expectations and guided in-line with consensus. We believe that this is

largely due to sustained share gains and strong sales execution; both factors that we believe are sustainable for some time yet [...] Cash distributions could be increasingly weighted towards dividends rather than share buy backs."

Michael Genovese, MKM Parnters: Reiterates a Buy rating and raises his price target to \$28 from \$25. Genovese raised this year's estimates to \$48.59 billion and \$2.01 per share from a prior \$48.36 billion and \$1.98 per share. "Importantly, the year-over-year product order growth rate accelerated to 4% in the April quarter, from 0% in January, marking the first positive change in this key metric in six quarters. The product order rate meaningfully improved in most geographies, with APJC the only exception and it was only a slight down tick there. Switching and Routing sales remain flattish but Cisco is putting up strong growth in Datacenter, Wireless LAN and Service Provider Wi-Fi and

Video. We expect the stock's multiple to expand as orders likely continue to improve, and the company keeps returning cash (\$1.8bn returned via dividend and buy backs in 3QFY13)."

Bearish!

Scott Thompson, FBR Capital Markets: Reiterates a Market Perform rating, and a \$19 price target. Thompson trims his 2013 estimate to \$8.64 billion from \$48.74 billion in revenue, while raising his EPS estimate to \$2.01 from \$1.98. "Cisco Systems investors may have finally received the performance they needed to see shares move higher [...] Over the next four to eight weeks, we see several catalysts that could move shares higher: New product announcements (Inseime and others), announcements of carrier SDN wins, and the scheduled analyst day at CiscoLive! (6/23 to 6/27) could all be positive for shares. However, we continue to believe that Cisco is likely to struggle through significant longer-term headwinds over the next 18 to 36 months as networking continues to become increasingly disaggregated from the compute process. Our calculations show that, if Cisco is able to execute against its lofty \$12B software revenue target (without a significant acquisition) over the next 2.5 to 4.5 years, it could offset as much as a 30%--40% decline in Cisco's net new core routing, switching, and specific-purpose hardware businesses. Our checks indicate that the decline, particularly in the service provider and large enterprise verticals, could be more severe than Cisco's software revenue target will be able to offset."

Ryan Hutchinson, Lazard Capital Markets: reiterates a Neutral rating. Hutchinson trimmed his 2013 revenue estimates to \$48.57 billion in revenue from \$48.65 billion, while raising his EPS view a penny to \$2. "With what has been a tough start to the year for the broader networking group, we think it is evident that continued execution and improved operational efficiencies

have allowed Cisco to navigate through a challenging macro environment. That said, we remain NEUTRAL as we look for sustainable long-term demand/pricing trends."

Rod Hall, J.P. Morgan: Reiterates an Underweight rating, and an \$18 price target. Hall raised his 2013 estimates to \$48.52 billion and \$1.99 per share from a prior \$48.48 billion and \$1.97. "The FQ3 earnings report from Cisco challenges our negative enterprise spending thesis point for the stock. At the same time execution at the company continues to be exceptional. Given the weak Q1 enterprise reporting season the question now is whether the numbers are mainly due to solid execution from Cisco or improving macro trends. The company's cautious revenue guidance for FQ4 muddies the water further. We stick with our negative stance on the stock based on weak macro and SDN but believe this earnings report forces us back to the drawing board on the enterprise environment."

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文件 DJDN000020130516e95g006ci

Barron's Blog: CSCO: Bulls Cheers Stability in a Gloomy Neighborhood

874 字

2013 年 5 月 16 日 20:43

Dow Jones Global Equities News

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(This story has been posted on Barron's Online's Tech Trader Daily blog at <http://blogs.barrons.com/techtraderdaily>.)

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CSCO: Bulls Cheer Stability in a Gloomy Neighborhood

Barron's Blogs, 2013 年 5 月 16 日 20:43, 1540 字, By Tiernan Ray, (英文)

Shares of Cisco Systems (CSCO) today closed up \$2.68, or almost 13%, at \$23.89, and went as high as \$24.24, following better-than-expected fiscal Q3 revenue and profit per share last night, and a more-or-less in-line outlook for revenue.

文件 WCBBE00020130516e95g00209

DOW JONES NEWSWIRES

DJ GAMCO Asset Mgmt Inc. 1Q 13F: Hldgs As Of Mar 31

7,422 字

2013 年 5 月 15 日 13:59

Dow Jones Institutional News

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DJ CFA SOURCE: SEC 13F-HR

FILER: GAMCO Asset Management Inc.

QUARTER ENDED: 03/31/2013

SEC RECEIVED: 05/08/2013

The following sets forth up to 200 of the largest holdings of GAMCO Asset Management Inc. as of March 31, according to a Form 13F filed with the Securities and Exchange Commission.

As of March 31, GAMCO Asset Management Inc. held 845 positions valued at \$14,574,440,571.

Up to 200 of the largest holdings of GAMCO Asset Management Inc. are listed below in order of dollar value as of March 31.

| Company Name | Value | Holdings | Change |
|-------------------------------|---------------|------------|-----------|
| DIRECTV COM | \$279,341,765 | 4,936,239 | 110,402 |
| AMERICAN EXPRESS CO COM | \$247,885,480 | 3,674,555 | 2,734 |
| NATIONAL FUEL GAS CO (NJ) COM | \$233,820,372 | 3,811,253 | 16,280 |
| VIACOM INC COM | \$217,509,201 | 3,449,242 | 79,605 |
| GENUINE PARTS CO COM | \$211,544,034 | 2,712,103 | (69,218) |
| CRANE CO COM | \$204,474,525 | 3,660,482 | (80,900) |
| HONEYWELL INTERNATIONAL INC C | \$200,147,835 | 2,656,242 | (43,074) |
| GATX CORP COM | \$186,390,041 | 3,586,493 | (15,008) |
| FLOWERVE CORP COM | \$183,269,128 | 1,092,774 | (48,915) |
| MADISON SQUARE GARDEN CO CL A | \$174,875,501 | 3,036,033 | (7,029) |
| WELLS FARGO & CO COM | \$174,495,220 | 4,717,362 | 492,850 |
| PRECISION CASTPARTS CORP COM | \$173,112,441 | 912,944 | (20,318) |
| BANK OF NEW YORK MELLON CORP | \$170,537,360 | 6,092,796 | 113,027 |
| AMC NETWORKS INC CL A | \$165,432,895 | 2,616,781 | (110,774) |
| LEGG MASON INC COM | \$164,445,610 | 5,114,949 | 1,497,500 |
| BEAM INC COM | \$160,246,800 | 2,521,983 | 96,926 |
| NAVISTAR INTERNATIONAL COM | \$159,928,771 | 4,626,230 | 163,070 |
| CABLEVISION SYSTEMS CORP CL A | \$156,344,028 | 10,450,804 | 735,277 |
| AMETEK INC COM | \$154,798,625 | 3,570,079 | (119,341) |
| TIME WARNER INC COM | \$150,627,784 | 2,614,158 | (34,964) |
| DISH NETWORK CORP CL A | \$145,585,573 | 3,841,308 | 705 |
| GENERAL MILLS INC COM | \$140,145,726 | 2,842,136 | (55,900) |
| H J HEINZ CO COM | \$134,682,300 | 1,863,599 | 1,738,398 |
| US CELLULAR CORP COM | \$134,164,944 | 3,726,804 | (5,100) |
| ENERGIZER HOLDINGS INC COM | \$128,919,176 | 1,292,682 | 6,621 |
| NEWS CORP LTD CL A | \$127,844,589 | 4,190,252 | (88,061) |
| DEERE & CO COM | \$127,680,472 | 1,485,002 | (1,208) |
| COCA COLA CO COM | \$125,907,554 | 3,113,441 | 72,400 |
| DR PEPPER SNAPPLE GROUP INC C | \$120,485,860 | 2,566,259 | 16,291 |
| CBS CORP CL A | \$111,391,173 | 2,404,299 | (6,505) |
| WEATHERFORD INTERNATIONAL LTD | \$106,345,004 | 8,759,885 | 2,992,585 |
| DIEBOLD INC COM | \$106,317,201 | 3,506,504 | (43,254) |

| | | | |
|--------------------------------|---------------|------------|-----------|
| MONDELEZ INTERNATIONAL INC CL | \$105,406,129 | 3,442,957 | 386,587 |
| RPC INC COM | \$101,104,182 | 6,664,745 | (40,550) |
| TREDEGAR CORP COM | \$99,522,420 | 3,380,517 | (30,199) |
| KAMAN CORP CL A | \$98,415,168 | 2,774,603 | (22,097) |
| NORTHERN TRUST CORP COM | \$97,549,582 | 1,787,965 | 2,425 |
| STATE STREET CORP COM | \$97,239,272 | 1,645,613 | 82,525 |
| LIBERTY MEDIA CORP CL A | \$95,179,757 | 852,636 | 852,636 * |
| WATTS WATER TECHNOLOGIES INC | \$94,013,610 | 1,959,025 | 9,574 |
| FORTUNE BRANDS HOME & SECURITY | \$93,347,426 | 2,493,920 | 19,000 |
| OREILLY AUTOMOTIVE INC COM | \$91,025,144 | 888,579 | (3,242) |
| XYLEM INC COM | \$90,753,730 | 3,292,951 | 242,290 |
| CURTISS WRIGHT CORP COM | \$90,338,258 | 2,603,408 | (119,926) |
| CVS CAREMARK CORP COM | \$89,835,073 | 1,633,662 | 49,600 |
| NEWMONT MINING CORP COM | \$89,021,277 | 2,125,120 | 371,905 |
| DIAGEO PLC ADR | \$87,987,957 | 699,205 | 21,650 |
| SCRIPPS NETWORKS INTERACTIVE | \$87,461,094 | 1,359,358 | 11,497 |
| HILLSHIRE BRANDS CO COM | \$85,320,860 | 2,427,336 | 408,479 |
| CIRCOR INTERNATIONAL INC COM | \$85,110,288 | 2,002,595 | (14,899) |
| ROLLINS INC COM | \$85,071,200 | 3,465,222 | (31,656) |
| ASCENT CAPITAL GROUP INC CL A | \$84,209,059 | 1,131,234 | (17,489) |
| CNH GLOBAL NV COM | \$83,242,363 | 2,014,578 | (139,180) |
| DONALDSON CO INC COM | \$79,781,289 | 2,204,512 | 5,900 |
| REPUBLIC SERVICES INC COM | \$77,921,085 | 2,361,245 | 278,578 |
| GRIFFON CORP COM | \$76,304,235 | 6,401,362 | 104,446 |
| IDEX CORP COM | \$74,196,854 | 1,388,934 | (21,062) |
| INTERNATIONAL FLAVORS & FRAGRA | \$73,334,472 | 956,495 | (19,879) |
| BRINKS CO COM | \$72,583,493 | 2,568,418 | 285,205 |
| PNM RESOURCES INC COM | \$71,284,868 | 3,060,750 | (23,400) |
| GENCORP INC COM | \$70,577,487 | 5,306,578 | 607,853 |
| BROWN FORMAN CORP CL A COM | \$70,081,773 | 952,198 | 1,400 |
| SOUTHWEST GAS CORP COM | \$69,962,542 | 1,474,137 | (24,023) |
| DANA HOLDING CORP COM | \$68,288,811 | 3,829,995 | (11,575) |
| JPMORGAN CHASE & CO INC COM | \$68,094,706 | 1,434,781 | 1,083 |
| ECOLAB INC COM | \$67,287,457 | 839,205 | (25,238) |
| BOEING CO COM | \$65,874,680 | 767,323 | (264,609) |
| PNC FINANCIAL SERVICES GROUP | \$64,392,815 | 968,313 | 364,893 |
| CHURCHILL DOWNS INC COM | \$63,788,580 | 910,745 | 64,107 |
| EL PASO ELECTRIC CO COM | \$63,387,649 | 1,883,734 | 5,900 |
| BECTON DICKINSON & CO COM | \$62,987,390 | 658,795 | (21,510) |
| INTERMEC COM | \$62,977,212 | 6,406,634 | 567,728 |
| KELLOGG CO COM | \$61,321,253 | 951,750 | 32,400 |
| TYCO INTERNATIONAL LTD COM | \$61,060,992 | 1,908,156 | 73,337 |
| GRUPO TELEVISIA SAB ADR PC A/B | \$60,588,016 | 2,276,889 | 30,060 |
| PATTERSON COMPANIES INC COM | \$59,101,569 | 1,553,669 | 134,201 |
| JANUS CAPITAL GROUP INC COM | \$58,964,320 | 6,272,800 | (312,000) |
| LAS VEGAS SANDS CORP COM | \$57,845,360 | 1,026,537 | (248,900) |
| SENSIENT TECHNOLOGIES CORP CO | \$57,685,074 | 1,475,699 | (6,818) |
| PEP BOYS MANNY MOE & JACK COM | \$57,207,874 | 4,852,237 | 254,850 |
| GRACO INC COM | \$56,413,865 | 972,150 | 300,200 |
| LIBERTY GLOBAL INC CL A | \$56,056,376 | 763,919 | 41,661 |
| HOME DEPOT INC COM | \$53,475,205 | 766,340 | (1,075) |
| SNYDERS LANCE INC COM | \$53,371,020 | 2,112,867 | 163,897 |
| PEPSICO INC COM | \$52,610,682 | 665,032 | 18,767 |
| AUTONATION INC COM | \$51,258,331 | 1,171,619 | (53,516) |
| COHEN & STEERS INC COM | \$50,203,813 | 1,391,844 | 159,447 |
| BORGWARNER INC COM | \$49,178,573 | 635,875 | (47,900) |
| DISCOVERY COMMUNICATIONS INC | \$47,900,928 | 608,343 | (22,050) |
| LIBERTY INTERACTIVE CORP INT | \$47,426,612 | 2,219,308 | 186,036 |
| GREIF INC CL A NON-VTG | \$46,450,631 | 866,293 | (3,792) |
| WESTAR ENERGY INC COM | \$46,057,390 | 1,388,107 | (20,030) |
| ROCKWELL AUTOMATION INC COM | \$45,311,299 | 524,740 | (9,000) |
| CINCINNATI BELL INC COM | \$44,894,304 | 13,771,259 | 42,546 |
| CHEESECAKE FACTORY INC COM | \$44,116,867 | 1,142,628 | 72,428 |
| KRAFT FOODS GROUP INC COM | \$43,566,708 | 845,463 | 63,716 |
| WASTE MANAGEMENT INC COM | \$42,864,411 | 1,093,201 | 58,167 |
| ZEP INC COM | \$42,842,728 | 2,854,279 | 40,552 |

| | | | |
|--------------------------------|--------------|-----------|-----------|
| NCR CORP COM | \$42,659,848 | 1,547,890 | (52,374) |
| EATON CORP PLC COM | \$42,351,374 | 691,451 | (60,050) |
| COMCAST CORP CL A SPECIAL NVT | \$42,056,116 | 1,061,755 | 147,280 |
| TENNECO INC COM | \$41,771,592 | 1,062,620 | 23,680 |
| GRAFTECH INTERNATIONAL LTD CO | \$41,213,414 | 5,366,330 | 213,194 |
| ARCHER DANIELS MIDLAND CO COM | \$40,756,026 | 1,208,302 | 39,922 |
| TOOTSIE ROLL INDUSTRIES INC C | \$40,330,195 | 1,348,385 | (13,986) |
| CLARCOR INC COM | \$40,174,203 | 766,976 | (320,225) |
| BIGLARI HOLDINGS INC COM | \$39,692,488 | 106,360 | (187) |
| DISCOVERY COMMUNICATIONS INC | \$39,598,927 | 569,441 | (20,051) |
| GABELLI DIVIDEND & INCOME TRUS | \$39,478,266 | 2,082,187 | 0 |
| BRISTOL MYERS SQUIBB CO COM | \$39,212,674 | 951,995 | 51,901 |
| POST HOLDINGS INC COM | \$38,613,646 | 899,456 | 43,029 |
| ADT CORP COM | \$38,342,532 | 783,460 | 93,639 |
| CONSOL ENERGY INC COM | \$38,171,584 | 1,134,371 | (13,998) |
| CAMPBELL SOUP CO COM | \$38,147,216 | 840,988 | 7,250 |
| JOHNSON & JOHNSON COM | \$37,802,852 | 463,668 | 21,860 |
| COVIDIEN PLC COM | \$37,544,963 | 553,434 | 33,576 |
| NORTHEAST UTILITIES COM | \$37,080,289 | 853,205 | (65,217) |
| FREEPORT MCMORAN COPPER CL B | \$36,544,783 | 1,104,072 | 186,000 |
| GENERAL ELECTRIC CO COM | \$36,471,754 | 1,577,498 | (79,599) |
| CH ENERGY GROUP INC COM | \$36,387,181 | 556,464 | (49,554) |
| MATERION CORP COM | \$36,032,550 | 1,264,300 | (6,500) |
| OCEANEERING INTERNATIONAL INC | \$35,389,889 | 532,900 | (8,100) |
| WESTWOOD HOLDINGS GROUP INC C | \$35,314,297 | 794,830 | (27,700) |
| SALLY BEAUTY HOLDINGS INC COM | \$35,278,623 | 1,200,770 | (400) |

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| | | | |
|--------------|--------------|-----------|----------|
| ITT CORP COM | \$35,266,278 | 1,240,460 | (15,888) |
|--------------|--------------|-----------|----------|

| | | | |
|--------------------------------|--------------|-----------|-------------|
| ROGERS COMMUNICATIONS INC CL | \$34,510,075 | 675,873 | (2,400) |
| AARONS INC COM | \$34,279,368 | 1,195,236 | 86,395 |
| PARK OHIO HOLDINGS CORP COM | \$33,885,430 | 1,022,802 | (4,500) |
| HALLIBURTON CO COM | \$33,588,226 | 831,186 | 6,300 |
| CTS CORP COM | \$33,331,047 | 3,192,629 | (56,141) |
| PFIZER INC COM | \$33,297,918 | 1,153,774 | (82,987) |
| MACYS INC COM | \$33,026,571 | 789,354 | (15,170) |
| FLOWERS FOODS INC COM | \$32,522,486 | 987,325 | (22,183) |
| JOURNAL COMMUNICATIONS INC CL | \$31,682,246 | 4,714,620 | 3,900 |
| DELL INC COM | \$31,402,905 | 2,191,410 | 2,191,410 * |
| MORGAN STANLEY COM | \$31,248,526 | 1,421,680 | (55,475) |
| CBS CORP CL B | \$31,092,645 | 665,938 | 8,230 |
| SPRINT NEXTEL CORP COM | \$31,068,307 | 5,002,948 | (889,755) |
| CASEYS GENERAL STORES INC COM | \$30,831,780 | 528,847 | (8,800) |
| LIBERTY GLOBAL INC CL C | \$30,010,664 | 437,282 | (15,143) |
| BLACK HILLS CORP COM | \$29,325,575 | 665,885 | (3,400) |
| TEXTRON INC COM | \$29,210,819 | 979,900 | (8,400) |
| NEXTERA ENERGY INC COM | \$28,732,356 | 369,881 | 899 |
| BOYD GAMING CORP COM | \$28,271,822 | 3,418,600 | (78,518) |
| INGLES MARKETS INC CL A | \$28,267,401 | 1,315,987 | 20,800 |
| CHURCH & DWIGHT INC COM | \$27,659,055 | 427,960 | (6,500) |
| ROWAN COS LTD ORD A | \$26,357,344 | 745,400 | (19,000) |
| WADDELL & REED FINANCIAL INC | \$26,278,945 | 600,250 | (31,300) |
| TEXAS INSTRUMENTS INCORPORATED | \$26,007,833 | 733,028 | (16,900) |
| ZIMMER HOLDINGS INC COM | \$25,450,837 | 338,352 | (7,250) |
| FORD MOTOR CO COM | \$25,149,914 | 1,912,541 | 210,000 |
| JOHNSON CONTROLS INC COM | \$24,946,904 | 711,346 | 72,200 |
| VIACOM INC CL B | \$24,880,649 | 404,695 | 52,546 |
| BOULDER BRANDS INC COM | \$24,384,107 | 2,712,359 | (50,700) |
| M&T BANK CORP COM | \$24,214,334 | 234,726 | (12,300) |
| AVON PRODUCTS INC COM | \$23,899,617 | 1,152,900 | 316,600 |
| FOMENTO ECON MEX (FEMSA) ADR | \$23,741,363 | 209,175 | (5,200) |
| FEDERAL MOGUL CORP CL A | \$23,348,992 | 3,872,138 | 219,650 |
| TENNANT CO COM | \$22,961,596 | 472,850 | (1,800) |
| MCMORAN EXPLORATION CO COM | \$22,652,925 | 1,385,500 | 308,400 |

| | | | |
|--------------------------------|--------------|-----------|-----------|
| CAVCO INDUSTRIES INC COM | \$22,636,708 | 475,861 | 26,300 |
| GREAT PLAINS ENERGY INC COM | \$22,592,255 | 974,224 | (45,484) |
| TEXAS INDUSTRIES INC COM | \$22,586,753 | 357,895 | 50 |
| W R BERKLEY CORP COM | \$22,525,540 | 507,675 | 44,075 |
| UNITEDHEALTH GROUP INC COM | \$22,340,219 | 390,495 | 15,095 |
| CHEVRON CORP COM | \$22,323,902 | 187,880 | 9,134 |
| EXELIS INC COM | \$22,207,814 | 2,039,285 | (173,660) |
| TYLER TECHNOLOGIES INC COM | \$22,100,770 | 360,770 | (4,054) |
| BAXTER INTERNATIONAL INC COM | \$21,984,496 | 302,650 | (59,300) |
| BOSTON SCIENTIFIC CORP COM | \$21,618,119 | 2,768,005 | 349,700 |
| VERIZON COMMUNICATIONS INC CO | \$21,578,669 | 439,037 | (12,770) |
| HENRY SCHEIN INC COM | \$21,369,888 | 230,901 | (1,000) |
| AMPCO PITTSBURGH CORP COM | \$21,222,731 | 1,122,302 | (12,545) |
| ECHOSTAR CORP COM | \$20,751,642 | 532,503 | 31,210 |
| STARZ INC CL A | \$20,577,549 | 929,009 | 4,199 |
| LOUISIANA PACIFIC CORP COM | \$20,552,400 | 951,500 | (1,000) |
| PROCTER & GAMBLE CO COM | \$19,965,398 | 259,089 | (11,550) |
| ALCOA INC COM | \$19,799,287 | 2,323,860 | (197,200) |
| YAHOO INC COM | \$19,225,546 | 817,100 | 24,360 |
| CLEAR CHANNEL OUTDOOR HLDGS C | \$19,016,144 | 2,538,871 | 53,300 |
| LIN TV CORP CL A | \$19,008,864 | 1,729,651 | (74,761) |
| ONEOK INC COM | \$18,826,599 | 394,936 | (1,700) |
| BOSTON BEER INC CL A | \$18,582,096 | 116,400 | (200) |
| MEAD JOHNSON NUTRITION CO COM | \$18,425,510 | 237,902 | (50,035) |
| TWIN DISC INC COM | \$18,154,484 | 723,863 | 25,995 |
| INGREDION INC COM | \$17,899,200 | 247,500 | (30,900) |
| NORTHWESTERN CORP COM | \$17,554,344 | 440,400 | (1,400) |
| GORMAN RUPP CO COM | \$17,297,201 | 575,614 | 15,051 |
| CORNING INC COM | \$17,180,384 | 1,288,851 | (20,100) |
| AMERICAN INTERNATIONAL GROUP | \$17,149,706 | 441,775 | 185,600 |
| INTERPUBLIC GROUP OF COMPANIES | \$17,125,329 | 1,314,300 | 0 |
| LIVE NATION ENTERTAINMENT INC | \$16,990,616 | 1,373,534 | 120,935 |
| NEWMARKET CORP COM | \$16,871,328 | 64,800 | (4,200) |
| LENNAR CORP CL B | \$16,698,583 | 517,625 | 9,325 |
| PENSKE AUTOMOTIVE GROUP INC C | \$16,683,336 | 500,100 | (1,000) |
| NEWS CORP LTD CL B | \$16,409,353 | 533,464 | 234,920 |
| TRACTOR SUPPLY CO COM | \$16,036,020 | 154,000 | (6,000) |
| PARK ELECTROCHEMICAL CORP COM | \$15,905,918 | 627,700 | 25,000 |
| ZEBRA TECHNOLOGIES CORP CL A | \$15,798,683 | 335,215 | 12,465 |
| OIL DRI CORP AMERICA COM | \$15,730,254 | 577,681 | (4,071) |

* New holding 13F data provided by: FactSet Research Systems Inc.; Please send questions to lionssharesinfo@factset.com. Copyright, FactSet Research Systems, 2013. All Rights Reserved.

15 May 2013 08:59 EDT DJ GAMCO Asset Mgmt Inc. 1Q 13F: Largest Sales

DJ CFA SOURCE: SEC 13F-HR
FILER: GAMCO Asset Management Inc.
QUARTER ENDED: 03/31/2013
SEC RECEIVED: 05/08/2013

Up to 200 of the largest sales of GAMCO Asset Management Inc. are listed below, ordered by the number of shares sold during the three months ended March 31.

| Company Name | Value | Holdings | Change |
|--------------|-------|----------|--------|
|--------------|-------|----------|--------|

| | | | |
|-------------------------------|--------------|-----------|-----------|
| SPRINT NEXTEL CORP COM | \$31,068,307 | 5,002,948 | (889,755) |
| CONSTELLATION BRANDS INC CL A | \$2,729,772 | 57,300 | (356,565) |
| CLARCOR INC COM | \$40,174,203 | 766,976 | (320,225) |
| JANUS CAPITAL GROUP INC COM | \$58,964,320 | 6,272,800 | (312,000) |
| EMERSON ELECTRIC CO COM | \$6,199,112 | 110,956 | (273,610) |
| BOEING CO COM | \$65,874,680 | 767,323 | (264,609) |

| | | | |
|-------------------------------|---------------|-----------|-----------|
| LAS VEGAS SANDS CORP COM | \$57,845,360 | 1,026,537 | (248,900) |
| STANDARD MOTOR PRODUCTS INC C | \$10,455,707 | 377,190 | (214,500) |
| ALCOA INC COM | \$19,799,287 | 2,323,860 | (197,200) |
| EXELIS INC COM | \$22,207,814 | 2,039,285 | (173,660) |
| HUNTSMAN CORP COM | \$15,580,279 | 838,100 | (173,400) |
| TRINITY INDUSTRIES INC COM | \$8,366,377 | 184,566 | (163,800) |
| CNH GLOBAL NV COM | \$83,242,363 | 2,014,578 | (139,180) |
| CURTISS WRIGHT CORP COM | \$90,338,258 | 2,603,408 | (119,926) |
| AMETEK INC COM | \$154,798,625 | 3,570,079 | (119,341) |
| KINDER MORGAN INC COM CL P | \$10,444,219 | 270,016 | (111,382) |
| AMC NETWORKS INC CL A | \$165,432,895 | 2,616,781 | (110,774) |
| MGM RESORTS INTERNATIONAL COM | \$1,268,975 | 96,500 | (96,000) |
| ELECTRONIC ARTS INC COM | \$6,476,430 | 365,900 | (91,400) |
| NEWS CORP LTD CL A | \$127,844,589 | 4,190,252 | (88,061) |
| PFIZER INC COM | \$33,297,918 | 1,153,774 | (82,987) |
| CRANE CO COM | \$204,474,525 | 3,660,482 | (80,900) |
| PAIN THERAPEUTICS INC COM | \$1,200,500 | 350,000 | (80,000) |
| GENERAL ELECTRIC CO COM | \$36,471,754 | 1,577,498 | (79,599) |
| BOYD GAMING CORP COM | \$28,271,822 | 3,418,600 | (78,518) |
| LIN TV CORP CL A | \$19,008,864 | 1,729,651 | (74,761) |
| ALLIANCEBERNSTEIN HOLDING LP | \$13,400,610 | 611,900 | (73,700) |
| GENUINE PARTS CO COM | \$211,544,034 | 2,712,103 | (69,218) |
| NORTHEAST UTILITIES COM | \$37,080,289 | 853,205 | (65,217) |
| EATON CORP PLC COM | \$42,351,374 | 691,451 | (60,050) |
| BAXTER INTERNATIONAL INC COM | \$21,984,496 | 302,650 | (59,300) |
| COVENTRY HEALTH CARE INC COM | \$6,287,911 | 133,700 | (58,000) |
| CTS CORP COM | \$33,331,047 | 3,192,629 | (56,141) |
| GENERAL MILLS INC COM | \$140,145,726 | 2,842,136 | (55,900) |
| MORGAN STANLEY COM | \$31,248,526 | 1,421,680 | (55,475) |
| AUTONATION INC COM | \$51,258,331 | 1,171,619 | (53,516) |
| TAKE TWO INTERACTIVE SOFTWARE | \$11,023,344 | 682,560 | (52,500) |
| NCR CORP COM | \$42,659,848 | 1,547,890 | (52,374) |
| BOULDER BRANDS INC COM | \$24,384,107 | 2,712,359 | (50,700) |
| MEAD JOHNSON NUTRITION CO COM | \$18,425,510 | 237,902 | (50,035) |
| CH ENERGY GROUP INC COM | \$36,387,181 | 556,464 | (49,554) |
| FLOWERVE CORP COM | \$183,269,128 | 1,092,774 | (48,915) |
| BORGWARNER INC COM | \$49,178,573 | 635,875 | (47,900) |
| PINNACLE ENTERTAINMENT INC CO | \$10,130,198 | 692,900 | (46,000) |
| CORINTHIAN COLLEGES INC COM | \$1,156,698 | 549,500 | (46,000) |
| HARMAN INTL INDS COM | \$9,506,190 | 213,000 | (45,500) |
| GREAT PLAINS ENERGY INC COM | \$22,592,255 | 974,224 | (45,484) |
| DIEBOLD INC COM | \$106,317,201 | 3,506,504 | (43,254) |
| HONEYWELL INTERNATIONAL INC C | \$200,147,835 | 2,656,242 | (43,074) |
| KIRBY CORP COM | \$1,528,320 | 19,900 | (41,900) |
| RPC INC COM | \$101,104,182 | 6,664,745 | (40,550) |
| PENTAIR LTD COM | \$3,834,556 | 72,693 | (40,267) |
| EMC CORP/MA COM | \$2,421,013 | 101,340 | (38,315) |
| TIME WARNER INC COM | \$150,627,784 | 2,614,158 | (34,964) |
| ROLLINS INC COM | \$85,071,200 | 3,465,222 | (31,656) |
| WADDELL & REED FINANCIAL INC | \$26,278,945 | 600,250 | (31,300) |
| INGREDION INC COM | \$17,899,200 | 247,500 | (30,900) |
| TREDEGAR CORP COM | \$99,522,420 | 3,380,517 | (30,199) |
| PENNEY J C INC COM | \$3,099,061 | 205,100 | (29,600) |
| ARBITRON INC COM | \$9,688,029 | 206,700 | (28,490) |
| SLM CORP COM | \$12,090,900 | 589,800 | (28,000) |
| WESTWOOD HOLDINGS GROUP INC C | \$35,314,297 | 794,830 | (27,700) |
| ECOLAB INC COM | \$67,287,457 | 839,205 | (25,238) |
| CHARTER COMMUNICATIONS INC CL | \$1,672,089 | 16,050 | (24,550) |
| OMNOVA SOLUTIONS INC COM | \$11,467,609 | 1,495,125 | (24,425) |
| SOUTHWEST GAS CORP COM | \$69,962,542 | 1,474,137 | (24,023) |
| PNM RESOURCES INC COM | \$71,284,868 | 3,060,750 | (23,400) |
| BEST BUY INC COM | \$1,581,510 | 71,400 | (23,400) |
| ELI LILLY & CO COM | \$8,092,575 | 142,500 | (22,200) |
| FLOWERS FOODS INC COM | \$32,522,486 | 987,325 | (22,183) |
| KAMAN CORP CL A | \$98,415,168 | 2,774,603 | (22,097) |
| DISCOVERY COMMUNICATIONS INC | \$47,900,928 | 608,343 | (22,050) |

| | | | |
|--------------------------------|---------------|-----------|----------|
| HB FULLER CO COM | \$12,796,746 | 327,450 | (22,000) |
| UNITED RENTALS INC COM | \$3,188,260 | 58,000 | (22,000) |
| BECTON DICKINSON & CO COM | \$62,987,390 | 658,795 | (21,510) |
| SAFEWAY INC COM | \$4,789,113 | 181,750 | (21,120) |
| IDEX CORP COM | \$74,196,854 | 1,388,934 | (21,062) |
| T-MOBILE US INC COM | \$4,368,720 | 400,800 | (20,900) |
| BIOLASE TECHNOLOGY INC COM | \$399,986 | 100,499 | (20,708) |
| ENERGY TRANSFER EQUITY LP COM | \$2,280,720 | 39,000 | (20,700) |
| PRECISION CASTPARTS CORP COM | \$173,112,441 | 912,944 | (20,318) |
| DENNYS CORP COM | \$3,696,000 | 640,000 | (20,157) |
| CORNING INC COM | \$17,180,384 | 1,288,851 | (20,100) |
| DISCOVERY COMMUNICATIONS INC | \$39,598,927 | 569,441 | (20,051) |
| WESTAR ENERGY INC COM | \$46,057,390 | 1,388,107 | (20,030) |
| FIRST NIAGARA FINANCIAL GROUP | \$7,526,481 | 849,490 | (20,000) |
| CHARLES SCHWAB CORP COM | \$4,334,050 | 245,000 | (20,000) |
| INTERNATIONAL FLAVORS & FRAGRA | \$73,334,472 | 956,495 | (19,879) |
| ROWAN COS LTD ORD A | \$26,357,344 | 745,400 | (19,000) |
| TIVO INC COM | \$6,539,442 | 527,800 | (18,200) |
| PENN NATIONAL GAMING INC COM | \$4,463,260 | 82,000 | (18,000) |
| HSN INC COM | \$10,888,284 | 198,474 | (17,595) |
| ASCENT CAPITAL GROUP INC CL A | \$84,209,059 | 1,131,234 | (17,489) |
| LYDALL INC (DEL) COM | \$2,141,540 | 139,514 | (17,400) |
| INTERNATIONAL GAME TECHNOLOGY | \$13,518,896 | 819,327 | (17,000) |
| CASELLA WASTE SYSTEMS INC CL | \$830,654 | 190,081 | (17,000) |
| SPECTRA ENERGY CORP COM | \$4,099,559 | 133,319 | (16,980) |
| TEXAS INSTRUMENTS INCORPORATED | \$26,007,833 | 733,028 | (16,900) |
| ARTHROCARE CORP COM | \$11,700,216 | 336,600 | (16,200) |
| VALUECLICK INC COM | \$3,990,600 | 135,000 | (16,000) |
| ITT CORP COM | \$35,266,278 | 1,240,460 | (15,888) |
| SINCLAIR BROADCAST GROUP INC | \$5,984,880 | 294,967 | (15,400) |
| ENERGY TRANSFER PARTNERS LP U | \$670,325 | 13,224 | (15,379) |
| INTEL CORP COM | \$3,945,039 | 180,675 | (15,200) |
| MACYS INC COM | \$33,026,571 | 789,354 | (15,170) |
| LIBERTY GLOBAL INC CL C | \$30,010,664 | 437,282 | (15,143) |
| GATX CORP COM | \$186,390,041 | 3,586,493 | (15,008) |
| CIRCOR INTERNATIONAL INC COM | \$85,110,288 | 2,002,595 | (14,899) |
| CONSOL ENERGY INC COM | \$38,171,584 | 1,134,371 | (13,998) |
| TOOTSIE ROLL INDUSTRIES INC C | \$40,330,195 | 1,348,385 | (13,986) |
| ARTIO GLOBAL INVESTORS INC CL | \$316,880 | 116,500 | (13,500) |
| VERIZON COMMUNICATIONS INC CO | \$21,578,669 | 439,037 | (12,770) |
| AT&T INC COM | \$7,365,664 | 200,754 | (12,600) |
| MCGRATH RENTCORP COM | \$2,627,950 | 84,500 | (12,600) |
| AMPCO PITTSBURGH CORP COM | \$21,222,731 | 1,122,302 | (12,545) |
| M&T BANK CORP COM | \$24,214,334 | 234,726 | (12,300) |
| E W SCRIPPS CO CL A | \$6,396,351 | 531,700 | (12,000) |
| DANA HOLDING CORP COM | \$68,288,811 | 3,829,995 | (11,575) |
| PROCTER & GAMBLE CO COM | \$19,965,398 | 259,089 | (11,550) |
| ARGO GROUP INTERNATIONAL HLDGS | \$2,441,420 | 59,000 | (11,000) |
| AMERICAN RAILCAR INDUSTRIES IN | \$420,660 | 9,000 | (11,000) |
| CARMIKE CINEMAS INC COM | \$1,286,520 | 71,000 | (11,000) |
| ROFIN SINAR TECHNOLOGIES INC | \$5,705,154 | 210,600 | (11,000) |
| GOLDMAN SACHS GROUP INC COM | \$5,219,411 | 35,470 | (10,410) |
| COLDWATER CREEK INC COM | \$311,260 | 98,500 | (10,000) |
| CAMBIUM LEARNING GROUP INC CO | \$220,420 | 214,000 | (10,000) |

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| | | | |
|-----------------------------|-------------|--------|---------|
| TE CONNECTIVITY LTD COM REG | \$3,391,382 | 80,882 | (9,999) |
|-----------------------------|-------------|--------|---------|

| | | | |
|-------------------------------|--------------|---------|---------|
| CONOCOPHILLIPS COM | \$7,834,155 | 130,352 | (9,743) |
| ROCKWELL AUTOMATION INC COM | \$45,311,299 | 524,740 | (9,000) |
| CASEYS GENERAL STORES INC COM | \$30,831,780 | 528,847 | (8,800) |
| LAMAR ADVERTISING CO CL A | \$204,036 | 4,200 | (8,800) |
| TEXTRON INC COM | \$29,210,819 | 979,900 | (8,400) |
| OCEANEERING INTERNATIONAL INC | \$35,389,889 | 532,900 | (8,100) |
| AMERICA MOVIL SAB DE CV ADR L | \$1,658,355 | 79,120 | (8,000) |

| | | | |
|-------------------------------|---------------|-----------|---------|
| ZIMMER HOLDINGS INC COM | \$25,450,837 | 338,352 | (7,250) |
| MADISON SQUARE GARDEN CO CL A | \$174,875,501 | 3,036,033 | (7,029) |
| SENSIENT TECHNOLOGIES CORP CO | \$57,685,074 | 1,475,699 | (6,818) |
| FIRSTENERGY CORP COM | \$9,081,735 | 215,207 | (6,711) |
| CBS CORP CL A | \$111,391,173 | 2,404,299 | (6,505) |
| MATERION CORP COM | \$36,032,550 | 1,264,300 | (6,500) |
| CHURCH & DWIGHT INC COM | \$27,659,055 | 427,960 | (6,500) |
| WALT DISNEY CO COM | \$7,389,226 | 130,092 | (6,300) |
| ACTIVISION BLIZZARD INC COM | \$320,540 | 22,000 | (6,000) |
| TRACTOR SUPPLY CO COM | \$16,036,020 | 154,000 | (6,000) |
| BADGER METER INC COM | \$5,884,524 | 109,950 | (5,900) |
| LAWSON PRODUCTS INC COM | \$2,633,484 | 149,800 | (5,500) |
| SALEM COMMUNICATIONS CORP CL | \$9,160,046 | 1,155,113 | (5,400) |
| FOMENTO ECON MEX (FEMSA) ADR | \$23,741,363 | 209,175 | (5,200) |
| DU PONT E I DE NEMOURS & CO C | \$3,333,048 | 67,800 | (5,160) |
| US CELLULAR CORP COM | \$134,164,944 | 3,726,804 | (5,100) |
| UNITED GUARDIAN INC COM | \$3,362,020 | 173,300 | (5,000) |
| VIMPELCOM LTD ADR | \$4,690,605 | 394,500 | (5,000) |
| CISCO SYSTEMS INC COM | \$2,847,989 | 136,300 | (5,000) |
| CUTERA INC COM | \$7,475,000 | 575,000 | (5,000) |
| SYSCO CORP COM | \$3,218,055 | 91,500 | (5,000) |
| ABB LTD ADR | \$2,043,848 | 89,800 | (4,900) |
| EDGEWATER TECHNOLOGY INC COM | \$4,021,941 | 1,010,538 | (4,500) |
| PARK OHIO HOLDINGS CORP COM | \$33,885,430 | 1,022,802 | (4,500) |
| TD AMERITRADE HOLDING CORP CO | \$269,091 | 13,050 | (4,200) |
| NEWMARKET CORP COM | \$16,871,328 | 64,800 | (4,200) |
| OIL DRI CORP AMERICA COM | \$15,730,254 | 577,681 | (4,071) |
| TYLER TECHNOLOGIES INC COM | \$22,100,770 | 360,770 | (4,054) |
| DUCOMMUN INC (DEL) COM | \$1,424,880 | 72,000 | (4,000) |
| DOMINION RESOURCES INC/VA COM | \$3,839,880 | 66,000 | (4,000) |
| BELDEN INC COM | \$2,980,205 | 57,700 | (4,000) |
| CYNOSURE INC CL A | \$523,400 | 20,000 | (4,000) |
| GREIF INC CL A NON-VTG | \$46,450,631 | 866,293 | (3,792) |
| STARBUCKS CORP COM | \$2,457,393 | 43,150 | (3,700) |
| UNITED TECHNOLOGIES CORP COM | \$2,139,547 | 22,900 | (3,670) |
| MERCURY SYSTEMS INC COM | \$225,522 | 30,600 | (3,600) |
| BLACK HILLS CORP COM | \$29,325,575 | 665,885 | (3,400) |
| TECO ENERGY INC COM | \$1,737,985 | 97,530 | (3,376) |
| RUSH ENTERPRISES INC CL B | \$12,577,377 | 614,700 | (3,321) |
| OREILLY AUTOMOTIVE INC COM | \$91,025,144 | 888,579 | (3,242) |
| DUKE ENERGY CORP COM | \$1,564,460 | 21,552 | (3,231) |
| LIFEWAY FOODS INC COM | \$4,334,020 | 311,800 | (3,200) |
| HAWKINS INC COM | \$359,550 | 9,000 | (3,200) |
| AGL RESOURCES INC COM | \$2,812,286 | 67,039 | (3,157) |
| STANDEX INTERNATIONAL CORP CO | \$7,990,334 | 144,700 | (3,000) |
| WEYERHAEUSER CO COM | \$313,800 | 10,000 | (3,000) |
| ADVANCE AUTO PARTS INC COM | \$1,074,450 | 13,000 | (3,000) |
| WUXI PHARMATECH (CAYMAN) INC | \$2,209,348 | 128,600 | (3,000) |
| WYNN RESORTS LTD COM | \$11,646,138 | 93,050 | (3,000) |
| TRANSOCEAN LTD COM | \$5,767,456 | 110,998 | (2,850) |
| BELO CORP CL A | \$3,786,044 | 385,152 | (2,700) |
| VULCAN MATERIALS CO COM | \$3,288,120 | 63,600 | (2,700) |
| NOVO NORDISK AS ADR | \$280,041 | 1,734 | (2,636) |
| VASCULAR SOLUTIONS INC COM | \$5,155,868 | 317,871 | (2,600) |
| MONSANTO CO COM | \$14,836,790 | 140,460 | (2,530) |
| EXELON CORP COM | \$319,112 | 9,255 | (2,500) |
| HEWLETT PACKARD CO COM | \$798,640 | 33,500 | (2,500) |
| KIMBERLY CLARK CORP COM | \$2,023,287 | 20,650 | (2,450) |
| ROGERS COMMUNICATIONS INC CL | \$34,510,075 | 675,873 | (2,400) |
| ALLERGAN INC COM | \$15,374,800 | 137,730 | (2,260) |
| MENTOR GRAPHICS CORP COM | \$2,725,550 | 151,000 | (2,000) |
| BIO RAD LABS INC CL A COM | \$12,348,000 | 98,000 | (2,000) |
| KRISPY KREME DOUGHNUTS INC CO | \$3,537,800 | 245,000 | (2,000) |
| COOPER COMPANIES INC COM | \$4,530,960 | 42,000 | (2,000) |
| CORE MOLDING TECHNOLOGIES INC | \$3,728,909 | 422,300 | (2,000) |
| REGIS CORP (MN) COM | \$215,370 | 11,840 | (2,000) |

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15 May 2013 08:59 EDT DJ GAMCO Asset Mgmt Inc. 1Q 13F: Largest Purchases

DJ CFA SOURCE: SEC 13F-HR
FILER: GAMCO Asset Management Inc.
QUARTER ENDED: 03/31/2013
SEC RECEIVED: 05/08/2013

Up to 200 of the largest purchases of GAMCO Asset Management Inc. are listed below, ordered by the number of shares bought during the three months ended March 31.

| Company Name | Value | Holdings | Change |
|-------------------------------|---------------|------------|-----------|
| WEATHERFORD INTERNATIONAL LTD | \$106,345,004 | 8,759,885 | 2,992,585 |
| DELL INC COM | \$31,402,905 | 2,191,410 | 2,191,410 |
| H J HEINZ CO COM | \$134,682,300 | 1,863,599 | 1,738,398 |
| LEGG MASON INC COM | \$164,445,610 | 5,114,949 | 1,497,500 |
| LIBERTY MEDIA CORP CL A | \$95,179,757 | 852,636 | 852,636 |
| CABLEVISION SYSTEMS CORP CL A | \$156,344,028 | 10,450,804 | 735,277 |
| GENCORP INC COM | \$70,577,487 | 5,306,578 | 607,853 |
| INTERMEC COM | \$62,977,212 | 6,406,634 | 567,728 |
| WELLS FARGO & CO COM | \$174,495,220 | 4,717,362 | 492,850 |
| HILLSHIRE BRANDS CO COM | \$85,320,860 | 2,427,336 | 408,479 |
| MONDELEZ INTERNATIONAL INC CL | \$105,406,129 | 3,442,957 | 386,587 |
| NEWMONT MINING CORP COM | \$89,021,277 | 2,125,120 | 371,905 |
| MARCUS CORP COM | \$13,115,761 | 1,050,101 | 366,787 |
| PNC FINANCIAL SERVICES GROUP | \$64,392,815 | 968,313 | 364,893 |
| BOSTON SCIENTIFIC CORP COM | \$21,618,119 | 2,768,005 | 349,700 |
| AVON PRODUCTS INC COM | \$23,899,617 | 1,152,900 | 316,600 |
| MCMORAN EXPLORATION CO COM | \$22,652,925 | 1,385,500 | 308,400 |
| GRACO INC COM | \$56,413,865 | 972,150 | 300,200 |
| BRINKS CO COM | \$72,583,493 | 2,568,418 | 285,205 |
| REPUBLIC SERVICES INC COM | \$77,921,085 | 2,361,245 | 278,578 |
| GREENBRIER COMPANIES INC COM | \$8,856,900 | 390,000 | 275,000 |
| PEP BOYS MANNY MOE & JACK COM | \$57,207,874 | 4,852,237 | 254,850 |
| EARTHLINK INC COM | \$5,661,836 | 1,046,550 | 243,300 |
| XYLEM INC COM | \$90,753,730 | 3,292,951 | 242,290 |
| ACCO BRANDS CORP COM | \$4,174,292 | 624,894 | 235,933 |
| NEWS CORP LTD CL B | \$16,409,353 | 533,464 | 234,920 |
| FEDERAL MOGUL CORP CL A | \$23,348,992 | 3,872,138 | 219,650 |
| CONAGRA FOODS INC COM | \$8,697,569 | 242,881 | 213,481 |
| GRAFTECH INTERNATIONAL LTD CO | \$41,213,414 | 5,366,330 | 213,194 |
| MUELLER WATER PRODUCTS INC CL | \$2,658,419 | 448,300 | 210,200 |
| FORD MOTOR CO COM | \$25,149,914 | 1,912,541 | 210,000 |
| FEDERAL SIGNAL CORP COM | \$3,571,620 | 438,774 | 207,945 |
| GENTIVA HEALTH SERVICES INC C | \$8,860,498 | 818,900 | 207,900 |
| CYPRESS SEMICONDUCTOR CORP CO | \$8,459,900 | 766,990 | 193,000 |
| LIBERTY INTERACTIVE CORP INT | \$47,426,612 | 2,219,308 | 186,036 |
| FREEPORT MCMORAN COPPER CL B | \$36,544,783 | 1,104,072 | 186,000 |
| AMERICAN INTERNATIONAL GROUP | \$17,149,706 | 441,775 | 185,600 |
| VODAFONE GROUP PLC ADR | \$14,821,335 | 521,878 | 172,810 |
| SNYDERS LANCE INC COM | \$53,371,020 | 2,112,867 | 163,897 |
| WAUSAU PAPER CORP COM | \$1,758,218 | 163,100 | 163,100 |
| NAVISTAR INTERNATIONAL COM | \$159,928,771 | 4,626,230 | 163,070 |
| TEJON RANCH CO COM | \$8,014,036 | 269,108 | 162,008 |
| COHEN & STEERS INC COM | \$50,203,813 | 1,391,844 | 159,447 |
| REALD INC COM | \$7,288,515 | 560,655 | 155,495 |
| AURICO GOLD INC COM | \$998,493 | 158,743 | 148,743 |
| COMCAST CORP CL A SPECIAL NVT | \$42,056,116 | 1,061,755 | 147,280 |

| | | | |
|--------------------------------|---------------|------------|---------|
| PATTERSON COMPANIES INC COM | \$59,101,569 | 1,553,669 | 134,201 |
| DIAMOND FOODS INC COM | \$4,687,080 | 278,000 | 124,000 |
| LIVE NATION ENTERTAINMENT INC | \$16,990,616 | 1,373,534 | 120,935 |
| LA Z BOY INC COM | \$4,057,050 | 215,000 | 120,000 |
| IXIA COM | \$4,118,243 | 190,307 | 119,307 |
| BLUCORA INC COM | \$2,291,814 | 148,050 | 119,050 |
| BANK OF NEW YORK MELLON CORP | \$170,537,360 | 6,092,796 | 113,027 |
| DIRECTV COM | \$279,341,765 | 4,936,239 | 110,402 |
| VIRGIN MEDIA INC COM | \$5,373,478 | 109,730 | 109,730 |
| COINSTAR INC COM | \$9,709,988 | 166,210 | 106,520 |
| GRIFFON CORP COM | \$76,304,235 | 6,401,362 | 104,446 |
| ST JOE CO COM | \$7,707,736 | 362,717 | 99,000 |
| BEAM INC COM | \$160,246,800 | 2,521,983 | 96,926 |
| PROGRESSIVE WASTE SOLUTIONS LT | \$5,321,340 | 251,600 | 96,075 |
| ADT CORP COM | \$38,342,532 | 783,460 | 93,639 |
| AARONS INC COM | \$34,279,368 | 1,195,236 | 86,395 |
| SEALED AIR CORP COM | \$5,949,022 | 246,745 | 84,525 |
| STATE STREET CORP COM | \$97,239,272 | 1,645,613 | 82,525 |
| SKYLINE CORP COM | \$3,267,978 | 547,400 | 82,300 |
| VIACOM INC COM | \$217,509,201 | 3,449,242 | 79,605 |
| TYCO INTERNATIONAL LTD COM | \$61,060,992 | 1,908,156 | 73,337 |
| CHEESECAKE FACTORY INC COM | \$44,116,867 | 1,142,628 | 72,428 |
| COCA COLA CO COM | \$125,907,554 | 3,113,441 | 72,400 |
| JOHNSON CONTROLS INC COM | \$24,946,904 | 711,346 | 72,200 |
| MODUSLINK GLOBAL SOLUTIONS INC | \$768,900 | 233,000 | 71,000 |
| KENNAMETAL INC COM | \$5,399,232 | 138,300 | 70,800 |
| UNILEVER PLC ADR | \$8,284,954 | 196,140 | 69,016 |
| BIG 5 SPORTING GOODS CORP COM | \$5,166,910 | 331,000 | 69,000 |
| H&R BLOCK INC COM | \$10,155,784 | 345,200 | 66,150 |
| GUIDANCE SOFTWARE INC COM | \$1,283,555 | 118,300 | 65,300 |
| CHURCHILL DOWNS INC COM | \$63,788,580 | 910,745 | 64,107 |
| KRAFT FOODS GROUP INC COM | \$43,566,708 | 845,463 | 63,716 |
| COMMUNICATIONS SYSTEMS INC CO | \$2,150,580 | 219,000 | 62,000 |
| HOSPIRA INC COM | \$3,517,078 | 107,130 | 59,500 |
| LORAL SPACE & COMMUNICATIONS | \$9,879,761 | 159,660 | 58,780 |
| WASTE MANAGEMENT INC COM | \$42,864,411 | 1,093,201 | 58,167 |
| NII HOLDINGS INC COM | \$9,222,068 | 2,132,270 | 57,220 |
| ENDO HEALTH SOLUTIONS INC COM | \$1,739,478 | 56,550 | 56,550 |
| ASSISTED LIVING CONCEPTS INC | \$642,060 | 54,000 | 54,000 |
| CLEAR CHANNEL OUTDOOR HLDGS C | \$19,016,144 | 2,538,871 | 53,300 |
| DEVON ENERGY CORP COM | \$13,128,934 | 232,700 | 52,600 |
| VIACOM INC CL B | \$24,880,649 | 404,695 | 52,546 |
| BRISTOL MYERS SQUIBB CO COM | \$39,212,674 | 951,995 | 51,901 |
| MICROSOFT CORP COM | \$11,740,150 | 410,423 | 51,630 |
| FARMER BROTHERS CO COM | \$751,626 | 51,131 | 51,131 |
| AMERISTAR CASINOS INC COM | \$1,311,500 | 50,000 | 50,000 |
| CROWN MEDIA HOLDINGS INC CL A | \$559,650 | 273,000 | 50,000 |
| CVS CAREMARK CORP COM | \$89,835,073 | 1,633,662 | 49,600 |
| PEABODY ENERGY CORP COM | \$2,104,425 | 99,500 | 48,800 |
| EXACTECH INC COM | \$13,283,146 | 642,008 | 48,473 |
| FAMOUS DAVES AMERICA INC COM | \$496,302 | 45,700 | 45,700 |
| W R BERKLEY CORP COM | \$22,525,540 | 507,675 | 44,075 |
| POST HOLDINGS INC COM | \$38,613,646 | 899,456 | 43,029 |
| CINCINNATI BELL INC COM | \$44,894,304 | 13,771,259 | 42,546 |
| LIBERTY GLOBAL INC CL A | \$56,056,376 | 763,919 | 41,661 |
| ZEP INC COM | \$42,842,728 | 2,854,279 | 40,552 |
| ARCHER DANIELS MIDLAND CO COM | \$40,756,026 | 1,208,302 | 39,922 |
| ORACLE CORP COM | \$1,531,634 | 47,375 | 35,075 |
| COVIDIEN PLC COM | \$37,544,963 | 553,434 | 33,576 |
| ANADARKO PETROLEUM CORP COM | \$12,400,410 | 141,800 | 32,400 |
| KELLOGG CO COM | \$61,321,253 | 951,750 | 32,400 |
| ECHOSTAR CORP COM | \$20,751,642 | 532,503 | 31,210 |
| GLOBAL SOURCES LTD ORD | \$2,630,888 | 348,001 | 31,100 |
| GRUPO TELEvisa SAB ADR PC A/B | \$60,588,016 | 2,276,889 | 30,060 |
| BOSTON PRIVATE FINANCIAL HLDGS | \$1,936,480 | 196,000 | 30,000 |
| MAKO SURGICAL CORP COM | \$2,730,635 | 244,900 | 29,500 |

| | | | | |
|--------------------------------|--------------|-----------|--------|--|
| BLYTH INC COM | \$1,095,190 | 63,087 | 29,087 | |
| PRIMUS TELECOMMUNICATIONS GRP | \$320,450 | 29,000 | 29,000 | |
| FIRSTMERIT CORP COM | \$440,576 | 26,637 | 26,637 | |
| BASSETT FURNITURE INDUSTRIES | \$670,320 | 42,000 | 26,399 | |
| CAVCO INDUSTRIES INC COM | \$22,636,708 | 475,861 | 26,300 | |
| WMS INDUSTRIES INC COM | \$663,023 | 26,300 | 26,300 | |
| PLAINS EXPLORATION & PRODUCTIO | \$8,615,805 | 181,500 | 26,300 | |
| TWIN DISC INC COM | \$18,154,484 | 723,863 | 25,995 | |
| MERCK & CO INC COM | \$9,757,769 | 220,764 | 25,838 | |
| PARK ELECTROCHEMICAL CORP COM | \$15,905,918 | 627,700 | 25,000 | |
| SIBANYE GOLD LTD ADR | \$139,679 | 24,722 | 24,722 | |
| ABBOTT LABS COM | \$2,974,474 | 84,215 | 24,475 | |
| YAHOO INC COM | \$19,225,546 | 817,100 | 24,360 | |
| DEAN FOODS CO COM | \$2,371,404 | 130,800 | 24,000 | |
| CITIGROUP INC COM | \$14,669,984 | 331,600 | 23,700 | |
| TENNECO INC COM | \$41,771,592 | 1,062,620 | 23,680 | |
| FIRSTCITY FINANCIAL CORP COM | \$217,140 | 22,000 | 22,000 | |

15 May 2013 08:59 EDT DJ GAMCO Asset Mgmt Inc. 1Q 13F: Largest Purchases -2-

| | | | | |
|--------------------------------|---------------|-----------|--------|--|
| JOHNSON & JOHNSON COM | \$37,802,852 | 463,668 | 21,860 | |
| SHENANDOAH TELECOMMUNICATIONS | \$1,259,399 | 82,692 | 21,692 | |
| DIAGEO PLC ADR | \$87,987,957 | 699,205 | 21,650 | |
| MORGANS HOTEL GROUP CO COM | \$1,544,528 | 260,900 | 21,000 | |
| INGLES MARKETS INC CL A | \$28,267,401 | 1,315,987 | 20,800 | |
| LIBERTY INTERACTIVE VENTURES | \$15,381,966 | 203,519 | 20,111 | |
| STERIS CORP COM | \$4,993,200 | 120,000 | 20,000 | |
| FORTUNE BRANDS HOME & SECURITY | \$93,347,426 | 2,493,920 | 19,000 | |
| PEPSICO INC COM | \$52,610,682 | 665,032 | 18,767 | |
| MOLYCORP INC COM | \$599,560 | 115,300 | 18,000 | |
| EXPRESS SCRIPTS HOLDING CO CO | \$2,483,652 | 43,104 | 17,884 | |
| KAR AUCTION SERVICES INC COM | \$10,800,176 | 539,200 | 17,700 | |
| TELULAR CORP COM | \$413,567 | 41,110 | 17,610 | |
| NETSPEND HOLDINGS INC COM | \$279,664 | 17,600 | 17,600 | |
| BED BATH & BEYOND INC COM | \$7,796,431 | 121,025 | 17,525 | |
| T ROWE PRICE GROUP INC COM | \$11,949,252 | 159,600 | 16,300 | |
| DR PEPPER SNAPPLE GROUP INC C | \$120,485,860 | 2,566,259 | 16,291 | |
| NATIONAL FUEL GAS CO (NJ) COM | \$233,820,372 | 3,811,253 | 16,280 | |
| CALAMOS ASSET MANAGEMENT INC | \$1,483,020 | 126,000 | 16,000 | |
| BEL FUSE INC CL A COM | \$3,162,960 | 229,200 | 15,800 | |
| ABBVIE INC COM | \$643,508 | 15,780 | 15,780 | |
| GENTEX CORP COM | \$2,505,252 | 125,200 | 15,200 | |
| LEXICON PHARMACEUTICALS INC C | \$312,176 | 143,200 | 15,200 | |
| UNITEDHEALTH GROUP INC COM | \$22,340,219 | 390,495 | 15,095 | |
| GORMAN RUPP CO COM | \$17,297,201 | 575,614 | 15,051 | |
| HOT TOPIC INC COM | \$208,200 | 15,000 | 15,000 | |
| FALCONSTOR SOFTWARE INC COM | \$1,299,800 | 485,000 | 15,000 | |
| GILEAD SCIENCES INC COM | \$1,331,168 | 27,200 | 14,830 | |
| BARNES & NOBLE INC COM | \$4,249,446 | 258,325 | 13,700 | |
| NUVASIVE INC COM | \$973,867 | 45,700 | 13,700 | |
| GABELLI MULTIMEDIA TRUST INC | \$4,776,678 | 533,707 | 13,591 | |
| MOVE INC COM | \$448,125 | 37,500 | 13,500 | |
| SWS GROUP INC COM | \$2,994,145 | 494,900 | 13,000 | |
| DARLING INTERNATIONAL INC COM | \$233,121 | 12,980 | 12,980 | |
| COMCAST CORP CL A | \$9,458,052 | 225,299 | 12,879 | |
| ZEBRA TECHNOLOGIES CORP CL A | \$15,798,683 | 335,215 | 12,465 | |
| CREXUS INVESTMENT CORP COM | \$160,146 | 12,300 | 12,300 | |
| ALTERRA CAPITAL HOLDINGS LTD | \$381,029 | 12,100 | 12,100 | |
| LOWES COS INC COM | \$6,081,648 | 160,381 | 11,743 | |
| SCRIPPS NETWORKS INTERACTIVE | \$87,461,094 | 1,359,358 | 11,497 | |
| ST JUDE MEDICAL INC COM | \$3,279,927 | 81,106 | 11,433 | |
| STERLING BANCORP COM | \$6,449,355 | 634,779 | 11,400 | |
| WALGREEN CO COM | \$9,529,277 | 199,859 | 11,059 | |
| UNIVERSAL TECHNICAL INSTITUTE | \$5,904,525 | 467,500 | 11,000 | |
| QUIDEL CORP COM | \$14,097,786 | 593,591 | 11,000 | |
| ASTEC INDUSTRIES INC COM | \$8,863,033 | 253,737 | 10,700 | |
| CERES INC COM | \$35,844 | 10,300 | 10,300 | |

| | | | |
|-----------------------------------|---------------|-----------|--------|
| SEACHANGE INTERNATIONAL INC C | \$121,516 | 10,220 | 10,220 |
| GREAT LAKES DREDGE & DOCK CORP | \$176,326 | 26,200 | 10,200 |
| TIME WARNER CABLE INC COM | \$11,951,017 | 124,412 | 10,052 |
| GLOBAL POWER EQUIPMENT GROUP | \$528,600 | 30,000 | 10,000 |
| MERIDIAN BIOSCIENCE INC COM | \$2,053,350 | 90,000 | 10,000 |
| ORIENT EXPRESS HOTELS LTD ORD | \$6,319,274 | 640,900 | 10,000 |
| WATTS WATER TECHNOLOGIES INC | \$94,013,610 | 1,959,025 | 9,574 |
| LENNAR CORP CL B | \$16,698,583 | 517,625 | 9,325 |
| CHEVRON CORP COM | \$22,323,902 | 187,880 | 9,134 |
| CBS CORP CL B | \$31,092,645 | 665,938 | 8,230 |
| BP PLC ADR | \$6,372,616 | 150,475 | 8,200 |
| TELUS CORP COM | \$277,338 | 8,026 | 8,026 |
| AES CORP COM | \$10,967,325 | 872,500 | 8,000 |
| FACEBOOK INC CL A | \$441,255 | 17,250 | 7,855 |
| HAYNES INTERNATIONAL INC COM | \$4,855,893 | 87,810 | 7,800 |
| HESS CORP COM | \$11,214,484 | 156,605 | 7,700 |
| PROSHARES SHORT S&P500 | \$951,390 | 31,000 | 7,400 |
| CAMPBELL SOUP CO COM | \$38,147,216 | 840,988 | 7,250 |
| INVENTURE FOODS INC COM | \$335,318 | 43,100 | 7,200 |
| COPANO ENERGY LLC COM UNIT | \$287,692 | 7,100 | 7,100 |
| SORL AUTO PARTS INC COM | \$382,367 | 100,096 | 7,000 |
| BANK OF AMERICA CORP COM | \$2,064,400 | 169,491 | 7,000 |
| ENERGIZER HOLDINGS INC COM | \$128,919,176 | 1,292,682 | 6,621 |
| CANTERBURY PARK HOLDING CORP | \$4,264,911 | 426,065 | 6,500 |

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15 May 2013 08:59 EDT DJ GAMCO Asset Mgmt Inc. 1Q 13F: Largest Eliminations

DJ CFA SOURCE: SEC 13F-HR
 FILER: GAMCO Asset Management Inc.
 QUARTER ENDED: 03/31/2013
 SEC RECEIVED: 05/08/2013

Up to 200 of the largest eliminated positions of GAMCO Asset Management Inc. are listed below, ordered by the number of shares sold during the three months ended March 31.

| Company Name | Ticker | Change |
|--------------------------------|--------|-----------|
| CLEARWIRE CORP NEW CL A | CLWR | (103,200) |
| FREQUENCY ELECTRONICS INC COM | FEIM | (33,300) |
| CHICAGO BRIDGE & IRON CO NV C | CBI | (28,059) |
| MONSTER WORLDWIDE INC COM | MWW | (25,000) |
| STIFEL FINANCIAL CORP COM | SF | (17,144) |
| MARTHA STEWART LIVING OMNIMEDI | MSO | (10,503) |
| MARATHON OIL CORP COM | MRO | (9,200) |
| PVH CORP COM | PVH | (8,327) |
| CENTURYLINK (CENTURYTEL) INC | CTL | (6,248) |
| CUBIC CORP COM | CUB | (4,500) |
| SHIRE PLC ADR | SHPG | (4,370) |
| MARATHON PETROLEUM CORP COM | MPC | (4,050) |
| THERMO FISHER SC (ELECTRON) IN | TMO | (4,000) |
| COACH INC COM | COH | (3,963) |
| VERINT SYSTEMS INC COM | VRNT | (3,790) |
| GYRODYNE CO AMERICA INC COM | GYRO | (3,500) |
| ANALOGIC CORP COM | ALOG | (3,360) |

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May 15, 2013 08:59 ET (12:59 GMT)

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MARKET WEEK

Stocks --- The Trader: Dow Tops 15,000, Finishes at a Record Close

By Vito J. Racanelli

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It has become a familiar refrain this year but one that's by no means unwelcome: Stocks hit record highs last week. The Dow Jones Industrial Average closed above 15,000 for the first time, and equities rose about 1% on a lack of bad news, on decent earnings and economic news, and perhaps from just plain habit.

Nothing seems to unnerve this market; old bogeymen, like European debt woes and North Korean saber-rattling, remain locked in the basement for now, says Jonathan Corpina, a senior managing partner at Meridian Equity Partners. The worry, if there were one, is that such concerns could return and swat the market during the soon-to-arrive languid summer months, a time when markets traditionally look for things to worry about, Corpina adds.

For now, investors are busily rotating out of defensive stocks, he says, and moving money into technology and financial shares. Our guess is that only a sudden swoon will change that.

On the week, the Dow closed at 15,118.49, up 145 points, or 1%, and an all-time high. The S&P 500 increased 1.2%, or 19 points, to 1633.70, also a new high-water mark. The Nasdaq Composite index jumped 1.7%, or 58 points, to 3436.58.

With the Dow up 15% already this year, it's getting tougher to find relatively cheap stocks inside this 30-member and exclusive megacap club. The average 2013 ratio of price/earnings per share for the index is now about 14, with a high of 21.5 times for Home Depot (ticker: HD) and a low of six for Hewlett-Packard (HPQ), according to Thomson Reuters. The average earnings-per-share growth expected this year is just 3%.

For investors looking at the Dow now, it's worth noting that in the past three weeks the broad market has seen a rotation into stocks in sectors like tech, up 9%; materials, up 7%; and energy, up 6%. Concurrently, defensive sectors that have been popular all year -- consumer staples, health care, and telecoms -- have begun to trail the market. That could represent a shift to a search for growth from a search for yield.

Henry Smith, chief investment officer at Haverford Trust, says in recent weeks his team has discussed "areas on the defensive side where we are going to take profits, like Procter & Gamble [PG], for example." These are stocks that have done well and where "it's hard to see more P/E-multiple expansion." P&G has slightly outperformed the Dow this year, with one of the highest P/Es in the Dow at 19 and among the lowest projected EPS growth rates, 4%.

"We're mostly upbeat on tech, stocks like Microsoft (MFST), Intel (INTC), and IBM (IBM), says Matthew McCormick, a portfolio manager at Bahl & Gaynor Investment Counsel. All three sport P/Es lower than the Dow average, with room for dividend growth, he says. Dividend-payout ratios in telecom and utility stocks are stretched, he avers.

With valuations not as cheap as they were, there's a lower margin of safety now, adds Mark Boyar, chairman of Boyar Intrinsic Value Research. He also likes Microsoft, and adds that Bank of America (BAC) is another favorite in the Dow. It's a stock not without controversy, but its price/tangible book value is a low 0.9 times, and it has the potential, he says, to earn \$2 a share, which could take the stock to \$20 over the next couple of years from Friday's close of \$13.

Like Bank of America and tech, Chevron (CVX) has underperformed the Dow this year, says Neil Hennessy, chairman of Hennessy Advisors. But it has been lifting its dividend by 9%, pays a yield of 3.25%, and trades at just 10 times this year's EPS forecasts, below the Dow average.

The market's early-2013 love affair with defensive sectors like food has helped propel the shares of Pinnacle Foods (PF), which went public on March 28 at \$20 a share, the top end of a projected \$18 to \$20 range. It has zoomed up since then to a Friday close of \$24.22.

Beside the defensive aspect, investors also like that the Parsippany, N.J., company has about \$1.1 billion in gross net-operating-loss carry-forwards. Over the next two years, that tax shield will help free cash flow, and possibly go to dividend increases and to the company's intention of buying up smaller rivals.

Pinnacle's brands are either No. 1 or No. 2 in 10 of the 12 major product categories in which it competes. Their products can be found in more than 85% of U.S. households.

Despite this, investors appear overly bullish about Pinnacle's future, bidding up its shares to what looks like an unsustainably high valuation for a small, slow-growing food maker. Those loss carry-forwards are nice, but they are not a long-term sustainable edge. They might even be considered a crutch. And while Pinnacle's brands are recognizable -- Bird's Eye, Duncan Hines, and Vlassic, for example -- they are not top-shelf names.

Acquisitions could help earnings, but that, too, can't be counted on steadily, particularly as Pinnacle has a highly levered balance sheet, with debt of \$2 billion and a debt-to-total-capital ratio near 60%.

The Pinnacle story has blemishes that should be taken more seriously by investors, particularly if there is a rotation out of slow-growth defensive food stocks. That's possible if the market continues to make new highs, as investors will gain confidence and look for growth stocks, something Pinnacle is not.

One of Pinnacle's warts is organic revenue growth of just 1% to 2%, according to a May 7 Goldman Sachs report on the company, which it rates Neutral. The broker wrote that it recognizes Pinnacle's potential, but it also noted that the food maker has "a relatively disadvantaged portfolio," is vulnerable to input-cost volatility, generates below-average returns, and has been a "market-share donor since 2009."

Moreover, Pinnacle gets some 25% of sales from one customer, Wal-Mart Stores (WMT), which isn't known for cutting its suppliers much slack. About 60% comes from the top 10 customers, another risk.

Pinnacle's results from 2008 to 2012 swung to a net profit of \$52.6 million from a net loss of \$28.6 million. But the story is more complicated. Inside that five-year earnings swing, results were volatile. For the past three years, sales have been stuck at about \$2.5 billion.

Pinnacle's valuation is high when compared with large competitors. Its stock sells at a price/earnings ratio of about 16 times consensus estimates of \$1.50 a share this year. That's not much lower than its large-cap rivals' average P/E of 17. On an absolute level, Pinnacle's P/E seems high compared with both the 10% growth in earnings per share expected in 2014 and its probable long-term growth of 5% to 7%. Pinnacle didn't respond to a request for comment.

Should the market's appetite for defensives wane, Pinnacle's valuation might be at a zenith.

Unlike Pinnacle, Annie's (BNNY) is growing fast, selling things like its organic Mac & Cheese, and Bunny Graham crackers, among other products. These young brands are positioned as healthier choices and attract loyal customers, even though they can be as much as 50% pricier than rivals and are not much different in calories, fat, and nutritional content.

Annual growth at the Berkeley, Calif., company is an expected 20% for sales and EPS, so it deserves a higher-than-market valuation. As with Pinnacle, though, the issue is how high, relative to its realistic prospects and once the market's penchant for food stocks cools.

Jonathan Feeney, an analyst at Janney Montgomery Scott, says that Annie's is a niche business that has done a nice job addressing dry dinner kits and crackers in a small target market, five million to six million or so households with children ages 3 to 11 and more than \$90,000 in annual income.

What seems priced in the stock now, however, is a big move to annual revenue of \$400 million to \$500 million over the next five years from an estimated \$169 million in the fiscal year that ended in March. That, says a skeptical Feeney, would give Annie's a share of its currently targeted market well above that of, say, Kraft Foods (KRFT) among its own target markets, which comprise about 127 million households.

To do this, Annie's needs to expand outside its main two categories of dinner kits and crackers, and that's why it has moved into organic pizza, as well as other areas

Leaving out the increased costs involved, horizontal food-category moves are risky, Feeney adds, when there are already entrenched rivals there, like Kellogg's (K), Kashi, General Mills' (GIS) Cascadian Farms, and Kraft's Back to Nature, among numerous others. All of them are pursuing these niches with the same or greater resources. Natural or organic pizza is already crowded -- and it's a tiny part of frozen pizza over all, he says.

Food-consumption patterns are deeply ingrained. "Is your brand so much better than the others that it will convince retailers and consumer to buy it consistently?" asks Feeney, who has a Sell rating on the stock and a target price of \$25.

In the nine months ended Dec. 31, Annie's reported sales grew to \$117 million and profit of \$7.3 million, or 43 cents a share, compared with year-earlier sales of \$98 million and profit of \$7.7 million, or 50 cents a share. The most recent profit results were hurt to the tune of \$1.4 million from the recall of Annie's Homegrown Frozen Pizza, due to the possible presence of metal fragments caused by a faulty screen at a third-party flour mill.

At Friday's close of \$37.15, the stock is down from all-time highs of \$48, just prior to our last story on the company ("Down the Rabbit Hole," Oct. 22, 2012). Even so, Annie's trades at 47 times EPS estimates of 79 cents in the recently ended fiscal 2013 and 37 times the \$1 expected in fiscal 2014.

Valuation alone isn't enough to take down Annie's. Nevertheless, it doesn't lack for challenges. Outsourced production saves on capital but is particularly risky for a food company, as borne out by the recent recall.

Moreover, outside suppliers could raise their prices as well as miss deadlines, among a lot of other potential problems when you don't control the manufacture of your own product. Like Pinnacle's, Annie's clients are concentrated: More than 50% of sales go through three customers, and that concentration has been rising.

One important caveat that bulls trot out is the potential for Annie's to be gobbled up by a bigger, slower-growing rival. Recent actual sales multiples don't bear that out: Boulder Brands (BDBD) has recently made acquisitions in the healthy or organic space at less than two times sales; Annie's trades at 3.7 times sales. Annie's didn't respond to a request for comment.

Like its products, Annie's stock is pricey, leaving little room for disappointment.

e-mail: vito.racanelli@barrons.com

Vital Signs

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|-------------------|----------------|---------------|---------------|
| DJIndustrials | 15118.49 | +144.53 | +0.97 |
| DJTransportation | 6375.52 | +156.62 | +2.52 |
| DJUtilities | 513.71 | -15.59 | -2.95 |
| DJ65Stocks | 5171.51 | +36.37 | +0.71 |
| DJUSMarket | 411.22 | +5.32 | +1.31 |
| NYSEComp. | 9442.76 | +102.29 | +1.10 |
| NYSEMKTComp. | 2440.13 | +9.10 | +0.37 |
| S&P500 | 1633.70 | +19.28 | +1.19 |
| S&PMidCap | 1189.93 | +24.86 | +2.13 |
| S&PSmallCap | 548.58 | +13.34 | +2.49 |
| Nasdaq | 3436.58 | +57.95 | +1.72 |
| ValueLine(arith.) | 3691.76 | +78.02 | +2.16 |
| Russell2000 | 975.16 | +20.74 | +2.17 |
| DJUSTSMFloat | 17043.87 | +227.14 | +1.35 |

| | Last Week | Week Earlier |
|------------------|-----------|--------------|
| NYSE | | |
| Advances | 2,237 | 2,398 |
| Declines | 941 | 785 |
| Unchanged | 42 | 40 |
| NewHighs | 925 | 789 |
| NewLows | 49 | 54 |
| AvDailyVol(mil) | 3,255.4 | 3,398.3 |
| Dollar | | |
| (Finexspotindex) | 83.14 | 82.13 |
| T-Bond | | |

| | | |
|----------------------|---------|---------|
| (CBTnearbyfutures) | 132-025 | 132-275 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 96.04 | 95.61 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 288.68 | 290.17 |
| Gold | | |
| (CMXnearbyfutures) | 1436.80 | 1464.30 |
| --- | | |

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DOW JONES NEWSWIRES

Barron's: The Trader: Dow Tops 15,000, Finishes At A Record Close

2,197 字

2013 年 5 月 11 日 05:09

Dow Jones Institutional News

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(FROM BARRON'S 5/13/13)

By Vito J. Racanelli

It has become a familiar refrain this year but one that's by no means unwelcome: Stocks hit record highs last week. The Dow Jones Industrial Average closed above 15,000 for the first time, and equities rose about 1% on a lack of bad news, on decent earnings and economic news, and perhaps from just plain habit.

Nothing seems to unnerve this market; old bogeymen, like European debt woes and North Korean saber-rattling, remain locked in the basement for now, says Jonathan Corpina, a senior managing partner at Meridian Equity Partners. The worry, if there were one, is that such concerns could return and swat the market during the soon-to-arrive languid summer months, a time when markets traditionally look for things to worry about, Corpina adds.

For now, investors are busily rotating out of defensive stocks, he says, and moving money into technology and financial shares. Our guess is that only a sudden swoon will change that.

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11 May 2013 00:09 EDT Barron's: The Trader: Dow Tops 15,000, Finishes -2-

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| NYSEMKTComp. | 2440.13 | +9.10 | +0.37 |
| S&P500 | 1633.70 | +19.28 | +1.19 |
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| S&PSmallCap | 548.58 | +13.34 | +2.49 |
| Nasdaq | 3436.58 | +57.95 | +1.72 |
| ValueLine(arith.) | 3691.76 | +78.02 | +2.16 |
| Russell2000 | 975.16 | +20.74 | +2.17 |
| DJUSTSMFloat | 17043.87 | +227.14 | +1.35 |

Last Week Week Earlier

| | | |
|-----------|-------|-------|
| NYSE | | |
| Advances | 2,237 | 2,398 |
| Declines | 941 | 785 |
| Unchanged | 42 | 40 |
| NewHighs | 925 | 789 |
| NewLows | 49 | 54 |

| | | |
|----------------------|---------|---------|
| AvDailyVol(mil) | 3,255.4 | 3,398.3 |
| Dollar | | |
| (Finexspotindex) | 83.14 | 82.13 |
| T-Bond | | |
| (CBTnearbyfutures) | 132-025 | 132-275 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 96.04 | 95.61 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 288.68 | 290.17 |
| Gold | | |
| (CMXnearbyfutures) | 1436.80 | 1464.30 |

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(END) Dow Jones Newswires

May 11, 2013 00:09 ET (04:09 GMT)

文件 DJDN000020130511e95b000fx

 [Gold may get a break if Paulson, other big funds are flushed out](#)

MarketWatch Blogs, 2013 年 5 月 7 日 16:09, 609 字, (英文)

John Paulson's Gold Fund lost 27% in April, according to a report on Bloomberg Tuesday, citing someone familiar with the matter. That's a chunk of change, and explains why the SPDR Gold fund keeps heading south, says Tyler Durden over ...

文件 WCMWB00020130507e957000ru

MARKET WEEK

Stocks --- The Trader: Dow, S&P Set Record Highs

By Vito J. Racanelli

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2013 年 5 月 6 日

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Everyone loves nice round numbers and the market produced its share last week on the way to a 2% rise. The Dow Jones Industrial Average crossed over the 15,000 mark Friday for the first time but failed to hold it by inches. While the venerable index disappointed floor traders, who broke out the Dow 15,000 baseball caps, the broader Standard & Poor's Index broke through and finished above 1,600.

Investors were primed for a bad Friday on expectations of poor jobs data. Instead, the figures were stronger than anticipated, which improved sentiment. There's been a notable sector mini-rotation, too, as tech stocks, one of the worst performers of 2013, jumped 5% last week and finished at the top.

On the week, the Dow closed at 14,973.96, up 1.8%, or 261 points, while the S&P 500 added 32 points, or 2%, to end at 1614.42, record highs for both. It has already climbed 13% in 2013, matching the entire rise last year. The Nasdaq Composite index added 99 points, up 3% to 3,378.63.

Friday, the Labor Department said payrolls rose 165,000 last month, and the unemployment rate fell to 7.5%, the lowest level since late 2008, from 7.6%.

With stocks hitting all-time highs, we asked for an update from the two seers out of 10 in the Barron's 2013 Outlook (Dec. 17, 2012) whose predictions haven't already been surpassed. Both see the 2013 rally continuing.

Stephen Auth, Federated Investors' chief investment officer, remains unbowed. His 1,660 S&P 500 year-end 2013 doesn't look so far off as it did on Dec. 31, when the S&P 500 finished at 1,426.

"We can get a market melt-up from here," he opines, as a rotation back into cyclicals gathers steam. The 2013 rally has been piloted by defensive sectors, but in the last week or so, tech, industrial, and materials stocks have led because long-term risk perceptions are easing, he says.

Those perceptions remain, he adds, the issue for the market getting to 1,660 -- still his 2013 target -- and will affect the market price/earnings ratio, he says. "Most recently, the debt woes of Cyprus were supposed to be Europe's Lehman moment, but it wasn't. Before that it was the U.S. fiscal cliff, Spain, Italy, etc.," he says.

Cyprus broke the bears' back, he asserts. The market's forward P/E, now less than 15 times S&P 500 index earnings-per-share estimates of \$110, could rise to 17 to 18 eventually, he says, as the risk perception eases more. That view includes inflation of 1% to 2% and bond yields a more-normal 4% to 5%.

Tobias Levkovich, chief U.S. equity strategist for Citi Research, believes the market will move to 1,650-1,675 and overshoot his year-end target of 1,615. "People will capitulate to the trade," he says, and first-quarter earnings are coming in all right.

Citi's strategist says the market will correct in the fall on the possible tapering off of central-bank easing, continued European economic woes, and no resolution to the U.S. fiscal battles in Washington.

That's a long way off, and investors still have to navigate the summer, the market's traditional weakest period.

The shares of construction- and mining-equipment maker Caterpillar (CAT) periodically get hit hard by fears about global growth. The stock rose from \$80 in November to about \$100 in February, when markets felt better about the state of the world economy. They've turned down since.

Friday, as investors cheered good domestic economic news, the shares rose 2.7% to \$86.98. Even so, Caterpillar's stock should interest investors with an 18-to-24-month horizon. This could turn out to be a good entry point.

Investors' original concerns were confirmed on April 23, when Caterpillar posted disappointing first-quarter numbers: net income of \$880 million, or \$1.31 a share, down from \$1.59 billion, or \$2.37 a share, a year earlier, and below expectations of \$1.40. Revenue fell 17% to \$13.21 billion. Caterpillar slashed 2013 EPS guidance to \$7 a share on revenue of \$57 billion to \$61 billion, from its previous profit estimate for \$7 to \$9 a share and sales of \$60 billion to \$68 billion.

Much of the shortfall can be blamed on its mining-equipment division. With commodity prices falling, miners have cut back on their capital expenditures.

However, the first quarter also demonstrated that the seeds of recovery have been sown. Caterpillar's inventory was reduced by \$500 million compared with a \$2 billion rise in the year-earlier period. Dealers' inventories also swung to a \$700 million drop versus an \$875 million increase.

Caterpillar has been cutting costs at its mining-equipment business, points out Dan Morgan, a money manager at Synovus Trust. He's been adding shares around these levels in anticipation of an improvement in the commodity cycle. While you wait, he adds, there appears to be ample room for future dividend hikes, thanks to Caterpillar's prodigious free cash flow of over \$4 billion expected this year and nearly \$5 billion in 2014.

Another bull is Jonathan Treitel, an analyst at Turner Investments, which also owns Caterpillar shares. The weak mining sector detracted from the gains seen in its construction-segment sales compared with fourth-quarter levels, he says. Caterpillar is also making progress on manufacturing efficiencies, he adds.

Valuation remains a support. The stock trades at an enterprise value (net debt plus market capitalization) of 8.5 times, below its historical median of 11.2 times. Expectations have been reset lower and Caterpillar is also resuming its share buybacks, after doing none since the end of 2008.

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A Corvex lawyer at the hearing Friday told the judge that votes representing 40% of CommonWealth shares outstanding have been submitted so far, and that 99% of them were in favor of removing the board. To pass, two-thirds consent is needed.

The activists are unhappy with the REIT's governance and a management structure they say conflicts with shareholder interests. Any decision will likely be appealed. CommonWealth has denied the solicitation's validity. The company declined to comment. Friday the shares closed at \$22.29, \$21.04 down 73 cents.

Publicly traded companies generally face two choices when their cash exceeds reinvestment needs: Pay shareholders via dividends, which are double-taxed, or buy their own shares in the market, increasing the company's value to remaining shareholders.

Buybacks are generally considered a good thing, and companies typically play up an announcement of a large repurchase program. Often buybacks are heralded by the media -- Barron's not excluded, see Caterpillar above -- as potential positives for the stock price.

Sometimes they are, but sometimes they are not. A recent study suggests that the typical U.S. corporate buyback, at technology companies at least, hasn't returned much bang for the buck. Some firms appear to be very good at getting a positive return for their buybacks, but others have wasted capital on them, according to corporate advisory service MG Holdings/SIP in Summit, N.J.

The biggest problem with buybacks is that managements are not generally adept at timing them. They usually buy back stock when times are good and they're flush with cash -- and the stock price high, not coincidentally. But they shy away from buys when times are tough, cash dear, and the share price low. Paradoxically, the latter is when buybacks often give the best return.

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Just over half, 51%, of the programs are now profitable, the study shows. Almost half are not, even as the market neared all-time highs at the end of 2012. For the group as a whole, after 13 years the repurchased shares today are worth 13% more than their cost.

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The returns could even be lower. Gumport says that his study potentially overstates profitability because the raw numbers above don't take into account certain adjustments, a big one being forgone interest income on the cash used to buy back stock, among others. Once these are included, then buybacks since 2000 have for the most part provided little benefit to the stock price of the sample group overall. For some stocks, the buyback impact was negative, he says.

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At the bottom of the list, Dell (DELL) spent almost \$36 billion, or 150% of its current market cap, to repurchase nearly 1.3 billion shares at \$27.79 apiece. As a result, it's suffered a loss of \$18.5 billion, or 52%, on its buybacks. Dell closed Friday at \$13.31.

Gumport explains that future price moves will change the results. Investors should weigh buyback news against the stock's valuation. In many cases, had management just put the money in the bank, they -- and shareholders -- might have gotten a better return.

Vital Signs

Friday's Close Week's Change Week's % Chg.

| | | | |
|------------------|----------|---------|-------|
| DJIndustrials | 14973.96 | +261.41 | +1.78 |
| DJTransportation | 6218.90 | +103.01 | +1.68 |
| DJUtilities | 529.30 | -2.73 | -0.51 |
| DJ65Stocks | 5135.14 | +66.77 | +1.32 |
| DJUSMarket | 405.90 | +8.07 | +2.03 |
| NYSEComp. | 9340.47 | +170.57 | +1.86 |
| NYSEMKTComp. | 2431.03 | +32.90 | +1.37 |

| | | | |
|-------------------|----------|---------|-------|
| S&P500 | 1614.42 | +32.18 | +2.03 |
| S&PMidCap | 1165.07 | +23.87 | +2.09 |
| S&PSmallCap | 535.24 | +12.24 | +2.34 |
| Nasdaq | 3378.63 | +99.37 | +3.03 |
| ValueLine(arith.) | 3613.74 | +80.72 | +2.28 |
| Russell2000 | 954.42 | +19.17 | +2.05 |
| DJUSTSMFloat | 16816.72 | +334.54 | +2.03 |

Last Week Week Earlier

| | | |
|-----------------|---------|---------|
| NYSE | | |
| Advances | 2,398 | 2,375 |
| Declines | 785 | 783 |
| Unchanged | 40 | 61 |
| NewHighs | 789 | 570 |
| NewLows | 54 | 75 |
| AvDailyVol(mil) | 3,398.3 | 3,392.3 |

| | | |
|----------------------|---------|---------|
| Dollar | | |
| (Finexspotindex) | 82.13 | 82.50 |
| T-Bond | | |
| (CBTnearbyfutures) | 132-275 | 133-140 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 95.61 | 93.00 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 290.17 | 285.40 |
| Gold | | |
| (CMXnearbyfutures) | 1464.30 | 1453.60 |

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DOW JONES NEWSWIRES

Barron's: The Trader: Dow, S&P Set Record Highs

2,148 字

2013 年 5 月 4 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 5/6/13)

By Vito J. Racanelli

Everyone loves nice round numbers and the market produced its share last week on the way to a 2% rise. The Dow Jones Industrial Average crossed over the 15,000 mark Friday for the first time but failed to hold it by inches. While the venerable index disappointed floor traders, who broke out the Dow 15,000 baseball caps, the broader Standard & Poor's Index broke through and finished above 1,600.

Investors were primed for a bad Friday on expectations of poor jobs data. Instead, the figures were stronger than anticipated, which improved sentiment. There's been a notable sector mini-rotation, too, as tech stocks, one of the worst performers of 2013, jumped 5% last week and finished at the top.

On the week, the Dow closed at 14,973.96, up 1.8%, or 261 points, while the S&P 500 added 32 points, or 2%, to end at 1614.42, record highs for both. It has already climbed 13% in 2013, matching the entire rise last year. The Nasdaq Composite index added 99 points, up 3% to 3,378.63.

Friday, the Labor Department said payrolls rose 165,000 last month, and the unemployment rate fell to 7.5%, the lowest level since late 2008, from 7.6%.

With stocks hitting all-time highs, we asked for an update from the two seers out of 10 in the Barron's 2013 Outlook (Dec. 17, 2012) whose predictions haven't already been surpassed. Both see the 2013 rally continuing.

Stephen Auth, Federated Investors' chief investment officer, remains unbowed. His 1,660 S&P 500 year-end 2013 doesn't look so far off as it did on Dec. 31, when the S&P 500 finished at 1,426.

"We can get a market melt-up from here," he opines, as a rotation back into cyclical gathers steam. The 2013 rally has been piloted by defensive sectors, but in the last week or so, tech, industrial, and materials stocks have led because long-term risk perceptions are easing, he says.

Those perceptions remain, he adds, the issue for the market getting to 1,660 -- still his 2013 target -- and will affect the market price/earnings ratio, he says. "Most recently, the debt woes of Cyprus were supposed to be Europe's Lehman moment, but it wasn't. Before that it was the U.S. fiscal cliff, Spain, Italy, etc.," he says.

Cyprus broke the bears' back, he asserts. The market's forward P/E, now less than 15 times S&P 500 index earnings-per-share estimates of \$110, could rise to 17 to 18 eventually, he says, as the risk perception eases more. That view includes inflation of 1% to 2% and bond yields a more-normal 4% to 5%.

Tobias Levkovich, chief U.S. equity strategist for Citi Research, believes the market will move to 1,650-1,675 and overshoot his year-end target of 1,615. "People will capitulate to the trade," he says, and first-quarter earnings are coming in all right.

Citi's strategist says the market will correct in the fall on the possible tapering off of central-bank easing, continued European economic woes, and no resolution to the U.S. fiscal battles in Washington.

That's a long way off, and investors still have to navigate the summer, the market's traditional weakest period.

The shares of construction- and mining-equipment maker Caterpillar (CAT) periodically get hit hard by fears about global growth. The stock rose from \$80 in November to about \$100 in February, when markets felt better about the state of the world economy. They've turned down since.

Friday, as investors cheered good domestic economic news, the shares rose 2.7% to \$86.98. Even so, Caterpillar's stock should interest investors with an 18-to-24-month horizon. This could turn out to be a good entry point.

Investors' original concerns were confirmed on April 23, when Caterpillar posted disappointing first-quarter numbers: net income of \$880 million, or \$1.31 a share, down from \$1.59 billion, or \$2.37 a share, a year earlier, and below expectations of \$1.40. Revenue fell 17% to \$13.21 billion. Caterpillar slashed 2013 EPS guidance to \$7 a share on revenue of \$57 billion to \$61 billion, from its previous profit estimate for \$7 to \$9 a share and sales of \$60 billion to \$68 billion.

Much of the shortfall can be blamed on its mining-equipment division. With commodity prices falling, miners have cut back on their capital expenditures.

However, the first quarter also demonstrated that the seeds of recovery have been sown. Caterpillar's inventory was reduced by \$500 million compared with a \$2 billion rise in the year-earlier period. Dealers' inventories also swung to a \$700 million drop versus an \$875 million increase.

Caterpillar has been cutting costs at its mining-equipment business, points out Dan Morgan, a money manager at Synovus Trust. He's been adding shares around these levels in anticipation of an improvement in the commodity cycle. While you wait, he adds, there appears to be ample room for future dividend hikes, thanks to Caterpillar's prodigious free cash flow of over \$4 billion expected this year and nearly \$5 billion in 2014.

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4 May 2013 00:08 EDT Barron's: The Trader: Dow, S&P Set Record Highs -2-

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Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
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| ValueLine(arith.) | 3613.74 | +80.72 | +2.28 |
| Russell2000 | 954.42 | +19.17 | +2.05 |
| DJUSTSMFloat | 16816.72 | +334.54 | +2.03 |

Last Week Week Earlier

NYSE

| | | |
|----------------------|---------|---------|
| Advances | 2,398 | 2,375 |
| Declines | 785 | 783 |
| Unchanged | 40 | 61 |
| NewHighs | 789 | 570 |
| NewLows | 54 | 75 |
| AvDailyVol(mil) | 3,398.3 | 3,392.3 |
| Dollar | | |
| (Finexspotindex) | 82.13 | 82.50 |
| T-Bond | | |
| (CBTnearbyfutures) | 132-275 | 133-140 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 95.61 | 93.00 |
| Inflation KR-CRB | | |
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| Gold | | |
| (CMXnearbyfutures) | 1464.30 | 1453.60 |

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May 04, 2013 00:08 ET (04:08 GMT)

文件 DJDN000020130504e954000a7

DOW JONES NEWSWIRES

Barron's Blog: A Post-Earnings Look at Airlines

414 字

2013 年 5 月 1 日 17:37

Dow Jones Institutional News

DJDN

英文

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(This story has been posted on Barron's Online's Stocks To Watch blog at <http://blogs.barrons.com/stockstowatchtoday/>.)

By Sam Mamudi

Airline companies were among the first to report first-quarter earnings, and with the industry's major players having come out, JPMorgan analyst Jamie Baker today takes a look at how they fared, and gauges their prospects.

First, a summary of earnings season and how investors reacted:

Salubrious fuel prices are offsetting uninspiring demand trends and allowing earnings, cash flow, and deleveraging plans to remain broadly on track. Our primary takeaway this earnings season was one of surprise. We had expected a potentially grim season (from an equity perspective), given how poorly the market responded weeks earlier to softer-than-anticipated March demand and our expectation that conference call commentary would paint an even bleaker April picture (which turned out to be the case). But much to our surprise, the market chose to rightfully focus on the profit output rather than solely on the RASM input. Accordingly, equities are comfortably sitting anywhere from 3% (Alaska Air Group (ALK) and Southwest Airlines (LUV)) to 14% (AMR (AAMRQ)) higher than on the eve of earnings (vs. **S&P500** +2%), despite far from-inspiring demand trends.

Baker updated some price targets and estimates, due in part to placing greater emphasis on 2014 performance. As a result, his price target for Southwest is \$13, up from \$11.50; AMR is raised to \$9.50 from \$8, and Delta Air Lines (DAL) and US Airways (LCC) are both increased to \$20.50 from \$19 and \$19.50, respectively.

As for his picks, Baker has Overweight ratings on AMR, Delta, US Airways and JetBlue Airways (JBLU). As Baker explains:

AAMRQ remains our favorite idea in the space, based on 100% upside potential to our target. But it is neither for the meek nor the uninitiated. LCC valuation looks downright compelling to us, (cheaper than Delta) particularly if New AMR Group achieves \$5 in untaxed 2014 earnings as suggested in its POR. Meanwhile, Delta is poised to unveil its capital deployment strategy this spring, and potential dividends will likely drive the continued long-term "Southwestification" of its shareholder base, in our view. Three different ideas, three differentiated risk profiles.

-For continuously updated news from The Wall Street Journal, see WSJ.com at <http://wsj.com>.

(END) Dow Jones Newswires

May 01, 2013 12:37 ET (16:37 GMT)

文件 DJDN000020130501e951004d6

 [A Post-Earnings Look at Airlines](#)

Barron's Blogs, 2013 年 5 月 1 日 17:37, 366 字, By Sam Mamudi, (英文)

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文件 WCBBE00020130501e9510012x

MARKET WEEK

Stocks --- The Trader: Stocks Climb 1.5%, Despite Wan GDP Data

By Vito J. Racanelli

1,966 字

2013 年 4 月 29 日

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Stocks rose smartly last week, by more than 1.5% in a broad rally, despite soft gross domestic product news that caused shares to drop on Friday. First-quarter earnings reports came in, for the most part, as projected.

The Commerce Department said that real GDP had risen at a 2.5% annual clip in the first quarter. That was up from 0.4% in the fourth quarter, but weaker than the 3% consensus estimate.

The Dow Jones Industrial Average closed at 14,712.55, up 1.1%, or 165 points, on the week, while the S&P 500 added 27 points, or 1.7%, to end at 1582.24. Friday, the S&P fell 0.2%. The Nasdaq Composite index picked up 73 points and rose 2.3% last week, to 3,279.26.

With May nearly upon us, John Leo Manley, the chief equity strategist for Wells Fargo Funds, is already thinking of the summer and likens the market to a beach ball under water. "When you push it down, it just bobs up."

What's behind that bob? Monetary easing by central banks around the world in general, and the Federal Reserve's quantitative bond buying in particular, he says.

Investors must realize two things, Manley avers: "First, the Fed isn't going to stop soon, and secondly, no one is going to be able to say soon that the Fed's easing won't work." So the market goes up just when bears are able to push it down, as happened the previous week.

In a scenario in which the Fed keeps the pedal to the metal, Manley favors large-cap stocks over small-caps. More specifically, he adds that although he still likes the health-care sector, "it's beginning to look a little long in the tooth now" after a 19% rally this year. "I'd start to focus on large tech stocks more. They look cheap." (More on this below.)

This week, investors have a plethora of news to look forward to, including a Fed meeting topped off by April nonfarm payroll numbers. Given the surprise of the unsatisfying March payroll figures one month ago, notes Douglas Cote, chief market strategist at ING Investment Management, the market will look to see if that disappointing data was a one-time event.

Speaking of summer, the market is approaching its traditionally weak season. According to Robin Carpenter, who heads up research firm Carpenter Analytix, from 1972 through 2012, the S&P had an average price gain of 6.8% in the seven months from October through April. In the other five months, the S&P had a cumulative loss of 1.62%.

After the rip-roaring 11% start to 2013, that shouldn't stop investors from enjoying the summer, should it?

J.C. Penney(ticker: JCP) shares soared 11.6% last week, to \$17, after Soros Fund Management disclosed a 7.9% stake in the beleaguered firm. That was a shot in the arm for a retailer decimated by former CEO Ron Johnson's failed plan to transform it into "a specialty department store." The stock was \$40 just 13 months ago.

Johnson's gone, but Penney remains hated, with almost 40% of its shares sold short. The company has an enterprise value (net debt plus market capitalization) of \$5.7 billion, with about \$3 billion in debt and \$930 million in cash. Property and plant on the balance sheet equal \$5.3 billion, after \$3.1 billion in depreciation. Penney's revenue fell 25% in 2012, to \$13 billion, and Johnson was recently replaced by his predecessor, Myron Ullman.

Trying to predict the retailer's fortunes is a wild guess at best, so equity valuations for such a risky stock aren't useful. Shorts say liquidity issues could drop Penney to \$10. But any evidence of stabilization -- however, unlikely -- could jump-start the shares.

The bonds might prove less risky, says James Roumell, president of his eponymously named investment-management firm in Chevy Chase, Md. He's been buying Penney bonds due 2020 with a coupon rate of 5.65%. They trade at about 83-84 cents on the dollar, he adds, providing an annualized yield to maturity of 8%-9%. The bonds are selling at "stressed levels, not distressed," he observes.

The rationale is that, in the worst case, Penney's assets can cover its debts, and that even if the retailer just muddles along, the bonds can rally close to par.

Yet investors disagree on the value of the company's real estate. Penney owns nine of its 27 distribution centers; 426 of its 1,102 stores, including 121 on land leases; its Plano, Texas, headquarters, and 240 acres around it. Investors we spoke with put the owned real estate at anywhere from \$1.6 billion to \$3 billion. One estimate, which included the value of long-term contracts on leased properties, had it near \$8 billion.

Penney's woes make its stock a speculation, instead of an investment. The bonds seem a better bet.

If the relative stock performance between Johnson & Johnson (JNJ) and Cisco Systems (CSCO) were a battle of market heavyweights, J&J would be winning handily on points. At Friday's close of \$85.12, the giant health-care and medical-product company is up about 21% this year, compared with the market's 11%. Cisco, at \$20.67, has risen just 5%.

Investors remain nervous about this bull market's longevity, and those wanting big blue chips have opted for stable defensive names like J&J, rather than cyclical technology giants like Cisco.

Even though the networking-equipment maker's earnings-per-share gains and free-cash-flow growth over the past 10 years have, on average, bettered J&J's, there's a bias to the defensives. The idea is that if things go belly-up, folks will stop purchasing routers before they stop buying aspirin.

While there's a logic to that, the wide valuation disparity seems much more a result of market style than differences in fundamental outlook. That should make a long-term investor think twice about adding J&J at this price and ignoring Cisco.

Both companies are dominant players in their industries and possess industry-leading financial strength, says Martin Leclerc, a money manager at Barrack Yard Advisors. Triple-A credit Johnson & Johnson has about \$6 billion of net cash. Cisco is rated just A-plus, despite having net cash of some \$30 billion, he notes. Their market values are \$238 billion and \$110 billion, respectively.

Though J&J's business is somewhat non-cyclical and thus perceived as less risky, the cyclical risk associated with Cisco, Leclerc says, is mitigated by its solid incumbent position in global information technology infrastructure, a strong balance sheet, and low valuation.

"It's when things are cheap that they seem riskiest," says the portfolio manager. Using this logic, Cisco is less risky than J&J. Indeed, if Cisco's net cash of \$5.60 per share is subtracted from its stock price, the shares trade at about nine times earnings per share, less than half of J&J's multiple, though the technology outfit has a better track record.

When various one-time charges to earnings are added back to J&J's net profit line, the health-care giant shows little EPS growth over the past eight years.

J&J hiked its dividend 8% Thursday, but its payout ratio -- the payout as a percent of earnings -- is about 64%. At Cisco, which only recently began paying a dividend, the ratio is just 27%, so it would appear to have more room to boost its payout. Indeed, this month, it announced a 21% hike.

Leclerc says he bought Cisco for the first time recently and that J&J, which he's held a long time, is close to his \$90 sell price.

J&J is winning the match so far, but when earnings fundamentals come back in style, as they usually do, they appear to favor Cisco.

e-mail: vito.racanelli@barrons.com

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Up 50%, IP Likely to Jump Still Higher

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In our story, Chip Dillon, formerly of Credit Suisse and now at Vertical Research Partners, made the case for the shares (ticker: IP) to hit \$42 by May 2012, based on stronger demand, improved pricing, international growth, and margin expansion. While IP's \$4.5 billion takeover of rival Temple-Inland delayed the gains a bit, the stock reached a high of \$49.10 in early April from \$30.48 at the time of our story. Dillon's current price target is \$55, and IP, with a market value of \$22 billion, remains his top large-cap pick.

Demand for containerboard, the material used to make brown corrugated boxes, is strong and supplies tight. Those conditions have prompted an industrywide price hike of \$50 a ton that could add more than \$1 a share to IP's bottom line, according to analyst Philip Ng at Jefferies. Based on that, the company's ability to return cash to investors and an 11% free-cash-flow yield, Ng rates the stock Buy and sees it hitting \$60 in the next 12 months, a 29% gain from Friday's \$46.41.

Last week, IP said that it is exploring the spin-off and merger of its non-core packaging and paper-supply distribution business, xpedx. Under the plan, xpedx would be divested into a new company, and IP would get a yet-undetermined cash dividend, financed by debt from that entity. The new company would then be spun off to IP shareholders and merged with Bain Capital's Unisource Worldwide in a tax-free transaction.

IP reduced debt by \$2 billion in 2012, raised its dividend 14%, and sees "more runway on the dividend" ahead. While increasing the payout is a priority, the company has also said that it will consider share buybacks.

This is a paper trail worth following.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14712.55 | +165.04 | +1.13 |
| DJTransportation | 6115.89 | +81.75 | +1.35 |
| DJUtilities | 532.03 | +4.00 | +0.76 |
| DJ65Stocks | 5068.37 | +56.58 | +1.13 |
| DJUSMarket | 397.84 | +7.04 | +1.80 |
| NYSEComp. | 9169.90 | +175.77 | +1.95 |
| NYSEMKTComp. | 2398.13 | +68.68 | +2.95 |
| S&P500 | 1582.24 | +26.99 | +1.74 |
| S&PMidCap | 1141.20 | +19.90 | +1.77 |
| S&PSmallCap | 523.00 | +12.14 | +2.38 |
| Nasdaq | 3279.26 | +73.21 | +2.28 |
| ValueLine(arith.) | 3533.02 | +88.97 | +2.58 |
| Russell2000 | 935.25 | +22.75 | +2.49 |
| DJUSTSMFloat | 16482.18 | +296.90 | +1.83 |

| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 2,375 | 920 |
| Declines | 783 | 2,258 |
| Unchanged | 61 | 50 |
| NewHighs | 570 | 293 |
| NewLows | 75 | 146 |
| AvDailyVol(mil) | 3,392.3 | 3,963.3 |
| Dollar | | |
| (Finexspotindex) | 82.47 | 82.71 |
| T-Bond | | |
| (CBTnearbyfutures) | 133-140 | 133-000 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 93.00 | 88.01 |
| Inflation KR-CRB | | |

| | | |
|---------------------|---------|---------|
| (FuturesPriceIndex) | 285.40 | 283.19 |
| Gold | | |
| (CMXnearbyfutures) | 1453.60 | 1395.30 |
| --- | | |

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文件 B000000020130427e94t00012

DOW JONES NEWSWIRES

Barron's: The Trader: Stocks Climb 1.5%, Despite Wan GDP Data

1,999 字

2013 年 4 月 27 日 05:07

Dow Jones Institutional News

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(FROM BARRON'S 4/29/13)

By Vito J. Racanelli

Stocks rose smartly last week, by more than 1.5% in a broad rally, despite soft gross domestic product news that caused shares to drop on Friday. First-quarter earnings reports came in, for the most part, as projected.

The Commerce Department said that real GDP had risen at a 2.5% annual clip in the first quarter. That was up from 0.4% in the fourth quarter, but weaker than the 3% consensus estimate.

The Dow Jones Industrial Average closed at 14,712.55, up 1.1%, or 165 points, on the week, while the S&P 500 added 27 points, or 1.7%, to end at 1582.24. Friday, the S&P fell 0.2%. The Nasdaq Composite index picked up 73 points and rose 2.3% last week, to 3,279.26.

With May nearly upon us, John Leo Manley, the chief equity strategist for Wells Fargo Funds, is already thinking of the summer and likens the market to a beach ball under water. "When you push it down, it just bobs up."

What's behind that bob? Monetary easing by central banks around the world in general, and the Federal Reserve's quantitative bond buying in particular, he says.

Investors must realize two things, Manley avers: "First, the Fed isn't going to stop soon, and secondly, no one is going to be able to say soon that the Fed's easing won't work." So the market goes up just when bears are able to push it down, as happened the previous week.

In a scenario in which the Fed keeps the pedal to the metal, Manley favors large-cap stocks over small-caps. More specifically, he adds that although he still likes the health-care sector, "it's beginning to look a little long in the tooth now" after a 19% rally this year. "I'd start to focus on large tech stocks more. They look cheap." (More on this below.)

This week, investors have a plethora of news to look forward to, including a Fed meeting topped off by April nonfarm payroll numbers. Given the surprise of the unsatisfying March payroll figures one month ago, notes Douglas Cote, chief market strategist at ING Investment Management, the market will look to see if that disappointing data was a one-time event.

Speaking of summer, the market is approaching its traditionally weak season. According to Robin Carpenter, who heads up research firm Carpenter Analytix, from 1972 through 2012, the S&P had an average price gain of 6.8% in the seven months from October through April. In the other five months, the S&P had a cumulative loss of 1.62%.

After the rip-roaring 11% start to 2013, that shouldn't stop investors from enjoying the summer, should it?

J.C. Penney(ticker: JCP) shares soared 11.6% last week, to \$17, after Soros Fund Management disclosed a 7.9% stake in the beleaguered firm. That was a shot in the arm for a retailer decimated by former CEO Ron Johnson's failed plan to transform it into "a specialty department store." The stock was \$40 just 13 months ago.

Johnson's gone, but Penney remains hated, with almost 40% of its shares sold short. The company has an enterprise value (net debt plus market capitalization) of \$5.7 billion, with about \$3 billion in debt and \$930 million in cash. Property and plant on the balance sheet equal \$5.3 billion, after \$3.1 billion in depreciation. Penney's revenue fell 25% in 2012, to \$13 billion, and Johnson was recently replaced by his predecessor, Myron Ullman.

Trying to predict the retailer's fortunes is a wild guess at best, so equity valuations for such a risky stock aren't useful. Shorts say liquidity issues could drop Penney to \$10. But any evidence of stabilization -- however, unlikely -- could jump-start the shares.

The bonds might prove less risky, says James Roumell, president of his eponymously named investment-management firm in Chevy Chase, Md. He's been buying Penney bonds due 2020 with a coupon rate of 5.65%. They trade at about 83-84 cents on the dollar, he adds, providing an annualized yield to maturity of 8%-9%. The bonds are selling at "stressed levels, not distressed," he observes.

The rationale is that, in the worst case, Penney's assets can cover its debts, and that even if the retailer just muddles along, the bonds can rally close to par.

Yet investors disagree on the value of the company's real estate. Penney owns nine of its 27 distribution centers; 426 of its 1,102 stores, including 121 on land leases; its Plano, Texas, headquarters, and 240 acres around it. Investors we spoke with put the owned real estate at anywhere from \$1.6 billion to \$3 billion. One estimate, which included the value of long-term contracts on leased properties, had it near \$8 billion.

Penney's woes make its stock a speculation, instead of an investment. The bonds seem a better bet.

If the relative stock performance between Johnson & Johnson (JNJ) and Cisco Systems (CSCO) were a battle of market heavyweights, J&J would be winning handily on points. At Friday's close of \$85.12, the giant health-care and medical-product company is up about 21% this year, compared with the market's 11%. Cisco, at \$20.67, has risen just 5%.

Investors remain nervous about this bull market's longevity, and those wanting big blue chips have opted for stable defensive names like J&J, rather than cyclical technology giants like Cisco.

Even though the networking-equipment maker's earnings-per-share gains and free-cash-flow growth over the past 10 years have, on average, bettered J&J's, there's a bias to the defensives. The idea is that if things go belly-up, folks will stop purchasing routers before they stop buying aspirin.

While there's a logic to that, the wide valuation disparity seems much more a result of market style than differences in fundamental outlook. That should make a long-term investor think twice about adding J&J at this price and ignoring Cisco.

Both companies are dominant players in their industries and possess industry-leading financial strength, says Martin Leclerc, a money manager at Barrack Yard Advisors. Triple-A credit Johnson & Johnson has about \$6 billion of net cash. Cisco is rated just A-plus, despite having net cash of some \$30 billion, he notes. Their market values are \$238 billion and \$110 billion, respectively.

Though J&J's business is somewhat non-cyclical and thus perceived as less risky, the cyclical risk associated with Cisco, Leclerc says, is mitigated by its solid incumbent position in global information technology infrastructure, a strong balance sheet, and low valuation.

"It's when things are cheap that they seem riskiest," says the portfolio manager. Using this logic, Cisco is less risky than J&J. Indeed, if Cisco's net cash of \$5.60 per share is subtracted from its stock price, the shares trade at about nine times earnings per share, less than half of J&J's multiple, though the technology outfit has a better track record.

When various one-time charges to earnings are added back to J&J's net profit line, the health-care giant shows little EPS growth over the past eight years.

J&J hiked its dividend 8% Thursday, but its payout ratio -- the payout as a percent of earnings -- is about 64%. At Cisco, which only recently began paying a dividend, the ratio is just 27%, so it would appear to have more room to boost its payout. Indeed, this month, it announced a 21% hike.

Leclerc says he bought Cisco for the first time recently and that J&J, which he's held a long time, is close to his \$90 sell price.

J&J is winning the match so far, but when earnings fundamentals come back in style, as they usually do, they appear to favor Cisco.

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27 Apr 2013 00:07 EDT Barron's: The Trader: Stocks Climb 1.5%, Despite -2-

Vital Signs

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Last Week Week Earlier

| | | |
|--------------------|---------|---------|
| NYSE | | |
| Advances | 2,375 | 920 |
| Declines | 783 | 2,258 |
| Unchanged | 61 | 50 |
| NewHighs | 570 | 293 |
| NewLows | 75 | 146 |
| AvDailyVol(mil) | 3,392.3 | 3,963.3 |
| Dollar | | |
| (Finexspotindex) | 82.47 | 82.71 |
| T-Bond | | |
| (CBTnearbyfutures) | 133-140 | 133-000 |
| Crude Oil | | |

| | | |
|----------------------|---------|---------|
| (NYMlightsweetcrude) | 93.00 | 88.01 |
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| --- | | |

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April 27, 2013 00:07 ET (04:07 GMT)

文件 DJDN000020130427e94r0004y

DOW JONES NEWSWIRES

Barron's Blog: Amazon Falls 6%: Bull, Bear Debate Slowing Growth, Profit Potential

1,867 字

2013 年 4 月 26 日 22:27

Dow Jones Institutional News

DJDN

英文

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(This story has been posted on Barron's Online's Tech Trader Daily blog at <http://blogs.barrons.com/techtraderdaily>.)

By Tiernan Ray

Shares of Amazon.com (AMZN) today closed down \$19.89, a little over 7%, at \$254.81, following a Q1 earnings report last night that featured lower-than-expected revenue, higher-than-expected operating income, and a forecast for revenue this quarter below expectations.

The weakness in the share price likely reflected not only last night's results, but also, perhaps, word that a bill to authorize Internet sales tax collection by the states passed one of several votes in the Senate last night by 63 to 30, as reported by The Hill's Ramsey Cox.

The sell side's price targets are mostly staying put today, and estimates are being trimmed slightly here and there. Bears continue to stick to concerns that growth is slowing. Bulls continue to point to the relatively high level of growth that remains for gross margin, and the continued upside in operating profit.

It's something of a stalemate, in other words:

Bullish!

Colin Sebastian, R.W. Baird: Reiterates a Buy rating and a \$325 price target. Sebastian cut this year's estimates to \$75.6 billion, and cut his GAAP EPS estimate to \$1.13 from \$1.18, but raised his estimate for "consolidated segment operating income," or CSOI, to \$2.07 billion from \$2.05 billion. "CSOI of \$441 million (2.7% margin), easily beat consensus of \$343 million (2.1% margin) as gross margin hit an all time high. While incremental margin turned lower in Q1, we note that NA segment margins are impacted by depreciation of AWS investments vs. moderating year over year declines in International margins. Amazon continues to invest in significant growth opportunities in retail and technology (AWS), which in our view, justifies management taking a longer-term view of the margin profile [...] While unit and customer growth decelerated, we note that comps are easier in 2H, and Amazon continues to build significant market share. Maintain Outperform rating [...] We believe that a wide guidance range reflects some macro uncertainties, as well as the ongoing variability between first- and third-party unit mix."

Victor Anthony, Topeka Capital Markets: Reiterates a Buy rating on Amazon shares, and a \$350 price target. Anthony cut his 2013 estimates to \$73.6 billion in revenue and \$2.38 per share in net profit, from a prior \$76 billion and \$2.91 per share. "Gross margins expanded 261bps to 26.6%, the highest first quarter gross margin we see dating back to 2001, and the sixth consecutive quarter of gross margin expansion. Gross margins continue to benefit from AWS revenues, third party sales, shipping efficiency from having fulfillment centers closer to the customer as well as a reduction in split shipments, and scale in categories where terms are improving. We model gross margin expansion throughout the forecast period in our model [...] NA

Media sales accelerated 100bps to 14% YoY Ex-FX on strong growth in digital unit sales, which we believe accelerated in 1Q, lending support to Amazon's Kindle device strategy."

Youssef Squali, Cantor Fitzgerald: Reiterates a Buy rating, and raises his price target to \$315 from \$300. Squali slightly trimmed estimates for this year to \$74.093 billion in revenue, \$5.09 billion in Ebitda, and 98 cents in EPS, down from a prior \$74.096 billion, \$5.31 billion, and \$1 per share. "Much of the upside in operating profit was driven by the 260bps Y/Y increase in gross margin (26.6% vs. 24.0% in 1Q:12), more than offsetting the increase in operating expenses (fulfillment, S&M and technology) [...] We believe the improvement in gross margin was primarily driven by a) faster growth in 3P units vs. total paid units, b) growing share of digital sales (U.S. especially), and c) lower shipping costs. As sales of digital goods continue to outpace the rest of the business and as Amazon opens more distribution centers and reduces shipping time/cost, we believe the positive trend in underlying margins will continue."

Ben Schachter, Macquarie Equities Research: Reiterates an Outperform rating and a \$305 price target. Schachter raised his 2013 estimates to \$73.53 billion in revenue, \$5.53 billion in Ebitda, up from \$73.3 billion, \$5.35 billion, while maintaining his estimate for \$3.04 per share in adjusted EPS. "AMZN posted another solid quarter. A quarter, however, that is unlikely to change many opinions about the stock. We remain bullish given the margin potential, growing market opportunities in emerging businesses (AWS, advertising, devices, growing digital ecosystem), solid customer growth, and overall

strong execution. Bears will likely continue to focus on declining unit growth,

relatively weak 2Q guidance, and near-term valuation. One of the major drivers on a y/y basis continues to be the increasing penetration of 3P sellers as a percent of total unit sales, reaching 40% in the first quarter, which was up from 39% in both 4Q and 1Q'12 (and only slightly below the seasonal peak of

41% in 3Q'12). The agency business flows through AMZN's financials at near 100% gross margin (excl. FBA costs), though this will be offset by close to 0% GM hardware sales as well as video content costs. We believe that these trends in aggregate will continue to push GM higher going forward, as third-party rises as a percentage of total unit sales."

Daniel Kurnos, The Benchmark Company: Reiterates a Buy rating, and a \$330 price target. Kurnos is keeping his estimate for \$77 billion in revenue this year, adjusted Ebitda of \$5.3 billion, and \$3.30 per share in adjusted EPS. "Although unit growth slowed 200bps q/q to 30%, excluding digital, 3P sales increased by 300bps q/q as a percentage of physical units, which, combined with the ongoing digital shift, led to OIBDA of \$1.1 billion, up 37% y/y, exceeding our \$979 million estimate. Operating income of \$181 million came in well ahead of consensus despite a significant ramp in D&A [...] Consolidated Media sales growth ex-FX was flat sequentially on soft International Media growth. We think International Media may remain muted until a better digital ecosystem is established and Amazon builds out its subscription and a la carte platforms in additional geographies."

Bearish!

Anthony DiClemente, Barclays Capital: Reiterates an Equal Weight rating and a \$260 price target. DiClemente cut his 2013 estimate to \$75.56 billion in revenue from a prior \$77.2 billion, while raising his pro-forma operating income forecast to \$2.54 billion from \$2.41 billion. His GAAP EPS remains at \$2.12. "Amazon continued its trend from last quarter of decelerating revenue growth coupled with improving margins, as revenue grew 22% Y/Y compared to our estimate of 24%, and the company's 2.7% CSOI margin topped our estimate by 60bps. Shipping efficiencies and increased revenue contribution from AWS and 3P sales helped drive the margin expansion, while slowing international growth, particularly in the media segment, weighed on Amazon's top-line. Shares traded down in the after-market as we believe investors may be focused on the company's 4th consecutive quarter of deceleration in paid-unit growth compounded by weaker than expected 2Q guidance."

Doug Anmuth, J.P. Morgan: Reiterates a Neutral rating, and cuts his price target to \$285 from \$300. Anmuth cut this year's estimate to \$73.92 billion in revenue, \$2.05 billion in CSOI, and \$1.13 per share in GAAP profit, down from \$75.54 billion, \$2.12 billion, and \$1.63. "Amazon's 1Q13 results were mixed and overall support our view that gross profit and other key metrics across the Amazon platform could continue to slow in upcoming quarters [...] There are clearly a lot of moving pieces in Amazon's business and we recognize they may not all move together in any one quarter. But even at 35% gross profit growth and 30% unit growth--strong absolute levels--they do represent a more material slowdown compared to results in recent quarters [...] Slower gross profit growth was due to the deceleration in 3P sales -- which grew approximately 39% Y/Y in 1Q according to our estimates, down from 43% in 4Q -- as well as continued investments in international and increased competition in the US."

Eric Sheridan, UBS: Reiterates a Neutral rating and a \$275 price target. Sheridan trimmed this year's estimates to \$74.75 billion in revenue from \$74.87 billion, while raising his CSOI estimate to \$1.73 billion from \$1.56 billion. He models a net loss of 30 cents per share this year, on a GAAP basis, in contrast to most analysts' profit projection. Similar to last quarter's results, we continue to see a trend of slight downward revision to revenue estimates and an upward move on margins as causing a mixed story for Amazon's stock in the medium term. Offsetting our improved gross margin outlook is a slight

increase in our expectation of fulfillment costs for the year. The combination

of excess capacity (exiting the Q4 peak), a still growing fulfillment center

count, and new deliver initiatives are the drivers of this change. Additionally,

we would note that Amazon's effective tax rate should revert to more

normalized levels throughout the remainder of 2013, after benefiting from a

one-time benefit in Q1 (Federal R&D tax credit).

26 Apr 2013 17:27 EDT Barron's Blog: Amazon Falls 6%: Bull, Bear Debate -2-

Colin Gillis, BGC Partners: Reiterates a Hold rating, and a \$245 price target. "Haiku: This is not leverage; this is slowing revenue growth, and dreams of profit [...] While 21.9% top line growth is respectable, it is no longer among the elite revenue growers in the **S&P500**. To place the slowdown in perspective, Amazon's March quarter revenue growth YoY in 2011 was the 14th best among **S&P500** companies. In March 2012 quarter the company produced the 19th best revenue growth among the **S&P500**. This quarter revenue growth slipped to the 42nd best among the **S&P500** according to data from Bloomberg [...] Shares of Amazon are underperforming the broader market with a total return of 1.9% year-to-date versus 11.5% for the **S&P500** index (assumes dividends reinvested). We maintain that forward consensus estimates, including \$10 of earnings per share in 2015, may prove elusive as the company continues to find new areas of investment.

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Visit <http://djnweurope.ar.wilink.com/?ticker=US0231351067> or call +44 (0)208 391 6028

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Visit <http://djnweurope.ar.wilink.com/?ticker=US05541T1016> or call +44 (0)208 391 6028

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April 26, 2013 17:27 ET (21:27 GMT)

文件 DJDN000020130426e94q007ib

DOW JONES NEWSWIRES

DJ CHART ProShares UltraShort **S&P500** ST: the downside prevails as long as 44.5 is resistance

167 字

2013 年 4 月 26 日 08:24

Dow Jones Newswires

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SDSUSD130426092259.gif>

44.5 is our pivot point.

Our preference: the downside prevails as long as 44.5 is resistance.

Alternative scenario: above 44.5, look for 46.3 and 47.5.

Comment: the RSI is below its neutrality area at 50. The MACD is negative and below its signal line. The configuration is negative. Moreover, the share stands below its 20 and 50 day MA (respectively at 43.88 and 45.18). ProShares UltraShort **S&P500** is currently trading near its 52 week low at 42.25 reached on 11/04/13.

Supports and resistances:

46.3 *

44.5 **

43.7

42.721 last

40.1

39 **

37.9 *

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April 26, 2013 03:24 ET (07:24 GMT)

文件 DJDN000020130426e94q001mf

DOW JONES NEWSWIRES

DJ Exchange Traded Funds Top 10 Volume Leaders

167 字

2013 年 4 月 23 日 22:34

Dow Jones Newswires

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| STOCK (Symbol) | NET LAST | % CHG | VOL CHG | 100s |
|-----------------------------|-------------|----------|------------|-------------|
| SPDR S&P 500 SPY | 157.78 | 1.61 | 1.03 | 154,226,597 |
| Select Sector SPDR-Finl XLF | 18.43 | 0.32 | 1.80 | 74,086,078 |
| iShrs MSCI Emerg Mkts EEM | 42.04 | 0.20 | 0.48 | 62,902,363 |
| iShrs MSCI Japan EWJ | 11.44 | 0.11 | 0.93 | 46,434,866 |
| PwrShrs QQQ Tr Series 1 QQQ | 69.45 | 0.66 | 0.96 | 46,203,499 |
| iShrs Russell 2000 IWM | 92.31 | 1.44 | 1.58 | 44,947,961 |
| ProSharesUltVIXST UVXY | 6.29 | -0.74 | -10.51 | 35,199,380 |
| iShrs Tr MSCI EAFE EFA | 60.19 | 0.84 | 1.42 | 19,512,115 |
| ProShrs UltraShort | | | | |
| S&P500 SDS | 43.13 | -0.91 | -2.07 | 18,471,404 |
| Vanguard FTSE Emerg Mkt VWO | 42.54 | 0.21 | 0.50 | 16,076,908 |

(END) Dow Jones Newswires

April 23, 2013 17:34 ET (21:34 GMT)

文件 DJDN000020130423e94n0065t

Exchange Traded Funds Top 10 Volume Leaders

157 字

2013 年 4 月 23 日 22:34

Dow Jones News Service

DJ

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| SPDR S&P 500 SPY | 157.78 | 1.61 | 1.03 | 154,226,597 |
| Select Sector SPDR-Finl XLF | 18.43 | 0.32 | 1.80 | 74,086,078 |
| iShrs MSCI Emerg Mkts EEM | 42.04 | 0.20 | 0.48 | 62,902,363 |
| iShrs MSCI Japan EWJ | 11.44 | 0.11 | 0.93 | 46,434,866 |
| PwrShrs QQQ Tr Series 1 QQQ | 69.45 | 0.66 | 0.96 | 46,203,499 |
| iShrs Russell 2000 IWM | 92.31 | 1.44 | 1.58 | 44,947,961 |
| ProSharesUltVIXST UVXY | 6.29 | -0.74 | -10.51 | 35,199,380 |
| iShrs Tr MSCI EAFE EFA | 60.19 | 0.84 | 1.42 | 19,512,115 |
| ProShrs UltraShort | | | | |
| S&P500 SDS | 43.13 | -0.91 | -2.07 | 18,471,404 |
| Vanguard FTSE Emerg Mkt VWO | 42.54 | 0.21 | 0.50 | 16,076,908 |

[04-23-13 1734ET]

文件 DJ00000020130423e94n000x5

MARKET WEEK

Stocks --- The Trader: Stocks Sag 2.1% on Weak Profits, China Fears

By Avi Salzman

1,988 字

2013 年 4 月 22 日

Barron's

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英文

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A week after the Dow flirted with 15,000, the index retreated. It ended the week down 317.55 points, or 2.1%, at 14,547.51. That marks the index's worst week since June 1, 2012. The S&P 500 fell 33.6 points, or 2.1%, to 1,555.25. The Nasdaq fell 88.89 points, or 2.7%, to 3,206.06.

There were few safe U.S. assets for investors to reach for -- gold futures fell \$105, or 7%, to \$1,395 per ounce. Silver tumbled 13%. And 10-year Treasuries were basically flat, yielding about 1.71% at the end of the week.

The trouble started on Monday, after China reported that first-quarter growth in gross domestic product (GDP) decelerated to 7.7% from 7.9%; investors had expected the country to grow its GDP at a rate faster than 8%. That data, along with spotty U.S. economic reports, sapped confidence in a market that has been running on easy money and optimism.

"Put those factors together and you start to worry we're getting a replay of that movie we've seen the last couple years, 'The Summer Swoon,'" said Mark Luschini, chief investment strategist at Janney.

Luschini doesn't see a bear market coming, but he does see the bull taking a break. Earnings season simply hasn't confirmed the market's recent rise. Last week, some major companies released earnings reports that landed with a thud. IBM fell 8.3% on Friday after reporting earnings below analysts' expectations for the first time since 2005. Bank of America stock dropped 4.7% on Wednesday as revenue fell at nearly all of its units.

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Luschini added: "I do think we're in the midst of a growth scare."

The slowdown may have actually begun last month. Since March 15, the S&P 500 has closed lower on more than half of all trading days, notes Michael O'Rourke, the chief market strategist at Jones Trading. "Concerns are rising that the sequester and the payroll-tax increase are starting to exert some influence."

It's not clear, however, that the market's slump this week is indicative of a sustained shift in sentiment. After Monday -- the day China released its results and terrorists killed three people at the Boston Marathon -- indexes traded flat for the rest of the week. The S&P 500 has held above 1538, a key technical support level, after briefly dipping below.

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"They should be the beneficiaries of better global growth in the second half and [more] business spending," Luschini says, "if we see some sturdiness in the economy, which I do think is going to happen."

Commodities led the market lower last week, and companies dependent on commodity prices were punished in the selloff. Energy stocks in the S&P 500 fell 4.1% on the week, but not all suffered equally. Integrated oil companies, for instance, fell 2% to 3%, while several oil-service companies plunged more than 7%. Shares of service and equipment companies tend to fall harder when oil prices drop because investors worry that energy producers will call off projects and put the service companies out of work. Integrated companies, meanwhile, have a diverse array of businesses that can cushion the blow of lower commodity prices.

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Since the Deepwater Horizon explosion in April 2010, demand for ROVs to complete safety inspections has jumped, as have Oceaneering's earnings. The company's earnings have grown at a cumulative rate of 16% in the past three years, but analysts expect them to grow more than 20% this year and next.

Oceaneering's shares fell about 7% last week along with other energy names. The stock now trades at about 18 times forward earnings; that's a premium to other oil-and-gas equipment companies, but it's justified by the company's faster growth rate. Oceaneering has regularly traded at more than 20 times future earnings estimates in the past year.

There are few indications that demand is slipping for deep-sea equipment. Oceaneering's subsea-equipment backlog grew by 78% in 2012. And rigs are proliferating in the Gulf: Schlumberger (SLB) announced on Friday that the number of deepwater rigs in the Gulf grew by more than 30% year-over-year in the first quarter. Earnings growth for Oceaneering is "the most visible and durable" among its peers, Gengaro says. Companies pay about \$10,000 per day to use a remote vehicle, and those costs don't tend to be the first ones they cut when oil prices fall.

Oil would have to drop to \$70 for Oceaneering's outlook to change, argues Lazorishak. Crude futures fell to \$88.01 on Friday.

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For most banks, credit keeps getting better and costs are falling, but revenue growth is hard to come by. Banks are getting squeezed by low net interest margins because of rock-bottom interest rates. Trading and loan growth are both sluggish. And while Wall Street had hoped for a mergers and acquisitions boom this quarter after Warren Buffett and 3G Capital agreed to buy Heinz, that boom never quite materialized. Announced M&A volumes were down 37% sequentially, according to Goldman Sachs.

But the people who have been waking up at 7 a.m. to listen to earnings calls still think the banks are buzzworthy -- and despite their stocks' huge run in the past few years, there are still reasons they could rise even more.

"I believe in the first quarter, the banking industry will show its biggest profit ever in its history," says Rafferty Capital analyst Richard Bove, who is bullish on all of the big banks. Wells Fargo is the only bank still selling above book value, Bove says. And for Citigroup (C) and JPMorgan Chase, book value is actually lower than their net cash level.

"You can buy them at a discount to book value, which is all in cash," Bove says.

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"They have extremely high capital ratios relative to other big banks," says Schorr, referring to the bank's Tier 1 Common ratio, a measure of a bank's financial strength. Although Citi isn't expected to raise its dividend this year, next year could be different. In fact, if Citi earns more than \$5 per share next year, and pays out 30% in dividends -- "the going rate for good banks," according to Schorr -- its dividend yield would be above 3%. That would put it in the top quartile of all dividend payers in the S&P 500, he says.

"Citi has the potential to be a top dividend-payer next year," he says.

But are dividends boring? Maybe. But investors probably won't mind.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14547.51 | -317.55 | -2.14 |
| DJTransportation | 6034.14 | -109.61 | -1.78 |
| DJUtilities | 528.03 | +4.71 | +0.90 |
| DJ65Stocks | 5011.79 | -74.75 | -1.47 |
| DJUSMarket | 390.80 | -8.66 | -2.17 |
| NYSEComp. | 8994.12 | -194.14 | -2.11 |
| NYSEMKTComp. | 2329.45 | -77.39 | -3.22 |
| S&P500 | 1555.25 | -33.60 | -2.11 |
| S&PMidCap | 1121.30 | -27.93 | -2.43 |
| S&PSmallCap | 510.86 | -15.78 | -3.00 |
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| Russell2000 | 912.50 | -30.35 | -3.22 |
| DJUSTSMFloat | 16185.28 | -367.37 | -2.22 |

| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 920 | 2,310 |
| Declines | 2,258 | 870 |
| Unchanged | 50 | 53 |
| NewHighs | 293 | 604 |
| NewLows | 146 | 62 |
| AvDailyVol(mil) | 3,963.3 | 3,206.1 |
| Dollar | | |
| (Finexspotindex) | 82.56 | 82.31 |
| T-Bond | | |
| (CBTnearbyfutures) | 133-000 | 132-315 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 88.01 | 91.29 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 283.19 | 287.21 |
| Gold | | |
| (CMXnearbyfutures) | 1395.30 | 1501.00 |

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文件 B000000020130420e94m0000x

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DOW JONES NEWSWIRES

Barron's: The Trader: Stocks Sag 2.1% On Weak Profits, China Fears

2,031 字

2013 年 4 月 20 日 05:06

Dow Jones Newswires

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(FROM BARRON'S 4/22/13)

By Avi Salzman

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"Put those factors together and you start to worry we're getting a replay of that movie we've seen the last couple years, 'The Summer Swoon,'" said Mark Luschini, chief investment strategist at Janney.

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20 Apr 2013 00:06 EDT Barron's: The Trader: Stocks Sag 2.1% On Weak -2-

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|----------------------|---------|---------|
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| NewLows | 146 | 62 |
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| Dollar | | |
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| T-Bond | | |
| (CBTnearbyfutures) | 133-000 | 132-315 |
| Crude Oil | | |
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April 20, 2013 00:06 ET (04:06 GMT)

文件 DJDN000020130420e94k000v4

DOW JONES NEWSWIRES

WSJ Blog: Mom and Pop go Bearish on Equities

358 字

2013 年 4 月 19 日 10:41

Dow Jones Institutional News

DJDN

英文

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(This story has been posted on The Wall Street Journal Online's Money Beat blog at <http://blogs.wsj.com/moneybeat>.)

Every month since 1987 the American Association of Individual Investors has been undertaking one of the most straightforward surveys in the market.

It just asks its worthy members how they feel about the stock market over the next six months, and responders only get three choices. They can proclaim themselves bullish bearish or neutral. That's it. No nuanced, 'well if the Fed does this' or 'if the global economy does that, ' hedging.

Judging by the most recent scores, the smaller U.S. investor is going through an interesting phase.

At the start of the year he or she was relatively optimistic, as you might expect given markets' recent tendency to start a New Year with a burst of vigor.

In the second week of January, fully 46% said they were bullish with only 27% owning up to bearish doubts. The 46% were vindicated, too, despite some snobbish 'professional investors' insistence that the survey is a great contrarian indicator.

Now, however, those proportions have flipped more or less exactly. This week 48% are feeling bearish while only 27% reckon the markets are going to forge higher in the next six months. The bearish faction actually reached a 2013 peak last week, when a massive 54% thought the only way was down.

From the data we might well conclude that America's mom and pop investors are starting to conclude that 2013's equity rally has had it.

One caveat: if the survey's asking whether they feel bullish on markets that are already at record levels, as the Dow and **S&P500** have been in recent weeks, it would take real conviction to suggest a sustained rally.

However, the results remain interesting. After all, bearish sentiment leaped from a modest 28% to that 54% peak in just one week.

-For continuously updated news from The Wall Street Journal, see WSJ.com at <http://wsj.com>.

(END) Dow Jones Newswires

April 19, 2013 05:41 ET (09:41 GMT)

文件 DJDN000020130419e94j001gh

 [Mom and Pop Go Bearish on Equities](#)

WSJ Blogs, 2013 年 4 月 19 日 10:41, 311 字, By David Cottle, (英文)

Every month since 1987 the American Association of Individual Investors has been undertaking one of the most straightforward surveys in the market.

文件 WCWSJB0020130419e94j001rx

DOW JONES NEWSWIRES

DJ CHART ProShares UltraShort **S&P500** ST: short term rebound

162 字

2013 年 4 月 19 日 18:50

Dow Jones Newswires

DJDN

英文

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SDSUSD130419194835.gif>

Our pivot point stands at 43.

Our preference: short term rebound.

Alternative scenario: the downside breakout of 43 would call for 41.1 and 40.

Comment: the RSI is above 50. The MACD is above its signal line and negative. The MACD must break above its zero level to call for further upside. Moreover, the stock is trading above its 20 day MA (44.14) but under its 50 day MA (45.53). ProShares UltraShort **S&P500** is currently trading near its 52 week low at 42.25 reached on 11/04/13.

Supports and resistances:

49.7 *

48.6 **

47.5

44.641 last

43.7

43 **

41.1 *

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(END) Dow Jones Newswires

April 19, 2013 13:50 ET (17:50 GMT)

文件 DJDN000020130419e94j0040z

DOW JONES NEWSWIRES

DJ MARKET TALK: Priceline Shares May Move 20%, But Which Way?

150 字

2013 年 4 月 15 日 16:57

Dow Jones Institutional News

DJDN

英文

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11:57 EDT - Priceline's (PCLN) stratospheric shares -- in dollar value, second to only Google (GOOG) in the **S&P500** -- descend a bit after Barron's deep dive into PCLN says a 20%-plus correction looms if earnings growth slows. Some key arguments, such as increasing competition and margin pressure from emerging market expansion, get counterpoints from RBC: More marketing competition is an incremental change, not a dramatic one, and the emerging-market pressure comes from ramp-up costs that scale over time. With \$900 price target, RBC sees shares having another 23% rally left in them. Today they're down 2.1% at \$727.28. (joan.solsman@dowjones.com; @joan_e)

Call us at (212) 416-2181 or john.shipman@dowjones.com

(END) Dow Jones Newswires

April 15, 2013 11:57 ET (15:57 GMT)

文件 DJDN000020130415e94f003vd

MARKET WEEK

Stocks --- The Trader: Dow Flirts With 15,000 Despite Friday's Selloff

By Vito J. Racanelli

2,097 字

2013 年 4 月 15 日

Barron's

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The stock market raced ahead last week, up over 2% as the 2013 rally motored on. The Dow Jones Industrial Average came close but failed to reach the 15,000 milestone, restrained by a broad market selloff on Friday.

The week's party ended after four days of consecutive moves higher, and investors showed their displeasure with weak revenue-growth numbers at the money-center banks, which reported first-quarter earnings on Friday. Poorer-than-expected retail sales and consumer-sentiment data released today also put a damper on things.

Nevertheless, at Friday's close of 14,865.06, up 2.1% or 300 points on the week, the Dow is within striking distance of 15,000. The Dow also managed an impressive reversal on Friday, bucking the broad market trend. Down 0.5% at one point, the average finished near highs for the day.

By historical norms, the Dow's current price-to-earnings multiple of 14 to 15 times isn't unusual even for peak earnings, says Nicholas Colas, chief market strategist at ConvergeX. And that's not taking into account the low-interest-rate environment. "Dow 15,000 is achievable quickly," he adds.

There's a good chance investors will be breaking out their Dow 15,000 baseball caps soon, perhaps as early as this week. That's something this magazine noted over a year ago ("Enter the Bull," Feb. 13, 2012).

The S&P 500 rose 36 points, or 2.3%, last week, to finish at 1588.85. On Thursday it set a new all-time high of 1593.37. It was a week for coming close to nice round numbers, as the S&P 500 approached 1600, a level that is the 2013 year-end target predicted by some bulls last December. The Nasdaq Composite index, up 91 points, rose 2.8% last week to 3294.95.

Friday's market slide was partially caused by the release of March retail sales, down 0.4% and worse than expectations of flat sales. The University of Michigan-Thomson Reuters consumer sentiment index fell to 72.3 in early April from 78.6 in March, below the 78.6 consensus.

And while JPMorgan Chase (ticker: JPM) reported first-quarter net profits that were ahead of expectations, it was the 3% quarterly revenue drop to \$25.9 billion that investors focused on. Meanwhile, Wells Fargo Bank (WFC) also topped analyst earnings estimates, with profits up 22%, but there, too, revenue slipped, 2%.

Weak loan growth and narrowing net-interest-margin trends are evident, and cost cuts were big drivers, says Fort Pitt Capital Group senior equity analyst Kimberly Forrest. That didn't sit well with investors on Friday, she adds.

The market's rally does appear to have reached a critical mass of strength. For now, at least, losing days and weeks tend to be short and shallow.

"We seem to have a positive confidence loop going, something that was lacking this time last year," adds Cameron Hinds, a regional chief investment officer at Wells Fargo Bank. Both the market and housing have been going up for some time now, and growing household net worth tends to increase investor confidence, he says.

It's unclear if and when the individual investor will return en masse, but Colas adds, "Anything that puts the stock market at the top of the news in a positive way is helpful to retail interest."

Following the release last week of surprisingly upbeat news from First Solar (FSLR), the stock soared, suggesting investors believe sunny days are here again for the maker of solar panels and developer of power plants.

At its analyst meeting on Tuesday, First Solar said it expects 2013 earnings per share of \$4 to \$4.50 on sales of \$3.8 billion to \$4 billion, significantly higher than consensus estimates of \$3.50 for earnings and \$3.1 billion for sales. Last year, the company earned \$4.90, excluding extraordinary restructuring charges of about \$469 million.

After jumping nearly 50% on Tuesday, First Solar shares eased, but at Friday's close of \$37.11 they remain nearly 40% higher than before the analyst day. Yet that's far below the stock's all-time high of more than \$300, back in 2008. First Solar and its many rivals have seen their shares plunge in the past five years on lower panel prices and a global glut of manufacturing capacity.

While the Tempe, Ariz. --based company's immediate outlook is improving, a closer examination of what First Solar said suggests the market has overreacted and has bid the share price up beyond what is justified. It is uncertain how well First Solar will be able to execute on the ambitious goals revealed on Tuesday.

For example, for 2014, First Solar has a target price of \$2.50 to \$4 in earnings per share, potentially down from this year, which the company attributed to the increased cost of financing projects. The target for 2015 is \$4 to \$6 per share. The important thing to note here is that, unlike the 2013 figures released, First Solar labeled the 2014 and 2015 numbers targets, not guidance. That distinction was generally lost in some media and research reports following the news.

What's the beef? One ignored but reasonable reading of First Solar's targets could result in earnings per share that are flat at \$4 for three years. That risk doesn't support such a stock rise. The skepticism is justified because of the company's checkered history of results. In the past 10 years, there has been a steady and significant slowdown of growth in revenue and net profit.

Meanwhile, gross profit and margins on earnings before interest, taxes, depreciation, and amortization have fallen, too. Last Tuesday, for example, amid the bullish hoopla, the company again guided to a drop in 2013 gross margins, to 20%-22%, from 27% last year. It's a tech company, and that's often what happens in a highly competitive technology sector such as solar.

Even the guidance for 2013 isn't as bullish as the headlines would have it. Pacific Crest analyst Ben Schuman, who attended the analyst day, gives the company credit for putting together an ambitious road map and showing some sustainable cost advantages. However, adds Schuman, who has an Underperform rating on the stock, "the driver of the difference" in improved 2013 guidance results not from new projects but from bringing forward revenue recognition to 2013-14 from 2014-15 for a large project, the 550-megawatt Desert Sunlight solar plant.

That project was contracted years ago at higher prices and margins, and Schuman attributes \$1.10 of the 2013 EPS and about \$3 for 2014 EPS to pulled-forward sales. Moreover, the 2015 EPS target of \$4 to \$6 is "built on some aggressive sales and pricing assumptions."

First Solar bulls defend the stock rise by pointing to improved earnings visibility further out to 2015 and its sharply dropping cost basis, and the view that it is a best-in-class company. They note the stock has dropped substantially from all-time highs, now selling at a relatively cheap P/E ratio of 8.5 to 9.5 times 2013 EPS. That's toward the low end of history, but growth is much slower now.

A First Solar spokesman said via e-mail that there was no prior 2013 guidance, "so nothing could be pulled forward." And the use of targets for 2014-15 "reflects the increased uncertainty further out in time."

Nevertheless, the bulls can't paper over a history of contracting growth and margins. The current stock price might be validated by perfect execution for the next two to three years, but First Solar's history doesn't back that kind of optimism. Before the news, First Solar shares might have been undervalued given the 2013 revenue improvement. But does the new information justify a nearly 40% jump?

A month ago this column wrote a bullish item on F5 Networks (FFIV), but already we're behind the eight ball with that call.

On April 4, F5 disappointed investors again, saying that results in the fiscal second quarter ended March 31 are expected to be \$350.2 million, below guidance of \$370 million to \$380 million. EPS would be 79 to 80 cents, also down from the company's previous expectation of 93 cents to 96 cents. In the year-prior second quarter, EPS was 88 cents and revenue was \$340 million.

F5 blamed a general weakness in buying from North American customers and in particular from telecom clients, as well as from government sales.

F5 makes "application-delivery controllers," hardware that manages Internet traffic, among other products like firewalls and other kinds of security software. The ADC box examines incoming data and decides if there are security threats, decrypts and encrypts data, and can compress data bandwidth, among other things. F5 has

about a 50% share of the ADC market, competing with Cisco Systems (CSCO), and Citrix Systems (CTXS), among others.

This latest disappointment follows an earnings miss in the fourth quarter ended September and a fiscal first quarter where revenue and earnings continued to slow. Then, in January, the Seattle-based company gave an upbeat outlook for the second quarter ended March, so one can't blame investors for taking umbrage.

At Friday's close of \$74.98, the stock is down some 20% from \$94, when our item was published on March 11. Back then, the shares were already down by a third from almost \$140 a year ago. Until mid-2012, F5 investors had been accustomed to strong double-digit sales growth.

These stumbles are a concern. However, the setback is centered in telecom spending and delayed expenditures for F5's products, not its basic competitiveness. That's a consolation. And F5's core ADC business is still doing well, while its small but fast-growing security software, which is rolling out a number of new products this year, should also help.

Over the long term, it's still likely that more digital data will be created year after year, and data-traffic growth will increase sharply. Demand for popular traffic-managing products like the ADCs will benefit. And with that, data security will become more important, not less.

With its leading position in the ADC market and new firewall and security-software products coming out, F5 stands to benefit as the amount of information sent across the Internet proliferates.

As for telecoms, given the expected build-out in the U.S. of the mobile 4G long-term evolution (LTE) system, it's a good bet operators will have to step up spending fairly soon, and that should bring some recovery to ADC over the next 12 months.

Our thesis has taken a hit, and F5's competitive landscape isn't easing. At this point, even a return to \$94 -- breakeven for our item -- looks a ways off. It's going to be a longer wait, but it should still be worth it. F5 will release full fiscal second-quarter results on April 24.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14865.06 | +299.81 | +2.06 |
| DJTransportation | 6143.75 | +106.39 | +1.76 |
| DJUtilities | 523.32 | +8.59 | +1.67 |
| DJ65Stocks | 5086.54 | +94.71 | +1.90 |
| DJUSMarket | 399.45 | +9.00 | +2.31 |
| NYSEComp. | 9188.26 | +188.01 | +2.09 |
| NYSEMKTComp. | 2406.85 | +25.17 | +1.06 |
| S&P500 | 1588.85 | +35.57 | +2.29 |
| S&PMidCap | 1149.23 | +25.26 | +2.25 |
| S&PSmallCap | 526.64 | +9.17 | +1.77 |
| Nasdaq | 3294.95 | +91.09 | +2.84 |
| ValueLine(arith.) | 3549.25 | +82.28 | +2.37 |
| Russell2000 | 942.85 | +19.57 | +2.12 |
| DJUSTSMFloat | 16552.65 | +371.97 | +2.30 |

Last Week Week Earlier

| | | |
|--------------------|---------|---------|
| NYSE | | |
| Advances | 2,310 | 1,080 |
| Declines | 870 | 2,091 |
| Unchanged | 53 | 47 |
| NewHighs | 604 | 492 |
| NewLows | 62 | 91 |
| AvDailyVol(mil) | 3,206.1 | 3,313.8 |
| Dollar | | |
| (Finexspotindex) | 82.13 | 82.50 |
| T-Bond | | |
| (CBTnearbyfutures) | 132-315 | 133-050 |

| | | |
|----------------------|---------|---------|
| Crude Oil | | |
| (NYMlightsweetcrude) | 91.29 | 92.70 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 287.21 | 288.28 |
| Gold | | |
| (CMXnearbyfutures) | 1501.00 | 1575.40 |

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文件 B000000020130413e94f00011

DOW JONES NEWSWIRES

DJ MARKET TALK: Mining Exposure Sinks Fluor

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2013 年 4 月 15 日 18:43

Dow Jones Newswires

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13:43 EDT - As commodities sell off, Fluor (FLR) is in contention for worst-performing stock on the S&P 500 today, thanks to its exposure to mining. Within the engineering-and-construction sector, FLR has the most mining exposure at around 30%-35% of its business, "so it's getting hit more than the group on the China GDP numbers," William Blair's Chase Jacobson tells Dow Jones. That comes on top of FLR-specific weakness related to Barrick Gold's (ABX, ABX.T) halt on part of a mine on the Chile-Argentina border for which FLR is providing a large portion of infrastructure, Lazard Capital's Will Gabrielski tells Dow Jones. FLR drops 7.9% to \$55.46. (anna.prior@dowjones.com)

13:42 EDT - The unseasonably cold weather has missed one obvious candidate--pool supplies distributor POOL, which, before Monday, has risen about 16% since the beginning of the year. But Wedbush cuts its 1Q forecasts by 2 cents a share to 5 cents and reduces its forecast for base business sales. POOL "was already up against a tough comparison from last year's 1Q, which benefited from weather turning warmer much earlier than normal, and we expect the unusually late arrival of spring this year to pose incremental headwinds," firm says. POOL down 2.9% at \$47.38. (karen.talley@dowjones.com)

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13:27 EDT - Bonds from Sprint (S) and DISH are lower amid the latter's \$25.5B takeover offer for the former. "If you're going to own one of these telecom type of companies at this point in time with rates as low as they are, you're better off going with higher quality," says Aaron Izenstark, who helps oversee the \$419M IRON Strategic Income Fund. Both S and DISH are junk-rated. A 2028 bond from Sprint Capital Corp. is trading today with a 6.52% yield, versus 6.31% Friday, while a 2019 Dish DBS Corp. bond trades at 5.39%, versus 5.07%, according to BondTicker. (mike.cherney@dowjones.com)

13:13 EDT - Amid the crushing selloff in commodities, it's not a shock to see shares of Chevron, Exxon Mobil and Caterpillar doing the most damage to the DJIA right now. Concerns about demand and profit growth in the mining sector -- a key source of business for CAT -- drags down the machinery maker's shares, while the plunge in crude-oil prices clearly weigh on CVX and XOM. Together, the three stocks currently account for one-third of the DJIA's decline. Other notable burdens today include UTX, 3M and Boeing. DJIA down 157. (john.shipman@dowjones.com)

13:10 EDT - Gold futures are plummeting, but don't expect jewelry prices to see a corresponding drop. Gold jewelry mark-up is typically 200%-500% above the price of the metal, making gold's near 13% drop over the past two days immaterial. The price is based on labor, craftsmanship, marketing and design costs, plus you'll pay a hefty premium for a brand name. Jewelers also typically buy their materials in advance, meaning that any drop in the futures price won't be reflected in their bottom lines, or inventory, for several months. (alexandra.wexler@dowjones.com)

12:58 EDT - Amid uncertain market conditions that show "few signs of abating in the near term," BMO raises the possibility of Canadian brokerage firm GMP Capital (GMP.T) contemplating a dividend cut at some point. If BMO forecasts are right, GMP.T's earnings over the next few quarters won't be enough to cover GMP.T's dividend. BMO notes GMP.T's cash position on its balance is sufficient to cover dividends over short term, but cautions GMP.T "may be inclined to take steps to conserve cash." A GMP.T rep couldn't immediately be reached. GMP.T recently down 5.5% at C\$5.69. (ben.dummett@dowjones.com)

12:33 EDT - Reinsurers are falling more than the broader market as Macquarie says the stock gains in the sector so far this year price in good things for the space. "While Hurricane Sandy provided moderate price support at 1/1 renewals, we are cautious on pricing going forward. 4/1 pricing commentary seemed to be OK to modestly disappointing." The investment bank, which downgrades five reinsurers to neutral, contends, "New demand will not be enough to offset the downward pricing pressure from an industry already flush with capital." Those downgraded, including Arch (ACGL) and Everest (RE), are off about 2% today. (kevin.kingsbury@dowjones.com)

12:22 EDT - Though the move isn't surprising, BMO says the size of JC Penney's (JCP) credit drawdown was and likely shows management wanting to tap financing ahead of disclosing what could be "a deteriorating forward-cash-flow outlook." The investment bank had been anticipating JCP would borrow \$100M from the credit line this quarter and \$500M for the FY; the company has withdrawn \$850M of the \$1.85B available. Volatile shares of JCP have been higher for much of the session despite the broader market's weakness and are up 2.3% at \$14.96. (karen.talley@dowjones.com)

12:19 EDT - Toronto-Dominion (TD) will have to adjust its strategy in the US to emphasize asset-focused deals over acquisitions of other banks with sizeable deposit franchises, National Bank Financial says. That's due to TD's balance-sheet problem; it's deposit rich. Buying the restructured CIT Group (CIT) would be the "epitome" of an asset-focused deal for TD, the investment firm says. Speculation about TD as a hypothetical bidder for CIT has been kicking around for some time, NBF says, adding other US deposit-rich banks, such as Wells Fargo (WFC), would "most certainly bid" if CIT became available. TD declined to comment, and WFC wasn't immediately to comment. (caroline.vanhasselt@dowjones.com)

12:08 EDT - Seems as if the plunge in gold prices and concurrent drop in a host of other commodities is now having a more intense effect on the psyche of investors in US stocks. A crash in asset prices like we're seeing in gold today doesn't happen in isolation, so it's likely that those taking losses in gold need to sell other stuff to raise cash, and some of that other "stuff" is probably stocks. Energy, materials and industrials lead declines among S&P 500 sectors (energy and materials each down close to 3%). Defensive consumer staples, utilities off just slightly. DJIA falls 125; Nasdaq off 44; S&P 500 down 17. (john.shipman@dowjones.com)

11:57 EDT - Priceline's (PCLN) stratospheric shares -- in dollar value, second to only Google (GOOG) in the **S&P500** -- descend a bit after Barron's deep dive into PCLN says a 20%-plus correction looms if earnings growth slows. Some key arguments, such as increasing competition and margin pressure from emerging market expansion, get counterpoints from RBC: More marketing competition is an incremental change, not a dramatic one, and the emerging-market pressure comes from ramp-up costs that scale over time. With \$900 price target, RBC sees shares having another 23% rally left in them. Today they're down 2.1% at \$727.28. (joan.solsman@dowjones.com; @joan_e)

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(END) Dow Jones Newswires

April 15, 2013 13:43 ET (17:43 GMT)

文件 DJDN000020130415e94f0049o

DOW JONES NEWSWIRES

DJ MARKET TALK: How Much Does GMP Need to Conserve Cash?

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2013 年 4 月 15 日 17:58

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11:38 EDT - A ruling in the Macy's (M) and JC Penney (JCP) trial could come this week, and Noble Financial is hoping there will be more for Martha Stewart Living (MSO) to celebrate. Judge already denied M's motion to expand injunction against JCP selling MSO products lacking any Martha branding, and he dismissed M's claim of unfair competition. Noble isn't holding its breath for ruling that allows JCP to sell branded MSO items in M exclusive categories, but if JCP moves forward with nonexclusive product line, it would still be incremental business for MSO that it views favorably. MSO up 1.2% at \$2.53. (joan.solsman@dowjones.com; @joan_e)

11:36 EDT - Like any remodeling effort, the ones being done to JC Penney's (JCP) home-goods departments are causing disruptions, Piper Jaffray says. Based on firm's checks, it appears many of JCP's locations have been "significantly impacted" by the remodel in about 500 stores this spring. Firm lowers fiscal 1Q earning estimate to a \$0.92 loss from \$0.67 loss. JCP up 2.7% to \$15.01. (karen.talley@dowjones.com)

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11:26 EDT - TripAdvisor (TRIP) shares bubble higher even while the overall market sinks, as Piper Jaffray applauds its depopulation of pop-ups. TRIP is most visited travel site on Web but its pop-up-based model -- which crowds users' screens with booking-option windows -- is overdue for overhaul, it says. Transitions to metasearch will reduce click volume but improve cost-per-click economics, which it believes could turn TRIP's \$600M run rate business into \$800M. Piper gives price target a big lift to \$62 from \$45, and shares rise 1.4% to \$53.38, putting YTD climb at 27%. (joan.solsman@dowjones.com; @joan_e)

11:23 EDT - After meeting with management last week, lululemon (LULU) bull Janney says the company has its arms around its too-sheer yoga pants, calling it "short-term, identifiable and solvable" while not likely "to have lasting damage on the brand." The investment bank adds testing on the fabric should be completed in 3-4 weeks. Wedbush says there's signs the black Luon pants could start shipping around June 1, "earlier than initially expected." That as LULU stores "continue to see strong traffic trends and sell-throughs in new fashion, specifically the Frangipani floral that delivered to all stores last week." LULU is up 2.6% at \$71.42, putting this month's rebound at 15%. Shares have more than reversed last month's Luon-inspired selloff. (karen.talley@dowjones.com)

11:21 EDT - Citigroup's (C) 1Q cash equity business grew 78% from 4Q, to \$826M; while JPMorgan's (JPM) rose 50% to \$1.3B. In fixed income trading, C's traditional stronghold, revenue rose 69% to \$4.6B; at JPM, it was up 50% to \$4.8B. C has been struggling in the equities trading business, particularly with derivatives, but looks to regain its footing with management changes and new hires. "We are gaining share in cash equities," CFO John Gerspach said during a conference call. "More importantly, we're improving our performance in equity derivatives." But Gerspach, rarely one to celebrate, adds "Look, it's a tough market out there." C gains 2.6% to \$45.94. (matthias.rieker@dowjones.com)

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(END) Dow Jones Newswires

April 15, 2013 12:58 ET (16:58 GMT)

文件 DJDN000020130415e94f0046t

MARKET TALK: Priceline Shares May Move 20%, But Which Way?

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2013 年 4 月 15 日 16:57

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11:52 EDT - Take away reducing loan-loss reserves more than expected and Webster (WBS) doesn't match analysts' 1Q core-EPS views as the Connecticut lender saw "despite flat sequential loan growth and lower-than-expected fee income," says Sterne Agee. Jefferies adds, "Underlying trends look a little weak," though "forward estimates look OK as long as soft loan growth result proves seasonal/temporary." With many banks reporting 1Q numbers so far not hinting loan activity is merely in a lull, chances are WBS' 1Q loan trends could persist at least a bit longer. Shares, after jumping 10% in March, are down 5.2% today at \$22.48 to extend this month's pullback. (kevin.kingsbury@dowjones.com)

11:38 EDT - A ruling in the Macy's (M) and JC Penney (JCP) trial could come this week, and Noble Financial is hoping there will be more for Martha Stewart Living (MSO) to celebrate. Judge already denied M's motion to expand injunction against JCP selling MSO products lacking any Martha branding, and he dismissed M's claim of unfair competition. Noble isn't holding its breath for ruling that allows JCP to sell branded MSO items in M exclusive categories, but if JCP moves forward with nonexclusive product line, it would still be incremental business for MSO that it views favorably. MSO up 1.2% at \$2.53. (joan.solsman@dowjones.com; @joan_e)

11:36 EDT - Like any remodeling effort, the ones being done to JC Penney's (JCP) home-goods departments are causing disruptions, Piper Jaffray says. Based on firm's checks, it appears many of JCP's locations have been "significantly impacted" by the remodel in about 500 stores this spring. Firm lowers fiscal 1Q earning estimate to a \$0.92 loss from \$0.67 loss. JCP up 2.7% to \$15.01. (karen.talley@dowjones.com)

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11:26 EDT - TripAdvisor (TRIP) shares bubble higher even while the overall market sinks, as Piper Jaffray applauds its depopulation of pop-ups. TRIP is most visited travel site on Web but its pop-up-based model -- which crowds users' screens with booking-option windows -- is overdue for overhaul, it says. Transitions to metasearch will reduce click volume but improve cost-per-click economics, which it believes could turn TRIP's \$600M run rate business into \$800M. Piper gives price target a big lift to \$62 from \$45, and shares rise 1.4% to \$53.38, putting YTD climb at 27%. (joan.solsman@dowjones.com; @joan_e)

11:23 EDT - After meeting with management last week, lululemon (LULU) bull Janney says the company has its arms around its too-sheer yoga pants, calling it "short-term, identifiable and solvable" while not likely "to have lasting damage on the brand." The investment bank adds testing on the fabric should be completed in 3-4 weeks. Wedbush says there's signs the black Luon pants could start shipping around June 1, "earlier than initially expected." That as LULU stores "continue to see strong traffic trends and sell-throughs in new fashion, specifically the Frangipani floral that delivered to all stores last week." LULU is up 2.6% at \$71.42, putting this month's rebound at 15%. Shares have more than reversed last month's Luon-inspired selloff. (karen.talley@dowjones.com)

11:21 EDT - Citigroup's (C) 1Q cash equity business grew 78% from 4Q, to \$826M; while JPMorgan's (JPM) rose 50% to \$1.3B. In fixed income trading, C's traditional stronghold, revenue rose 69% to \$4.6B; at JPM, it was up 50% to \$4.8B. C has been struggling in the equities trading business, particularly with derivatives, but looks to regain its footing with management changes and new hires. "We are gaining share in cash equities," CFO John Gerspach said during a conference call. "More importantly, we're improving our performance in

equity derivatives." But Gerspach, rarely one to celebrate, adds "Look, it's a tough market out there." C gains 2.6% to \$45.94. (matthias.rieker@dowjones.com)

11:08 EDT - Deutsche Bank thinks 1Q earnings will be "more of the same" for consumer staples companies, with few big EPS misses while organic sales and volume growth "should remain constrained." But the longer that dynamic continues with companies' stocks at lofty levels, it will "further bring into question the absolute and relative multiples the market is currently rewarding these enhanced yield, bond surrogates." Shares of beverage, household and personal-care companies all "seem to have found the enduring love" of investors looking for stable, dividend paying names. While most large-cap staples have done well, Deutsche Bank still sees most upside in two of the biggest -- Coca-Cola (KO) and P&G (PG). (paul.ziobro@dowjones.com; @pziobro)

11:05 EDT - Nielsen data show US spirits sales, up 5.5% for the 4-week period ended March 30, were again helped by a healthy double-digit jump for bourbons. Flavored bourbons and whiskeys have won consumer praise, lifting Brown-Forman (BFB) and BEAM results of late. Sales and volume gains for both exceeded the broader industry in March. The spirits industry's sales growth was mostly due to price increases, though volume rose 1.9%, says Nielsen. Citi points out that other brown spirits, including Canadian and Irish whiskeys and Scotch, also posted impressive gains. BFB is up 1% while BEAM falls 0.5%, in line with the broader market. (john.kell@dowjones.com)

11:02 EDT - It might be a bit contrarian, but Macquarie is calling for an increase in the price difference between WTI and Brent crude futures within the next six weeks. Asian refiners that had been offline for repair work will soon be back in business, which the investment bank says should send Brent higher. Macquarie sees the difference between Brent and US crude likely reaching \$15/barrel, versus the \$12 it's recently narrowed to. (ben.lefebvre@dowjones.com)

11:00 EDT - JPMorgan comes away from meeting with Signet Jewelers' (SIG) management confident in operations, especially how SIG will use its competitive strengths to fend off weaker competition. This strength is reflected in the share price, just off all-time highs, and poses good value on pullbacks, bank says as it keeps its neutral rating while raising target to \$70. SIG down 1.3% to \$67.11 after hitting record high of \$70.02 last week. (karen.talley@dowjones.com)

10:59 EDT - DA Davidson's upgrade of Under Armour (UA) to buy, like Susquehanna's upbeat comments, focuses at least as much on the future as anything else. Davidson likes the athletic-gear maker's chances to gradually raise 2013 guidance as the year progresses amid things like its growing women's business and expanded department-store distribution. And considering UA commands less than 3% of the US athletic-footwear market and has a tiny international presence, Davidson believes there is "no end in sight for 20%+ annual growth at" UA. It's up 1.9% as the broader market falls, putting this month's jump ahead of Friday's 1Q report at 13%. (john.kell@dowjones.com)

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[04-15-13 1157ET]

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MARKET TALK: Priceline Shares May Move 20%, But Which Way?

142 字

2013 年 4 月 15 日 16:57

Dow Jones News Service

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11:57 EDT - Priceline's (PCLN) stratospheric shares -- in dollar value, second to only Google (GOOG) in the **S&P500** -- descend a bit after Barron's deep dive into PCLN says a 20%-plus correction looms if earnings growth slows. Some key arguments, such as increasing competition and margin pressure from emerging market expansion, get counterpoints from RBC: More marketing competition is an incremental change, not a dramatic one, and the emerging-market pressure comes from ramp-up costs that scale over time. With \$900 price target, RBC sees shares having another 23% rally left in them. Today they're down 2.1% at \$727.28. (joan.solsman@dowjones.com; @joan_e)

Call us at (212) 416-2181 or john.shipman@dowjones.com [04-15-13 1157ET]

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DOW JONES NEWSWIRES

Barron's: The Trader: Dow Flirts With 15,000 Despite Friday's Selloff

2,226 字

2013 年 4 月 13 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 4/15/13)

By Vito J. Racanelli

The stock market raced ahead last week, up over 2% as the 2013 rally motored on. The Dow Jones Industrial Average came close but failed to reach the 15,000 milestone, restrained by a broad market selloff on Friday.

The week's party ended after four days of consecutive moves higher, and investors showed their displeasure with weak revenue-growth numbers at the money-center banks, which reported first-quarter earnings on Friday. Poorer-than-expected retail sales and consumer-sentiment data released today also put a damper on things.

Nevertheless, at Friday's close of 14,865.06, up 2.1% or 300 points on the week, the Dow is within striking distance of 15,000. The Dow also managed an impressive reversal on Friday, bucking the broad market trend. Down 0.5% at one point, the average finished near highs for the day.

By historical norms, the Dow's current price-to-earnings multiple of 14 to 15 times isn't unusual even for peak earnings, says Nicholas Colas, chief market strategist at ConvergeX. And that's not taking into account the low-interest-rate environment. "Dow 15,000 is achievable quickly," he adds.

There's a good chance investors will be breaking out their Dow 15,000 baseball caps soon, perhaps as early as this week. That's something this magazine noted over a year ago ("Enter the Bull," Feb. 13, 2012).

The S&P 500 rose 36 points, or 2.3%, last week, to finish at 1588.85. On Thursday it set a new all-time high of 1593.37. It was a week for coming close to nice round numbers, as the S&P 500 approached 1600, a level that is the 2013 year-end target predicted by some bulls last December. The Nasdaq Composite index, up 91 points, rose 2.8% last week to 3294.95.

Friday's market slide was partially caused by the release of March retail sales, down 0.4% and worse than expectations of flat sales. The University of Michigan-Thomson Reuters consumer sentiment index fell to 72.3 in early April from 78.6 in March, below the 78.6 consensus.

And while JPMorgan Chase (ticker: JPM) reported first-quarter net profits that were ahead of expectations, it was the 3% quarterly revenue drop to \$25.9 billion that investors focused on. Meanwhile, Wells Fargo Bank (WFC) also topped analyst earnings estimates, with profits up 22%, but there, too, revenue slipped, 2%.

Weak loan growth and narrowing net-interest-margin trends are evident, and cost cuts were big drivers, says Fort Pitt Capital Group senior equity analyst Kimberly Forrest. That didn't sit well with investors on Friday, she adds.

The market's rally does appear to have reached a critical mass of strength. For now, at least, losing days and weeks tend to be short and shallow.

"We seem to have a positive confidence loop going, something that was lacking this time last year," adds Cameron Hinds, a regional chief investment officer at Wells Fargo Bank. Both the market and housing have been going up for some time now, and growing household net worth tends to increase investor confidence, he says.

It's unclear if and when the individual investor will return en masse, but Colas adds, "Anything that puts the stock market at the top of the news in a positive way is helpful to retail interest."

Following the release last week of surprisingly upbeat news from First Solar (FSLR), the stock soared, suggesting investors believe sunny days are here again for the maker of solar panels and developer of power plants.

At its analyst meeting on Tuesday, First Solar said it expects 2013 earnings per share of \$4 to \$4.50 on sales of \$3.8 billion to \$4 billion, significantly higher than consensus estimates of \$3.50 for earnings and \$3.1 billion for sales. Last year, the company earned \$4.90, excluding extraordinary restructuring charges of about \$469 million.

After jumping nearly 50% on Tuesday, First Solar shares eased, but at Friday's close of \$37.11 they remain nearly 40% higher than before the analyst day. Yet that's far below the stock's all-time high of more than \$300, back in 2008. First Solar and its many rivals have seen their shares plunge in the past five years on lower panel prices and a global glut of manufacturing capacity.

While the Tempe, Ariz. --based company's immediate outlook is improving, a closer examination of what First Solar said suggests the market has overreacted and has bid the share price up beyond what is justified. It is uncertain how well First Solar will be able to execute on the ambitious goals revealed on Tuesday.

For example, for 2014, First Solar has a target price of \$2.50 to \$4 in earnings per share, potentially down from this year, which the company attributed to the increased cost of financing projects. The target for 2015 is \$4 to \$6 per share. The important thing to note here is that, unlike the 2013 figures released, First Solar labeled the 2014 and 2015 numbers targets, not guidance. That distinction was generally lost in some media and research reports following the news.

What's the beef? One ignored but reasonable reading of First Solar's targets could result in earnings per share that are flat at \$4 for three years. That risk doesn't support such a stock rise. The skepticism is justified because of the company's checkered history of results. In the past 10 years, there has been a steady and significant slowdown of growth in revenue and net profit.

Meanwhile, gross profit and margins on earnings before interest, taxes, depreciation, and amortization have fallen, too. Last Tuesday, for example, amid the bullish hoopla, the company again guided to a drop in 2013 gross margins, to 20%-22%, from 27% last year. It's a tech company, and that's often what happens in a highly competitive technology sector such as solar.

Even the guidance for 2013 isn't as bullish as the headlines would have it. Pacific Crest analyst Ben Schuman, who attended the analyst day, gives the company credit for putting together an ambitious road map and showing some sustainable cost advantages. However, adds Schuman, who has an Underperform rating on the stock, "the driver of the difference" in improved 2013 guidance results not from new projects but from bringing forward revenue recognition to 2013-14 from 2014-15 for a large project, the 550-megawatt Desert Sunlight solar plant.

That project was contracted years ago at higher prices and margins, and Schuman attributes \$1.10 of the 2013 EPS and about \$3 for 2014 EPS to pulled-forward sales. Moreover, the 2015 EPS target of \$4 to \$6 is "built on some aggressive sales and pricing assumptions."

First Solar bulls defend the stock rise by pointing to improved earnings visibility further out to 2015 and its sharply dropping cost basis, and the view that it is a best-in-class company. They note the stock has dropped substantially from all-time highs, now selling at a relatively cheap P/E ratio of 8.5 to 9.5 times 2013 EPS. That's toward the low end of history, but growth is much slower now.

A First Solar spokesman said via e-mail that there was no prior 2013 guidance, "so nothing could be pulled forward." And the use of targets for 2014-15 "reflects the increased uncertainty further out in time."

Nevertheless, the bulls can't paper over a history of contracting growth and margins. The current stock price might be validated by perfect execution for the next two to three years, but First Solar's history doesn't back that kind of optimism. Before the news, First Solar shares might have been undervalued given the 2013 revenue improvement. But does the new information justify a nearly 40% jump?

A month ago this column wrote a bullish item on F5 Networks (FFIV), but already we're behind the eight ball with that call.

On April 4, F5 disappointed investors again, saying that results in the fiscal second quarter ended March 31 are expected to be \$350.2 million, below guidance of \$370 million to \$380 million. EPS would be 79 to 80 cents, also down from the company's previous expectation of 93 cents to 96 cents. In the year-prior second quarter, EPS was 88 cents and revenue was \$340 million.

F5 blamed a general weakness in buying from North American customers and in particular from telecom clients, as well as from government sales.

F5 makes "application-delivery controllers," hardware that manages Internet traffic, among other products like firewalls and other kinds of security software. The ADC box examines incoming data and decides if there are security threats, decrypts and encrypts data, and can compress data bandwidth, among other things. F5 has

about a 50% share of the ADC market, competing with Cisco Systems (CSCO), and Citrix Systems (CTXS), among others.

This latest disappointment follows an earnings miss in the fourth quarter ended September and a fiscal first quarter where revenue and earnings continued to slow. Then, in January, the Seattle-based company gave an upbeat outlook for the second quarter ended March, so one can't blame investors for taking umbrage.

At Friday's close of \$74.98, the stock is down some 20% from \$94, when our item was published on March 11. Back then, the shares were already down by a third from almost \$140 a year ago. Until mid-2012, F5 investors had been accustomed to strong double-digit sales growth.

These stumbles are a concern. However, the setback is centered in telecom spending and delayed expenditures for F5's products, not its basic competitiveness. That's a consolation. And F5's core ADC business is still doing well, while its small but fast-growing security software, which is rolling out a number of new products this year, should also help.

Over the long term, it's still likely that more digital data will be created year after year, and data-traffic growth will increase sharply. Demand for popular traffic-managing products like the ADCs will benefit. And with that, data security will become more important, not less.

13 Apr 2013 00:08 EDT Barron's: The Trader: Dow Flirts With 15,000 -2-

With its leading position in the ADC market and new firewall and security-software products coming out, F5 stands to benefit as the amount of information sent across the Internet proliferates.

As for telecoms, given the expected build-out in the U.S. of the mobile 4G long-term evolution (LTE) system, it's a good bet operators will have to step up spending fairly soon, and that should bring some recovery to ADC over the next 12 months.

Our thesis has taken a hit, and F5's competitive landscape isn't easing. At this point, even a return to \$94 -- breakeven for our item -- looks a ways off. It's going to be a longer wait, but it should still be worth it. F5 will release full fiscal second-quarter results on April 24.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14865.06 | +299.81 | +2.06 |
| DJTransportation | 6143.75 | +106.39 | +1.76 |
| DJUtilities | 523.32 | +8.59 | +1.67 |
| DJ65Stocks | 5086.54 | +94.71 | +1.90 |
| DJUSMarket | 399.45 | +9.00 | +2.31 |
| NYSEComp. | 9188.26 | +188.01 | +2.09 |
| NYSEMKTComp. | 2406.85 | +25.17 | +1.06 |
| S&P500 | 1588.85 | +35.57 | +2.29 |
| S&PMidCap | 1149.23 | +25.26 | +2.25 |
| S&PSmallCap | 526.64 | +9.17 | +1.77 |
| Nasdaq | 3294.95 | +91.09 | +2.84 |
| ValueLine(arith.) | 3549.25 | +82.28 | +2.37 |
| Russell2000 | 942.85 | +19.57 | +2.12 |
| DJUSTSMFloat | 16552.65 | +371.97 | +2.30 |

| | Last Week | Week Earlier |
|------------------|-----------|--------------|
| NYSE | | |
| Advances | 2,310 | 1,080 |
| Declines | 870 | 2,091 |
| Unchanged | 53 | 47 |
| NewHighs | 604 | 492 |
| NewLows | 62 | 91 |
| AvDailyVol(mil) | 3,206.1 | 3,313.8 |
| Dollar | | |
| (Finexspotindex) | 82.13 | 82.50 |

| | | |
|----------------------|---------|---------|
| T-Bond | | |
| (CBTnearbyfutures) | 132-315 | 133-050 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 91.29 | 92.70 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 287.21 | 288.28 |
| Gold | | |
| (CMXnearbyfutures) | 1501.00 | 1575.40 |
| --- | | |

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April 13, 2013 00:08 ET (04:08 GMT)

文件 DJDN000020130413e94d000h2

DOW JONES NEWSWIRE

DJ MARKET TALK: Japan Exporters Rise On Weaker Yen; Toyota +4.7%

189 字

2013 年 4 月 11 日 03:33

Dow Jones Institutional News

DJDN

英文

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0233 GMT [Dow Jones] Shares of exporters are up with auto-related stocks leading the pack. Toyota Motor (7203.TO) is up 4.7% at Y5,580 while Bridgestone (5108.TO) is up 4.3% at Y3,645. The weaker yen, combined with an improving (albeit gradually) U.S. economy, and all-time highs for the **S&P500** in New York have all contributed to the optimism, says a fund manager for a domestic asset management firm. "The market is factoring in USD/JPY 100 but expectations that it will go above 100 are running high," the manager says. Toyota's current earnings forecast is based on USD/JPY 90 so if it reaches 100, the automaker's profit may jump by 50%, he adds. Honda Motor (7267.TO) is up 3.1% at Y3,950 and Denso (6902.TO) is up 4.7% at 3,655. (yumi.otagaki@dowjones.com)

Contact us in Singapore. 65 64154 140; MarketTalk@dowjones.com

(END) Dow Jones Newswires

April 10, 2013 22:33 ET (02:33 GMT)

文件 DJDN000020130411e94b000cv

DOW JONES NEWSWIRES

DJ CHART ProShares UltraShort **S&P500** ST: below its lower Bollinger band

182 字

2013 年 4 月 11 日 08:42

Dow Jones Newswires

DJDN

英文

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SDSUSD130411094132.gif>

Our pivot point stands at 41.7.

Our preference: short term rebound towards 45.9.

Alternative scenario: the downside breakout of 41.7 would call for 40.5 and 39.8.

Comment: the RSI is below its neutrality area at 50. The MACD is negative and above its signal line. The configuration is mixed. Moreover, the share stands below its 20 and 50 day MA (respectively at 44.44 and 46.14). Finally, ProShares UltraShort **S&P500** is trading below its lower daily Bollinger band (standing at 43.32). ProShares UltraShort **S&P500** is currently trading near its 52 week low at 42.7 reached on 10/04/13.

Supports and resistances:

46.6 *

45.9 **

45.2

42.808 last

42.2

41.7 **

40.5 *

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April 11, 2013 03:42 ET (07:42 GMT)

文件 DJDN000020130411e94b0018a

 [An S&P chart that could be pointing to a correction](#)

MarketWatch Blogs, 2013 年 4 月 10 日 09:45, 289 字, (英文)

SPX 2003 vs 2009 [twitter.com/ukarlewitz/sta...](https://twitter.com/ukarlewitz/status/32411094132)— ukarlewitz (@ukarlewitz) April 10, 2013 Under the category, history repeats itself, here is a chart that's rather painful on the eyes. To the bears (and maybe the bulls) this chart shows the ...

文件 WCMWB00020130410e94a0008d

MARKET WEEK

Stocks --- The Trader: Mixed Data Keeps Stocks Flat for the Week

By Avi Salzman

2,088 字

2013 年 4 月 8 日

Barron's

B

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Small-company stocks took it on the chin last week, dropping 3% in their worst showing since June. It's a slightly ominous sign, as the performance of riskier smaller stocks is often seen as a harbinger for the rest of the market. But the selloff wasn't reflected elsewhere; large-company indexes traded flat to slightly down on the week. Stocks moved on mixed data, including a disappointing U.S. jobs report on Friday.

Investors seem particularly conflicted about large stocks. The Standard & Poor's 500 has failed to express the same opinion on consecutive days in more than two weeks: It's been one day up and the next day down for 12 days in a row, a new record. But there are no trophies for those kinds of records, and generally no one gets rich.

Even as the S&P enacts its own version of Faye Dunaway's "she's my daughter/she's my sister" scene from Chinatown, the bulls show no hesitation or confusion. "It's a minor bump along the way," said Stuart Freeman, chief equity strategist at Wells Fargo Advisors. This is still a market that trades on the whims of central-bank officials, and there's no indication that they intend to take their feet off the gas pedal, Freeman says.

Retail investors also continue shifting slowly into stocks and out of cash and bonds, Freeman says. That should lead to higher price/earnings ratios for stocks. "We've just started to see that since the beginning of the year," he says. "Individuals are moving back into equities. It's still very early."

The Dow fell 13.29 points, or 0.09%, to 14,565.25 for the week. The S&P 500 lost 15.91 points, or 1.01%, to close at 1553.28, and the Nasdaq Composite gained 63.66 points, or 1.95%, to 3203.86. The Russell 2000 small-cap index fell 28.26 points, or 2.97%, to 923.28.

The monthly jobs report released Friday proved disappointing, as U.S. employers added just 88,000 jobs in March, against expectations for a gain of 200,000. The unemployment rate fell to 7.6%, largely because the labor force shrank. Despite the worst jobs reading since June 2012, investors didn't seem particularly shaken: After falling by about 170 points at 10 a.m., the Dow ended the day down just 41 points.

With the Federal Reserve keeping a close eye on the employment situation, the slump could turn in investors' favor. "This single employment report will not prompt a sea change in the Fed's thinking, but would act to push back the timing for starting to scale back asset purchases," says T. Rowe Price economist Alan Levenson.

The job numbers were "just an excuse to have a little bit of a selloff," said Martin Leclerc, chief investment officer of Barrack Yard Advisors. Even evidence that the U.S. economy is faltering won't rattle retail investors. "My sense is that they're not as scared as they were," Leclerc said. "It's funny what a doubling of the stock market will do."

That said, investors exhibited some caution. They turned to less risky assets this week -- 10-year Treasury yields fell to 1.698%, their lowest rate since December. Just last month, they were yielding more than 2%. Among S&P 500 stocks, only the utility, telecom, and health-care sectors rose.

Stocks could be tested next week, as first-quarter earnings season begins, although early results may not move the needle, says Freeman. "It will take a few weeks to see what direction we're heading in."

With the economy teetering again, it's no surprise that companies are trying to capitalize on the woes of the cash-strapped American consumer. Unfortunately, every retailer got the same memo about strategies to entice shoppers, and that memo says "consumables."

"Everybody into the Consuma-Pool!" shouted a recent note from Nomura analyst Aram Robinson.

Who isn't selling potato chips, soda, candy, and bread these days? Drug stores, Wal-Mart Stores (WMT), Target (TGT), and dollar stores are doing everything they can to pull consumers in with food, toilet paper, and other items they might normally get from supermarkets or bodegas. Even Best Buy (BBY) sells candy and soda. They want to boost unit sales and try to persuade shoppers to buy a T-shirt or another high-margin item while they're picking up milk or cigarettes.

The shift has certainly hurt middle-market supermarket chains like Safeway (SWY) and Supervalu (SVU). But the heightened competition could also hurt dollar stores, which are expanding at a rapid rate and are likely to butt heads with each other and with Wal-Mart.

Dollar stores caught a powerful tailwind in the recession that sent shares sharply higher. They stole market share from Wal-Mart as they capitalized on a trade-down effect among middle-class Americans.

But Wal-Mart is now trying aggressively to win those customers back, investing \$1 billion this year to cut prices. The retail giant has also rolled out ads claiming its prices are lower than those of competitors like dollar stores, and opening smaller Neighborhood Markets to reclaim share.

As their same-store sales decelerate, the dollar stores are intent on building new ones at an even faster pace. Together the major dollar-store chains, Dollar General (DG), Family Dollar (FDO), and Dollar Tree (DLTR) have more than 20,000 stores, versus 4,500 domestic stores for Wal-Mart. Dollar General plans to open another 635 stores this year. And Family Dollar expects to launch another 500.

But the dollar-store competition has gotten crowded in some neighborhoods: About 75% of Family Dollar stores are within three miles of a Dollar General, and 54% are in the same area as Dollar Tree, according to Credit Suisse analyst Edward Kelly.

Of the three, Dollar General arguably has the most to lose. It's the most efficient of the bunch, selling about \$216 worth of items per square foot, versus \$190 for Dollar Tree and \$181 for Family Dollar. That efficiency gap has narrowed in the past couple of years.

Dollar General is still growing profitably, but earnings per share and same-store-sales growth could tail off this year. Dollar General's EPS rose 17% in 2012, and is expected to rise 9% in the current year. Same-store sales were up 4.7% last year, the slowest growth rate since 2008. This year, it expects same-store sales growth of 4% to 6%. Inventory began piling up in the last quarter, which will cause the company to mark down more items in the current quarter.

Dollar General is introducing cigarettes this year, which could boost traffic but hurt margins. In fact, the company now predicts that its gross margin will contract in 2013 after holding steady for the past four years. It trades at a price/earnings ratio of about 15, higher than Family Dollar and Wal-Mart.

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Investors responded by sending shares up almost 3% to \$64.33 as shares already reflected much of the bad news, having tumbled from a high of \$78 in September.

But what ails LuLu may not be resolved quickly. Customers have been complaining about product quality since at least August, when we wrote in *The Trader* of complaints online that fabric colors were running. Shares were at \$56 and going short was too risky, given the size of the short position, but we recommended avoiding the shares.

The same advice holds today as the shares still trade at a lofty multiple, 32 times this year's earnings estimates, and customer complaints about product quality and consumer service are easily found on LuLu-themed blogs and on the company's own Facebook site. Making matters worse, customers aren't just griping, they're also touting yoga products they've found elsewhere. On *Lululemon Addict*, a blog devoted to all things LuLu, customers had a long thread discussing LuLu alternatives like Yogasmoga, KiraGrace, and Nancy Rose.

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"We believe LuLu's current growing pains suggest a need to slow square-footage growth and reinvest in the business, which could spark turnover in the shareholder base as growth investors reduce positions," he wrote in a recent report. His price target: \$51. A LuLu spokesperson didn't return calls.

If overexpansion really is the root of the problem, it will take more than eliminating the chief product officer to right the ship. Keep your eyes on the Internet if you want to know when it's time to buy both yoga pants and stock. LuLu Internet chatter will let you know when all's well.

-- Jacqueline Doherty

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14565.25 | -13.29 | -0.09 |
| DJTransportation | 6037.36 | -217.97 | -3.48 |
| DJUtilities | 514.73 | +6.33 | +1.25 |
| DJ65Stocks | 4991.83 | -45.11 | -0.90 |
| DJUSMarket | 390.45 | -4.91 | -1.24 |
| NYSEComp. | 9000.25 | -106.80 | -1.17 |
| NYSEMKTComp. | 2381.68 | -24.50 | -1.02 |
| S&P500 | 1553.28 | -15.91 | -1.01 |
| S&PMidCap | 1123.97 | -29.71 | -2.58 |
| S&PSmallCap | 517.47 | -13.91 | -2.62 |
| Nasdaq | 3203.86 | -63.66 | -1.95 |
| ValueLine(arith.) | 3466.97 | -81.82 | -2.31 |
| Russell2000 | 923.28 | -28.26 | -2.97 |
| DJUSTSMFloat | 16180.68 | -215.47 | -1.31 |

Last Week Week Earlier

| | | |
|--------------------|---------|---------|
| NYSE | | |
| Advances | 1,080 | 1,883 |
| Declines | 2,091 | 1,254 |
| Unchanged | 47 | 77 |
| NewHighs | 492 | 622 |
| NewLows | 91 | 51 |
| AvDailyVol(mil) | 3,313.8 | 3,009.9 |
| Dollar | | |
| (Finexspotindex) | 82.57 | 82.99 |
| T-Bond | | |
| (CBTnearbyfutures) | 133-050 | 131-315 |

| | | |
|----------------------|---------|---------|
| Crude Oil | | |
| (NYMlightsweetcrude) | 92.70 | 97.23 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 288.28 | 296.39 |
| Gold | | |
| (CMXnearbyfutures) | 1575.40 | 1594.80 |

Corrections & Amplifications

The Nasdaq Composite lost 1.95% in the week ended April 5. Last week's Trader column mistakenly stated that the Nasdaq had risen by that amount.

(Barron's April 15, 2013)

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5035

文件 B0000000020130406e9480000t

DOW JONES NEWSWIRES

Barron's: The Trader: Mixed Data Keeps Stocks Flat For The Week

2,122 字

2013 年 4 月 6 日 05:07

Dow Jones Institutional News

DJDN

英文

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(FROM BARRON'S 4/8/13)

By Avi Salzman

Small-company stocks took it on the chin last week, dropping 3% in their worst showing since June. It's a slightly ominous sign, as the performance of riskier smaller stocks is often seen as a harbinger for the rest of the market. But the selloff wasn't reflected elsewhere; large-company indexes traded flat to slightly down on the week. Stocks moved on mixed data, including a disappointing U.S. jobs report on Friday.

Investors seem particularly conflicted about large stocks. The Standard & Poor's 500 has failed to express the same opinion on consecutive days in more than two weeks: It's been one day up and the next day down for 12 days in a row, a new record. But there are no trophies for those kinds of records, and generally no one gets rich.

Even as the S&P enacts its own version of Faye Dunaway's "she's my daughter/she's my sister" scene from Chinatown, the bulls show no hesitation or confusion. "It's a minor bump along the way," said Stuart Freeman, chief equity strategist at Wells Fargo Advisors. This is still a market that trades on the whims of central-bank officials, and there's no indication that they intend to take their feet off the gas pedal, Freeman says.

Retail investors also continue shifting slowly into stocks and out of cash and bonds, Freeman says. That should lead to higher price/earnings ratios for stocks. "We've just started to see that since the beginning of the year," he says. "Individuals are moving back into equities. It's still very early."

The Dow fell 13.29 points, or 0.09%, to 14,565.25 for the week. The S&P 500 lost 15.91 points, or 1.01%, to close at 1553.28, and the Nasdaq Composite lost 63.66 points, or 1.95%, to 3203.86. The Russell 2000 small-cap index fell 28.26 points, or 2.97%, to 923.28.

The monthly jobs report released Friday proved disappointing, as U.S. employers added just 88,000 jobs in March, against expectations for a gain of 200,000. The unemployment rate fell to 7.6%, largely because the labor force shrank. Despite the worst jobs reading since June 2012, investors didn't seem particularly shaken: After falling by about 170 points at 10 a.m., the Dow ended the day down just 41 points.

With the Federal Reserve keeping a close eye on the employment situation, the slump could turn in investors' favor. "This single employment report will not prompt a sea change in the Fed's thinking, but would act to push back the timing for starting to scale back asset purchases," says T. Rowe Price economist Alan Levenson.

The job numbers were "just an excuse to have a little bit of a selloff," said Martin Leclerc, chief investment officer of Barrack Yard Advisors. Even evidence that the U.S. economy is faltering won't rattle retail investors. "My sense is that they're not as scared as they were," Leclerc said. "It's funny what a doubling of the stock market will do."

That said, investors exhibited some caution. They turned to less risky assets this week -- 10-year Treasury yields fell to 1.698%, their lowest rate since December. Just last month, they were yielding more than 2%. Among S&P 500 stocks, only the utility, telecom, and health-care sectors rose.

Stocks could be tested next week, as first-quarter earnings season begins, although early results may not move the needle, says Freeman. "It will take a few weeks to see what direction we're heading in."

With the economy teetering again, it's no surprise that companies are trying to capitalize on the woes of the cash-strapped American consumer. Unfortunately, every retailer got the same memo about strategies to entice shoppers, and that memo says "consumables."

"Everybody into the Consuma-Pool!" shouted a recent note from Nomura analyst Aram Robinson.

Who isn't selling potato chips, soda, candy, and bread these days? Drug stores, Wal-Mart Stores (WMT), Target (TGT), and dollar stores are doing everything they can to pull consumers in with food, toilet paper, and other items they might normally get from supermarkets or bodegas. Even Best Buy (BBY) sells candy and soda. They want to boost unit sales and try to persuade shoppers to buy a T-shirt or another high-margin item while they're picking up milk or cigarettes.

The shift has certainly hurt middle-market supermarket chains like Safeway (SWY) and Supervalu (SVU). But the heightened competition could also hurt dollar stores, which are expanding at a rapid rate and are likely to butt heads with each other and with Wal-Mart.

Dollar stores caught a powerful tailwind in the recession that sent shares sharply higher. They stole market share from Wal-Mart as they capitalized on a trade-down effect among middle-class Americans.

But Wal-Mart is now trying aggressively to win those customers back, investing \$1 billion this year to cut prices. The retail giant has also rolled out ads claiming its prices are lower than those of competitors like dollar stores, and opening smaller Neighborhood Markets to reclaim share.

As their same-store sales decelerate, the dollar stores are intent on building new ones at an even faster pace. Together the major dollar-store chains, Dollar General (DG), Family Dollar (FDO), and Dollar Tree (DLTR) have more than 20,000 stores, versus 4,500 domestic stores for Wal-Mart. Dollar General plans to open another 635 stores this year. And Family Dollar expects to launch another 500.

But the dollar-store competition has gotten crowded in some neighborhoods: About 75% of Family Dollar stores are within three miles of a Dollar General, and 54% are in the same area as Dollar Tree, according to Credit Suisse analyst Edward Kelly.

Of the three, Dollar General arguably has the most to lose. It's the most efficient of the bunch, selling about \$216 worth of items per square foot, versus \$190 for Dollar Tree and \$181 for Family Dollar. That efficiency gap has narrowed in the past couple of years.

Dollar General is still growing profitably, but earnings per share and same-store-sales growth could tail off this year. Dollar General's EPS rose 17% in 2012, and is expected to rise 9% in the current year. Same-store sales were up 4.7% last year, the slowest growth rate since 2008. This year, it expects same-store sales growth of 4% to 6%. Inventory began piling up in the last quarter, which will cause the company to mark down more items in the current quarter.

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6 Apr 2013 00:07 EDT Barron's: The Trader: Mixed Data Keeps Stocks -2-

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Friday's Close Week's Change Week's % Chg.

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|------------------|----------|---------|-------|
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Corrections & Amplifications

This column was corrected on April 12, 2013 at 15:01 ET (19:01 GMT) to reflect that the Nasdaq Composite lost 1.95% in the week ended April 5, not gained 1.95%.

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(END) Dow Jones Newswires

April 06, 2013 00:07 ET (04:07 GMT)

文件 DJDN000020130406e946000mk

 [6 crucial gut checks before the stock market's opening bell](#)

MarketWatch Blogs, 2013 年 4 月 5 日 12:16, 775 字, (英文)

Good morning. It's not just about jobs, it's about mojo. A disappointingly weak March rise in nonfarm payrolls (more below) will feed fears of the broader economy is headed for a spring swoon -- repeating a pattern seen in 2012 and 2011.

文件 WCMWB00020130405e9450005l

DOW JONES NEWSWIRES

DJ CHART ProShares UltraShort **S&P500** ST: short term rebound towards 47.5

156 字

2013 年 4 月 4 日 15:08

Dow Jones Newswires

DJDN

英文

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SDSUSD130404160634.gif>

Our pivot point stands at 43.1.

Our preference: short term rebound towards 47.5.

Alternative scenario: below 43.1, expect 41.5 and 40.6.

Comment: the RSI is below 50. The MACD is above its signal line and negative. The configuration is mixed. Moreover, the share stands below its 20 and 50 day MA (respectively at 44.67 and 46.53). ProShares UltraShort **S&P500** is currently trading near its 52 week low at 43.66 reached on 02/04/13.

Supports and resistances:

48.5 *

47.5 **

46.6

44.3599 last

43.7

43.1 **

41.5 *

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(END) Dow Jones Newswires

April 04, 2013 10:08 ET (14:08 GMT)

文件 DJDN000020130404e9440044u

DOW JONES NEWSWIRES

DJ CHART ProShares Ultra **S&P500** ST: target 67.3

162 字

2013 年 4 月 4 日 15:08

Dow Jones Newswires

DJDN

英文

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(TRADING Central) PARIS -- Click here to see our chart:
<http://www.tradingcentral.com/chart/SSOUSD130404160642.gif>

Our pivot point stands at 74.5.

Our preference: target 67.3.

Alternative scenario: above 74.5, look for 77.1 and 78.6.

Comment: the RSI is below its neutrality area at 50. The MACD is positive and below its signal line. The MACD must penetrate its zero line to expect further downside. Moreover, the stock is above its 20 and 50 day MA (respectively at 72.07 and 69.52). ProShares Ultra **S&P500** is currently trading near its 52 week high reached at 73.65 on 02/04/13.

Supports and resistances:

77.1 *

74.5 **

73.5

72.45 last

68.8

67.3 **

65.8 *

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April 04, 2013 10:08 ET (14:08 GMT)

文件 DJDN000020130404e94400427

Analysis

Hess Corp Agrees \$2.1 Billion Sale of Russian Unit to Lukoil

By Mike Weir

595 字

2013 年 4 月 3 日 11:36

Dow Jones Top North American Equities Stories

DJTNAE

英文

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Investors generally reacted positively to news that Hess Corp. attracted a \$2.05 billion bid for Samara-Nafta from OAO Lukoil. By midday Tuesday the stock was up to around \$74, compared with less than \$71 a week ago.

But a narrow group of shareholders is of more acute interest to Hess Corp.'s management than are those of the wider market. Namely, Elliot Management Corp., and its "affiliates," which own more than 4% of the company and are agitating for five board seats and a radical structural shake up.

The activists want Hess to spin off its Bakken, Eagle Ford and Utica acreage, divest downstream assets and place midstream assets in a master limited partnership, while selling off the international portfolio. Hess is doing a lot of this, although management say this has nothing to do with Elliot.

It is only a matter of time before the rest of Hess's shareholders come round to Elliot's way of thinking, given the validity of most of those ideas. Hess is certainly outperforming the S&P 500 now, but that has only occurred since Elliot showed an interest. Before that, the integrated oil group underperformed the benchmark U.S. stock index by up to 30%. Moreover, even the **S&P500** was slightly outperformed by the Alerian MLP index in 2012, adding weight to Elliot's argument that Hess Corp.'s midstream assets should be spun off into MLP structures.

The wisdom of selling off profitable international businesses is not immediately clear, other than as a raw means of raising capital, but dropping midstream assets into tax-efficient MLPs makes sense, as does getting out of refining and marketing. That latter step poses a challenge.

Refining and marketing—which includes refining, retail and terminals—accounted for \$25.5 billion of Hess revenue in 2012 but only \$231 million in net income. That's 68% of group revenue and 11% of group income. Prior to 2012, the division made consecutive losses. It is obvious that culling the business would create value and boost profitability.

How, though?

Proceeds from a sale would further alleviate pressure on Hess Corp.'s balance sheet but finding a buyer prepared to pay a premium will be tricky. Hess has admitted defeat with its Port Reading, NJ, refinery, which closed in February. The terminal business, meanwhile, focuses on storing oil imports on the U.S. East Coast, so will also struggle to attract a buyer, because of the country's declining reliance upon importing crude across the Atlantic. The final piece of the marketing jigsaw, gasoline retailing, is a famously low-margin business. Management should perhaps consider spinning off the remainder of the downstream business, rather than waste time trying to find a buyer.

Hess may have hit the jackpot with its Russian divestment but the big divestment is yet to come and with activist investors breathing down management's neck, opportunistic acquirers for the downstream assets may find that low-ball bids find a hearing.

Mike Weir writes on energy, resources and infrastructure for DJBI. An established journalist, he studied history and politics at the University of Strathclyde and economics at the University of London. He can be reached at +44 207 842 9442 or mike.weir@dowjones.com

(This article first appeared on DJ Banking Intelligence, our specialist subscription-only service that provides transaction-focused forward-looking commentary and opinion from our sector experts. Details are available at www.djbanking.com)

文件 DJTNAE1120130403e94300010

DOW JONES NEWSWIRES

DJ Hess Corp Agrees \$2.1 Billion Sale of Russian Unit to Lukoil

By Mike Weir

629 字

2013 年 4 月 2 日 17:58

Dow Jones Newswires

DJDN

英文

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A DOW JONES BANKING INTELLIGENCE COLUMN

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This article first appeared on DJ Banking Intelligence, our specialist subscription-only service that provides transaction-focused forward-looking commentary and opinion from our sector experts. Further details are available at www.djbanking.com

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(END) Dow Jones Newswires

April 02, 2013 12:58 ET (16:58 GMT)

文件 DJDN000020130402e942004fr

Buzz-With Our Take
Hess Sells Russian Operations To Lukoil

Michael Weir
Dow Jones Banking Intelligence
630 字
2013 年 4 月 2 日 16:36
Dow Jones Top News & Commentary
DJCOMM

英文

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Hess surprised observers with the price it attracted for its Russian operations, but fully refocusing on exploration and production will be more challenging.

KEY POINTS:

- U.S. oil and gas producer Hess Corp. has agreed to sell its Russian business to OAO Lukoil.
- Lukoil will pay \$2.05 billion for Hess Corp.'s 90% stake in Samara-Nafta.
- Hess has sold various assets in a bid to focus on exploration and production.
- It is under pressure from activist investor Elliot Management Corp., which owns 4.4% of the company.

THE STORY:

OUR TAKE:

Investors generally reacted positively to news that Hess Corp. attracted a \$2.05 billion bid for Samara-Nafta from OAO Lukoil. By midday Tuesday the stock was up to around \$74, compared with less than \$71 a week ago.

But a narrow group of shareholders is of more acute interest to Hess Corp.'s management than are those of the wider market. Namely, Elliot Management Corp., and its "affiliates", which own more than 4% of the company and are agitating for five board seats and a radical structural shake up.

The activists want Hess to spin off its Bakken, Eagle Ford and Utica acreage, divest downstream assets and place midstream assets in a master limited partnership, while selling off the international portfolio. Hess is doing a lot of this, although management say this has nothing to do with Elliot.

It is only a matter of time before the rest of Hess Corp's shareholders come round to Elliot's way of thinking, given the validity of most of those ideas. Hess is certainly outperforming the S&P 500 now, but that has only occurred since Elliot showed an interest. Before that, the integrated oil group underperformed the benchmark U.S. stock index by up to 30%. Moreover, even the **S&P500** was slightly outperformed by the Alerian MLP index in 2012, adding weight to Elliot's argument that Hess Corp's midstream assets should be spun off into MLP structures.

The wisdom of selling off profitable international businesses is not immediately clear, other than as a raw means of raising capital, but dropping midstream assets into tax-efficient MLPs makes sense, as does getting out of refining and marketing. That latter step poses a challenge.

Refining and marketing - which includes refining, retail and terminals - accounted for \$25.5 billion of Hess revenue in 2012 but only \$231 million in net income. That's 68% of group revenues and 11% of group income. Prior to 2012, the division made consecutive losses. It is obvious that culling the business would create value and boost profitability.

How, though?

Proceeds from a sale would further alleviate pressure on Hess Corp.'s balance sheet but finding a buyer prepared to pay a premium will be tricky. Hess has admitted defeat with its Port Reading, NJ, refinery, which closed in February. The terminal business, meanwhile, focuses on storing oil imports on the U.S. East Coast, so will also struggle to attract a buyer, because of the country's declining reliance upon importing crude across the Atlantic. The final piece of the marketing jigsaw, gasoline retailing, is a famously low-margin

business. Management should perhaps consider spinning off the remainder of the downstream business, rather than waste time trying to find a buyer.

Hess may have hit the jackpot with its Russian divestment but the big divestment is yet to come and with activist investors breathing down management's neck, opportunistic acquirers for the downstream assets may find that low-ball bids find a hearing.

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MARKET WEEK

Stocks --- The Trader: Dreamy Quarter Ends With S&P at Record High

By Vito J. Racanelli

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Record-breaking times call for nostalgic comparisons, but we'll try to be unsentimental. For all the investor excitement, there's actually less economic depth to back up the new high than was the case in late 2007. Back then, the global economy was humming; American unemployment was below 5%; the housing market was peaking, and investor sentiment was positive and strong. Today, the global macroeconomic environment, though improving, remains shaky and fragile.

"The market feels different compared to then," says Kenneth Polcari, director of NYSE floor operations for O'Neil Securities. "People don't feel as euphoric as the market is telling you they should be." And he contends: "The only reason we're here" is the Federal Reserve-induced global monetary easing policy. Still, he says, it's difficult to be bearish in the face of the artificial stimulation created by the world's central banks. "Once they pull back, and interest rates move higher, unless the economy is pumping on all cylinders the housing market will stall again," and stocks will follow, adds Polcari, who figures the punch bowl won't be removed until 2014.

In some ways, however, the differences between then and now reflect more positively on the new high. That the market managed to get here despite a hesitant economic environment has to impress.

The important distinction now, says Michael Mullaney, chief investment officer of Fiduciary Trust, is valuation. In 2007, the S&P 500's price-to-earnings ratio was in the 20s. Today, the forward and trailing P/E ratios are 14.5 and 15.5 times, respectively, still lower than the long-term averages, though no longer exactly cheap.

Corporate earnings are good, and investor sentiment is improving. The question, Mullaney adds, that investors face and whose answer will likely sustain this new bull market is: "Where else are you going to put your dough?" Treasury bonds are in a bubble. On a relative basis, the U.S. stock market is among the more attractive global investment classes around.

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At Thursday's close of \$69.11, Humana shares are down more than 10% since Feb. 15, when the CMS, as it's referred to, initially proposed a blended 2.2% cut to what's termed the "growth percentage" of MA benchmark reimbursements. The proposal has a lot of moving parts and is too complicated to get into here.

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As for BAM, as its business model moves closer to that of an asset-management company, less capital-intensive and with more income from fees, it should get a higher valuation as well, says Spin Off Research, which values BAM at \$41.50, 14% higher than its close Thursday of \$36.49.

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| DJUtilities | 508.40 | +11.04 | +2.22 |
| DJ65Stocks | 5036.94 | +50.46 | +1.01 |
| DJUSMarket | 395.36 | +3.27 | +0.83 |
| NYSEComp. | 9107.05 | +41.25 | +0.45 |
| NYSEMKTComp. | 2406.18 | +1.24 | +0.05 |
| S&P500 | 1569.19 | +12.30 | +0.79 |
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Last Week Week Earlier

| | | |
|----------------------|---------|---------|
| NYSE | | |
| Advances | 1,883 | 1,665 |
| Declines | 1,254 | 1,509 |
| Unchanged | 77 | 54 |
| NewHighs | 622 | 579 |
| NewLows | 51 | 102 |
| AvDailyVol(mil) | 3,009.9 | 3,247.5 |
| Dollar | | |
| (Finexspotindex) | 82.98 | 82.53 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-315 | 131-165 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 97.23 | 93.71 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 296.39 | 294.70 |
| Gold | | |

(CMXnearbyfutures) 1594.80 1606.20

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DOW JONES NEWSWIRES

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2013 年 3 月 30 日 04:09

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(FROM BARRON'S 4/1/13)

By Vito J. Racanelli

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30 Mar 2013 00:09 EDT Barron's: The Trader: Dreamy Quarter Ends With -2-

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| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 1,883 | 1,665 |
| Declines | 1,254 | 1,509 |
| Unchanged | 77 | 54 |
| NewHighs | 622 | 579 |
| NewLows | 51 | 102 |
| AvDailyVol(mil) | 3,009.9 | 3,247.5 |
| Dollar | | |
| (Finexspotindex) | 82.98 | 82.53 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-315 | 131-165 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 97.23 | 93.71 |
| Inflation KR-CRB | | |

| | | |
|---------------------|---------|---------|
| (FuturesPriceIndex) | 296.39 | 294.70 |
| Gold | | |
| (CMXnearbyfutures) | 1594.80 | 1606.20 |
| --- | | |

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(END) Dow Jones Newswires

March 30, 2013 00:09 ET (04:09 GMT)

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Buzz-No Our Take
Barclays Takes Q1 Broker Estimates Higher

Michael White
Dow Jones Banking Intelligence
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2013 年 3 月 27 日 16:37
Dow Jones Top News & Commentary
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Barclays is boosting its first quarter estimates for Goldman Sachs and Morgan Stanley based on higher asset marks, modestly better trading activity, and better investment banking revenues.

KEY POINTS:

--Barclays' first quarter estimate for core earnings at Goldman increased to \$3.99 per share from \$3.45.

--Estimates for Morgan Stanley moved to \$0.60 per share from \$0.55.

--Barclays believes current consensus estimates for the first quarter are biased higher based on better overall market conditions.

THE STORY:

From Barclays, Wednesday

"For Goldman Sachs, our core earnings per share estimate moves higher for the quarter to \$3.99 and our GAAP estimate moves to \$3.92 as compared to our prior \$3.45 estimate. The largest variance versus our prior estimate comes from the investing and lending segment when factoring in a nearly 10% quarter-to-date increase in the **S&P500** and a roughly 7% increase in the MSCI world index, as well as (but to a lesser degree) the narrower spreads in Goldman Sachs' debt portfolio. When factoring in the impact of these observable factors, we are raising our segment revenue forecast from \$1.1 billion to \$1.6 billion. In addition, Goldman Sachs' investment banking segment looks to have slightly outperformed our early expectations driven by solid equity and debt underwriting activity during the quarter, offset by some weaker than expected advisory revenues. The notable equity and debt underwriting activity in the first quarter of 2013 helps move our revenue forecast very slightly higher to \$1.4 billion for the quarter."

"For Morgan Stanley, our core earnings per share estimate is moving higher (from \$0.55 to \$0.60) and our GAAP earnings per share estimate for the quarter is moving lower to \$0.44 after the inclusion of roughly \$450 million in DVA [debit value adjustment] charges for the quarter given the narrower credit spreads. We believe that Morgan Stanley's businesses in aggregate fared slightly better than we anticipated over the quarter. We believe that on a sequential basis, core FICC [fixed income, currency and commodities] and equities revenues were up 150% and 15%, respectively, but down 22% for FICC and 20% for equities on a year-over-year basis.

"On the investment banking side, we believe the firm benefitted from the solid equity underwriting activity, but saw a sequential decline in debt underwriting and advisory revenues. Much like we anticipate for Goldman Sachs, we believe that Morgan Stanley's year-over-year equities activity will be negatively impacted by lower observable volumes as well as derivative activity. In FICC, despite solid overall activity in the segment this quarter, we believe Morgan Stanley likely has some challenging year-on-year comparisons, particularly in the firm's rates and commodities businesses."

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MARKET WEEK

Stocks --- The Trader: Is the Market Seeking an Excuse to Correct?

By Vito J. Racanelli

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2013 年 3 月 25 日

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Stocks finished lower last week, snapping a three-week winning streak. A big rally Friday, however, took the edge off what had been a much poorer showing through Thursday. Investors were braced by hopes that a bailout deal in Cyprus would be reached soon, as well as by good earnings from Nike, among other companies reporting.

The angst among U.S. investors created by the financial crisis in the small island nation -- just 0.2% of the euro area's gross domestic product -- almost makes it seem as if the market is searching for a reason to correct after its quick 9% rise this year. Investors expect the Cypriots to cut a deal on the weekend to qualify the country for a euro-zone bailout.

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Kohl's stock could return 20% over the next 12 to 18 months. It yields 3%. Yet Wall Street's expectations for the Menomonee Falls, Wis.-based company are subdued at best. In the past few days, two more brokers downgraded the stock, and now 15 out of the 25 analysts who follow Kohl's have Neutral or Sell ratings.

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| NYSEMKTComp. | 2404.93 | +0.72 | +0.03 |
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Last Week Week Earlier

| | | |
|-----------------|---------|---------|
| NYSE | | |
| Advances | 1,665 | 1,750 |
| Declines | 1,509 | 1,430 |
| Unchanged | 54 | 48 |
| NewHighs | 579 | 718 |
| NewLows | 102 | 93 |
| AvDailyVol(mil) | 3,247.5 | 3,497.3 |
| Dollar | | |

| | | |
|----------------------|---------|---------|
| (Finexspotindex) | 82.38 | 82.26 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-165 | 132-045 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 93.71 | 93.45 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 294.70 | 296.44 |
| Gold | | |
| (CMXnearbyfutures) | 1606.20 | 1592.50 |

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DOW JONES NEWSWIRES

Barron's: The Trader: Is The Market Seeking An Excuse To Correct?

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2013 年 3 月 23 日 04:08

Dow Jones Institutional News

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(FROM BARRON'S 3/25/13)

By Vito J. Racanelli

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23 Mar 2013 00:08 EDT Barron's: The Trader: Is The Market Seeking An -2-

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| | | |
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March 23, 2013 00:08 ET (04:08 GMT)

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MARKET WEEK

Stocks --- The Trader: Its Winning Streak Over, Dow Still Rises

By Avi Salzman

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2013 年 3 月 18 日

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S&P 500, you're such a tease.

On the brink of a new record, the large-cap index trailed off on Friday, ending the session about five points short of its all-time closing high. Traders are looking at the S&P 500 to confirm what the Dow told us two weeks ago -- this is a sustainable bull market, and no political mutterings out of the U.S., China or Europe are going to get in the way.

Nonetheless, the Dow set new closing records of its own this week, and notched its tenth consecutive day in the black on Thursday, before petering out on Friday. It was the longest winning streak since 1996. Fourteen straight days would have matched a record, one that Dan McMahon, director of equity trading at Raymond James, likened to Joe Dimaggio's famous 56-hitting game hitting streak. "I never really thought it had a chance," he said, with the benefit of hindsight.

Weak U.S. data spurred Friday's sell-off. In particular, consumer sentiment fell unexpectedly in March as payroll taxes rose and gas prices ticked higher. The consumer price index rose 0.7% in February, more than economists had expected. It was up 2% year-over-year, in line with the Fed's stated target, but higher than January's 1.6% rate. John Ryding of RDQ Economics called it "hardly a scary inflation report." Still, he said in a note that it also shows the Fed is "too worried about disinflation."

"Across major categories of spending, the only one to show a decline in prices over the last three months was autos (and even here prices are up 3.3% over the last year)," says Ryding.

The Dow rose 0.8%, or 117 points, last week to close at 14,514.11. The S&P 500 rose 0.6%, or 9.5 points, to close at 1560.70. The Nasdaq rose 0.1%, or 4.7 points, to close at 3249.07.

"There's nothing to stop it from going higher," says McMahon. "We're in the middle of a period when there's not a lot of data coming out."

But what about the Fed's statement next week on interest rates? "Yawn," he says.

The next important catalyst will likely be first-quarter earnings results, he says.

"There's no reason for the market to leap higher, but absent a catalyst markets tend to drift higher. I've heard the phrase 'secular bull market' more times in the last three days than I have in four years," McMahon adds.

Using the term "secular" bull market is a fancy way of saying there's a long-term shift in sentiment that could last for years (take that, Joe Dimaggio).

Financial stocks were in the spotlight Friday after the Fed released details late Thursday of its stress tests, giving most banks the go-ahead to buy back shares and boost dividends. Goldman Sachs (GS) and JPMorgan Chase (JPM) received "conditional" approval to return capital, but will have to show the Fed they're following the rules or suspend their plans. Bank of America (BAC) rose 3.8% after announcing it will buy back \$5 billion in common stock and redeem \$5.5 billion in preferred shares (the dividend remains a measly penny). The financial companies rose the most among the S&P 500 sectors for the week, gaining 1.4%.

Smaller stocks had a volatile week, with Men's Wearhouse (MW) jumping 19% on Thursday on news that it would buy back stock and possibly sell off its lower-priced K&G retailing unit. Online broker E*Trade (ETFC) fell 8% on Thursday after its biggest shareholder, hedge fund Citadel, announced it would sell its entire stake.

Much of the recent rally has been on low trading volume, calling into question its staying power. The CBOE Volatility Index (VIX) has also been extremely quiet, trading near six-year lows.

Investors, however, flooded back into the market at the end of the week. Trading surged on Friday to a new high for the year, with NYSE composite volume hitting 4.9 billion shares. On an average day this year, about 3.5 billion shares change hands. Finally, investors appeared to be showing some conviction -- it was just in the wrong direction.

The signs of inflation that appeared on Friday remind us that the Fed's money-printing days will eventually end. Some investors are getting prepared.

Buying gold and the ETFs that track the commodity is one way to hedge against higher inflation. But investors might want to look at gold miners instead. The sector is trading at its lowest level relative to the price of gold in 25 years, says David Dietze, chief investment strategist at Point View Wealth Management. Dietze's measurement is based on the value of the companies' proven reserves as compared to their stock market values.

The miners bungled their chance to profit from the metal's astonishing rise, trailing gold by almost 60% in the past four years. They've continued to underperform as gold has declined. In the last three months, the Market Vectors Gold Miners ETF (GDX) has fallen 20%, compared with a 6% slide for the SPDR Gold Trust (GLD).

Executives at mining companies overspent during the boom, chasing reserves that didn't pan out. To pay the bills, they diluted their stocks, issuing new shares to spend on new mining projects, observes Samuel Lee at Morningstar.

In the past year, a number of companies have fired their CEOs. And with the capital markets unwilling to support expensive projects with uncertain payoffs, the miners are focusing on returning capital to shareholders. "They're shutting down mines reducing their capital expenditures," says Dietze.

CEOs appear to be getting the message, adds Dan Denbow, manager of USAA's Precious Metals and Minerals Fund. "There's a shortage of capital. They now have to live within their means."

The big mining companies are lifting their dividends, and plan to continue doing so. Denbow says the strategy reminds him of what the big South African mining companies used to do, paying out large dividends. A gold stock with a dividend "is just like an interest-bearing gold deposit," he says.

Denbow likes Goldcorp (GG), a Canadian miner with a \$26 billion market value. The stock is down 31% in the past year and trades at less than 15 times forward earnings, versus its five-year average of 28 times.

Goldcorp should see its cash flows rise as projects come on line and its capex budget falls. In January, the company announced the start of commercial production at the Pueblo Viejo mine in the Dominican Republic, which it owns along with Barrick Gold (ABX). The companies had spent \$3.7 billion to construct the mine. Goldcorp also has become more transparent in the past few months, reporting "all-in" costs to pull the metal from the earth.

Goldcorp's dividend yield is now at about 1.8%, but Denbow sees it rising steadily in the next few years.

Dietze favors Newmont Mining (NEM) for its unique dividend policy, which fluctuates with the price of gold. Newmont, which is based in Colorado, has likewise slumped in the past few months, and was recently yielding more than 4%. "Over the long-term gold will generally drift up with inflation so the dividend should drift up too," he says.

Dietze also thinks that investors can play the sector using closed-end fund ASA Gold and Precious Metals (ASA), which tracks the miners but trades at a 4% discount to its net asset value.

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| ValueLine(arith.) | 3539.77 | +38.63 | +1.10 |
| Russell2000 | 952.48 | +9.98 | +1.06 |
| DJUSTSM | 16459.97 | +105.31 | +0.64 |

Last Week Week Earlier

| | | |
|----------------------|---------|---------|
| NYSE | | |
| Advances | 1,750 | 2,356 |
| Declines | 1,430 | 839 |
| Unchanged | 48 | 42 |
| NewHighs | 718 | 734 |
| NewLows | 93 | 100 |
| AvDailyVol(mil) | 3,497.3 | 3,547.8 |
| Dollar | | |
| (Finexspotindex) | 82.13 | 82.69 |
| T-Bond | | |
| (CBTnearbyfutures) | 132-045 | 131-150 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 93.45 | 91.95 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 296.44 | 294.38 |
| Gold | | |
| (CMXnearbyfutures) | 1592.50 | 1576.60 |

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文件 B000000020130316e93i00012

DOW JONES NEWSWIRES

Barron's: The Trader: Its Winning Streak Over, Dow Still Rises

1,997 字

2013 年 3 月 16 日 04:08

Dow Jones Institutional News

DJDN

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(From BARRON'S 3/18/13)

By Avi Salzman

S&P 500, you're such a tease.

On the brink of a new record, the large-cap index trailed off on Friday, ending the session about five points short of its all-time closing high. Traders are looking at the S&P 500 to confirm what the Dow told us two weeks ago -- this is a sustainable bull market, and no political mutterings out of the U.S., China or Europe are going to get in the way.

Nonetheless, the Dow set new closing records of its own this week, and notched its tenth consecutive day in the black on Thursday, before petering out on Friday. It was the longest winning streak since 1996. Fourteen straight days would have matched a record, one that Dan McMahon, director of equity trading at Raymond James, likened to Joe Dimaggio's famous 56-hitting game hitting streak. "I never really thought it had a chance," he said, with the benefit of hindsight.

Weak U.S. data spurred Friday's sell-off. In particular, consumer sentiment fell unexpectedly in March as payroll taxes rose and gas prices ticked higher. The consumer price index rose 0.7% in February, more than economists had expected. It was up 2% year-over-year, in line with the Fed's stated target, but higher than January's 1.6% rate. John Ryding of RDQ Economics called it "hardly a scary inflation report." Still, he said in a note that it also shows the Fed is "too worried about disinflation."

"Across major categories of spending, the only one to show a decline in prices over the last three months was autos (and even here prices are up 3.3% over the last year)," says Ryding.

The Dow rose 0.8%, or 117 points, last week to close at 14,514.11. The S&P 500 rose 0.6%, or 9.5 points, to close at 1560.70. The Nasdaq rose 0.1%, or 4.7 points, to close at 3249.07.

"There's nothing to stop it from going higher," says McMahon. "We're in the middle of a period when there's not a lot of data coming out."

But what about the Fed's statement next week on interest rates? "Yawn," he says.

The next important catalyst will likely be first-quarter earnings results, he says.

"There's no reason for the market to leap higher, but absent a catalyst markets tend to drift higher. I've heard the phrase 'secular bull market' more times in the last three days than I have in four years," McMahon adds.

Using the term "secular" bull market is a fancy way of saying there's a long-term shift in sentiment that could last for years (take that, Joe Dimaggio).

Financial stocks were in the spotlight Friday after the Fed released details late Thursday of its stress tests, giving most banks the go-ahead to buy back shares and boost dividends. Goldman Sachs (GS) and JPMorgan Chase (JPM) received "conditional" approval to return capital, but will have to show the Fed they're following the rules or suspend their plans. Bank of America (BAC) rose 3.8% after announcing it will buy back \$5 billion in common stock and redeem \$5.5 billion in preferred shares (the dividend remains a measly penny). The financial companies rose the most among the S&P 500 sectors for the week, gaining 1.4%.

Smaller stocks had a volatile week, with Men's Wearhouse (MW) jumping 19% on Thursday on news that it would buy back stock and possibly sell off its lower-priced K&G retailing unit. Online broker E*Trade (ETFC) fell 8% on Thursday after its biggest shareholder, hedge fund Citadel, announced it would sell its entire stake.

Much of the recent rally has been on low trading volume, calling into question its staying power. The CBOE Volatility Index (VIX) has also been extremely quiet, trading near six-year lows.

Investors, however, flooded back into the market at the end of the week. Trading surged on Friday to a new high for the year, with NYSE composite volume hitting 4.9 billion shares. On an average day this year, about 3.5 billion shares change hands. Finally, investors appeared to be showing some conviction -- it was just in the wrong direction.

The signs of inflation that appeared on Friday remind us that the Fed's money-printing days will eventually end. Some investors are getting prepared.

Buying gold and the ETFs that track the commodity is one way to hedge against higher inflation. But investors might want to look at gold miners instead. The sector is trading at its lowest level relative to the price of gold in 25 years, says David Dietze, chief investment strategist at Point View Wealth Management. Dietze's measurement is based on the value of the companies' proven reserves as compared to their stock market values.

The miners bungled their chance to profit from the metal's astonishing rise, trailing gold by almost 60% in the past four years. They've continued to underperform as gold has declined. In the last three months, the Market Vectors Gold Miners ETF (GDX) has fallen 20%, compared with a 6% slide for the SPDR Gold Trust (GLD).

Executives at mining companies overspent during the boom, chasing reserves that didn't pan out. To pay the bills, they diluted their stocks, issuing new shares to spend on new mining projects, observes Samuel Lee at Morningstar.

In the past year, a number of companies have fired their CEOs. And with the capital markets unwilling to support expensive projects with uncertain payoffs, the miners are focusing on returning capital to shareholders. "They're shutting down mines reducing their capital expenditures," says Dietze.

CEOs appear to be getting the message, adds Dan Denbow, manager of USAA's Precious Metals and Minerals Fund. "There's a shortage of capital. They now have to live within their means."

The big mining companies are lifting their dividends, and plan to continue doing so. Denbow says the strategy reminds him of what the big South African mining companies used to do, paying out large dividends. A gold stock with a dividend "is just like an interest-bearing gold deposit," he says.

Denbow likes Goldcorp (GG), a Canadian miner with a \$26 billion market value. The stock is down 31% in the past year and trades at less than 15 times forward earnings, versus its five-year average of 28 times.

Goldcorp should see its cash flows rise as projects come on line and its capex budget falls. In January, the company announced the start of commercial production at the Pueblo Viejo mine in the Dominican Republic, which it owns along with Barrick Gold (ABX). The companies had spent \$3.7 billion to construct the mine. Goldcorp also has become more transparent in the past few months, reporting "all-in" costs to pull the metal from the earth.

Goldcorp's dividend yield is now at about 1.8%, but Denbow sees it rising steadily in the next few years.

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16 Mar 2013 00:08 EDT Barron's: The Trader: Its Winning Streak Over, -2-

Vital Signs

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March 16, 2013 00:08 ET (04:08 GMT)

文件 DJDN000020130316e93g0009f

 [Warren Buffett Pays Bill Gates \\$1,800](#)

WSJ Blogs, 2013 年 3 月 15 日 18:01, 298 字, By Erik Holm, (英文)

Reading the proxy from Warren Buffett's Berkshire Hathaway Inc. is always good for a chuckle. There's something almost silly in the fact that Buffett, one of the world's richest men, earns a salary of \$100,000 at Berkshire—and then cuts a ...

文件 WCWSJB0020130315e93f006sh

WSJ BLOG: Warren Buffett Pays Bill Gates \$1,800

339 字

2013 年 3 月 15 日 18:01

Dow Jones News Service

DJ

英文

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(This story has been posted on The Wall Street Journal Online's Deal Journal blog at <http://blogs.wsj.com/deals>.)

By Erik Holm

Reading the proxy from Warren Buffett's Berkshire Hathaway Inc. is always good for a chuckle.

There's something almost silly in the fact that Buffett, one of the world's richest men, earns a salary of \$100,000 at Berkshire--and then cuts a check for \$50,000 to reimburse Berkshire for "minor items such as postage or phone calls that are personal."

But no number is sillier than the \$1,800 that board member Bill Gates was paid for his service to Berkshire last year.

The average board fees for companies in the **S&P500** was around \$241,000 in 2011, according to executive compensation experts at Equilar. So the fees paid by Berkshire are low no matter who's cashing the check. But with Gates, \$1,800 is especially small.

Forbes earlier this month estimated the Microsoft co-founder was worth \$67 billion. That means his fees from Berkshire amount to 0.000003% of his net worth.

To put that in context, the average American family's net worth is about \$80,000. So \$1,800 for Bill Gates is the equivalent of two-tenths of a cent for the average family.

Gates, of course, has other reasons to sit on the Berkshire board. The charity Gates runs with his wife, the Bill & Melinda Gates Foundation, is getting billions of dollars in Berkshire shares from Buffett. And Gates and Buffett are longtime friends.

But Gates certainly isn't doing it for the money. He's a man who may have more than \$1,800 under his couch cushions.

h/t to comedian Gary Gulman, whose musings on Bill Gates' wealth are a little too NSFW for Deal Journal to link to.

-For continuously updated news from The Wall Street Journal, see WSJ.com at <http://wsj.com>.

[03-15-13 1401ET]

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DOW JONES NEWSWIRES

EUROPE MARKETS: Europe Stocks Close At Record Highs On U.S. Rally

794 字

2013 年 3 月 14 日 17:21

Dow Jones Institutional News

DJDN

英文

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By William L. Watts and Barbara Kollmeyer, MarketWatch

FRANKFURT (MarketWatch) -- European markets closed at record highs on Thursday, led by energy and banking stocks, as Wall Street looked set to extend a historical winning streak after first-time claims for U.S. jobless benefits unexpectedly fell.

The Stoxx 600 Europe Index closed up 1% to rose 0.8% to 298.52, its highest level since June 3, 2008, nearing on 5 year highs.

A combination of strong economic indicators from the jobs and the retail market are "giving the bulls something to really cheer about," said Ishaq Siddiqi, market strategist at ETX Capital.

"In the case of the Dow, it's in [uncharted] territory, making history as we speak while the **S&P500** is a whisker away from its all-time high. The carry-on momentum is being felt in Europe, propelling the Stoxx 600 to precrisis levels despite the lingering worries over Italy's political situation," said Siddiqi in emailed comments.

Banks and financials led the way higher, with insurer Prudential PLC rising 2.7% to add to the previous day's strong gain on the back of earnings results, while index heavyweight HSBC Holdings PLC (HBC) advanced 1.8%.

The number of people applying for first-time U.S. jobless benefits fell by 10,000 to 332,000 in the week ended March 9--the second-lowest level in five years. Economists surveyed by MarketWatch had forecast a rise to 350,000.

Separately, data showed the Producer Price Index rose 0.7% in February, matching expectations. The Standard & Poor's 500 index (SPX)(SPX) was just a few points from its record close set back in October 2007 as stocks climbed on that upbeat data.

Closer to home for European investors, European Union leaders began their summit meeting in Brussels. Euro-zone finance ministers are scheduled to meet Friday to further discuss a bailout for Cyprus.

"I think a bailout program is fully priced into the markets at the moment but I think investors will be looking for some reassurance on the matter, given Greece's exposure to the country and the potential for a run on the banks in Cyprus if lenders attempt to force losses on depositors," said Craig Erlam, market analyst at Alpari in London.

Peripheral markets were among the day's best performers.

Italy's FTSE MIB stock index bucked recent weakness to rise 2.4%, with shares of Assicurazioni Generali SpA surging over 9%, the day's biggest gainer for the Stoxx 600.

Generali climbed after reporting that net profit for the year dropped by around 89%, with the results reflecting large fourth-quarter impairments as new Chief Executive Mario Greco moved to clean up the company's balance sheet.

"We are simplifying our structure and adopting a more disciplined approach to managing the Group and its investments, as we refocus on our insurance business," Greco said in a statement.

BNP Paribas SA rose 1.2%, while France's CAC 40 stock index added nearly 1% to 3,871.58. France Telecom SA surged over 7%. A day earlier, the telecom announced a deal to build a EUR1 billion fiber optic network in Spain, to take on Telefonica SA (TEF) in high-speed broadband. Telefónica shares rose 4%.

Germany's DAX stock index advanced 1% to 8,058.37. Shares of HeidelbergCement AG rose over 3% after the company said it was aiming for higher revenue and operating income this year, boosted by demand in Asia, Africa and the U.S.

Among others, chemical group BASF SE rose 2.4%.

Shares of steelmaker ArcelorMittal (MT) rose 2.6% in Amsterdam after analysts at Citibank upgraded its stock to buy from neutral.

"We believe there is now an opportunity to buy into the first potential steps towards a strategic overhaul for the company -- dealing with the languishing European business," the analysts said in a research note.

"Ultimately we would favor a separation of the European assets from the rest of the group, to aid consolidation in the region and give investors exposure to the stronger businesses in the company," they said.

London's FTSE 100 stock index rose 0.7% to 6,529.41, levels it hasn't seen since early 2008.

Other heavyweight gainers in London included telecom firm Vodafone Group PLC , which added 1.3%, while Barclays PLC gained 1% and grocer Tesco PLC advanced 2.8%.

Natural resource firms lost ground, with Rio Tinto PLC off 2%. Precious and base metals prices fell as the dollar and stocks rose.

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March 14, 2013 13:21 ET (17:21 GMT)

文件 DJDN000020130314e93e004I3

DOW JONES NEWSWIRES

DJ MARKET TALK: US Stocks Expected To Start A Little Lower

181 字

2013 年 3 月 12 日 09:42

Dow Jones Institutional News

DJDN

英文

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0943 GMT [Dow Jones] US stocks are expected to start a little lower Tuesday. This follows Monday's stellar gains on Wall Street--the DJIA recorded its seventh straight advance and hit another record high. Meanwhile, European equity markets are drifting ahead of T-Bill auctions for Spain and Italy. Michael Hewson at CMC Markets expects the DJIA to open at 14,435, down 12 points, while the **S&P500** is expected to open 1.2 points lower at 1555.0. US economic data is thin on the ground. Job openings and labor turnover data are at 1400 GMT. The monthly budget statement is at 1800 GMT. The DJIA front month futures contract is currently down 0.1% at 14,362.00 and S&P 500 futures contract is 0.1% lower at 1548.70. (andrea.tryphonides@dowjones.com Twitter: @ATryphonides)

Contact us in London. +44-20-7842-9464
Markettalk.eu@dowjones.com

(END) Dow Jones Newswires

March 12, 2013 05:42 ET (09:42 GMT)

文件 DJDN000020130312e93c001x7

MARKET WEEK

Stocks --- The Trader: Dow Surges to Record Highs, Finishes Up 2.2%

By Vito J. Racanelli

2,090 字

2013 年 3 月 11 日

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The Dow Jones Industrial Average set an all-time high four out of five days last week. In poker, that's roughly equivalent to being dealt a straight flush.

The economic news generally surpassed projections; Federal Reserve board members gave speeches that reaffirmed the central bank's accommodative stance; and on Thursday the Fed's "stress tests" certified nearly all the U.S. big banks as healthy. Investment-bank stocks, up 21% on the year, fell Friday, as their results weren't as good as expected. (More on that below.)

In the race to new highs, previous market fears took a back seat, whether the effect of federal-government spending cuts on the economy, or its unresolved debt and deficit problems, or the consumer's reaction to higher payroll taxes.

For this bull market to gain acceptance, the Standard & Poor's 500 index must take the baton from the 30-stock mega-cap Dow and confirm with a high of its own, in relatively short order. While a breather for the 2013 rally could be seen near term, the broader index, just 15 points away from its own high, is expected to race to a new high as well.

Last week, the Dow soared 2.2%, or 307 points, to 14,397.07. Friday's close completed a four-year odyssey nearly to the day from the market's closing low March 9, 2009. The Standard and Poor's 500 index jumped 2.2%, or 33 points, to 1551.18, shy of the all-time high of 1565. The Nasdaq Composite rose 2.4%, or 75 points, to 3244.37.

Labor Department jobs data out Friday were salutary and better than expected. Nonfarm payrolls added 236,000 last month, and the unemployment rate fell to 7.7% from 7.9%, the lowest since December 2008.

"Another day, another new high," quips Ryan Larson, head of equity trading for RBC Global Asset Management. The economic news, while improving, remains consistent with a modestly growing economy, he says.

Kurt Brunner, a portfolio manager with Swarthmore Group, concurs: "We're not ramping up to significant growth . . . [Friday's data are] just an affirmation of modest growth." Stocks were helped by Fed Vice Chairman Janet Yellen's remarks Monday, that the Fed intends "to leave accommodation until well into the recovery."

The market is "living and dying" by Fed statements, says Larson, and it's struggling with alternating comments from the hawkish and dovish camps inside the Fed. Investors wonder how long the accommodation can go on, he says. Lately, Fed statements in the main suggest the stimulus won't be retracted any time soon.

The next important signpost will be the Fed's review Thursday of bank requests for increases in dividends and share buybacks. Then there's a Fed board meeting March 19-20. If the S&P 500 hits its own high soon, call it a royal straight flush.

Last Thursday, the Federal Reserve gave passing grades to 17 of the 18 largest U.S. banks in the annual exercise commonly known as the stress test. The financial institutions were subjected to various hypothetical economic downturns, including a severe recession with unemployment rising above 12%.

The results show the strength of the banking system and the recovery in its capital position since the disastrous 2008-2009 financial crisis, according to a report from Keefe Bruyette & Woods. Bank capital is at a 70-year high; the industry would still be well-capitalized under an extremely stressful scenario; and capital

continues to build, the report said. All banks passed except Ally Financial, majority-owned by the government and not publicly traded.

In coming days and weeks, look for higher dividends and more share buybacks from some but not all the big banks. On Thursday, the Fed's decisions on bank capital plans, such as requests to increase dividends or share buybacks, will be revealed.

In particular, the banks viewed as showing the most improvement were large regionals like BB&T (ticker: BBT), PNC Financial Services Group (PNC), Regions Financial (RF), and SunTrust Banks (STI), probably aided by the recovery in U.S. housing.

Unsurprising were the less-improved results at the global investment banks, with their large trading operations, such as Goldman Sachs (GS), Morgan Stanley (MS), and JPMorgan Chase (JPM). The S&P 500 investment-bank group fell 1.5% Friday.

JPMorgan fell 1.0% Friday to \$50.20, but Joe Terril, who runs St. Louis-based money-management firm Terril & Co., wasn't perturbed by the results. He notes JPMorgan is generating roughly \$2 billion per month in profits. The stress tests don't allow for an active reaction to a downturn by JPMorgan, for example, he adds. His firm owns JPMorgan, Wells Fargo (WFC), and Bank of America (BAC) for its clients. JPMorgan trades at 1.3 times its tangible book value of \$38, compared with a historical low of 1.1.

Banks in general are well-capitalized and generating record earnings in what is a lousy business environment, he says, and with much higher capital requirements than were typical before the crisis. If interest rates go up -- which is the way it's looking -- net interest margins could widen even if the economy just trudges along the way it is, he adds. Terril thinks JPMorgan, Wells Fargo, and Bank of America shares could rise 40% to 50% over the next couple of years.

"What's JPMorgan going to do with all that capital it's generating?" he asks. It will find its way back to shareholders somehow, he answers.

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Things worsened in the fiscal first quarter ended Dec. 31, when profits rose 6% to \$69.5 million, or 88 cents a share, from \$66.5 million, or 83 cents, in the year-ago quarter. The revenue rise was "just" 13% to \$365.5 million. F5 said that service revenue jumped 28% but product sales only 4%, partly the result of lower federal-government sales. Cue the panic.

The doubts raised among investors have hurt the stock. At Friday's close of \$94.01, the stock is off by a third from highs of nearly \$140 last April. Still, over the long term, it's likely that more digital data will be created year after year, and data-traffic growth shows little sign of slowing.

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F5 is a bigger company now than it was a few years ago, so growth will naturally slow some. Yet 15%-to-20% growth is plenty good, especially with the stock selling at a trailing price/earnings ratio of 26 times, significantly below its average of 36 times. At the same time, its return on equity and gross margins are higher than the historical medians. Moreover, F5 has about \$15 per share in cash and marketable investments and no significant debt, Reynders notes.

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| DJUSMarket | 390.59 | +8.74 | +2.29 |
| NYSEComp. | 9054.45 | +180.26 | +2.03 |
| NYSEMKTComp. | 2413.19 | +34.11 | +1.43 |
| S&P500 | 1551.18 | +32.98 | +2.17 |
| S&PMidCap | 1131.25 | +33.10 | +3.01 |
| S&PSmallCap | 525.72 | +13.32 | +2.60 |
| Nasdaq | 3244.37 | +74.63 | +2.35 |
| ValueLine(arith.) | 3501.14 | +96.59 | +2.84 |
| Russell2000 | 942.50 | +27.77 | +3.04 |
| DJUSTSM | 16354.66 | +372.50 | +2.33 |

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| | | |
|----------------------|---------|---------|
| Dollar | | |
| (Finexspotindex) | 82.73 | 82.31 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-150 | 132-295 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 91.95 | 90.68 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 294.38 | 290.36 |
| Gold | | |
| (CMXnearbyfutures) | 1576.60 | 1571.90 |

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文件 B000000020130309e93b00013

DOW JONES NEWSWIRES

Barron's: The Trader: Dow Surges To Record Highs, Finishes Up 2.2%

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2013 年 3 月 9 日 05:08

Dow Jones Institutional News

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(From BARRON'S 3/11/13)

By Vito J. Racanelli

The Dow Jones Industrial Average set an all-time high four out of five days last week. In poker, that's roughly equivalent to being dealt a straight flush.

The economic news generally surpassed projections; Federal Reserve board members gave speeches that reaffirmed the central bank's accommodative stance; and on Thursday the Fed's "stress tests" certified nearly all the U.S. big banks as healthy. Investment-bank stocks, up 21% on the year, fell Friday, as their results weren't as good as expected. (More on that below.)

In the race to new highs, previous market fears took a back seat, whether the effect of federal-government spending cuts on the economy, or its unresolved debt and deficit problems, or the consumer's reaction to higher payroll taxes.

For this bull market to gain acceptance, the Standard & Poor's 500 index must take the baton from the 30-stock mega-cap Dow and confirm with a high of its own, in relatively short order. While a breather for the 2013 rally could be seen near term, the broader index, just 15 points away from its own high, is expected to race to a new high as well.

Last week, the Dow soared 2.2%, or 307 points, to 14,397.07. Friday's close completed a four-year odyssey nearly to the day from the market's closing low March 9, 2009. The Standard and Poor's 500 index jumped 2.2%, or 33 points, to 1551.18, shy of the all-time high of 1565. The Nasdaq Composite rose 2.4%, or 75 points, to 3244.37.

Labor Department jobs data out Friday were salutary and better than expected. Nonfarm payrolls added 236,000 last month, and the unemployment rate fell to 7.7% from 7.9%, the lowest since December 2008.

"Another day, another new high," quips Ryan Larson, head of equity trading for RBC Global Asset Management. The economic news, while improving, remains consistent with a modestly growing economy, he says.

Kurt Brunner, a portfolio manager with Swarthmore Group, concurs: "We're not ramping up to significant growth . . . [Friday's data are] just an affirmation of modest growth." Stocks were helped by Fed Vice Chairman Janet Yellen's remarks Monday, that the Fed intends "to leave accommodation until well into the recovery."

The market is "living and dying" by Fed statements, says Larson, and it's struggling with alternating comments from the hawkish and dovish camps inside the Fed. Investors wonder how long the accommodation can go on, he says. Lately, Fed statements in the main suggest the stimulus won't be retracted any time soon.

The next important signpost will be the Fed's review Thursday of bank requests for increases in dividends and share buybacks. Then there's a Fed board meeting March 19-20. If the S&P 500 hits its own high soon, call it a royal straight flush.

Last Thursday, the Federal Reserve gave passing grades to 17 of the 18 largest U.S. banks in the annual exercise commonly known as the stress test. The financial institutions were subjected to various hypothetical economic downturns, including a severe recession with unemployment rising above 12%.

The results show the strength of the banking system and the recovery in its capital position since the disastrous 2008-2009 financial crisis, according to a report from Keefe Bruyette & Woods. Bank capital is at a 70-year high; the industry would still be well-capitalized under an extremely stressful scenario; and capital

continues to build, the report said. All banks passed except Ally Financial, majority-owned by the government and not publicly traded.

In coming days and weeks, look for higher dividends and more share buybacks from some but not all the big banks. On Thursday, the Fed's decisions on bank capital plans, such as requests to increase dividends or share buybacks, will be revealed.

In particular, the banks viewed as showing the most improvement were large regionals like BB&T (ticker: BBT), PNC Financial Services Group (PNC), Regions Financial (RF), and SunTrust Banks (STI), probably aided by the recovery in U.S. housing.

Unsurprising were the less-improved results at the global investment banks, with their large trading operations, such as Goldman Sachs (GS), Morgan Stanley (MS), and JPMorgan Chase (JPM). The S&P 500 investment-bank group fell 1.5% Friday.

JPMorgan fell 1.0% Friday to \$50.20, but Joe Terril, who runs St. Louis-based money-management firm Terril & Co., wasn't perturbed by the results. He notes JPMorgan is generating roughly \$2 billion per month in profits. The stress tests don't allow for an active reaction to a downturn by JPMorgan, for example, he adds. His firm owns JPMorgan, Wells Fargo (WFC), and Bank of America (BAC) for its clients. JPMorgan trades at 1.3 times its tangible book value of \$38, compared with a historical low of 1.1.

Banks in general are well-capitalized and generating record earnings in what is a lousy business environment, he says, and with much higher capital requirements than were typical before the crisis. If interest rates go up -- which is the way it's looking -- net interest margins could widen even if the economy just trudges along the way it is, he adds. Terril thinks JPMorgan, Wells Fargo, and Bank of America shares could rise 40% to 50% over the next couple of years.

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9 Mar 2013 00:08 EDT Barron's: The Trader: Dow Surges To Record Highs, -2-

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March 09, 2013 00:08 ET (05:08 GMT)

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DOW JONES NEWSWIRES

DJ Financial News: Stock Pickers in Vogue with Hedge Fund Investors

By Harriet Agnew

672 字

2013 年 3 月 7 日 13:13

Dow Jones Institutional News

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Of FINANCIAL NEWS

Long/short equity has become the most sought-after hedge fund strategy for 2013, according to an annual report from Credit Suisse, marking a sharp turnaround from a year ago when spooked investors were steering clear of these funds.

Credit Suisse's prime brokerage division surveyed almost 550 institutional investors with a total \$1.03 trillion in assets under management and found that long/short equity-general was attracting 35% of net demand - compared with 12% a year ago - making it the most popular of a 30-strong list of strategies.

Bob Leonard, global head of capital services at Credit Suisse, said: "Equity long/short is back on top. There's been a huge rebound in appetite for the strategy."

A year ago, fundamental long/short equity investing, on which the European hedge fund industry was built, was deemed the 19th most popular strategy by respondents to the Credit Suisse survey. The stock picking skills these managers rely on to make their money had proved ineffective for much of 2011, as macroeconomic pressures fuelled highly volatile markets. The average equities hedge fund fell 8.38% in 2011, according to Hedge Fund Research.

Leonard said: "This time last year some investors were disappointed with equity long/short and wondered whether they wanted to stay invested in the strategy and whether it could deliver uncorrelated outperformance."

But the easing of monetary policy by central banks in 2012 helped to soothe fears over systemic risks and buoyed equity markets. Correlations between stocks and between asset classes narrowed and volatility was dampened. Long/short equities managers turned out to be some of the year's best performers.

Chilton's European long/short fund, run by Frederic Gautier, gained 19.29% with an average net long exposure of 31% in 2012; Egerton's global hedge fund was up 13.7%; the Lansdowne Developed Markets fund gained 17.96%; Crispin Odey's Odey European hedge fund was up 30.7%; and the Hengistbury Master Fund gained 23.34% in 2012, according to investors.

The Credit Suisse report comes two days after LCH Investments published its annual list of the most successful hedge fund managers, which showed that investors in long/short equity managers enjoyed the steepest gains in dollar terms over 2012. Leading the pack was Steve Mandel, whose Lone Pine Capital made an estimated \$4.6 billion of net gains in 2012.

And stock pickers remain optimistic about the outlook for 2013.

The realized stock performance correlation in the **S&P500** Index - a measure of the extent to which stocks move in line with one another - has been trending lower since October, according to a founding partner of one long/short equity hedge fund. He told Financial News: "This year it has actually been below 40%, which is Utopia for stock pickers. Levels of 40% and below in the S&P were last seen in 2007."

Emerging market equities and event-driven were the second and third most popular strategies for 2013, according to Credit Suisse. Leonard said that there has also been a huge rebound in appetite for developed Europe: "Last year Europe was one of the few regions where investors were predicting outflows. Now it's risk-on and people are looking to add exposure to regions such as Emerging Markets, Asia Pacific and Europe."

Global macro and managed futures, both of which underperformed last year, saw the biggest drops in demand.

Credit Suisse found that on average, investors expect the global hedge fund industry to grow 10% to reach \$2.42 trillion in total assets this year. Investors considered crowded trades/ herd behaviour and regulatory changes to be the top two sources of risk for the industry.

Web site:

<http://www.efinancialnews.com/story/2013-03-07/credit-suisse-hedge-fund-research-long-short-equities>

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(END) Dow Jones Newswires

March 07, 2013 08:13 ET (13:13 GMT)

文件 DJDN000020130307e937002ze

Buzz-With Our Take

Share Buybacks Top Trillion-Dollar Mark In Current Cycle

Michael White

Dow Jones Banking Intelligence

447 字

2013 年 3 月 6 日 17:35

Dow Jones Top News & Commentary

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Share buybacks have been an important driver of higher equity prices. Driven in large part by cheap credit, buybacks in the current cycle just crossed a noteworthy threshold of \$1 trillion. Indications are the trend will continue.

KEY POINTS:

--Buyback announcements in the current cycle for companies in the **S&P500** just crossed the trillion-dollar mark.

--Buybacks have picked up the slack from all other investor classes, which have been net sellers of stocks of companies in the **S&P500**.

--The credit market is implying that more buybacks lie ahead.

THE STORY:

From Rosenblatt Securities

"Buybacks have been the main driver of higher equity prices during the current credit boom, which began in 2009, as all other major stock market participants combined have been net sellers. They got off to a sluggish start this year, partly because many CEOs advanced dividends at the end of last year to beat tax hikes, and partly because CEOs were spooked about fiscal cliff issues, even though the credit market kept on humming. But announcements have picked up since early February."

"Buyback announcements for the S&P have now topped the trillion-dollar mark for this credit boom. And even though this boom is about to begin its fifth year, this past month has seen the fastest growth for buyback announcements, as if CEOs are making up for lost time."

OUR TAKE:

Buybacks have provided important support for stock prices in the U.S. As Rosenblatt points out. All other investor classes, driven by households and hedge funds, have combined to be net sellers of stocks of companies in the S&P 500. The companies themselves are picking up that slack.

Cheap and plentiful credit has been the main driver of activity, as banks, flush with cash from the numerous easing's by the Fed, search for ways to put their capital to work in an otherwise sluggish economy. That has helped buyback activity among S&P 500 companies to top the trillion-dollar mark this cycle, or since markets bottomed in early 2009. To put the \$1 trillion into context, the S&P 500's market value was \$14 trillion at the end of February. Clearly buybacks are putting a firm bid under the market.

With the credit and credit default swap markets showing little signs of abatement, healthy buyback activity should only continue. Indeed Rosenblatt believes the credit markets are indicating that there are years of growth ahead for buybacks, providing more oomph to lift stock prices. And inflict pain on short sellers.

文件 DJCOMM1120130306e936001za

MARKET WEEK

Stocks --- The Trader: Dow: Close But No Cigar, Misses High by 0.5%

By Vito J. Racanelli

1,763 字

2013 年 3 月 4 日

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Put away the party favors and the funny hats -- at least for another day. Alas, after coming within inches Thursday of the all time high, the Dow Jones Industrial Average once again failed to close above it, in volatile trading last week.

While it finished at a new five-year high Friday, the Dow's inability to get over the hump since it began approaching the record a month ago is weighing on sentiment. The proximate causes were the beginning of the Federal government's budget sequester Friday, and a re-ignition of nervousness about the European debt problems, following the Italian elections Feb. 24 and 25.

But the emergence of some negative market signs -- such as lack of follow-through by other indexes -- in recent days has some participants thinking that a retreat is likely and probably healthy. Another assault on the record is still coming, they predict.

After the big run-up through Feb. 19, "the market is exhausted and irritated at Washington, D.C.," says Seth Setrakian, a partner at First New York. He remains bullish longer term, but adds "the market is ready for a healthy, short-term pull back."

Last week, the Dow picked up 0.6%, or 89 points, to 14,089.66. It is just 75 points, or 0.5%, from the record close. The Standard and Poor's 500 index added three points, or 0.2%, to 1518.20. It remains down 3% from the all-time high of 1565. The Nasdaq Composite rose 0.25%, or eight points, to 3169.74. But small-company stocks fell, with the Russell 2000 losing 0.15%, to 914.73.

Over the past 10 days or so, the market's begun to churn, says Michael Sheldon, chief market strategist for RDM Financial Group. Sentiment measures, like the 50-day and 200-day stock price moving averages, had gotten overextended on the bullish side, to levels consistent with a pullback, he says.

Adds Douglas Ramsey, chief investment officer at Leuthold Group: "In recent days you finally started to see some raggedness in the action," after a year that has seen most stocks, big and small, rise sharply. The Dow rebounded after Monday's drop, but the average stock hasn't seen much of a bounce. For now, it's not a concern, but if it goes on a few months "it's the kind of thing you see in the last inning of a rally," he says.

With the sequester in effect, investors will keenly eye economic data in coming weeks and months for the effect of the government's spending cuts on the country's economy, says Sheldon. It's not a big jump from economic damage to lower corporate earnings.

One potentially negative technical note that bears watching is that the S&P 500 index hasn't been able to get as close to its high as the Dow has. More worrying is that the S&P 500 index, unlike the Dow, has generally made lower highs since hitting a five-year high of 1530 on Feb 19.

Though widely recognized, the Dow is a narrow index of just 30 mega-cap stocks. The S&P 500 index covers a much bigger slice of Corporate America and, should the Dow hit a new high, then the S&P 500 would need to confirm in relatively short order for investors to feel comfortable that the bull market is healthy.

Veteran investors know Mr. Market occasionally overreacts to corporate problems, knocking a stock below what the company's long-term prospects would warrant.

Capital One Financial (ticker: COF), the nation's seventh largest bank based on deposits, might be one of those opportunities. Since mid-January, while the market is up 2.5%, its stock has dropped 16% to \$51.87 last Friday. One of the country's largest credit-card lenders, Capital One, which is expanding into other lending businesses, has been hit by a few growth-related concerns.

Part of that comes from Capital One's announced sale of roughly \$7 billion in Best Buy (BBY) credit-card loans to Citigroup (C) at about book value. This portfolio, part of a larger set of other private-label and co-branded credit cards assets, including General Motors (GM), were bought last year from HSBC Holdings (HBC). The sale makes Wall Street think there isn't as much credit-card growth as previously thought.

On Jan. 18, Capital One reported fourth-quarter earnings of \$843 million, or \$1.41 a share, up from \$407 million, and 88 cents a share in the same period of 2011. Revenue rose 39% to \$5.62 billion. Nice, but lower than expected. Moreover loan-loss provisions were up, too, to \$1.15 billion from \$861 million, and the net interest margin fell to 6.52% from 7.22%. The company itself said revenue in 2013 will be consistent with the fourth quarter.

Unsurprisingly, all this translates into anxiety about Capital One's growth prospects and weakness in the credit-card business, about 40% of total revenue. Another 40% is consumer loans, like auto loans, and 20% is commercial lending. With loan losses growing and expansion slowing, investors have lost their appetite for the shares.

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This is not a troubled bank, and the catalysts for a reversal for the shares could begin soon, after the Federal Reserve reveals this month results of the annual stress test of the nation's largest banks. Goddard is expecting Capital One will get the nod to increase the dividend sharply. Management has prioritized the dividend, and Capital One can easily provide a 3% dividend yield, he says. The current yield is 0.4%.

The stock trades at a price-to-earnings ratio of about eight times consensus earnings estimates of \$6.50 this year, not much above the historical P/E low of 6.4. Additionally, it trades at 1.26 times tangible book value of \$41.26 per share, below an average of 1.38 over the past half-decade.

This bank can provide a 10% return on equity and that should garner a 10 P/E over the longer term, Goddard argues. He says the bank can post EPS of \$6.20 to \$6.50 this year or next, compared to \$6.16 last year. That plus stock buybacks and a higher dividend, if the Fed allows, suggests the shares could hit \$65 over the next 12 to 18 months, he says.

The caveat is the Fed's decision, but part of the reason fourth-quarter results were lower than expected was Capital One's "overcapitalization," says Goddard.

In the fourth quarter, many firms declared one-time large dividends, racing to return cash to shareholders before the higher dividend tax regime took effect in 2013.

Despite increased taxes this year, a number of high profile companies from a wide variety of industries have hiked their regular dividends an impressive amount, double-digit percentages in some cases. It could be an indication that dividends will become a bigger focus than in recent years.

For example, Coca Cola (KO) raised the dividend 10%; Wal-Mart Stores (WMT) 18%; Texas Instruments (TXN) 33%; Omnicom Group (OMC), 33%; Time Warner (TWX), 10.5%; Occidental Petroleum (OXY), 19%; Home Depot (HD), 34%; and Anheuser-Busch InBev (BUD), 42%. Shares of all but Wal-Mart have outperformed the market this year.

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The seasonally adjusted dividend per share for the S&P 500 index was \$34.16 in the fourth quarter, "well above the last market peak in 2007" of \$28.81, notes Ed Hyman, chairman of International Strategy & Investment. After the big fourth-quarter tax-related spurt, "they are still going up, and this indicates an increase in business confidence," he adds. Given payout ratios are still low, corporate balance sheets flush, profits are surging, and the stock market rallying, "a sea change" in dividends could be under way, he says.

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Vital Signs

Friday's Close Week's Change Week's % Chg.

| | | | |
|------------------|----------|--------|-------|
| DJIndustrials | 14089.66 | +89.09 | +0.64 |
| DJTransportation | 5984.90 | +41.01 | +0.69 |
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| DJ65Stocks | 4835.06 | +32.13 | +0.67 |
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| | | | |
|-------------------|----------|--------|-------|
| S&P500 | 1518.20 | +2.60 | +0.17 |
| S&PMidCap | 1098.15 | -5.55 | -0.50 |
| S&PSmallCap | 512.40 | -0.13 | -0.03 |
| Nasdaq | 3169.74 | +7.93 | +0.25 |
| ValueLine(arith.) | 3404.55 | -11.44 | -0.33 |
| Russell2000 | 914.73 | -1.43 | -0.16 |
| DJUSTSM | 15982.16 | +27.70 | +0.17 |

Last Week Week Earlier

| | | |
|----------------------|---------|---------|
| NYSE | | |
| Advances | 1,667 | 1,386 |
| Declines | 1,492 | 1,767 |
| Unchanged | 64 | 63 |
| NewHighs | 447 | 576 |
| NewLows | 110 | 82 |
| AvDailyVol(mil) | 3,734.8 | 3,857.2 |
| Dollar | | |
| (Finexspotindex) | 82.27 | 81.48 |
| T-Bond | | |
| (CBTnearbyfutures) | 132-295 | 131-290 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 90.68 | 93.13 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 290.36 | 293.52 |
| Gold | | |
| (CMXnearbyfutures) | 1571.90 | 1572.40 |

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文件 B000000020130302e9340001a

Barron's: The Trader: Dow: Close But No Cigar, Misses High By 0.5%

1,760 字

2013 年 3 月 2 日 07:32

Dow Jones Chinese Financial Wire

DJCFWE

英文

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(From BARRON'S 3/4/13)

By Vito J. Racanelli

Put away the party favors and the funny hats -- at least for another day. Alas, after coming within inches Thursday of the all time high, the Dow Jones Industrial Average once again failed to close above it, in volatile trading last week.

While it finished at a new five-year high Friday, the Dow's inability to get over the hump since it began approaching the record a month ago is weighing on sentiment. The proximate causes were the beginning of the Federal government's budget sequester Friday, and a re-ignition of nervousness about the European debt problems, following the Italian elections Feb. 24 and 25.

But the emergence of some negative market signs -- such as lack of follow-through by other indexes -- in recent days has some participants thinking that a retreat is likely and probably healthy. Another assault on the record is still coming, they predict.

After the big run-up through Feb. 19, "the market is exhausted and irritated at Washington, D.C.," says Seth Setrakian, a partner at First New York. He remains bullish longer term, but adds "the market is ready for a healthy, short-term pull back."

Last week, the Dow picked up 0.6%, or 89 points, to 14,089.66. It is just 75 points, or 0.5%, from the record close. The Standard and Poor's 500 index added three points, or 0.2%, to 1518.20. It remains down 3% from the all-time high of 1565. The Nasdaq Composite rose 0.25%, or eight points, to 3169.74. But small-company stocks fell, with the Russell 2000 losing 0.15%, to 914.73.

Over the past 10 days or so, the market's begun to churn, says Michael Sheldon, chief market strategist for RDM Financial Group. Sentiment measures, like the 50-day and 200-day stock price moving averages, had gotten overextended on the bullish side, to levels consistent with a pullback, he says.

Adds Douglas Ramsey, chief investment officer at Leuthold Group: "In recent days you finally started to see some raggedness in the action," after a year that has seen most stocks, big and small, rise sharply. The Dow rebounded after Monday's drop, but the average stock hasn't seen much of a bounce. For now, it's not a concern, but if it goes on a few months "it's the kind of thing you see in the last inning of a rally," he says.

With the sequester in effect, investors will keenly eye economic data in coming weeks and months for the effect of the government's spending cuts on the country's economy, says Sheldon. It's not a big jump from economic damage to lower corporate earnings.

One potentially negative technical note that bears watching is that the S&P 500 index hasn't been able to get as close to its high as the Dow has. More worrying is that the S&P 500 index, unlike the Dow, has generally made lower highs since hitting a five-year high of 1530 on Feb 19.

Though widely recognized, the Dow is a narrow index of just 30 mega-cap stocks. The S&P 500 index covers a much bigger slice of Corporate America and, should the Dow hit a new high, then the S&P 500 would need to confirm in relatively short order for investors to feel comfortable that the bull market is healthy.

Veteran investors know Mr. Market occasionally overreacts to corporate problems, knocking a stock below what the company's long-term prospects would warrant.

Capital One Financial (ticker: COF), the nation's seventh largest bank based on deposits, might be one of those opportunities. Since mid-January, while the market is up 2.5%, its stock has dropped 16% to \$51.87 last Friday. One of the country's largest credit-card lenders, Capital One, which is expanding into other lending businesses, has been hit by a few growth-related concerns.

Part of that comes from Capital One's announced sale of roughly \$7 billion in Best Buy (BBY) credit-card loans to Citigroup (C) at about book value. This portfolio, part of a larger set of other private-label and co-branded credit cards assets, including General Motors (GM), were bought last year from HSBC Holdings (HBC). The sale makes Wall Street think there isn't as much credit-card growth as previously thought.

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Crude Oil

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March 02, 2013 00:10 ET (05:10 GMT)

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Financial Stocks
News & Commentary
Financial stocks shrug off sequester cuts

Sital S. Patel

spatel@marketwatch.com; Sital Patel covers Wall Street and the financial services industry from New York. You can follow her on Twitter at @Sital.

617 字

2013 年 3 月 1 日 22:29

MarketWatch

MRKWC

英文

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NEW YORK (MarketWatch) – Financial stocks held their ground Friday as investors, with plenty of time to adjust their portfolios, looked past looming federal spending cuts and a raft of economic data from Europe showing weakness in some of the euro zone's largest economies.

Read: Sequester cuts near as Senate bills fail

The Financial Select Sector SPDR Fund , which tracks financial stocks in the **S&P500**, ended 0.5% higher Friday, trimming its loss for the week to 0.6%. Since the start of the year, it is up 7.6%.

European banks were down on the first day of the new trading month. Deutsche Bank AG shares were down more than 4% at \$43.82, bouncing back from earlier losses.

The German bank was downgraded to a sell rating from neutral by Goldman Sachs on Friday. The target price was dropped to 37.30 euros from 47.00 euros, largely as a result of the Federal Reserve's new capitalization rules likely being adopted by foreign banks, said the Goldman Sachs report.

Royal Bank of Scotland Group PLC shares fell more than 3%, rebounding from earlier losses. Barclays PLC and Credit Suisse Group AG were down more than 1.5% in trading. The Euro-zone unemployment rate moved up to 11.9% in January from 11.8%.

American International Group, Inc. said Friday it bought back the last of the warrants it issued to the U.S. Treasury, the final stake in the company still held by the government. The insurance giant paid \$25 million for the warrants, issued in 2008 and 2009.

AIG was bailed out by the government during the financial crisis as the firm headed toward bankruptcy. The firm returned the \$182 billion borrowed from the government during the financial crisis and a profit \$27.7 billion, said Chief Executive Robert Benmosche.

AIG was downgraded to equal-weight from overweight by Evercore Partners, saying the firm would require good execution on expenses and underwriting to meet its targets for 2013. The boutique consulting firm continues to have a positive bias on AIG and raised the target price of the stock from \$40 to \$42. AIG shares were down 0.5%, paring earlier losses.

Citigroup Inc. is hosting a financial services conference on Tuesday in Boston. Chief Executive Mike Corbat is scheduled to speak at the conference on the firm's progress and strategy. Corbat took over in October from ousted CEO Vikram Pandit. Citigroup shares were up nearly 0.5%.

Goldman Sachs was up 0.5%, but up 18% for the first two months of the year. Morgan Stanley shares were down 0.5%, but were up 17% year-to-date.

J.P. Morgan Chase & Co. is the winner so far in landing the most mergers and acquisition deals in 2013. The bank is the lead underwriter for many of the major deals including H.J. Heinz Co. and Buffett, Dell Inc. sale to Michael Dell and Silver Lake Partners and NBC and Comcast Corp. J.P. Morgan topped the list as the firm with \$3.97 billion in fees earned in 2012, a 24.8% increase from the year before, according to a Bloomberg ranking, measuring fees earned. J.P. Morgan shares ended the day flat.

Financial stocks finish a rough week with slim gains, looking past major federal spending cuts set to kick in Friday and weak economic data from two of the euro zone's largest economies. |103

文件 MRKWC00020130301e931001gt

 [Berkshire Annual Report: Warren Buffett's Greatest Hits](#)

WSJ Blogs, 2013 年 3 月 1 日 15:17, 802 字, By Erik Holm, (英文)

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WSJ BLOG: Berkshire Annual Report: Warren Buffett's Greatest Hits

843 字

2013 年 3 月 1 日 15:17

Dow Jones News Service

DJ

英文

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(This story has been posted on The Wall Street Journal Online's Deal Journal blog at <http://blogs.wsj.com/deals>.)

By Erik Holm

In just a few short hours Warren Buffett releases his yearly manual of all things Berkshire.

Buffett's letter to Berkshire letter is widely read even beyond the devoted circle of Buffett acolytes who own his company's shares. Some of the biggest institutional money-managers and the smallest retail investors pour over Buffett's prose, soaking up Buffett's farmers-almanac style advice on investing, his views on the economy, and his take on the world.

His earliest letters, written to the people who had put their money into his hedge-fund-like investing partnership in the 1960s, were "photocopied and passed hand to hand around Wall Street until the copies became blurry and hard to read," according to biographer Alice Schroeder.

With the latest annual letter set to be released after the bell today, Deal Journal decided to take our readers through a greatest hits of Buffett's bon mots.

Feb. 21, 2003

"Derivatives are financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal."

In Berkshire's 2002 annual letter, published in February 2003, Buffett issued a now-famous warning about the liabilities that could arise from the "burgeoning quantities of long-term derivatives contracts." His warning would prove prescient when the financial crisis struck, but by that time, Berkshire itself had taken on some massive derivative obligations. Buffett has gone to great lengths to explain why Berkshire's derivative book is different, but it's rare to hear an investor talking about Buffett's WMD comment without also discussing Berkshire's own derivative bets.

Feb 27, 2004

Buffett, one of the richest people in the world, has long suggested that the wealthiest Americans need to pay more taxes. But in 2004, his comment was about the corporate tax rate. The prior year, corporate income taxes accounted for 7.4% of all federal tax receipts, down from a post-war people of 32% in 1952.

Feb. 28, 2005

Buffett warned in 2005 against trying to time the market too much, saying that many investors have "had experiences ranging from mediocre to disastrous" because they traded too often, followed fads and entered and exited the market at the wrong times.

Feb. 28, 2006

Buffett, whose \$100,000 salary at Berkshire has been unchanged for more than 25 years, has long criticized executive pay and expressed his distaste for golden parachutes. He later claimed to be a "Typhoid Mary" for having served on 19 corporate boards while only earning a spot on a single compensation committee.

Feb. 28. 2007

Buffett's 2007 comment was in reference to the 2-and-20 fee structure employed by many hedge funds. Buffett called the fees a "grotesque arrangement."

Feb. 29 2008

One of the most frequently cited of Buffett's quotes was referring to the bursting of the housing bubble. "Our country is experiencing widespread pain" because of the erroneous belief that home prices would always rise, he wrote. That pain, of course, would only get worse in the year ahead.

Feb. 27, 2009

With the **S&P500** down by more than half from its 2007 peak, even casual investors were paying close attention to Buffett in early 2009. His message: buy. "We enjoy such price declines if we have funds available to increase our positions," he wrote.

Feb. 28, 2010

Buffett had a wider audience than ever in 2010 after new investors flocked to the company as a result of a \$26.5 billion takeover of railroad Burlington Northern Santa Fe and the addition of Berkshire to the **S&P500**. The annual letter included a "freshman orientation session" about Berkshire for the newcomers.

Feb. 26, 2011

A year after the railroad deal, Buffett announced he was on the lookout for major acquisitions as part of his unending effort to profitably employ the bucketfuls of cash his company collects every month. While the 2011 pronouncement attracted attention, Buffett hasn't come close to bagging another company as big as Burlington. He did buy engine lubricant-maker Lubrizol Corp. for \$9 billion in 2011 and earlier this month agreed to supply about \$12 billion to join with a Brazilian investment firm to buy ketchup maker H.J. Heinz Co.

Feb. 25, 2012

The Berkshire board is "enthusiastic about my successor as CEO, an individual to whom they have had a great deal of exposure and whose managerial and human qualities they admire."

Berkshire shareholders have long obsessed about who would replace Buffett, and last year he indicated the company's board had identified a single individual to succeed him as chief executive. The would-be successor wasn't named, and Buffett later said that even his replacement was unaware that they were considered the top candidate.

-For continuously updated news from The Wall Street Journal, see WSJ.com at <http://wsj.com>.

[03-01-13 1017ET]

文件 DJ00000020130301e93100094

MARKET TALK: Signs Of **S&P500** Pullback, But Needs Big Catalyst - BofA-ML

285 字

2013 年 2 月 28 日 07:07

Dow Jones Global Equities News

DJI

英文

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0707 GMT [Dow Jones] The outperformance by defensive equity sectors, year-to-date losses in credit markets, and the capitulation in gold, indicates the bullish tape is beginning to show cracks, Bank of America Merrill Lynch writes in a note. However, the house believes the risk of a correction that brings the S&P 500 back to the 1300-1400 range (1515.99 at Wednesday's close) over the next eight weeks "requires either a big policy mistake or a clear weakening of the global economy that is sufficient to impact both credit and equity prices." While U.S. fiscal tightening and renewed European political uncertainty are obvious catalysts, "these events would need to cause either a damaging surge in bond yields (e.g. Italian yields to well above 5%) or U.S. and German GDP downgrades," for such a correction to ensue.

Central bankers rather than politicians are currently the dominant driver of asset prices, it says, noting the aggressive and successful policy of asset price reflation, have clearly raised the bar for both a policy mistake and economic weakness to damage risk assets. It suggests that those pinning their hopes on an imminent correction should pay close attention to the bank stocks and the U.S. housing theme; "In our view, a failure to regain recent highs in both the U.S. investment broker index (XBD) and housing index (HGX) would be ominous, as would a breakdown of the French bank index (EPSFIN) toward Italian levels."
(john.phillips@dowjones.com)

Contact us in Singapore. 65 64154 140; MarketTalk@dowjones.com

[28-02-13 0707GMT]

1012 1085

文件 DJI0000020130228e92s0009I

Exchange Traded Funds Top 10 Volume Leaders

158 字

2013 年 2 月 27 日 22:33

Dow Jones News Service

DJ

英文

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| STOCK (Symbol) | NET LAST | % CHG | VOL CHG | 100s |
|-------------------------------|-------------|----------|------------|-------------|
| SPDR S&P 500 SPY | 151.91 | 1.89 | 1.26 | 124,361,190 |
| Select Sector SPDR-Finl XLF | 17.62 | 0.27 | 1.56 | 61,799,448 |
| iShrs MSCI Emerg Mkts EEM | 43.41 | 0.47 | 1.09 | 44,197,696 |
| iShrs Russell 2000 IWM | 90.31 | 0.94 | 1.05 | 39,297,397 |
| PwrShrs QQQ Tr Series 1 QQQ | 67.24 | 0.68 | 1.02 | 33,222,130 |
| ProSharesUltVIXST UVXY | 10.31 | -1.68 | -14.01 | 31,770,111 |
| Direxion Daily Sm Bear 3x TZA | 10.70 | -0.34 | -3.08 | 22,560,123 |
| iShrs MSCI Japan EWJ | 10.17 | -0.01 | -0.10 | 20,283,117 |
| Vanguard FTSE Emerg Mkt VWO | 43.72 | 0.39 | 0.90 | 19,809,747 |
| ProShrs UltraShort | | | | |
| S&P500 SDS | 47.26 | -1.23 | -2.53 | 18,504,373 |

[02-27-13 1733ET]

文件 DJ00000020130227e92r000u8

MARKET WEEK

Stocks --- The Trader: Stocks Slip 0.3% as Fed Comments Stoke Fears

By Vito J. Racanelli

1,708 字

2013 年 2 月 25 日

Barron's

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Stocks finished mostly lower last week, breaking a string of seven consecutive weekly gains since the end of 2012. Big-cap stocks proved the exception, ending the holiday-shortened week with a diminutive gain. But a bounce of nearly 1% Friday wasn't enough to undo the damage from a midweek drop in equity prices of nearly 2%.

The market reached a five-year high Tuesday, and was on track to keep climbing before the minutes of the latest meeting of the Federal Reserve Open Market Committee were released, revealing that the Fed's monetary easing might end sooner than expected.

The Dow picked up 0.1%, or 19 points, to 14,000.57 on the week, and now stands just 1.2% below its all-time record close of 14,164.53, set in 2007. The Standard & Poor's 500 index declined 0.3%, or four points, to 1515.60. The Nasdaq Composite lost 1%, or 30, to 3161.82.

Wednesday's drop was an excuse to take profits after this year's furious rally, says John Wilson, a Raymond James managing director. With the market up so much and many investors looking for a reason to sell, the FOMC provided it, he says. It was "just enough to scare people," but the market's underlying technical factors remain bullish, Wilson adds. More on that below.

Not everyone is worried about the possibility that the Fed will stop buying bonds and depressing interest rates. "In the long run, it's a good thing to get the Fed out of the market," says Paul Nolte, a portfolio manager with Dearborn Partners. "I'm not concerned [about the removal of stimulus]. It's probably a good thing . . . and means the patient can stand up on its own."

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| NYSE | | |
| Advances | 1,386 | 1,735 |
| Declines | 1,767 | 1,437 |
| Unchanged | 63 | 52 |
| NewHighs | 576 | 688 |
| NewLows | 82 | 47 |
| AvDailyVol(mil) | 3,857.2 | 3,351.9 |
| Dollar | | |
| (Finexspotindex) | 81.46 | 80.58 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-290 | 131-170 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 93.13 | 95.86 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 293.52 | 298.45 |
| Gold | | |
| (CMXnearbyfutures) | 1572.40 | 1608.80 |

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Barron's: The Trader: Stocks Slip 0.3% As Fed Comments Stoke Fears

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2013 年 2 月 25 日 01:04

Dow Jones Chinese Financial Wire

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(From BARRON'S 2/25/13)

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| (CBTnearbyfutures) | 131-290 | 131-170 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 93.13 | 95.86 |

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February 23, 2013 00:08 ET (05:08 GMT)

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Home

If Long-Term Rates Continue to Rise, Will Stocks Be Hurt?

By David Kelly

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2013 年 2 月 25 日

Barron's Online

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In the week ahead, investors will be focused on early numbers on the pace of economic activity in February and whether Congress and the President will avoid inflicting the "Sequester" on the long-suffering public whom they serve.

However, longer-term, a more important issue is what will happen to financial markets as interest rates rise.

With regard to this week, the FHFA Home Price Index, Case-Shiller Housing Price Index, and New Home Sales on Tuesday, and the Pending Home Sales Index on Wednesday should all confirm a strong and steady improvement in the housing market. Similarly, final University of Michigan Consumer Sentiment and Conference Board Confidence could point to an improvement in sentiment among consumers for February after January's "payroll-tax-induced" fall in both indices.

Durable goods orders may reverse the gains made in December on Wednesday on a sharp decline in Boeing orders. Light vehicle sales due out on Friday should keep pace with January's numbers, while still pointing to a steady improvement in the cyclical sectors.

For the manufacturing sector, mixed signals from the Empire State and Philly Fed Manufacturing survey's, the Chicago PMI on Thursday and the Markit and ISM PMI's on Friday should all indicate further expansion, albeit at a slower pace than in January. Additionally, after a few volatile weeks due to weather and seasonality issues, jobless claims seem to be back at their prior trend, signaling a moderately healing labor market.

This week will also see the release of the U.S. Commerce Department's second estimate of Real Q4 GDP on Thursday and Personal Income and Outlays for January on Friday. After a disappointing advanced estimate, real GDP growth should be revised to a small positive number, in light of stronger than anticipated trade and final sales data. Personal Income will most likely fall sharply in "pay back" for December's accelerated bonuses and special dividend payments. Likewise, consumer spending should be dampened in January, as households adjust their budgets to higher tax rates.

The sequester does seem likely to take effect on March 1st. However, while it stands as testament to the dysfunctional nature of our political system, it still looks likely that its worst impacts could be mitigated in the months ahead, allowing the U.S. economy to stay on a growth path.

Longer term, a key question for investors is how the stock market might react to higher interest rates.

In addressing this, it first must be recognized that the pace of increases in both short-term and long-term interest rates remains highly debatable. With regard to short-term interest rates, the Federal Reserve reaffirmed at its January meeting that it intends to keep the federal funds rate in its current zero to 25 basis point range until the unemployment rate falls to 6.5%, provided inflation and inflation expectations remain contained. Given the current subdued pace of economic growth this may well not happen until late 2014 or 2015.

With regard to long-term interest rates, the story is more complicated as the Fed does not have absolute control over long-term rates. So far, 10-year Treasury yields have backed up from less than 1.5% at their low last summer to about 2.0% today. In the long run, 10-year yields average about 2.5% above inflation and with inflation currently running at 2.0%, a "fair value" for the 10-year Treasury could be at about 4.5%.

Rates could move very slowly to this level if economic growth remains sluggish and the Federal Reserve continues to expand its balance sheet. However, Fed officials appear to have growing reservations about the asset purchase program, as was clearly reflected in the minutes of the January FOMC meeting.

To be blunt, the pace at which long-term interest rates could rise remains highly uncertain. However, assuming that they do rise, what does this mean for the stock market?

In traditional economic theory, the answer is clear and it is negative for two reasons. First, the intrinsic value of any asset is the discounted value of the cash flows that that asset can be expected to produce either in the form of income or of capital gains. If long-term interest rates rise, then so does the discount rate applied to those cash flows. Because of this, higher long-term interest rates should reduce the value of stocks. Second, rising interest rates could hurt economic growth and thereby profits. This would obviously be a negative for stocks.

However, in today's environment, the answer is much more murky.

For one thing, because long-term interest rates are currently so low, stocks appear to be severely underpriced relative to long-term bonds. If stock prices and interest rates are very far from what might be called fair value relative to each other, then improvements in confidence or investor cash flows that moved stocks and bonds back a more normal relationship might completely dominate any changes in that normal relationship implied by a change in interest rates.

Second, it is really by no means clear that an increase in interest rates would slow the economy. It would very likely boost consumer interest income more than consumer interest expense, increase the willingness of banks to lend due to a steeper yield curve, improve general economic confidence and give buyers and sellers alike a reason to consummate deals before rates rose further.

Given both of these realities, it is hard to forecast the impact of an increase in interest rates on stock prices. When faced with conflicting theories, a good economist, of course, consults the data.

Unfortunately, the data are not much clearer than the theories. An econometric equation using monthly data from 1957 to 2013 does confirm that an increase in 10-year bond yields is, on average, associated with lower stock prices. However, the regression explains less than 2% of the variation in monthly stock market changes over the last 56 years and it implies that if the 10-year Treasury yield were to rise from 2% to 3%, the **S&P500** would fall by just 1.5% in response.

The truth is that the last six decades have seen major changes in how investors perceive stocks, going from loving to logic to loathing and these changes appear to have completely swamped the expected theoretical relationship between stocks and interest rates.

In the 1950s and 60s, investors gradually fell in love with stocks as they got over their depression era fears, allowing stock P/E ratios to increase even as interest rates rose.

From the early 1970s to the mid-1990s, investors had a more logical approach with P/Es falling as interest rates rose and then rising as interest rates fell.

Eventually, investors, in the words of Alan Greenspan, were discounting "... not only the here and now but the hereafter" and stocks overshot by the year 2000. From that point on, through two massive stock market crashes, two recessions, two wars and the shocks of 9/11 and Lehman Brothers, investor gradually came to loath stocks, allowing P/E ratios to fall even as interest rates fell. The truth is, that for about half of the last 60 years, stock prices and interest rates have trended in the opposite direction from that suggested by theory.

And that is why it is so hard to estimate what will happen to stock prices as interest rates rise. It is truly a close call. For investors today, the truth is that the relationship between rising interest rates and stock prices is a matter of speculation. The relationship between rising interest rates and bond prices is, by contrast, just a matter of mathematics – when rates rise, bond prices will fall. Given this, for investors today, it still makes sense to be somewhat overweight equities and underweight fixed income relative to their normal portfolios.

Kelly is chief global strategist for JPMorgan Funds. A version of this article is also printed on a JPMorgan Website.

Comments? E-mail us at editors@barrons.com

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DOW JONES NEWSWIRES

Barron's: The Trader: Stocks Slip 0.3% As Fed Comments Stoke Fears

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2013 年 2 月 23 日 05:08

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Investors can't rule out a painful correction, given Washington's dithering about sequestration, or mandatory -- and painful -- budget cuts. But it is comforting to know that the health chart suggests the rally remains robust.

Titan International's fourth-quarter conference call, scheduled for Tuesday, promises to be interesting. But it probably won't be the numbers that investors will tune in for. Instead, they'll want to hear the fiery Maurice Taylor, chairman and CEO.

Taylor, nicknamed "the Grizz" for his hard-driving negotiating style, created a well-publicized contretemps with the French government and the country's organized labor forces last week, and may have coined a catch phrase for Corporate America.

After talks with the French government and unions about buying a failing Goodyear Tire & Rubber plant in France, Taylor wrote in a letter, among other incendiary statements, "How stupid do you think we are?" It was a public smackdown of French labor culture as overpaid and underworked.

That's not exactly a new criticism, but the hyperbole hit home because the country's notoriously inflexible labor rules haven't helped a national economy that isn't growing. Last week, the Markit preliminary French composite purchasing managers' index weakened to 42.3 in February from 42.7 in January.

The media kerfuffle was entertaining, but investors who sidestep the war of words Tuesday and concentrate on Titan's (ticker: TWI) fundamentals might see a stock that remains relatively inexpensive and will continue to do well if global growth improves.

Friday, shares of Titan, which makes giant tires for oversized dump trucks, farm vehicles and the like, closed at \$25.81. While it's been on a tear, along with the market, from a low of \$18 last fall, the stock remains down from a 52-week high of \$30.

As Barron's noted in a bullish piece last summer, Titan will benefit from rising agricultural-commodities prices, falling rubber costs, new products and acquisitions. ("Nice Wheels, Lovely Ride," July 9, 2012). The picture hasn't changed since then.

Things have been looking up for America's farmers for a while now, and as with agro-machinery maker John Deere (DE), one of Titan's biggest customers, Titan does well if farmers do. Some two-thirds of revenue and 80% of profits come from agricultural wheels and tires.

On various valuation metrics, Titan's shares don't look especially stretched after the recent run-up. Both the forward and trailing price-to-earnings ratios are less than the company's historic median level. Titan trades at less than 10 times consensus earnings estimates of \$2.69 a share this year.

At 6.2 times, the firm's ratio of enterprise value (market capitalization plus net debt) to earnings before interest, taxes, depreciation, and amortization (Ebitda) is significantly lower than the long-term median of 12.4 times, according to Thomson Reuters.

Analyst earnings estimates for 2013 have been coming down, from \$2.94 last summer to \$2.69 now. Yet the company recently said it expects to increase market share in the Americas this year in the farming sector, and that Europe is the one big negative worldwide. Titan has a goal of \$4 billion to \$4.5 billion in sales before 2015, more than double expected sales of \$1.8 billion to \$1.9 billion last year.

Robert Becker, director of research at Keely Asset Management, likes Titan management's operational moves, such as expanding in Brazil. It is improving plant efficiencies to cut expenses, and has impressively low selling, general, and administrative (SG&A) costs, he adds. Keely owns a stake in Titan, and he notes that "farmers are loaded with cash."

| Vital Signs | | | |
|-------------------|----------------|---------------|---------------|
| | Friday's Close | Week's Change | Week's % Chg. |
| DJIndustrials | 14000.57 | +18.81 | +0.13 |
| DJTransportation | 5943.89 | -2.56 | -0.04 |
| DJUtilities | 477.91 | +5.53 | +1.17 |
| DJ65Stocks | 4802.93 | +12.62 | +0.26 |
| DJUSMarket | 381.34 | -1.56 | -0.41 |
| NYSEComp. | 8894.63 | -38.59 | -0.43 |
| NYSEMKTComp. | 2394.30 | +6.07 | +0.25 |
| S&P500 | 1515.60 | -4.19 | -0.28 |
| S&PMidCap | 1103.70 | -12.05 | -1.08 |
| S&PSmallCap | 512.53 | -3.90 | -0.76 |
| Nasdaq | 3161.82 | -30.21 | -0.95 |
| ValueLine(arith.) | 3415.99 | -29.93 | -0.87 |
| Russell2000 | 916.16 | -6.99 | -0.76 |
| DJUSTSM | 15954.46 | -69.99 | -0.44 |

| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 1,386 | 1,735 |
| Declines | 1,767 | 1,437 |
| Unchanged | 63 | 52 |
| NewHighs | 576 | 688 |
| NewLows | 82 | 47 |
| AvDailyVol(mil) | 3,857.2 | 3,351.9 |
| Dollar | | |
| (Finexspotindex) | 81.46 | 80.58 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-290 | 131-170 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 93.13 | 95.86 |
| Inflation KR-CRB | | |

23 Feb 2013 00:08 EDT Barron's: The Trader: Stocks Slip 0.3% As Fed -2-

| | | |
|---------------------|---------|---------|
| (FuturesPriceIndex) | 293.52 | 298.45 |
| Gold | | |
| (CMXnearbyfutures) | 1572.40 | 1608.80 |

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(END) Dow Jones Newswires

February 23, 2013 00:08 ET (05:08 GMT)

文件 DJDN000020130223e92n000aj

Home

Prudential's Stock Strategist Urges Near-Term Caution

By John Praveen

1,374 字

2013 年 2 月 22 日

Barron's Online

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Editor's Note: Praveen is chief investment strategist with Prudential International Investments Advisers. This is a shorter version of an article Praveen prepared for clients.

Election uncertainties in Italy and risk of a destabilizing collapse of the Rajoy government in Spain could lead to fresh Eurozone aftershocks, while Washington faces the spectacle of another dysfunctional confrontation over the "sequester" spending cuts.

These risks/uncertainties are likely to increase market volatility in the near-term and prompt profit-taking. Hence tactical caution is warranted.

However, we remain strategically positive as stocks are supported by: 1) Interest rate and liquidity tailwinds with Japan launching aggressive fiscal and monetary reflation, continued low rates and plentiful liquidity in the U.S., U.K. and Eurozone, and further rate cuts likely by several Emerging central banks; 2) Improving GDP growth after ending 2012 on a weak note; 3) Solid Q4 earnings and earnings expected to rebound in 2013; 4) Still reasonable valuations with market multiples remaining well below long-term averages, and 5) Easing risk aversion with continued Eurozone stabilization.

Global bond yields are likely to rise further with improving GDP growth. Bond yields are likely to be under upward pressure from: 1) Improving GDP growth in U.S., Japan, U.K. and emerging economies; 2) Expensive valuations with low bond yields and relative to stocks. However, the rise in bond yields is likely to be limited by: 1) Central banks continuing their asset purchase programs, and likely to be expanded further in Japan; 2) Near-term uncertainties in Eurozone (Italian elections and Spanish corruption scandal) and U.S. (Washington "Sequester" fight); 3) Weak growth in Europe with Periphery in recession; and 4) Headline and core inflation remaining contained.

Stocks began 2013 on a strong note with a relief rally on U.S. fiscal cliff deal and debt extension, solid U.S. Q4 earning reports and the Abe fiscal and monetary reflation in Japan. In early February, stocks struggled on fresh Eurozone concerns with Italian election uncertainty and a corruption scandal threatening to bring-down the Rajoy government in Spain. However, Japanese stocks continued to surge as Bank of Japan (BoJ) Governor Shirakawa announced his early resignation, paving the way for more aggressive stimulus under Abe appointed new BoJ leadership.

By February 19, the U.S. market (**S&P500** index) was up 7.4%, while the Developed Market index rose 6% for one of the best starts to a year. The Emerging Markets underperformed, gaining just 0.8%.

In January, the Developed Market (MSCI World) index rose 5% (US\$), posting a strong start to the year. U.S. S&P 500 rose 5%, Japanese stocks surged strong 9.4% LC (8.9% US\$) while Eurozone stocks rose 2.7% LC (5.7 US\$) in January. Emerging Market stocks underperformed in January with relatively modest gain of 1.3 % (US\$) during the month as EMEA (+1.1%), Emerging Asia (1.4%) and Latin America (1.4%) all underperformed.

Looking ahead, global equity markets remain supported by: 1) Interest rate and liquidity tailwinds with Japan launching aggressive fiscal and monetary reflation, continued low rates and plentiful liquidity in the U.S., U.K. and Eurozone, and further rate cuts likely by several Emerging central banks; 2) Improving GDP growth after ending 2012 on a weak note; 3) Solid Q4 earnings and earnings expected to rebound in 2013; 4) Still reasonable valuations with market multiples remaining well below long-term averages, and 5) Easing risk aversion with continued Eurozone stabilization.

However, in the near-term, there are several headwinds in Eurozone and U.S. which are likely to cause stock markets to struggle and prompt profit taking after the strong gains in early 2013. While Eurozone continues to stabilize and financial conditions are improving, political uncertainties carry the risk of fresh Eurozone

aftershocks with a stalemate in the Italian election, while in Spain the Rajoy government could be forced to resign over corruption scandal.

Eurozone GDP sunk a greater-than-expected -2.3% in Q4 with broad-based declines in Core and Peripheral countries. While Eurozone GDP is expected to turn positive in Q1, the recession in the Peripheral countries makes it difficult for these countries to meet their debt and deficit reduction targets, leading to potential aftershocks of the debt crisis. In addition, political uncertainties in Italy and Spain are causing concern about potential policy errors or lack of leadership to carry out the reforms. Italy is scheduled to hold elections on February 24-25 and recent strong showing by former PM Berlusconi's center-right coalition carries the risk of a stalemate. In Spain, the ruling conservative party has become embroiled in a scandal with the potential to force PM Mariano Rajoy to resign.

In late December, U.S. congress agreed on a fiscal cliff deal but postponed to March the automatic spending cuts or "Sequester". It is increasingly looking like the Sequester will take effect with less likelihood of a compromise to generate either higher revenue or reduced spending. While the reduction in actual federal spending will be gradual, markets remain concerned about impact on growth and Washington dysfunction.

The Italian election uncertainty, the risk to the Rajoy government in Spain from the corruption scandal, and Washington "Sequester" confrontation are likely to keep markets volatile and struggling in the near-term. However, stocks remain supported by interest rate and liquidity tailwinds, improving GDP growth and earnings recovery, and still reasonable valuations.

Stocks continue to benefit from the highly accommodative interest rate and liquidity tailwinds as global central banks continue to keep interest rates at record lows in early 2013 and keep liquidity plentiful. With the BoJ set to have a new leadership more in tune with the Abe government's reflation agenda, the BoJ is likely to implement even more aggressive monetary stimulus. The Fed, the ECB and BoE are on hold in early 2013. The Fed continues its QE asset purchases, though the January Fed meeting minutes has led to some uncertainty about the how long the Fed will continue QE 3. The ECB did not signal a near-term rate cut but indicated that monetary policy will "remain accommodative" with falling inflation and fragile growth. Some Emerging central banks cut rates in early 2013 and more are likely to undertake fresh rate cuts and other easing measures.

The global economy ended 2012 on a weak note with GDP contraction in Q4 in Eurozone (-2.3%), Japan (-0.4%), U.K. (-1.2%) and the U.S. (-0.1%). However, Q1 GDP growth is on track to rebound in the U.S. (+2%) and Japan (+1%) as U.S. consumption and business investment spending remains solid, while in Japan the Abe reflation and weak yen are likely to give a lift to GDP. In Eurozone, GDP growth is likely to turn positive as Germany and France rebound. Emerging economies growth is on track to rebound following 2012 rate cuts.

P/E Multiples still well below long-term averages: Equity markets remain supported by reasonable valuations with most markets trading at P/E multiples that are still well below long term averages. There is also the scope for multiple expansion with easing risk aversion and developed central banks retaining their accommodative stance while Emerging central banks are likely to cut rates further.

Earnings are expected to post a solid 13% rebound in 2013 after declining -1% in 2012 with GDP growth recovery, margins remaining solid on low labor and interest costs, aggressive reflationary policies in Japan and further easing measures by other developed central banks, and further financial stabilization in Eurozone. The Q4 2012 earnings season has been mixed thus far with U.S. earnings coming better than expected, but earnings results have been disappointing in Eurozone and Japan.

Bottom-line: We remain strategically bullish on stocks and continue to expect interest rate tailwinds, central bank liquidity, fiscal and monetary reflation in Japan, further Eurozone stabilization, improving GDP growth and earnings rebound to lift stock markets higher during 2013 with several global stock markets (including the U.S.) likely to reach new all-time highs.

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MARKET WEEK

Stocks --- The Trader: Stocks Flat on Week, but Animal Spirits Rise

By Vito J. Racanelli

1,668 字

2013 年 2 月 18 日

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The 2013 stock rally showed signs of stalling last week, with more excitement to be seen among the players than the game. Equity prices finished essentially flat, though the broad market eked out a tiny gain, marking the seventh consecutive weekly rise. Small-caps topped large-caps.

Merger-and-acquisitions activity appears to be increasing as Warren Buffett's Berkshire Hathaway (ticker: BRK.B) and private-equity firm 3G Capital agreed to buy H.J. Heinz (HNZ) for \$23 billion. AMR (AAMRQ) and US Airways Group (LCC) hammered out their long-expected merger.

Last week, the Dow eased 0.1%, or 11 points, to 13,981.76. It is about 183 points from the all-time high. The Standard and Poor's 500 index added two points or 0.1%, to 1519.79, off 3% from its all-time highs. The Nasdaq Composite lost 0.1%, or two points, to 3192.03. Small-cap stocks did well, with the Russell gaining 1% to 923.15.

The market is holding back after its big January run-up and grappling with fair value, says Jack Ablin, chief investment officer at BMO Private Bank. To continue the advance, either fundamentals -- corporate profits and revenue, economic growth -- have to improve or positive signs have to emerge in Washington, D.C., on the fiscal talks, he says. There's no sign of either.

A positive outcome to the sequestration talks is the next hurdle, adds Liz Ann Sonders, chief investment strategist at Charles Schwab. Still, a good sign last week was the rise in "animal spirits," or M&A on Wall Street, she adds. Companies are using their own money and bringing in partners, even if banks aren't participating as much as in the past, she says. "Companies have a ton of cash but it's more likely to be spent on share buybacks and M&A than capital expenditures before the sequestration issue is resolved," she says.

Speaking of animal spirits, entertainment on an otherwise quiet Friday was provided by the intensifying battle over Herbalife (HLF) between investors Carl Icahn and William Ackman, of Pershing Capital.

Icahn, who has nearly a 13% stake, told CNBC Friday that Herbalife was undervalued. Pershing has a large short position in the stock and has accused the nutritional supplement company of being a pyramid scheme. Barron's penned a skeptical piece on Herbalife last year ("Where Beauty Is Skin Deep," May 14, 2012.) The stock is down 15% since then.

The saving grace for equities remains that while stocks are arguably fairly priced, bonds are extremely expensive.

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The results just weren't good enough for an overvalued stock with a halo like Whole Foods, a potential issue noted in these pages Oct. 29, when the stock was over \$94.

The purveyor of high-end organic foods said that in its first quarter ended Jan. 20 comparable-store sales rose 7.2%; sales climbed 14% to \$3.9 billion; net income was up 24% to \$146 million; and earnings per share soared 20% to 78 cents from 65 cents. The company reiterated EPS guidance of \$2.83-\$2.87 in fiscal 2013, up 12%-14% from \$2.52 in fiscal 2012, which ended Sept. 30.

What's the problem?

Well, the company lowered guidance a little bit. Whole Foods expects 10%-11% sales growth this year instead of 10%-12%, and same-store sales growth of 6.6%-8%, not 6.5%-8.5%. The grocer also said it doesn't expect to produce the same level of EPS growth over the rest of the year as it did in the first quarter.

That's due primarily to tougher gross-margin comparisons in the second and third quarters and efforts to improve its competitiveness.

This company has always been lauded for higher sales prices, so pay attention to the company's comment that it would "expand value offerings across the store." That suggests Whole Foods is having to lower prices.

We repeat: Whole Foods is a well-run company, dominating its niche, with a strong history of double-digit sales and earnings growth. The stock is less overvalued than it was last October. The fiscal 2013 price-to-earnings ratio has dropped to 30 from 32. But that's about the best that can be said.

Laurence Balter, who runs Oracle Investment Research and put a Sell rating on the stock last year at \$100, remains bearish. The barriers to entry aren't particularly high, he says, and competition is heating up. Costco Wholesale (COST), for example, is beefing up its organic offerings and "going for the jugular."

That might be why Whole Foods feels the need to lower prices. The company declined to respond.

If margins are getting squeezed in order to fund high single-digit-percentage store growth, down from mid-teens-percentage store growth, "then the right P/E probably starts with a two," says Balter.

Even after dropping 13% from a high of \$101 last October, Whole Foods remains significantly more highly valued than, say, Apple (AAPL). The potential for more downside is food for thought.

Shares of Heckmann (HEK), an energy-service firm with a market value of almost \$1 billion, got a big boost from the September announcement it was merging with Power Fuel, a leading environmental oil-service company in North Dakota.

Heckmann provides water-transport trucking, water-disposal services, and rental tanks to hold water for oil and gas exploration and production companies. The E&Ps use lots of water in the unconventional and shale-gas drilling methods that have created a bonanza of natural gas and oil in North America in recent years.

The stock doubled to about \$5 in September after the news, thanks to Power Fuel's main operating area: the Bakken shale region of North Dakota, probably the hottest North American E&P area. For those who might not know, that state overtook Alaska last year as the second-largest oil producer in the U.S.

Companies tied to Bakken often get a big headline pop. The shares closed Friday at \$3.84, down from the highs but still well above the pre-announcement price.

However, the market might be overestimating what Power Fuel will mean for Heckmann this year. Bakken's popularity has attracted lots of competition and the glut of shale gas found in the U.S. has kept the commodity's price around decade lows.

Wedbush Securities analyst David Rose says it looked like "a great deal on paper." But while doing some extensive checking with Heckman's customers and competitors in the Bakken, he found some disturbing trends.

First, as a consequence of extraordinarily low gas prices, E&P companies have decided to slow down capital spending, even in the Bakken, Rose notes. Additionally, "there's tremendous competition" in tank trucks, where the industry's utilization rates are down to about 50% from 90%, with day rates down 30%-40%. The industry's customers, E&P companies, are doing whatever they can to drive down costs, and that's not good for smaller oil-service companies like Heckmann.

And Bakken's fame has attracted many of Power Fuel's competitors to the area. Result: There is heightened competition in the truck-tank business. E&P companies need to store water on site and can use truck tanks, lined pits, or mobile pools.

The water-transport segment has experienced pricing drops of about 15%-20% and more in some cases, says Rose, who recently downgraded his rating to Underperform from Neutral. He expects these trends to lower the company's 2013 earnings before interest depreciation and amortization by \$25 million to \$178 million, which is about \$45 million below consensus.

Heckmann CFO Jay Parkinson says the company has been upfront with markets about the industry issues in the second half of 2012, "and our outlook for the future is better" than Rose's. Heckmann, he adds, isn't a conventional "downhole" service firm but an environmental-service provider. Such companies get a higher valuation.

Still, Heckmann has a high valuation relative to peers. The stock trades at roughly seven times consensus Ebitda and 8.5 times Rose's figure, compared with four to six times for rivals.

The market's shown itself to be merciless with environmental energy services firms that don't meet analysts' estimates. Why would it be different if Heckmann misses?

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 13981.76 | -11.21 | -0.08 |
| DJTransportation | 5946.45 | +35.12 | +0.59 |
| DJUtilities | 472.38 | -2.08 | -0.44 |
| DJ65Stocks | 4790.31 | +3.00 | +0.06 |
| DJUSMarket | 382.90 | +0.61 | +0.16 |
| NYSEComp. | 8933.22 | -2.02 | -0.02 |
| NYSEMKTComp. | 2388.24 | -21.70 | -0.90 |
| S&P500 | 1519.79 | +1.86 | +0.12 |
| S&PMidCap | 1115.75 | +6.66 | +0.60 |
| S&PSmallCap | 516.43 | +4.19 | +0.82 |
| Nasdaq | 3192.03 | -1.84 | -0.06 |
| ValueLine(arith.) | 3445.92 | +22.04 | +0.64 |
| Russell2000 | 923.15 | +9.48 | +1.04 |
| DJUSTSM | 16024.45 | +30.60 | +0.19 |

| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 1,735 | 1,671 |
| Declines | 1,437 | 1,467 |
| Unchanged | 52 | 74 |
| NewHighs | 688 | 580 |
| NewLows | 47 | 37 |
| AvDailyVol(mil) | 3,351.9 | 3,366.0 |
| Dollar | | |
| (Finexspotindex) | 80.48 | 80.25 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-170 | 131-235 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 95.86 | 95.72 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 298.45 | 301.06 |
| Gold | | |
| (CMXnearbyfutures) | 1608.80 | 1666.00 |

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DJ The Trader: Stocks Flat On Week, But Animal Spirits Rise

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2013 年 2 月 18 日 05:33

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(From BARRON'S 2/18/13)

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Still, Heckmann has a high valuation relative to peers. The stock trades at roughly seven times consensus Ebitda and 8.5 times Rose's figure, compared with four to six times for rivals.

The market's shown itself to be merciless with environmental energy services firms that don't meet analysts' estimates. Why would it be different if Heckmann misses?

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|------------------|----------------|---------------|---------------|
| DJIndustrials | 13981.76 | -11.21 | -0.08 |
| DJTransportation | 5946.45 | +35.12 | +0.59 |
| DJUtilities | 472.38 | -2.08 | -0.44 |
| DJ65Stocks | 4790.31 | +3.00 | +0.06 |
| DJUSMarket | 382.90 | +0.61 | +0.16 |
| NYSEComp. | 8933.22 | -2.02 | -0.02 |
| NYSEMKTComp. | 2388.24 | -21.70 | -0.90 |

| | | | |
|-------------------|----------|--------|-------|
| S&P500 | 1519.79 | +1.86 | +0.12 |
| S&PMidCap | 1115.75 | +6.66 | +0.60 |
| S&PSmallCap | 516.43 | +4.19 | +0.82 |
| Nasdaq | 3192.03 | -1.84 | -0.06 |
| ValueLine(arith.) | 3445.92 | +22.04 | +0.64 |
| Russell2000 | 923.15 | +9.48 | +1.04 |
| DJUSTSM | 16024.45 | +30.60 | +0.19 |

| | Last Week | Week Earlier |
|----------------------|-----------|--------------|
| NYSE | | |
| Advances | 1,735 | 1,671 |
| Declines | 1,437 | 1,467 |
| Unchanged | 52 | 74 |
| NewHighs | 688 | 580 |
| NewLows | 47 | 37 |
| AvDailyVol(mil) | 3,351.9 | 3,366.0 |
| Dollar | | |
| (Finexspotindex) | 80.48 | 80.25 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-170 | 131-235 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 95.86 | 95.72 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 298.45 | 301.06 |
| Gold | | |
| (CMXnearbyfutures) | 1608.80 | 1666.00 |

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Fund of Information

MUTUAL FUNDS

Peltz on Legg: Sullivan Is the Clear Winner

By Beverly Goodman

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It's far from a clean bill of health, but at least ailing fund firm Legg Mason (ticker: LM) has the prescription in hand. The \$654 billion asset manager on Wednesday announced the conclusion to its five-month search for a chief executive, naming Joseph Sullivan, Legg's interim CEO and former head of global distribution.

Legg's search for a CEO -- triggered when former CEO Mark Fetting was encouraged to step down after an inauspicious tenure, just shy of five years -- has ginned up a lot of speculation, much to the amusement of the people actually involved in the search. Board Chairman W. Allen Reed acknowledged that while the search firm started with a long list of candidates (some of whom were candidates back in 2007, before Fetting was hired), the finalists were not among the names that got the most press. Activist investor Nelson Peltz of Trian Fund Management, who has a 10% stake in Legg and a seat on the board, also told Barron's: "A lot of people who stepped forward and said they didn't want the job knew they wouldn't get past the first round." After settling on four finalists, the board conducted a private ballot. The affiliate heads met each of the candidates, then ranked and submitted their choices. "Joe came out the clear winner on both counts," Peltz says. "I'm thrilled with the choice, and I'm not just saying that. This guy is aces."

Peltz has been a hugely positive agent for change in the fund firm, which once had \$1 trillion in assets under management and a \$137 share price -- a far cry from Friday's close of \$27.52. Things rapidly went south when the firm's founder and sole CEO, Raymond "Chip" Mason, retired in January 2008 -- a variety of performance, structural, and cultural issues that Barron's has documented pretty thoroughly. Fetting was ill-equipped to make the tough decisions needed to get the firm back on track, and had a contentious relationship with Legg's affiliates, which include fixed-income kingpin Western Asset Management, which manages \$462 billion, more than two-thirds of Legg's total assets. Others include the \$57 billion equity shop ClearBridge Investments; \$35 billion small-company specialists Royce Funds; and \$16 billion hedge-fund-of-fund operators Permal Group.

Sullivan worked for Legg for 12 years before rejoining the firm in 2008 at Chip Mason's urging. ("He's a good listener and completely straight," Mason says. "If he tells you it's raining, you don't need to stick your hand outside.") Sullivan got a surprising amount done as interim CEO. He merged the firm's namesake affiliate, Legg Mason Capital Management, which had about \$6 billion in six funds, into ClearBridge. That will lead to some "rationalization" -- industry-speak for fund closings or merging -- as well as some restructuring of back-office jobs, says ClearBridge CEO Terrence Murphy. "Joe is a fantastic choice," Murphy says, pointing to what he sees as another of Sullivan's accomplishments, some much-needed streamlining of the firm's centralized distribution.

Sullivan also helped with Permal's acquisition of the \$6 billion Fauchier Partners, another fund-of-funds firm, in December. The highlight of that announcement, though, was an agreement enabling Permal to acquire up to a 15% ownership stake in itself. "That deal will be a template for other affiliates," Sullivan says. Royce will likely be next in line.

The support for Sullivan -- from board members and the affiliates -- rings true, which is a good start on a very long journey. The firm's renewed clarity is a start, says Chuck Royce: "This is not a phase of deciding who we are. That's the big news." (There had been rumors of a private-equity buyer.) Peltz agrees. "I like the affiliate model. This is the same model Legg had when the stock was at \$135," he says.

Legg isn't likely to see \$135 for a very long time, but its biggest investors are looking at the long term. Mario Gabelli, for instance, says he increased his stake on the announcement, citing the firm's intention to use two-thirds of its nearly \$1 billion in cash to buy back stock as enough of a reason to like the shares in the short term. "I don't want the stock to go anywhere in the short term; I want to buy more," he says. "In three to

five years this could be a \$50-to-\$60 stock." In addition to the buyback, Gabelli points to Legg's \$1 billion net operating loss, which can offset taxes owed on years of future earnings.

These investors may have the patience to wait for the big restructuring needed, such as streamlining the firm into three divisions (equity, fixed-income, and alternatives). Another imperative: The elimination of competing funds among affiliates.

But with the average analyst target price still around \$27, it's clear most don't expect the stock to move much in the next year. Many insiders, though, are quietly optimistic. Sullivan says he'll be looking for acquisitions to round out Legg's offerings, and many say opportunities will open up now that Fetting is gone -- his tense relationship with the affiliates hindered both internal and external negotiations. Peltz pointed to global equities, alternatives, and real estate as opportunities for either bolt-on or lift-out acquisitions. Sullivan said the same, adding that exchange-traded funds were another area Legg has already engaged in discussions.<bull>

Scoreboard: Small Value Wins

-- Diversified U.S. stock funds were up 1.04% for the week ended Thursday, edging out the broad market's 0.86% return, reports Lipper. Small-cap value funds were the best performers, returning 1.9%.

| | One Week | Year-to-Date |
|--|----------|--------------|
| U.S. STOCK FUNDS | 1.04% | 7.17% |
| U.S. BOND FUNDS | 0.04 | 0.17 |
| TOP SECTOR / Small-Cap Value Funds | 1.90 | 9.23 |
| BOTTOM SECTOR / Precious Metals Equity Funds | -2.83 | -8.79 |

THE WEEK'S TOP 10

| Fund | One Week | Year-to-Date |
|--------------------------|----------|--------------|
| Investment Objective | | |
| UBS E-TRACS Mnth 2x LII | | |
| DL | 14.30% | 34.45% |
| Guggenhm Solar ETF | | |
| GNR | 10.74 | 30.16 |
| VelShs 3x Invr Silver | | |
| CMS | 10.30 | -5.74 |
| Mrkt Vctrs Solr Enrgy | | |
| GNR | 10.12 | 26.53 |
| VelShs 3x Inv Nat Gas | | |
| DSB | 9.80 | 8.92 |
| Direxion Semicnd Bull 3X | | |
| DL | 8.77 | 40.30 |
| Direxion Gold M Bear 3X | | |
| DSB | 8.65 | 34.52 |
| PureFds ISE Mine Svc ETF | | |
| Gold Oriented | 7.52 | 13.14 |
| Firsthand Alt Energy | | |
| GNR | 7.35 | 22.46 |
| UBS E-TRACS Internet IPO | | |
| Technology | 7.13 | 16.61 |

THE WEEK'S BOTTOM 10

| Fund | | | |
|--------------------------|---------|----------|--------------|
| Investment Objective | | One Week | Year-to-Date |
| VelShs 3x Long Nat Gas | | | |
| DL | -11.01% | -20.56% | |
| VelShs Dly 2x VIX ST ETN | | | |
| Specialty & Misc | -10.74 | -52.24 | |
| ProShs II UltVIX STF ETF | | | |
| Specialty & Misc | -10.66 | -51.99 | |
| VelShs 3x Long Silver | | | |
| CMS | -9.88 | -1.12 | |
| Direxion Gold M Bull 3X | | | |
| DL | -8.76 | -30.97 | |
| Direxion Semicnd Bear 3X | | | |
| DSB | -8.34 | -31.77 | |
| ProShs II Ult DJ-UBS NG | | | |
| DL | -7.01 | -12.62 | |
| Team Asset Strategy Inst | | | |
| Flexible | -6.88 | -32.05 | |
| Dreyfus India Fund A | | | |
| INR | -6.43 | -11.49 | |
| FctrShs Gld Bl S&P500 Br | | | |
| DL | -6.39 | -19.16 | |

THE LARGEST 10

| Fund | | | | | |
|--------------------------|----------------------|---------|--------|--------|--|
| Net Assets | | 3-Year* | 1-Week | YTD | |
| (billions) | Investment Objective | Return | Return | Return | |
| PIMCO Tot Rtn Inst | | | | | |
| \$175.942 | Intmd Inv Grade | 7.18% | 0.05% | -0.17% | |
| SPDR S&P 500 ETF | | | | | |
| 125.631 | S&P 500 Funds | 14.41 | 0.86 | 6.94 | |
| Vanguard T StMk Idx Inv | | | | | |
| 84.464 | Multi Cap Core | 14.92 | 0.95 | 7.38 | |
| Vanguard Instl Indx Inst | | | | | |
| 71.743 | S&P 500 Funds | 14.51 | 0.87 | 6.96 | |
| SPDR Gold | | | | | |
| 71.054 | CMP | 14.71 | -1.33 | -1.13 | |
| Vanguard T StMk Idx Adm | | | | | |
| 63.872 | Multi Cap Core | 15.04 | 0.95 | 7.38 | |
| Vanguard 500 Index Adm | | | | | |
| 63.187 | S&P 500 Funds | 14.50 | 0.87 | 6.97 | |
| Vanguard FTSE Em Mkt ETF | | | | | |
| 61.434 | Emerging Markets | 6.98 | 0.66 | 0.29 | |

Fidelity Contrafund

| | | | | |
|----------------------|------------------|-------|-------|------|
| 61.014 | Large Cap Growth | 14.10 | 0.54 | 5.51 |
| American Funds CIB A | | | | |
| 59.765 | MTAG | 9.82 | -0.04 | 2.52 |

*Annualized. Through Thursday.

Source: Lipper

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DOW JONES NEWSWIRES

DJ Barron's: The Trader: Stocks Flat On Week, But Animal Spirits Rise

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Dow Jones Institutional News

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(From BARRON'S 2/18/13)

By Vito J. Racanelli

The 2013 stock rally showed signs of stalling last week, with more excitement to be seen among the players than the game. Equity prices finished essentially flat, though the broad market eked out a tiny gain, marking the seventh consecutive weekly rise. Small-caps topped large-caps.

Merger-and-acquisitions activity appears to be increasing as Warren Buffett's Berkshire Hathaway (ticker: BRK.B) and private-equity firm 3G Capital agreed to buy H.J. Heinz (HNZ) for \$23 billion. AMR (AAMRQ) and US Airways Group (LCC) hammered out their long-expected merger.

Last week, the Dow eased 0.1%, or 11 points, to 13,981.76. It is about 183 points from the all-time high. The Standard and Poor's 500 index added two points or 0.1%, to 1519.79, off 3% from its all-time highs. The Nasdaq Composite lost 0.1%, or two points, to 3192.03. Small-cap stocks did well, with the Russell gaining 1% to 923.15.

The market is holding back after its big January run-up and grappling with fair value, says Jack Ablin, chief investment officer at BMO Private Bank. To continue the advance, either fundamentals -- corporate profits and revenue, economic growth -- have to improve or positive signs have to emerge in Washington, D.C., on the fiscal talks, he says. There's no sign of either.

A positive outcome to the sequestration talks is the next hurdle, adds Liz Ann Sonders, chief investment strategist at Charles Schwab. Still, a good sign last week was the rise in "animal spirits," or M&A on Wall Street, she adds. Companies are using their own money and bringing in partners, even if banks aren't participating as much as in the past, she says. "Companies have a ton of cash but it's more likely to be spent on share buybacks and M&A than capital expenditures before the sequestration issue is resolved," she says.

Speaking of animal spirits, entertainment on an otherwise quiet Friday was provided by the intensifying battle over Herbalife (HLF) between investors Carl Icahn and William Ackman, of Pershing Capital.

Icahn, who has nearly a 13% stake, told CNBC Friday that Herbalife was undervalued. Pershing has a large short position in the stock and has accused the nutritional supplement company of being a pyramid scheme. Barron's penned a skeptical piece on Herbalife last year ("Where Beauty Is Skin Deep," May 14, 2012.) The stock is down 15% since then.

The saving grace for equities remains that while stocks are arguably fairly priced, bonds are extremely expensive.

The market's funny sometimes. Whole Foods Markets (WFM) posted results last Wednesday that most companies would envy. Yet the stock closed Friday at \$88.12, down 9% last week.

The results just weren't good enough for an overvalued stock with a halo like Whole Foods, a potential issue noted in these pages Oct. 29, when the stock was over \$94.

The purveyor of high-end organic foods said that in its first quarter ended Jan. 20 comparable-store sales rose 7.2%; sales climbed 14% to \$3.9 billion; net income was up 24% to \$146 million; and earnings per share soared 20% to 78 cents from 65 cents. The company reiterated EPS guidance of \$2.83-\$2.87 in fiscal 2013, up 12%-14% from \$2.52 in fiscal 2012, which ended Sept. 30.

What's the problem?

Well, the company lowered guidance a little bit. Whole Foods expects 10%-11% sales growth this year instead of 10%-12%, and same-store sales growth of 6.6%-8%, not 6.5%-8.5%. The grocer also said it

doesn't expect to produce the same level of EPS growth over the rest of the year as it did in the first quarter. That's due primarily to tougher gross-margin comparisons in the second and third quarters and efforts to improve its competitiveness.

This company has always been lauded for higher sales prices, so pay attention to the company's comment that it would "expand value offerings across the store." That suggests Whole Foods is having to lower prices.

We repeat: Whole Foods is a well-run company, dominating its niche, with a strong history of double-digit sales and earnings growth. The stock is less overvalued than it was last October. The fiscal 2013 price-to-earnings ratio has dropped to 30 from 32. But that's about the best that can be said.

Laurence Balter, who runs Oracle Investment Research and put a Sell rating on the stock last year at \$100, remains bearish. The barriers to entry aren't particularly high, he says, and competition is heating up. Costco Wholesale (COST), for example, is beefing up its organic offerings and "going for the jugular."

That might be why Whole Foods feels the need to lower prices. The company declined to respond.

If margins are getting squeezed in order to fund high single-digit-percentage store growth, down from mid-teens-percentage store growth, "then the right P/E probably starts with a two," says Balter.

Even after dropping 13% from a high of \$101 last October, Whole Foods remains significantly more highly valued than, say, Apple (AAPL). The potential for more downside is food for thought.

Shares of Heckmann (HEK), an energy-service firm with a market value of almost \$1 billion, got a big boost from the September announcement it was merging with Power Fuel, a leading environmental oil-service company in North Dakota.

Heckmann provides water-transport trucking, water-disposal services, and rental tanks to hold water for oil and gas exploration and production companies. The E&Ps use lots of water in the unconventional and shale-gas drilling methods that have created a bonanza of natural gas and oil in North America in recent years.

The stock doubled to about \$5 in September after the news, thanks to Power Fuel's main operating area: the Bakken shale region of North Dakota, probably the hottest North American E&P area. For those who might not know, that state overtook Alaska last year as the second-largest oil producer in the U.S.

Companies tied to Bakken often get a big headline pop. The shares closed Friday at \$3.84, down from the highs but still well above the pre-announcement price.

However, the market might be overestimating what Power Fuel will mean for Heckmann this year. Bakken's popularity has attracted lots of competition and the glut of shale gas found in the U.S. has kept the commodity's price around decade lows.

Wedbush Securities analyst David Rose says it looked like "a great deal on paper." But while doing some extensive checking with Heckman's customers and competitors in the Bakken, he found some disturbing trends.

First, as a consequence of extraordinarily low gas prices, E&P companies have decided to slow down capital spending, even in the Bakken, Rose notes. Additionally, "there's tremendous competition" in tank trucks, where the industry's utilization rates are down to about 50% from 90%, with day rates down 30%-40%. The industry's customers, E&P companies, are doing whatever they can to drive down costs, and that's not good for smaller oil-service companies like Heckmann.

And Bakken's fame has attracted many of Power Fuel's competitors to the area. Result: There is heightened competition in the truck-tank business. E&P companies need to store water on site and can use truck tanks, lined pits, or mobile pools.

The water-transport segment has experienced pricing drops of about 15%-20% and more in some cases, says Rose, who recently downgraded his rating to Underperform from Neutral. He expects these trends to lower the company's 2013 earnings before interest depreciation and amortization by \$25 million to \$178 million, which is about \$45 million below consensus.

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February 16, 2013 00:10 ET (05:10 GMT)

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Dow Jones Institutional News

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DJ CFA SOURCE: SEC 13F-HR

FILER:

Millennium Management LLC

QUARTER ENDED: 12/31/2012

SEC RECEIVED: 02/14/2013

The following sets forth up to 200 of the largest holdings of Millennium Management LLC as of Dec. 31, according to a Form 13F filed with the Securities and Exchange Commission.

As of Dec. 31, Millennium Management LLC held 2,297 positions valued at \$13,353,404,332.

Up to 200 of the largest holdings of Millennium Management LLC are listed below in order of dollar value as of Dec. 31.

| Company Name | Value | Holdings | Change |
|--------------------------------|---------------|-----------|-------------|
| NRG ENERGY INC COM | \$107,522,069 | 4,676,906 | 1,425,319 |
| OCWEN FINANCIAL CORP COM | \$84,598,562 | 2,445,752 | 969,267 |
| EDISON INTERNATIONAL COM | \$82,019,579 | 1,814,994 | 252,583 |
| NEXTERA ENERGY INC COM | \$77,905,449 | 1,125,964 | 648,450 |
| TEVA PHARMACEUTICAL INDUSTRIES | \$76,716,262 | 2,054,533 | 1,661,764 |
| MARATHON OIL CORP COM | \$76,710,124 | 2,501,961 | 267,229 |
| HOME DEPOT INC COM | \$72,783,534 | 1,176,775 | 879,401 |
| SOUTHWESTERN ENERGY CO COM | \$63,211,687 | 1,891,999 | (154,264) |
| PPL CORP COM | \$62,152,581 | 2,170,890 | 48,648 |
| FOREST LABORATORIES INC COM | \$61,619,661 | 1,744,611 | 1,240,568 |
| EQT CORP COM | \$61,049,077 | 1,035,081 | (316,906) |
| WARNACO GROUP INC CL A | \$60,110,212 | 839,880 | 817,917 |
| CAMERON INTERNATIONAL CORP CO | \$58,101,575 | 1,029,075 | 369,400 |
| US BANCORP/DE COM | \$57,867,231 | 1,811,748 | 1,495,496 |
| AMEREN CORP COM | \$53,774,438 | 1,750,470 | 1,572,014 |
| NORTHEAST UTILITIES COM | \$52,276,573 | 1,337,681 | 383,826 |
| NISOURCE INC COM | \$51,940,228 | 2,086,791 | 947,029 |
| CMS ENERGY CORP COM | \$51,496,899 | 2,112,260 | (1,209,054) |
| DUKE ENERGY CORP COM | \$47,927,581 | 751,216 | 281,811 |
| ANADARKO PETROLEUM CORP COM | \$47,835,725 | 643,732 | (766) |
| SIMON PROPERTY GROUP INC COM | \$47,768,474 | 302,160 | 129,049 |
| CHEVRON CORP COM | \$47,430,528 | 438,603 | 342,782 |
| SEMGROUP CORP CL A | \$47,390,284 | 1,212,648 | 418,050 |
| AMERICAN ELECTRIC POWER INC C | \$46,123,380 | 1,080,679 | 90,193 |
| HOME LOAN SERVICING SOLUTIONS | \$45,743,462 | 2,420,289 | 1,273,314 |
| CABOT OIL & GAS CORP CL A | \$45,306,127 | 910,859 | 445,356 |
| CITIGROUP INC COM | \$44,982,291 | 1,137,065 | 480,375 |
| SCHLUMBERGER NV COM | \$44,688,985 | 644,872 | (9,121) |
| EXPRESS SCRIPTS HOLDING CO CO | \$43,598,682 | 807,383 | 516,410 |
| EAGLE MATERIALS INC COM | \$43,525,814 | 744,031 | (91,653) |
| ADT CORP COM | \$42,692,046 | 918,306 | 918,306 * |

| | | | |
|--------------------------------|--------------|-----------|-------------|
| MERCK & CO INC COM | \$42,446,060 | 1,036,787 | 570,364 |
| PENN NATIONAL GAMING INC COM | \$42,345,834 | 862,265 | 490,746 |
| EOG RESOURCES INC COM | \$42,058,595 | 348,196 | 128,817 |
| EBAY INC COM | \$41,464,536 | 813,062 | 499,276 |
| TOLL BROTHERS INC COM | \$41,411,626 | 1,280,904 | 559,670 |
| XCEL ENERGY INC COM | \$40,667,978 | 1,522,575 | 690,778 |
| SEMPRA ENERGY COM | \$40,329,035 | 568,495 | (62,437) |
| BAKER HUGHES INC COM | \$40,326,698 | 987,238 | 942,388 |
| EQUINIX INC COM | \$40,106,106 | 194,501 | 22,801 |
| ROSS STORES INC COM | \$40,070,197 | 740,806 | 139,664 |
| FREEPORT MCMORAN COPPER CL B | \$39,968,411 | 1,168,667 | (458,275) |
| ALLERGAN INC COM | \$39,965,935 | 435,691 | 360,691 |
| TARGET CORP COM | \$39,947,265 | 675,127 | (171,988) |
| CISCO SYSTEMS INC COM | \$37,890,542 | 1,928,370 | 454,855 |
| OASIS PETROLEUM INC COM | \$37,838,820 | 1,189,900 | (27,881) |
| GULFPORT ENERGY CORP COM | \$37,429,228 | 979,310 | 748,443 |
| OCCIDENTAL PETROLEUM CORP COM | \$37,022,242 | 483,256 | (385,785) |
| VISA INC CL A | \$36,973,090 | 243,918 | 144,333 |
| CHENIERE ENERGY INC COM | \$36,837,195 | 1,961,512 | 290,590 |
| FACEBOOK INC CL A | \$36,578,329 | 1,374,092 | 1,371,292 |
| SYMANTEC CORP COM | \$36,443,462 | 1,936,422 | 208,565 |
| PULTEGROUP INC COM | \$36,363,984 | 2,002,422 | 105,360 |
| STARBUCKS CORP COM | \$36,169,413 | 674,425 | 389,675 |
| PHILLIPS 66 COM | \$35,829,756 | 674,760 | (147,811) |
| UNITED RENTALS INC COM | \$35,754,868 | 785,476 | (377,079) |
| YAHOO INC COM | \$35,425,801 | 1,780,191 | (279,735) |
| KODIAK OIL & GAS CORP COM | \$34,929,118 | 3,946,793 | 140,891 |
| TRANSOCEAN LTD COM | \$34,850,252 | 780,346 | 38,003 |
| LYONDELLBASELL INDUSTRIES ORD | \$34,743,604 | 608,576 | (37,706) |
| WEYERHAEUSER CO COM | \$34,657,182 | 1,245,765 | 556,086 |
| PRICELINE COM INC COM | \$34,555,103 | 55,699 | 6,035 |
| KILROY REALTY CORP COM | \$34,510,229 | 728,525 | 132,672 |
| ORACLE CORP COM | \$33,786,014 | 1,013,986 | 894,259 |
| SUPERIOR ENERGY SERVICES INC | \$33,604,483 | 1,621,838 | 1,596,806 |
| ELI LILLY & CO COM | \$33,293,022 | 675,041 | 358,013 |
| PHILIP MORRIS INTERNATIONAL IN | \$32,615,836 | 389,955 | 143,105 |
| NOBLE CORP ORD REG | \$32,423,444 | 931,173 | (307,083) |
| ARCH COAL INC COM | \$32,349,415 | 4,419,319 | 3,252,451 |
| CSX CORP COM | \$32,041,796 | 1,624,014 | 1,618,214 |
| WHITING PETROLEUM CORP COM | \$31,642,318 | 729,590 | 206,255 |
| UNITED PARCEL SERVICE INC CL | \$31,508,442 | 427,349 | 116,533 |
| JOY GLOBAL INC COM | \$31,441,308 | 492,965 | 276,890 |
| GENERAL ELECTRIC CO COM | \$31,342,688 | 1,493,220 | (747,107) |
| FMC TECHNOLOGIES INC COM | \$31,121,948 | 726,639 | 307,288 |
| PROCTER & GAMBLE CO COM | \$31,098,440 | 458,071 | 289,268 |
| NATIONSTAR MORTGAGE HOLDINGS I | \$31,000,385 | 1,000,658 | 972,687 |
| FIDELITY NATIONAL FINANCIAL C | \$30,900,096 | 1,312,106 | (703,916) |
| NATIONAL OILWELL VARCO INC CO | \$30,829,609 | 451,055 | 245,566 |
| COVENTRY HEALTH CARE INC COM | \$30,478,572 | 679,870 | (145,300) |
| MEDTRONIC INC COM | \$30,050,965 | 732,593 | 607,449 |
| PFIZER INC COM | \$30,023,024 | 1,197,138 | 357,736 |
| MOHAWK INDUSTRIES INC COM | \$29,537,550 | 326,490 | 80,263 |
| ESSEX PROPERTY TRUST INC COM | \$29,479,730 | 201,021 | 198,429 |
| ISHARES LEHMAN 1-3 YR TREASURY | \$29,103,795 | 344,750 | (11,592) |
| OGE ENERGY CORP COM | \$29,095,321 | 516,699 | (59,660) |
| PLAINS EXPLORATION & PRODUCTIO | \$28,866,598 | 614,968 | (320,754) |
| TYCO INTERNATIONAL LTD COM | \$28,832,924 | 985,741 | (1,237,793) |
| SMITHFIELD FOODS INC COM | \$28,809,604 | 1,335,633 | 882,247 |
| CVS CAREMARK CORP COM | \$28,665,941 | 592,884 | 572,884 |
| COBALT INTERNATIONAL ENERGY IN | \$28,570,009 | 1,163,274 | 1,163,274 * |
| CELGENE CORP COM | \$28,382,991 | 361,705 | 111,805 |
| CENTERPOINT ENERGY INC COM | \$28,334,710 | 1,471,933 | 280,578 |
| CAMDEN PROPERTY TRUST SBI | \$28,030,558 | 410,945 | (42,866) |
| ONEOK INC COM | \$27,691,697 | 647,759 | 31,296 |
| MCDONALDS CORP COM | \$27,560,244 | 312,439 | 79,635 |
| AKAMAI TECHNOLOGIES INC COM | \$27,497,575 | 672,148 | 167,600 |

| | | | |
|-------------------------------|--------------|-----------|-----------|
| KRAFT FOODS GROUP INC COM | \$27,443,373 | 603,549 | 603,549 * |
| ILLINOIS TOOL WORKS INC COM | \$26,753,785 | 439,957 | 426,279 |
| REALOGY HOLDINGS CORP COM | \$26,746,731 | 637,434 | 637,434 * |
| COLGATE PALMOLIVE CO COM | \$26,505,908 | 253,548 | 238,723 |
| KROGER CO COM | \$26,440,015 | 1,016,142 | 1,001,631 |
| VODAFONE GROUP PLC ADR | \$26,419,751 | 1,048,819 | 924,513 |
| LAS VEGAS SANDS CORP COM | \$26,401,812 | 571,963 | 91,112 |
| SPDR GOLD TRUST GOLD SHS | \$26,331,328 | 162,519 | 51,201 |
| TIVO INC COM | \$26,313,068 | 2,137,536 | 708,453 |
| COMCAST CORP CL A | \$26,275,587 | 703,308 | 158,901 |
| GOLAR LNG LTD ORD | \$26,237,013 | 713,350 | 155,525 |
| TJX COMPANIES INC COM | \$26,196,829 | 617,122 | 254,344 |
| T ROWE PRICE GROUP INC COM | \$26,141,675 | 401,457 | 302,411 |
| NEWFIELD EXPLORATION CO COM | \$26,017,681 | 971,534 | 488,561 |
| REALTY INCOME CORP COM | \$25,914,541 | 644,480 | (399,015) |
| MGM RESORTS INTERNATIONAL COM | \$25,871,274 | 2,222,618 | 570,741 |
| FOOT LOCKER INC COM | \$25,812,820 | 803,637 | 792,028 |
| ALLIANCE DATA SYSTEMS CORP CO | \$25,786,967 | 178,136 | (85,928) |
| GILEAD SCIENCES INC COM | \$25,770,887 | 701,726 | 191,726 |
| TOTAL SYSTEMS SERVICES INC CO | \$25,555,945 | 1,193,088 | 930,744 |
| BIOGEN IDEC INC COM | \$25,519,756 | 174,351 | (64,146) |
| REGIONS FINANCIAL CORP COM | \$25,330,829 | 3,552,711 | 1,826,078 |
| CF INDUSTRIES HOLDINGS INC CO | \$25,309,470 | 124,579 | 60,621 |
| WESTLAKE CHEMICAL CORP COM | \$25,122,716 | 316,806 | 316,737 |
| SCRIPPS NETWORKS INTERACTIVE | \$25,005,049 | 431,717 | 223,451 |
| GEOSPACE TECHNOLOGIES CORP CO | \$25,001,353 | 281,325 | 281,325 * |
| DST SYSTEMS INC COM | \$24,995,440 | 412,466 | 140,730 |

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| | | | |
|-------------------------------|--------------|-----------|-------------|
| CINCINNATI BELL INC COM | \$24,658,493 | 4,499,725 | 1,356,924 |
| OCEANEERING INTERNATIONAL INC | \$24,405,384 | 453,716 | 117,187 |
| QUALCOMM INC COM | \$24,218,190 | 391,500 | (195,164) |
| GOLDCORP INC COM | \$24,161,188 | 658,343 | 589,979 |
| ALLIANT ENERGY CORP COM | \$24,148,788 | 549,961 | 241,604 |
| SUNCOR ENERGY INC COM | \$23,963,202 | 726,598 | (212,087) |
| PPG INDUSTRIES INC COM | \$23,913,503 | 176,679 | (185,391) |
| DANAHER CORP COM | \$23,902,784 | 427,599 | 378,074 |
| MONSANTO CO COM | \$23,885,495 | 252,356 | (34,036) |
| HOLLYFRONTIER CORP COM | \$23,860,646 | 512,581 | 484,231 |
| HELIX ENERGY SOLUTIONS GROUP | \$23,786,217 | 1,152,433 | 1,122,392 |
| GENERAL MOTORS CO COM | \$23,729,944 | 823,099 | 672,247 |
| HONEYWELL INTERNATIONAL INC C | \$23,704,966 | 373,483 | (285,020) |
| TRAVELERS COS INC CL A | \$23,533,978 | 327,680 | 238,844 |
| FIRST REPUBLIC BANK/CA COM | \$23,511,291 | 717,245 | 672,788 |
| VENTAS INC COM | \$23,489,088 | 362,934 | 78,717 |
| CONAGRA FOODS INC COM | \$23,487,015 | 796,170 | (393,935) |
| INVESCO LTD COM | \$23,370,509 | 895,765 | 34,027 |
| CONTINENTAL RESOURCES INC /OK | \$23,245,842 | 316,313 | (292,080) |
| ROPER INDUSTRIES INC COM | \$23,199,768 | 208,107 | 208,067 |
| EXTRA SPACE STORAGE INC COM | \$22,978,247 | 631,444 | 521,985 |
| VALERO ENERGY CORP COM | \$22,862,072 | 670,049 | (1,425,404) |
| MCKESSON CORP COM | \$22,840,673 | 235,568 | (173,666) |
| BOSTON PROPERTIES INC COM | \$22,584,086 | 213,440 | 163,031 |
| HERSHEY CO COM | \$22,327,246 | 309,156 | (85,286) |
| COCA COLA CO COM | \$22,236,983 | 613,434 | 351,752 |
| TRIPADVISOR INC COM | \$22,103,326 | 527,274 | 200,473 |
| WILLIAMS COMPANIES INC COM | \$22,005,340 | 672,124 | 619,079 |
| HCA HOLDINGS INC COM | \$22,002,166 | 729,273 | 488,465 |
| BRE PROPERTIES INC CL A COM | \$21,764,034 | 428,173 | (135,015) |
| RENAISSANCE HOLDINGS LTD CO | \$21,589,726 | 265,687 | 196,386 |
| SUNSTONE HOTEL INVESTORS INC | \$21,402,918 | 1,998,405 | 1,201,432 |
| CONCHO RESOURCES INC COM | \$21,365,237 | 265,209 | 2,781 |
| LEAR CORP COM | \$21,206,388 | 452,741 | (194,282) |
| FRANKLIN RESOURCES INC COM | \$21,010,001 | 167,144 | 137,944 |
| HCP INC COM | \$20,973,343 | 464,423 | 360,764 |

| | | | |
|--------------------------------|--------------|-----------|-------------|
| AVAGO TECHNOLOGIES LTD COM | \$20,860,035 | 659,064 | 595,276 |
| AMC NETWORKS INC CL A | \$20,852,271 | 421,258 | 352,169 |
| CAPITAL ONE FINANCIAL CORP CO | \$20,831,628 | 359,600 | (649,728) |
| AGILENT TECHNOLOGIES INC COM | \$20,827,120 | 508,723 | (126,729) |
| UNION PACIFIC CORP COM | \$20,822,752 | 165,628 | 54,692 |
| HALLIBURTON CO COM | \$20,816,636 | 600,076 | 307,379 |
| LIBERTY INTERACTIVE CORP INT | \$20,692,438 | 1,051,445 | 696,318 |
| VIOPHARMA INC COM | \$20,621,812 | 906,055 | 85,770 |
| BROOKDALE SENIOR LIVING INC C | \$20,511,276 | 810,082 | (454,100) |
| ALLSTATE CORP COM | \$20,185,987 | 502,514 | 502,514 * |
| COVIDIEN PLC COM | \$20,094,502 | 348,017 | 229,040 |
| PRUDENTIAL FINANCIAL INC COM | \$20,074,212 | 376,415 | 222,198 |
| LOUISIANA PACIFIC CORP COM | \$20,060,748 | 1,038,341 | (421,493) |
| ABERCROMBIE & FITCH CO CL A | \$19,910,236 | 415,056 | 307,918 |
| WAL MART STORES INC COM | \$19,875,194 | 291,297 | 193,898 |
| NORTHWESTERN CORP COM | \$19,801,414 | 570,153 | 282,883 |
| LOCKHEED MARTIN CORP COM | \$19,773,594 | 214,255 | 176,017 |
| AMERICA MOVIL SAB DE CV ADR L | \$19,699,799 | 851,331 | 466,958 |
| WISCONSIN ENERGY CORP COM | \$19,696,767 | 534,512 | 26,779 |
| EARTHLINK INC COM | \$19,662,942 | 3,043,799 | 592,746 |
| WELLS FARGO & CO COM | \$19,620,106 | 574,023 | 310,853 |
| PANERA BREAD CO CL A | \$19,551,655 | 123,098 | 121,131 |
| CROWN HOLDINGS INC COM | \$19,460,416 | 528,672 | 318,838 |
| HERTZ GLOBAL HOLDINGS INC COM | \$19,414,096 | 1,193,245 | 899,227 |
| TESORO CORP COM | \$19,398,387 | 440,372 | 35,371 |
| STATE STREET CORP COM | \$19,379,731 | 412,247 | (187,156) |
| FLOTEK INDUSTRIES INC COM | \$19,306,280 | 1,582,482 | (571,507) |
| CORNING INC COM | \$19,227,782 | 1,523,596 | 1,523,596 * |
| OMNICOM GROUP INC COM | \$19,221,311 | 384,734 | 197,487 |
| HERBALIFE LTD COM | \$19,196,543 | 582,773 | 502,951 |
| ADOBE SYSTEMS INC COM | \$19,190,462 | 509,301 | 466,906 |
| PENNYMAC MORTGAGE INVESTMENT T | \$19,101,411 | 755,295 | (764,980) |
| MUELLER WATER PRODUCTS INC CL | \$19,098,039 | 3,404,285 | 2,355,123 |
| WHIRLPOOL CORP COM | \$19,064,796 | 187,369 | 79,011 |
| BIOMARIN PHARMACEUTICAL INC C | \$18,977,916 | 385,730 | 298,461 |
| PDC ENERGY INC COM | \$18,894,730 | 568,947 | 120,367 |
| PROLOGIS INC COM | \$18,845,589 | 516,459 | (4,711) |
| INFORMATICA CORP COM | \$18,839,271 | 621,348 | 234,735 |
| UNDER ARMOUR INC CL A | \$18,758,786 | 386,540 | 277,345 |
| XL GROUP PLC ORD | \$18,566,378 | 740,877 | (491,626) |

* New holding 13F data provided by: FactSet Research Systems Inc.; Please send questions to lionssharesinfo@factset.com. Copyright, FactSet Research Systems, 2013. All Rights Reserved.

15 Feb 2013 07:06 EDT DJ Millennium Mgmt 4Q 13F: Largest Purchases

DJ CFA SOURCE: SEC 13F-HR
 FILER:
 Millennium Management LLC
 QUARTER ENDED: 12/31/2012
 SEC RECEIVED: 02/14/2013

Up to 200 of the largest purchases of Millennium Management LLC are listed below, ordered by the number of shares bought during the three months ended Dec. 31.

| Company Name | Value | Holdings | Change |
|-------------------------------|--------------|-----------|-----------|
| SIRIUS XM RADIO INC COM | \$11,831,949 | 4,094,100 | 3,336,668 |
| ARCH COAL INC COM | \$32,349,415 | 4,419,319 | 3,252,451 |
| MUELLER WATER PRODUCTS INC CL | \$19,098,039 | 3,404,285 | 2,355,123 |
| OI SA ADR PFD | \$12,523,182 | 3,122,988 | 2,234,195 |
| RITE AID CORP COM | \$6,384,500 | 4,694,485 | 2,150,535 |

| | | | |
|--------------------------------|---------------|-----------|-----------|
| REGIONS FINANCIAL CORP COM | \$25,330,829 | 3,552,711 | 1,826,078 |
| ZYNGA INC CL A | \$4,225,323 | 1,790,391 | 1,790,391 |
| TEVA PHARMACEUTICAL INDUSTRIES | \$76,716,262 | 2,054,533 | 1,661,764 |
| SCORPIO TANKERS INC COM | \$12,819,714 | 1,803,054 | 1,653,054 |
| CSX CORP COM | \$32,041,796 | 1,624,014 | 1,618,214 |
| SUPERIOR ENERGY SERVICES INC | \$33,604,483 | 1,621,838 | 1,596,806 |
| AMEREN CORP COM | \$53,774,438 | 1,750,470 | 1,572,014 |
| BROCADE COMMUNICATIONS SYSTEMS | \$14,450,190 | 2,711,105 | 1,544,946 |
| CORNING INC COM | \$19,227,782 | 1,523,596 | 1,523,596 |
| US BANCORP/DE COM | \$57,867,231 | 1,811,748 | 1,495,496 |
| RF MICRO DEVICES INC COM | \$10,056,588 | 2,244,774 | 1,479,905 |
| ATHERSYS INC COM | \$1,517,568 | 1,431,668 | 1,431,668 |
| NRG ENERGY INC COM | \$107,522,069 | 4,676,906 | 1,425,319 |
| FACEBOOK INC CL A | \$36,578,329 | 1,374,092 | 1,371,292 |
| CINCINNATI BELL INC COM | \$24,658,493 | 4,499,725 | 1,356,924 |
| MEMC ELECTRONIC MATERIALS INC | \$4,254,364 | 1,325,347 | 1,325,347 |
| HOME LOAN SERVICING SOLUTIONS | \$45,743,462 | 2,420,289 | 1,273,314 |
| FOREST LABORATORIES INC COM | \$61,619,661 | 1,744,611 | 1,240,568 |
| SUNSTONE HOTEL INVESTORS INC | \$21,402,918 | 1,998,405 | 1,201,432 |
| COBALT INTERNATIONAL ENERGY IN | \$28,570,009 | 1,163,274 | 1,163,274 |
| GERDAU SA ADR PFD | \$10,209,044 | 1,135,600 | 1,135,600 |
| HELIX ENERGY SOLUTIONS GROUP | \$23,786,217 | 1,152,433 | 1,122,392 |
| XOMA CORP COM | \$2,581,219 | 1,075,508 | 1,075,508 |
| WARNER CHILCOTT PLC CL A | \$15,490,098 | 1,286,553 | 1,043,583 |
| MGIC INVESTMENT CORP (WI) COM | \$2,769,518 | 1,041,172 | 1,026,457 |
| KROGER CO COM | \$26,440,015 | 1,016,142 | 1,001,631 |
| VITESSE SEMICONDUCTOR CORP CO | \$2,230,000 | 1,000,000 | 1,000,000 |
| BANCO SANTANDER BRASIL SA ADR | \$8,675,496 | 1,191,689 | 989,796 |
| BGC PARTNERS INC CL A | \$4,129,766 | 1,193,574 | 980,433 |
| NATIONSTAR MORTGAGE HOLDINGS I | \$31,000,385 | 1,000,658 | 972,687 |
| OCWEN FINANCIAL CORP COM | \$84,598,562 | 2,445,752 | 969,267 |
| VRINGO INC COM | \$3,352,975 | 1,168,284 | 951,959 |
| NISOURCE INC COM | \$51,940,228 | 2,086,791 | 947,029 |
| BAKER HUGHES INC COM | \$40,326,698 | 987,238 | 942,388 |
| TOTAL SYSTEMS SERVICES INC CO | \$25,555,945 | 1,193,088 | 930,744 |
| VODAFONE GROUP PLC ADR | \$26,419,751 | 1,048,819 | 924,513 |
| DCT INDUSTRIAL TRUST INC COM | \$5,981,288 | 921,616 | 921,616 |
| ADT CORP COM | \$42,692,046 | 918,306 | 918,306 |
| HERTZ GLOBAL HOLDINGS INC COM | \$19,414,096 | 1,193,245 | 899,227 |
| CIA SIDERURGICA NACIONAL (CSN) | \$5,278,146 | 894,601 | 894,601 |
| ORACLE CORP COM | \$33,786,014 | 1,013,986 | 894,259 |
| SMITHFIELD FOODS INC COM | \$28,809,604 | 1,335,633 | 882,247 |
| HOME DEPOT INC COM | \$72,783,534 | 1,176,775 | 879,401 |
| ALCOA INC COM | \$11,177,896 | 1,287,776 | 845,180 |
| PENN VIRGINIA CORP COM | \$4,015,314 | 910,502 | 841,083 |
| MANNKIND CORP COM | \$1,923,288 | 832,592 | 832,592 |
| WARNACO GROUP INC CL A | \$60,110,212 | 839,880 | 817,917 |
| FOOT LOCKER INC COM | \$25,812,820 | 803,637 | 792,028 |
| JUNIPER NETWORKS INC COM | \$15,649,137 | 795,584 | 791,271 |
| CAPITALSOURCE INC COM | \$5,975,738 | 788,356 | 788,356 |
| TURQUOISE HILL RESOURCES LTD | \$14,969,030 | 1,967,021 | 780,821 |
| GENWORTH FINANCIAL INC CL A | \$6,291,285 | 837,721 | 774,860 |
| FLEXTRONICS INTERNATIONAL LTD | \$8,303,037 | 1,337,043 | 760,842 |
| USA TECHNOLOGIES INC COM | \$1,322,400 | 760,000 | 760,000 |
| MERITOR INC COM | \$5,469,446 | 1,156,331 | 756,907 |
| NOVABAY PHARMACEUTICALS INC C | \$847,500 | 750,000 | 750,000 |
| GULFPORT ENERGY CORP COM | \$37,429,228 | 979,310 | 748,443 |
| CEMEX SAB ADR REP 10 PC 2A/1B | \$7,115,638 | 720,936 | 720,936 |
| TIVO INC COM | \$26,313,068 | 2,137,536 | 708,453 |
| ENERGYSOLUTIONS INC COM | \$2,208,208 | 707,759 | 707,759 |
| PRECISION DRILLING CORP COM | \$8,119,252 | 980,586 | 703,596 |
| SERVICE CORP INTERNATIONAL CO | \$10,901,987 | 789,427 | 702,048 |
| LIBERTY INTERACTIVE CORP INT | \$20,692,438 | 1,051,445 | 696,318 |
| XCEL ENERGY INC COM | \$40,667,978 | 1,522,575 | 690,778 |
| ITAU UNIBANCO HOLDING SA ADR | \$12,127,382 | 736,779 | 679,898 |
| FOREST OIL CORP COM | \$4,761,581 | 711,746 | 673,739 |

| | | | |
|--------------------------------|--------------|-----------|---------|
| FIRST REPUBLIC BANK/CA COM | \$23,511,291 | 717,245 | 672,788 |
| GENERAL MOTORS CO COM | \$23,729,944 | 823,099 | 672,247 |
| CNO FINANCIAL GROUP INC COM | \$6,994,673 | 749,697 | 672,216 |
| CROSSTEX ENERGY INC COM | \$9,992,886 | 696,854 | 668,319 |
| PMC SIERRA INC COM | \$3,509,357 | 673,581 | 658,321 |
| ACTIVE NETWORK INC COM | \$3,462,773 | 705,249 | 657,751 |
| D R HORTON INC COM | \$16,679,010 | 843,226 | 655,350 |
| NEXTERA ENERGY INC COM | \$77,905,449 | 1,125,964 | 648,450 |
| REALOGY HOLDINGS CORP COM | \$26,746,731 | 637,434 | 637,434 |
| VIMPEL COM LTD ADR | \$6,638,198 | 632,812 | 632,812 |
| WILLIAMS COMPANIES INC COM | \$22,005,340 | 672,124 | 619,079 |
| LLOYDS BANKING GROUP PLC ADR | \$2,811,162 | 878,488 | 618,626 |
| MEDTRONIC INC COM | \$30,050,965 | 732,593 | 607,449 |
| E COMMERCE CHINA DANGDANG ADR | \$2,635,503 | 635,061 | 605,725 |
| KRAFT FOODS GROUP INC COM | \$27,443,373 | 603,549 | 603,549 |
| MITSUBISHI UFJ FINANCIAL GROUP | \$4,326,753 | 798,294 | 600,530 |
| BELO CORP CL A | \$4,720,992 | 615,514 | 596,875 |
| AVAGO TECHNOLOGIES LTD COM | \$20,860,035 | 659,064 | 595,276 |
| EARTHLINK INC COM | \$19,662,942 | 3,043,799 | 592,746 |
| GOLDCORP INC COM | \$24,161,188 | 658,343 | 589,979 |
| GENCO SHIPPING & TRADING LTD | \$2,053,694 | 588,451 | 588,451 |
| FERRO CORP COM | \$2,477,804 | 592,776 | 587,593 |
| GLOBAL CASH ACCESS HOLDINGS C | \$6,919,302 | 882,564 | 582,278 |
| CVS CAREMARK CORP COM | \$28,665,941 | 592,884 | 572,884 |
| MGM RESORTS INTERNATIONAL COM | \$25,871,274 | 2,222,618 | 570,741 |
| MERCK & CO INC COM | \$42,446,060 | 1,036,787 | 570,364 |
| TOLL BROTHERS INC COM | \$41,411,626 | 1,280,904 | 559,670 |
| WEYERHAEUSER CO COM | \$34,657,182 | 1,245,765 | 556,086 |
| AMERICAN EAGLE OUTFITTERS INC | \$13,546,178 | 660,467 | 551,844 |
| COMSTOCK RESOURCES INC COM | \$8,142,150 | 538,502 | 538,469 |
| RAMBUS INC (DEL) COM | \$6,030,380 | 1,238,271 | 537,267 |
| US AIRWAYS GROUP INC COM | \$7,233,233 | 535,795 | 535,795 |
| SEADRILL PARTNERS LLC COM | \$13,709,797 | 534,495 | 534,495 |
| STAPLES INC COM | \$6,031,535 | 529,082 | 529,082 |
| EXTRA SPACE STORAGE INC COM | \$22,978,247 | 631,444 | 521,985 |
| QUANTUM CORP DSSG COM | \$674,938 | 544,305 | 519,305 |
| EXPRESS SCRIPTS HOLDING CO CO | \$43,598,682 | 807,383 | 516,410 |
| BOISE INC COM | \$6,586,853 | 828,535 | 516,104 |
| JAGUAR MINING INC COM | \$326,740 | 516,993 | 504,814 |
| HERBALIFE LTD COM | \$19,196,543 | 582,773 | 502,951 |
| ALLSTATE CORP COM | \$20,185,987 | 502,514 | 502,514 |
| ELETROBRAS ADR | \$1,723,987 | 552,560 | 501,857 |
| ALCATEL LUCENT SA ADR A | \$695,000 | 500,000 | 500,000 |
| EBAY INC COM | \$41,464,536 | 813,062 | 499,276 |
| MISSION WEST PROPERTIES COM | \$4,519,289 | 496,080 | 496,080 |
| PENN NATIONAL GAMING INC COM | \$42,345,834 | 862,265 | 490,746 |
| UNITED STATES OIL FUND LP UNI | \$16,362,646 | 490,340 | 490,340 |
| NEWFIELD EXPLORATION CO COM | \$26,017,681 | 971,534 | 488,561 |
| HCA HOLDINGS INC COM | \$22,002,166 | 729,273 | 488,465 |
| HOLLYFRONTIER CORP COM | \$23,860,646 | 512,581 | 484,231 |
| CITIGROUP INC COM | \$44,982,291 | 1,137,065 | 480,375 |
| NEWELL RUBBERMAID INC COM | \$12,066,420 | 541,824 | 476,640 |
| NABORS INDUSTRIES LTD ORD | \$7,246,603 | 501,495 | 475,320 |
| HERSHA HOSPITALITY TRUST SBI | \$4,426,010 | 885,202 | 472,889 |
| EMMIS COMMUNICATIONS CORP CL | \$930,262 | 472,214 | 472,214 |
| ARRAY BIOPHARMA INC COM | \$4,194,676 | 1,127,601 | 471,907 |
| INTERNATIONAL GAME TECHNOLOGY | \$11,874,871 | 838,029 | 471,326 |
| AMERICA MOVIL SAB DE CV ADR L | \$19,699,799 | 851,331 | 466,958 |

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| | | | |
|-----------------------|--------------|---------|---------|
| ADOBE SYSTEMS INC COM | \$19,190,462 | 509,301 | 466,906 |
|-----------------------|--------------|---------|---------|

| | | | |
|-------------------------------|--------------|-----------|---------|
| ACADIA PHARMACEUTICALS INC CO | \$2,341,345 | 503,515 | 464,553 |
| CREXUS INVESTMENT CORP COM | \$7,839,302 | 639,943 | 462,976 |
| MASTEC INC COM | \$15,989,205 | 641,364 | 461,364 |
| CISCO SYSTEMS INC COM | \$37,890,542 | 1,928,370 | 454,855 |

| | | | | |
|--------------------------------|--------------|-----------|---------|--|
| GAFISA SA ADR | \$2,084,883 | 448,362 | 448,362 | |
| CHIMERA INVESTMENT CORP COM | \$1,168,377 | 447,654 | 447,654 | |
| CABOT OIL & GAS CORP CL A | \$45,306,127 | 910,859 | 445,356 | |
| POLYCOM INC COM | \$5,224,864 | 499,509 | 444,031 | |
| STONE ENERGY CORP COM | \$9,091,817 | 443,071 | 443,011 | |
| RENREN INC ADR A | \$1,511,652 | 438,160 | 438,160 | |
| CUBIST PHARMACEUTICALS INC CO | \$18,526,263 | 440,577 | 435,577 | |
| OCLARO INC COM | \$767,837 | 489,068 | 433,891 | |
| WISDOMTREE INVESTMENTS INC CO | \$2,619,427 | 428,011 | 428,011 | |
| ILLINOIS TOOL WORKS INC COM | \$26,753,785 | 439,957 | 426,279 | |
| HUNTSMAN CORP COM | \$8,522,352 | 535,997 | 418,564 | |
| SEMGROUP CORP CL A | \$47,390,284 | 1,212,648 | 418,050 | |
| RESOURCE CAPITAL CORP COM | \$3,504,418 | 625,789 | 412,144 | |
| FIFTH THIRD BANCORP COM | \$16,193,001 | 1,065,329 | 409,756 | |
| LKQ CORP COM | \$15,487,885 | 734,023 | 408,969 | |
| JABIL CIRCUIT INC COM | \$9,314,813 | 482,883 | 399,929 | |
| BROADCOM CORP CL A | \$13,840,400 | 416,754 | 395,309 | |
| BOYD GAMING CORP COM | \$2,600,815 | 391,689 | 391,689 | |
| SAPIENT CORP COM | \$4,577,401 | 433,466 | 391,440 | |
| STARBUCKS CORP COM | \$36,169,413 | 674,425 | 389,675 | |
| VANTAGE DRILLING CO COM | \$4,210,566 | 2,300,856 | 389,171 | |
| NORTHEAST UTILITIES COM | \$52,276,573 | 1,337,681 | 383,826 | |
| CYPRESS SEMICONDUCTOR CORP CO | \$6,435,155 | 593,649 | 383,179 | |
| THRESHOLD PHARMACEUTICALS INC | \$1,612,586 | 383,037 | 383,037 | |
| DANAHER CORP COM | \$23,902,784 | 427,599 | 378,074 | |
| CLOVIS ONCOLOGY INC COM | \$6,021,632 | 376,352 | 376,352 | |
| GRAPHIC PACKAGING HOLDING COM | \$4,307,108 | 666,735 | 374,079 | |
| WMS INDUSTRIES INC COM | \$6,478,448 | 370,197 | 370,197 | |
| CAMERON INTERNATIONAL CORP CO | \$58,101,575 | 1,029,075 | 369,400 | |
| UNITED STATES STEEL CORP COM | \$12,323,677 | 516,716 | 368,349 | |
| LOEWS CORP COM | \$15,848,409 | 388,918 | 367,244 | |
| WEATHERFORD INTERNATIONAL LTD | \$13,960,409 | 1,247,579 | 367,009 | |
| AVANIR PHARMACEUTICALS INC CL | \$960,122 | 366,879 | 366,879 | |
| KRISPY KREME DOUGHNUTS INC CO | \$3,420,914 | 364,703 | 364,703 | |
| HCP INC COM | \$20,973,343 | 464,423 | 360,764 | |
| ALLERGAN INC COM | \$39,965,935 | 435,691 | 360,691 | |
| ELI LILLY & CO COM | \$33,293,022 | 675,041 | 358,013 | |
| VANTIV INC CL A | \$10,750,640 | 526,476 | 357,765 | |
| PFIZER INC COM | \$30,023,024 | 1,197,138 | 357,736 | |
| METROPCS COMMUNICATIONS INC C | \$4,578,543 | 460,618 | 355,954 | |
| ELOQUA INC COM | \$8,395,681 | 355,900 | 355,900 | |
| FELCOR LODGING TRUST INC COM | \$2,816,430 | 603,090 | 355,190 | |
| PROGRESSIVE CORP COM | \$7,448,005 | 352,986 | 352,986 | |
| BRINKER INTERNATIONAL INC COM | \$15,689,028 | 506,261 | 352,925 | |
| AMC NETWORKS INC CL A | \$20,852,271 | 421,258 | 352,169 | |
| CLEVELAND BIOLABS INC COM | \$468,027 | 351,900 | 351,900 | |
| COCA COLA CO COM | \$22,236,983 | 613,434 | 351,752 | |
| BRANDYWINE REALTY TRUST SBI | \$4,261,088 | 349,556 | 349,523 | |
| EDUCATION REALTY TRUST INC CO | \$4,883,420 | 458,968 | 348,490 | |
| COLONIAL PROPERTIES TRUST SBI | \$9,159,332 | 428,607 | 347,190 | |
| STANDARD PACIFIC CORP COM | \$2,849,691 | 387,713 | 344,431 | |
| INVESTMENT TECHNOLOGY GROUP IN | \$3,096,576 | 344,064 | 344,064 | |
| WPX ENERGY INC CL A | \$5,794,733 | 389,431 | 344,051 | |
| CHEVRON CORP COM | \$47,430,528 | 438,603 | 342,782 | |
| GLOBAL PAYMENTS INC COM | \$17,433,750 | 384,851 | 339,806 | |
| GIANT INTERACTIVE GROUP INC A | \$1,829,283 | 338,130 | 338,130 | |
| ENTEGRIS INC COM | \$4,255,196 | 463,529 | 336,463 | |
| OFFICEMAX INC COM | \$3,278,833 | 335,946 | 335,946 | |
| CAPITOL FEDERAL FINANCIAL COM | \$4,428,733 | 378,848 | 333,616 | |
| HALOZYME THERAPEUTICS INC COM | \$7,627,445 | 1,136,728 | 329,491 | |
| MCGRAW HILL COS INC COM | \$17,912,626 | 327,650 | 327,650 | |
| CTRP.COM INTERNATIONAL LTD A | \$7,597,399 | 335,278 | 321,872 | |
| CAI INTERNATIONAL INC COM | \$7,348,597 | 334,788 | 320,920 | |
| CHEMTURA CORP COM | \$12,815,060 | 602,778 | 319,465 | |
| CROWN HOLDINGS INC COM | \$19,460,416 | 528,672 | 318,838 | |
| AMERICAN CAPITAL AGENCY CORP | \$10,071,534 | 348,496 | 318,496 | |

15 Feb 2013 07:06 EDT DJ Millennium Mgmt 4Q 13F: Largest Sales

DJ CFA SOURCE: SEC 13F-HR
FILER:
Millennium Management LLC
QUARTER ENDED: 12/31/2012
SEC RECEIVED: 02/14/2013

Up to 200 of the largest sales of Millennium Management LLC are listed below, ordered by the number of shares sold during the three months ended Dec. 31.

| Company Name | Value | Holdings | Change |
|--------------------------------|--------------|-----------|-------------|
| EXCO RESOURCES INC COM | \$2,489,742 | 367,761 | (3,777,400) |
| SYNOVUS FINANCIAL CORP COM | \$36,738 | 14,995 | (3,164,355) |
| ULTRA PETROLEUM CORP COM | \$10,983,462 | 605,817 | (2,134,608) |
| TD AMERITRADE HOLDING CORP CO | \$11,004,179 | 654,621 | (2,118,550) |
| BOSTON SCIENTIFIC CORP COM | \$17,440,836 | 3,043,776 | (1,879,770) |
| HOVNANIAN ENTERPRISES INC CL | \$413,700 | 59,100 | (1,689,153) |
| GENERAL GROWTH PROPERTIES INC | \$431,976 | 21,762 | (1,677,641) |
| CEMIG ENERGETICA MINAS GER AD | \$124,532 | 11,467 | (1,464,949) |
| VALERO ENERGY CORP COM | \$22,862,072 | 670,049 | (1,425,404) |
| DENBURY RESOURCES INC COM | \$1,620,000 | 100,000 | (1,312,070) |
| DELTA AIR LINES INC COM | \$4,404 | 371 | (1,308,551) |
| TYCO INTERNATIONAL LTD COM | \$28,832,924 | 985,741 | (1,237,793) |
| CMS ENERGY CORP COM | \$51,496,899 | 2,112,260 | (1,209,054) |
| CHESAPEAKE ENERGY CORP COM | \$4,029,253 | 242,434 | (1,187,446) |
| NEXEN INC COM | \$6,034,129 | 223,984 | (1,161,615) |
| JANUS CAPITAL GROUP INC COM | \$162,689 | 19,095 | (1,149,167) |
| FORD MOTOR CO COM | \$1,772,855 | 136,900 | (1,132,917) |
| AL EATON CORP PLC COM | \$15,137,296 | 279,389 | (1,094,600) |
| KINROSS GOLD CORP COM | \$3,060,760 | 314,893 | (991,631) |
| GOODYEAR TIRE & RUBBER CO COM | \$3,741,129 | 270,900 | (987,048) |
| ZOGENIX INC COM | \$1,550,378 | 1,165,698 | (986,282) |
| CENTURYLINK (CENTURYTEL) INC | \$1,962,807 | 50,174 | (947,277) |
| CBS CORP CL B | \$1,017,229 | 26,734 | (933,630) |
| LSI CORP COM | \$16,902,263 | 2,390,702 | (864,926) |
| METLIFE INC COM | \$15,474,553 | 469,780 | (856,164) |
| ABBOTT LABS COM | \$5,672,300 | 86,600 | (849,469) |
| HARTFORD FINANCIAL SERVICES GR | \$14,508,066 | 646,527 | (841,895) |
| GRAFTECH INTERNATIONAL LTD CO | \$1,767,264 | 188,207 | (823,182) |
| SANDRIDGE ENERGY INC COM | \$2,176,831 | 342,808 | (821,157) |
| SONUS NETWORKS INC COM | \$790,068 | 464,746 | (815,860) |
| TWO HARBORS INVESTMENT CORP C | \$3,684,078 | 332,498 | (805,325) |
| SLM CORP COM | \$11,802,330 | 688,986 | (790,905) |
| PENNYMAC MORTGAGE INVESTMENT T | \$19,101,411 | 755,295 | (764,980) |
| DELL INC COM | \$12,794,074 | 1,261,743 | (762,783) |
| GENERAL ELECTRIC CO COM | \$31,342,688 | 1,493,220 | (747,107) |
| DEAN FOODS CO COM | \$2,403,790 | 145,596 | (741,134) |
| PNC FINANCIAL SERVICES GROUP | \$5,822,545 | 99,855 | (717,613) |
| FIDELITY NATIONAL FINANCIAL C | \$30,900,096 | 1,312,106 | (703,916) |
| ACTIVISION BLIZZARD INC COM | \$872,221 | 82,130 | (688,965) |
| ALPHA NATURAL RESOURCES INC C | \$8,542 | 877 | (681,782) |
| CHICOS FAS INC COM | \$1,616,764 | 87,582 | (661,782) |
| VONAGE HOLDINGS CORP COM | \$978,490 | 412,865 | (659,591) |
| HOLOGIC INC COM | \$3,870,694 | 193,438 | (654,280) |
| CAPITAL ONE FINANCIAL CORP CO | \$20,831,628 | 359,600 | (649,728) |
| LENNAR CORP CL A | \$17,781,007 | 459,814 | (645,945) |

| | | | |
|--------------------------------|--------------|-----------|-----------|
| MOSAIC CO COM | \$7,135,663 | 126,005 | (638,603) |
| LENDER PROCESSING SERVICES INC | \$2,786,048 | 113,162 | (638,207) |
| MASCO CORP COM | \$4,723,593 | 283,529 | (593,867) |
| HEALTH CARE REIT INC COM | \$6,063,910 | 98,938 | (591,552) |
| NEWS CORP LTD CL B | \$7,398,762 | 281,965 | (577,594) |
| KEY ENERGY SERVICES INC COM | \$4,308,166 | 619,880 | (575,571) |
| FLOTEK INDUSTRIES INC COM | \$19,306,280 | 1,582,482 | (571,507) |
| URBAN OUTFITTERS INC COM | \$3,178,438 | 80,753 | (567,234) |
| AES CORP COM | \$12,213,141 | 1,141,415 | (554,493) |
| TIBCO SOFTWARE INC COM | \$3,969,456 | 180,594 | (553,483) |
| ROBERT HALF INTERNATIONAL INC | \$24,756 | 778 | (531,029) |
| FIRST NIAGARA FINANCIAL GROUP | \$312,609 | 39,421 | (516,777) |
| WALGREEN CO COM | \$11,593,494 | 313,253 | (513,979) |
| NATIONAL RETAIL PROPERTIES INC | \$5,306,246 | 170,072 | (511,491) |
| PEPSICO INC COM | \$4,251,077 | 62,123 | (511,083) |
| MAGNUM HUNTER RESOURCES CORP | \$2,326,872 | 583,176 | (509,561) |
| ALKERMES PLC ORD | \$4,852,444 | 262,011 | (505,089) |
| ADVANCED MICRO DEVICES INC CO | \$510,180 | 212,575 | (498,551) |
| PENN WEST PETROLEUM LTD COM | \$386,616 | 35,600 | (497,287) |
| XL GROUP PLC ORD | \$18,566,378 | 740,877 | (491,626) |
| BEAM INC COM | \$1,324,431 | 21,680 | (485,273) |
| TEXAS ROADHOUSE INC CL A | \$515,626 | 30,692 | (481,954) |
| THOMPSON CREEK METALS CO INC | \$67,960 | 16,376 | (478,949) |
| AMERICAN INTERNATIONAL GROUP | \$7,399,268 | 209,611 | (475,473) |
| MARATHON PETROLEUM CORP COM | \$11,478,537 | 182,199 | (469,484) |
| COMPUTER SCIENCES CORP COM | \$7,275,723 | 181,666 | (467,329) |
| GEVO INC COM | \$259,776 | 168,686 | (466,680) |
| EXELON CORP COM | \$14,570,042 | 489,914 | (459,589) |
| FREEPORT MCMORAN COPPER CL B | \$39,968,411 | 1,168,667 | (458,275) |
| HARLEY DAVIDSON INC COM | \$2,367,474 | 48,484 | (454,822) |
| BROOKDALE SENIOR LIVING INC C | \$20,511,276 | 810,082 | (454,100) |
| ALTERA CORP COM | \$2,309,701 | 67,162 | (447,849) |
| SPIRIT AEROSYSTEMS HOLDINGS C | \$6,655,617 | 392,199 | (441,835) |
| WABCO HOLDINGS INC COM | \$6,550,356 | 100,481 | (438,913) |
| LINEAR TECHNOLOGY CORP COM | \$17,630 | 514 | (438,261) |
| WESTERN ASSET MORTGAGE CAPITAL | \$10,525,647 | 532,405 | (430,285) |
| WENDYS CO COM | \$2,063,070 | 438,951 | (428,899) |
| INTERNATIONAL PAPER CO COM | \$14,100,133 | 353,919 | (425,082) |
| TIME WARNER INC COM | \$7,756,256 | 162,163 | (424,278) |
| TETRA TECHNOLOGIES INC /DE COM | \$1,280,395 | 168,695 | (423,420) |
| LOUISIANA PACIFIC CORP COM | \$20,060,748 | 1,038,341 | (421,493) |
| NEKTAR THERAPEUTICS COM | \$7,099,884 | 958,149 | (417,650) |
| TALISMAN ENERGY INC COM | \$10,832,284 | 956,071 | (414,732) |
| KULICKE & SOFFA INDUSTRIES INC | \$2,660,101 | 221,860 | (408,599) |
| ARQLE INC COM | \$52,273 | 18,736 | (404,397) |
| VANDA PHARMACEUTICALS INC COM | \$2,064,637 | 558,010 | (402,944) |
| REALTY INCOME CORP COM | \$25,914,541 | 644,480 | (399,015) |
| CONAGRA FOODS INC COM | \$23,487,015 | 796,170 | (393,935) |
| HEALTH NET INC COM | \$16,279,542 | 669,940 | (393,397) |
| WEIGHT WATCHERS INTERNATIONAL | \$3,255,169 | 62,169 | (388,021) |
| OCCIDENTAL PETROLEUM CORP COM | \$37,022,242 | 483,256 | (385,785) |
| TRANSATLANTIC PETROLEUM LTD C | \$894,005 | 1,077,114 | (382,895) |
| SEQUENOM INC COM | \$1,366,286 | 290,082 | (382,117) |
| EMC CORP /MA COM | \$5,505,533 | 217,610 | (381,412) |
| CARPENTER TECHNOLOGY CORP COM | \$9,702,516 | 187,924 | (381,247) |
| FOSTER WHEELER AG COM | \$4,774,527 | 196,321 | (378,679) |
| BARRICK GOLD CORP COM | \$7,205,653 | 205,817 | (378,484) |
| UNITED RENTALS INC COM | \$35,754,868 | 785,476 | (377,079) |
| CH ROBINSON WORLDWIDE INC COM | \$650,471 | 10,289 | (374,746) |
| STARWOOD HOTELS & RESORTS COM | \$16,487,960 | 287,447 | (374,666) |
| PIONEER NATURAL RESOURCES CO | \$10,125,410 | 94,994 | (371,435) |
| WESTERN REFINING INC COM | \$12,411,155 | 440,268 | (371,203) |
| CROCS INC COM | \$720,320 | 50,057 | (369,855) |
| HILLSHIRE BRANDS CO COM | \$12,391,702 | 440,359 | (366,302) |
| PEPCO HOLDINGS INC COM | \$1,582,939 | 80,721 | (365,970) |
| HERCULES OFFSHORE INC COM | \$13,686,053 | 2,218,161 | (359,616) |

| | | | |
|--------------------------------|--------------|-----------|-----------|
| FLOWERS FOODS INC COM | \$13,971,797 | 600,421 | (358,163) |
| RIO TINTO PLC ADR | \$6,516,885 | 112,186 | (356,471) |
| DOMINION RESOURCES INC/VA COM | \$15,733,628 | 303,738 | (353,725) |
| VERIZON COMMUNICATIONS INC CO | \$9,716,928 | 224,565 | (352,086) |
| ELAN CORP PLC ADR | \$8,572,622 | 839,630 | (349,881) |
| QLIK TECHNOLOGIES INC COM | \$1,466,122 | 67,501 | (347,290) |
| ORIENTAL FINANCIAL GROUP INC | \$8,059,382 | 603,699 | (342,721) |
| KEYCORP COM | \$10,452,445 | 1,241,383 | (338,812) |
| SAFeway INC COM | \$511,947 | 28,300 | (326,949) |
| MOODY'S CORP COM | \$6,022,549 | 119,685 | (326,188) |
| PLAINS EXPLORATION & PRODUCTIO | \$28,866,598 | 614,968 | (320,754) |
| HARMONY GOLD MINING CO LTD AD | \$453,806 | 50,648 | (320,367) |
| EQT CORP COM | \$61,049,077 | 1,035,081 | (316,906) |
| LOWES COS INC COM | \$1,024,290 | 28,837 | (314,887) |
| JAMBA INC COM | \$483,329 | 215,772 | (314,236) |

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| | | | |
|--------------------------------|--------------|-----------|-----------|
| SEALED AIR CORP COM | \$6,356,655 | 363,030 | (311,162) |
| COLONY FINANCIAL INC COM | \$394,134 | 20,212 | (309,875) |
| NOBLE CORP ORD REG | \$32,423,444 | 931,173 | (307,083) |
| ROYAL CARIBBEAN CRUISES LTD C | \$10,278,778 | 302,317 | (307,019) |
| MICROSOFT CORP COM | \$14,153,549 | 529,897 | (305,417) |
| ONYX PHARMACEUTICALS INC COM | \$446,005 | 5,905 | (304,095) |
| ATMEL CORP COM | \$544,502 | 83,130 | (303,124) |
| ASSURED GUARANTY LTD COM | \$1,442,310 | 101,357 | (302,394) |
| EAST WEST BANCORP INC COM | \$797,816 | 37,125 | (300,835) |
| CARNIVAL CORP PAIRED CTF | \$2,455,280 | 66,774 | (296,252) |
| MICROCHIP TECHNOLOGY INC COM | \$413,632 | 12,692 | (295,432) |
| CONTINENTAL RESOURCES INC /OK | \$23,245,842 | 316,313 | (292,080) |
| PG&E CORP COM | \$6,021,415 | 149,861 | (288,188) |
| EQUITY LIFESTYLE PROPERTIES IN | \$10,959,388 | 162,868 | (286,586) |
| YAMANA GOLD INC COM | \$4,925,760 | 286,215 | (285,548) |
| HONEYWELL INTERNATIONAL INC C | \$23,704,966 | 373,483 | (285,020) |
| SALLY BEAUTY HOLDINGS INC COM | \$2,585,393 | 109,690 | (284,118) |
| EMERSON ELECTRIC CO COM | \$529,600 | 10,000 | (284,035) |
| FIDELITY NATIONAL INFO SERVICE | \$15,908,971 | 457,023 | (281,964) |
| TAKE TWO INTERACTIVE SOFTWARE | \$646,749 | 58,742 | (281,201) |
| YAHOO INC COM | \$35,425,801 | 1,780,191 | (279,735) |
| GREEN DOT CORP CL A | \$316,212 | 25,919 | (276,303) |
| CATAMARAN CORP COM | \$3,125,368 | 66,356 | (275,760) |
| VCA ANTECH INC COM | \$4,947,445 | 235,033 | (275,067) |
| SCICLONE PHARMACEUTICALS INC | \$2,166,361 | 502,636 | (274,535) |
| RENTECH INC COM | \$5,217,018 | 1,983,657 | (270,611) |
| HAINE CELESTIAL GROUP INC COM | \$11,158,042 | 205,792 | (270,317) |
| HOT TOPIC INC COM | \$1,064,683 | 110,559 | (268,552) |
| ACORDA THERAPEUTICS INC COM | \$10,198,368 | 410,232 | (268,068) |
| ENERGEN CORP COM | \$1,845,083 | 40,920 | (267,867) |
| TIM PARTICIPACOES SA ADR | \$1,475,876 | 74,464 | (267,214) |
| MACYS INC COM | \$16,906,898 | 433,288 | (267,042) |
| VALEANT PHARMACEUTICALS INTL | \$4,183,900 | 70,000 | (266,278) |
| PINNACLE ENTERTAINMENT INC CO | \$299,519 | 18,921 | (265,454) |
| AMERIPRISE FINANCIAL INC COM | \$1,765,978 | 28,197 | (263,966) |
| PTC INC COM | \$3,235,835 | 143,751 | (263,890) |
| HELMERICH & PAYNE INC COM | \$2,284,088 | 40,780 | (257,722) |
| CURIS INC COM | \$228,287 | 66,556 | (256,413) |
| URS CORP COM | \$1,903,914 | 48,495 | (254,927) |
| LUFKIN INDUSTRIES INC COM | \$2,950,272 | 50,753 | (249,848) |
| ACTAVIS INC COM | \$2,897,856 | 33,696 | (248,988) |
| ELDORADO GOLD CORP COM | \$2,297,187 | 178,353 | (248,776) |
| CNA FINANCIAL CORP COM | \$1,761,857 | 62,901 | (248,567) |
| WESTERN DIGITAL CORP COM | \$1,565,757 | 36,850 | (248,320) |
| VERISIGN INC COM | \$3,866,860 | 99,610 | (248,098) |
| KELLOGG CO COM | \$6,154,279 | 110,193 | (247,612) |
| COMERICA INC COM | \$3,034,000 | 100,000 | (243,416) |
| NPS PHARMACEUTICALS INC COM | \$1,092,346 | 120,038 | (241,617) |

| | | | |
|--------------------------------|--------------|-----------|-----------|
| UNS ENERGY CORP COM | \$1,303,355 | 30,725 | (241,028) |
| MARVELL TECHNOLOGY GROUP LTD | \$4,363,011 | 600,883 | (238,073) |
| BP PLC ADR | \$9,917,066 | 238,162 | (237,298) |
| TANGER FACTORY OUTLET CTRS CO | \$9,244,910 | 270,319 | (233,533) |
| SYNACOR INC COM | \$402,652 | 73,611 | (228,042) |
| VIVUS INC COM | \$463,218 | 34,517 | (226,615) |
| ENDEAVOUR SILVER CORP COM | \$1,616,038 | 204,821 | (224,992) |
| DISH NETWORK CORP CL A | \$7,497,199 | 205,967 | (223,774) |
| ACTUATE CORP COM | \$496,782 | 88,711 | (223,105) |
| EXELIS INC COM | \$1,816,668 | 161,195 | (221,484) |
| DOLLAR GENERAL CORP COM | \$11,881,814 | 269,490 | (221,151) |
| CLEARWIRE CORP NEW CL A | \$249,748 | 86,418 | (220,699) |
| INTERNATIONAL FLAVORS & FRAGRA | \$1,556,304 | 23,389 | (216,712) |
| ADVANCE AUTO PARTS INC COM | \$72 | 1 | (216,696) |
| AVG TECHNOLOGIES NV COM | \$364,090 | 23,000 | (215,594) |
| BOEING CO COM | \$11,517,646 | 152,835 | (214,590) |
| TANGOE INC COM | \$2,098,058 | 176,753 | (212,258) |
| SUNCOR ENERGY INC COM | \$23,963,202 | 726,598 | (212,087) |
| IDACORP INC COM | \$1,540,962 | 35,547 | (210,156) |
| TESCO CORP COM | \$4,491,954 | 394,377 | (205,623) |
| SILICON MOTION TECHNOLOGY CORP | \$15,586,883 | 1,096,124 | (205,465) |
| QUANTA SERVICES INC COM | \$16,343,353 | 598,877 | (204,270) |
| KNIGHT CAPITAL GROUP INC COM | \$114,451 | 32,607 | (204,260) |
| INGERSOLL RAND PLC ORD | \$6,465,488 | 134,810 | (204,137) |
| CLOUD PEAK ENERGY INC COM | \$8,325,044 | 430,680 | (203,487) |
| OFFICE DEPOT INC COM | \$2,949,878 | 899,353 | (198,484) |

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15 Feb 2013 07:06 EDT DJ Millennium Mgmt 4Q 13F: Largest Eliminations

DJ CFA SOURCE: SEC 13F-HR
 FILER:
 Millennium Management LLC
 QUARTER ENDED: 12/31/2012
 SEC RECEIVED: 02/14/2013

Up to 200 of the largest eliminated positions of Millennium Management LLC are listed below, ordered by the number of shares sold during the three months ended Dec. 31.

| Company Name | Ticker | Change |
|------------------------------------|--------|-------------|
| ENERGY TRANSFER PARTNERS LP U ETP | | (1,444,609) |
| CANADIAN NATURAL RESOURCES LTD CNQ | | (1,343,866) |
| QUICKSILVER RESOURCES INC COM KWK | | (1,224,159) |
| LIGAND PHARMACEUTICALS INC CL LGND | | (1,164,800) |
| GOLD FIELDS LTD ADR GFI | | (1,142,667) |
| MONDELEZ INTERNATIONAL INC CL MDLZ | | (1,091,338) |
| CUBESMART COM CUBE | | (914,199) |
| JEFFERIES GROUP INC COM JEF | | (900,089) |
| TEREX CORP COM TEX | | (757,832) |
| MIDSTATES PETROLEUM CO INC CO MPO | | (713,267) |
| ENTRAVISION COMMUNICATIONS CL EVC | | (700,000) |
| ZIONS BANCORPORATION COM ZION | | (669,062) |
| MANULIFE FINANCIAL CORP COM MFC | | (650,813) |
| DELPHI AUTOMOTIVE PLC COM DLPH | | (621,394) |
| SMITH & WESSON HOLDING CORP C SWHC | | (618,881) |
| VERIFONE SYSTEMS INC COM PAY | | (517,364) |
| TECK RESOURCES LTD CL B SUB-V TCK | | (505,604) |
| ABB LTD ADR ABB | | (500,420) |
| MOBILE TELESYSTEMS ADR MBT | | (495,189) |

| | | |
|--------------------------------|-----------------|-----------|
| LEAPFROG ENTERPRISES INC | CL A LF | (486,939) |
| WET SEAL INC | CL A WTSLA | (476,549) |
| H&R BLOCK INC | COM HRB | (461,255) |
| SILICON IMAGE INC | COM SIMG | (455,035) |
| FRANCE TELECOM | ADR FTE | (444,869) |
| NANOSPHERE INC | COM NSPH | (444,508) |
| ROYAL BK SCOTLAND GRP | PFD 6.6 RBS.PRS | (442,672) |
| CIRRUS LOGIC INC | COM CRUS | (424,705) |
| ENTROPIC COMMUNICATIONS INC | C ENTR | (423,902) |
| FREESCALE SEMICONDUCTOR HLDGS | FSL | (403,788) |
| INTERPUBLIC GROUP OF COMPANIES | IPG | (398,830) |
| FULTON FINANCIAL CORP /PA | COM FULT | (397,041) |
| BANKRATE INC | COM RATE | (392,681) |
| ASTEX PHARMACEUTICALS INC | COM ASTX | (378,054) |
| COSTCO WHOLESALE CORP | COM COST | (359,544) |
| TRINITY INDUSTRIES INC | COM TRN | (354,558) |
| WASTE CONNECTIONS INC | COM WCN | (346,194) |
| WELLPOINT INC | COM WLP | (336,875) |
| BRUNSWICK CORP | COM BC | (321,941) |
| QIHOO 360 TECHNOLOGY CO LTD A | QIHU | (318,270) |
| WESTERN UNION CO | COM WU | (305,864) |
| CBRE GROUP INC | COM CBG | (289,096) |
| IAC INTERACTIVECORP | COM IACI | (285,203) |
| MBIA INC | COM MBI | (282,932) |
| MENTOR GRAPHICS CORP | COM MENT | (282,910) |
| ROYAL DUTCH SHELL PLC | ADR A RDS.A | (280,284) |
| ANWORTH MORTGAGE ASSET CORP | C ANH | (276,193) |
| MINDRAY MEDICAL INTL LTD | ADR MR | (272,510) |
| MACERICH CO | COM MAC | (271,857) |
| OWENS ILLINOIS INC | COM OI | (271,149) |
| MCEWEN MINING INC | COM MUX | (270,520) |
| COMMONWEALTH REIT | COM CWH | (263,734) |
| FRONTIER COMMUNICATIONS CORP | FTR | (252,192) |
| TOTAL SA | ADR TOT | (248,802) |
| RYLAND GROUP INC | COM RYL | (248,605) |
| TESARO INC | COM TSRO | (243,100) |
| TEMPUR PEDIC INTERNATIONAL INC | TPX | (238,245) |
| LEXICON PHARMACEUTICALS INC | C LXRX | (233,605) |
| CONSOLIDATED EDISON INC | COM ED | (229,872) |
| LIVE NATION ENTERTAINMENT INC | LYV | (218,354) |
| SUMMIT HOTEL PROPERTIES INC | C INN | (217,800) |
| NOVAVAX INC | COM NVAX | (216,316) |
| DEERE & CO | COM DE | (215,000) |
| GLU MOBILE INC | COM GLUU | (214,543) |
| SUSQUEHANNA BANCSHARES INC | CO SUSQ | (214,360) |
| FLUOR CORP | COM FLR | (210,272) |
| RADIAN GROUP INC | COM RDN | (209,154) |
| THERMO FISHER SC (ELECTRON) IN | TMO | (207,213) |
| TELEFONICA BRASIL SA | ADR PFD VIV | (204,154) |
| 8X8 INC | COM EGHT | (202,406) |
| ONLINE RESOURCES CORP | COM ORCC | (200,080) |
| ALTERRA CAPITAL HOLDINGS LTD | ALTE | (200,000) |
| NEUTRAL TANDEM INC | COM IQNT | (199,313) |
| FIRST HORIZON NATIONAL CORP | C FHN | (198,054) |
| LIONS GATE ENTERTAINMENT CORP | LGF | (197,056) |
| COVANCE INC | COM CVD | (196,531) |
| CALPINE CORP | COM NEW CPN | (192,046) |
| REX ENERGY CORP | COM REXX | (190,031) |
| CONNS INC | COM CONN | (186,548) |
| EMERALD OIL INC | COM EOX | (185,722) |
| NEW YORK MORTGAGE TRUST INC | C NYMT | (184,109) |
| SILVER WHEATON CORP | COM SLW | (183,983) |
| DARLING INTERNATIONAL INC | COM DAR | (182,173) |
| LONE PINE RESOURCES INC | COM LPR | (180,000) |
| GOODRICH PETROLEUM CORP | COM GDP | (176,164) |
| BLYTH INC | COM BTH | (175,254) |

| | | | |
|--------------------------------|------|------|-----------|
| HB FULLER CO | COM | FUL | (175,000) |
| SPECTRA ENERGY CORP | COM | SE | (173,000) |
| IMMUNOMEDICS INC | COM | IMMU | (172,360) |
| COPA HOLDINGS SA | CL A | CPA | (170,906) |
| FIRSTENERGY CORP | COM | FE | (162,935) |
| WAUSAU PAPER CORP | COM | WPP | (155,536) |
| CREDIT SUISSE GROUP | ADR | CS | (153,087) |
| BOULDER BRANDS INC | COM | BDBD | (151,666) |
| LINCOLN ELECTRIC HOLDINGS INC | | LECO | (151,488) |
| EMBRAER SA | ADR | ERJ | (150,000) |
| ARCOS DORADOS HOLDINGS INC | CL | ARCO | (147,929) |
| CONSTANT CONTACT INC | COM | CTCT | (147,341) |
| FIRST COMMONWEALTH FINANCIAL | | FCF | (146,463) |
| NTT DOCOMO | ADR | DCM | (146,255) |
| ENERSYS | COM | ENS | (145,023) |
| EXACT SCIENCES CORP | COM | EXAS | (143,827) |
| VISTAPRINT NV | COM | VPRT | (143,683) |
| VERISK ANALYTICS INC | CL A | VRSK | (143,277) |
| CITY NATIONAL CORP | COM | CYN | (140,774) |
| QUALITY SYSTEMS INC | COM | QSII | (140,012) |
| 3M CO | COM | MMM | (137,937) |
| YUM BRANDS INC | COM | YUM | (137,896) |
| MARKET VECTORS ETF JR GOLD MIN | | GDXJ | (137,527) |
| JIVE SOFTWARE INC | COM | JIVE | (134,193) |
| EPL OIL & GAS INC | COM | EPL | (133,903) |
| EXPRESS INC | COM | EXPR | (132,044) |
| MADISON SQUARE GARDEN CO | CL A | MSG | (131,974) |
| ASSOCIATED BANC CORP | COM | ASBC | (131,158) |
| PORTLAND GENERAL ELECTRIC CO | | POR | (129,676) |
| FLOWSERVE CORP | COM | FLS | (128,295) |
| ZUMIEZ INC | COM | ZUMZ | (128,255) |
| GEOEYE INC | COM | GEOY | (126,821) |
| TEEKAY TANKERS LTD | CL A | TNK | (126,407) |
| SNYDERS LANCE INC | COM | LNCE | (124,623) |
| ARTIO GLOBAL INVESTORS INC | CL | ART | (124,074) |
| TELETECH HOLDINGS INC | COM | TTEC | (123,917) |
| EXIDE TECHNOLOGIES | COM | XIDE | (123,370) |
| INTEGRATED DEVICE TECHNOLOGY | | IDTI | (120,700) |
| NET 1 UEPS TECHNOLOGIES INC | C | UEPS | (118,274) |
| SEABRIGHT HOLDINGS INC | COM | SBX | (117,600) |
| ULTRAPAR PARTICIPACOES SA | ADR | UGP | (116,936) |
| ENI SPA | ADR | E | (114,822) |
| INTERMEC | COM | IN | (114,689) |
| VANGUARD INTL EQUITY IND | MSCI | VWO | (114,500) |
| PRETIUM RESOURCES INC | COM | PVG | (112,700) |
| HANCOCK HOLDING CO | COM | HBHC | (110,087) |
| DISCOVERY LABORATORIES INC | CO | DSO | (109,970) |
| HARRIS TEETER SUPERMARKETS INC | | HTSI | (108,730) |
| ZIOPHARM ONCOLOGY INC | COM | ZIOP | (108,337) |
| FRESH DEL MONTE PRODUCE INC | O | FDP | (106,054) |
| SECTOR SPDR CONSUMER STAPLES | | XLP | (104,868) |
| TRANZYME INC | COM | TZYM | (103,896) |
| WORTHINGTON INDUSTRIES INC | CO | WOR | (102,730) |
| CAREER EDUCATION CORP | COM | CECO | (100,898) |
| PROSHARES TR ULTRA S&P 500 | | SSO | (100,000) |
| SYMETRA FINANCIAL CORP | COM | SYA | (98,949) |
| OBAGI MEDICAL PRODUCTS INC | CO | OMPI | (98,887) |
| VIRGIN MEDIA INC | COM | VMED | (97,987) |
| EXPEDITORS INTERNATIONAL (WA) | | EXPD | (96,752) |
| GREENHILL & CO INC | COM | GHL | (95,000) |
| BOX SHIPS INC | COM | TEU | (94,469) |
| ASHFORD HOSPITALITY TRUST INC | | AHT | (91,046) |
| SPLUNK INC | COM | SPLK | (88,441) |
| GERON CORP | COM | GERN | (88,347) |
| INFINITY PROPERTY & CASUALTY | | IPCC | (86,989) |
| SECTOR SPDR TECHNOLOGY | | XLK | (86,699) |

GENERAL MILLS INC COM GIS (86,484)
 ATWOOD OCEANICS INC COM ATW (86,235)
 RESOLUTE FOREST PRODUCTS INC RFP (85,877)
 REALPAGE INC COM RP (85,328)
 CANTEL MEDICAL CORP COM CMN (84,662)
 ANALOGIC CORP COM ALOG (84,076)
 SUPER MICRO COMPUTER INC COM SMC (83,682)
 SURMODICS INC COM SRDX (83,439)
 MYERS INDUSTRIES INC COM MYE (83,026)
 GLOBECOMM SYSTEMS INC COM GCOM (82,341)
 BRIDGEPOINT EDUCATION INC COM BPI (82,243)
 PEP BOYS MANNY MOE & JACK COM PBY (81,954)
 LHC GROUP INC COM LHCG (81,687)
 BOB EVANS FARMS INC COM BOBE (81,251)
 MULTIMEDIA GAMES HOLDING CO IN MGAM (79,176)
 ORBITAL SCIENCES CORP COM ORB (77,558)
 BANK OF HAWAII CORP COM BOH (77,096)
 PACWEST BANCORP COM PACW (76,731)
 15 Feb 2013 07:06 EDT DJ Millennium Mgmt 4Q 13F: Largest Eliminations -2-

CRACKER BARREL OLD COUNTRY CO CBRL (75,835)

SUPERVALU INC COM SVU (75,499)
 DEALERTRACK TECHNOLOGIES INC TRAK (75,197)
 GENESCO INC COM GCO (74,886)
 UTSTARCOM HOLDINGS CORP COM UTSI (74,473)
 SOHU.COM INC COM SOHU (73,131)
 ALLIANCE ONE INTERNATIONAL INC AOI (72,927)
 SAKS INC COM SKS (70,791)
 ELLIE MAE INC COM ELLI (70,246)
 CANADIAN PACIFIC RAILWAY LTD CP (69,647)
 SCHWEITZER-MAUDUIT INTERNATIONAL SWM (67,902)
 MITCHAM INDUSTRIES INC COM MIND (67,704)
 QLOGIC CORP COM QLGC (67,463)
 PERFICIENT INC COM PRFT (67,034)
 CIENA CORP COM CIEN (66,563)
 CNH GLOBAL NV ORD CNH (66,503)
 HOST HOTELS & RESORTS (MARRIOTT) HST (66,263)
 CREE INC COM CREE (66,235)
 CBeyond INC COM CBey (66,182)
 TIME WARNER CABLE INC COM TWC (65,285)
 PACTERA TECHNOLOGY INTL LTD A PACT (64,958)
 HCC INSURANCE HOLDINGS INC CO HCC (64,410)
 RENEWABLE ENERGY GROUP INC CO REGI (63,538)
 KENNAMETAL INC COM KMT (63,301)
 TRANSCANADA CORP COM TRP (61,368)
 GENERAL DYNAMICS CORP COM GD (61,169)
 BENCHMARK ELECTRONICS INC COM BHE (61,164)
 INTERNAP NETWORK SERVICES COM INAP (60,569)
 CASEYS GENERAL STORES INC COM CASY (59,832)
 ORITANI FINANCIAL CORP COM ORIT (59,491)
 EMPLOYERS HOLDINGS INC COM EIG (59,439)

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February 15, 2013 07:06 ET (12:06 GMT)

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Home

Does the Stock Rally Still Have Steam?

By David Kelly

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2013 年 2 月 13 日

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In theory, the continued strong rally in U.S. and global stocks in early 2013 should be regarded as a very positive development for investors.

In practice, emotions are more mixed, ranging from the regret felt by those who missed out on much of the rally by being overweight fixed income and cash, to distrust in the minds of those who have seen markets rise to these levels twice before in the last dozen years, only to be followed by two huge bear markets.

However, investing should always be based on logic rather than emotion and a first logical step in deciding on how to invest from here is to understand what has driven the markets higher to this point.

First, it must be said that it has been an impressive move. As this is being written, just since the start of this year, the Standard & Poor's 500 is up by 5.8%, which represents most of the gains that could have been expected for an entire year.

While eurozone markets are generally flat, other global markets have also seen gains with the FTSE up 5.6%, year-to-date, the Nikkei up 9.3% and the Shanghai Composite up 6.6%. At the same time, government bond yields have drifted up, with the U.S. 10-year bond yield rising from 1.76% to 1.95%.

This is not a rally driven by economic momentum. The U.S. saw real GDP growth turn negative in the fourth quarter of 2012, and while that number overstates economic weakness there is little reason to expect a sharp bounce in output in early 2013, particularly because of the fiscal drag inflicted on the economy by the New Year's Day compromise in Congress. The January employment report, by contrast showed solid job growth entering the first quarter.

The earnings season has been uninspiring, with a few large write-offs reducing the year-over-year gain in **S&P500** earnings per share to almost nothing. Moreover, first-quarter economic momentum still looks suspect, with clear weakness in chainstore sales numbers and a slight month-to-month decline in light vehicle sales.

Housing activity continues to improve, but overall, the U.S. economy can at best be described as expanding rather than accelerating. Meanwhile, January purchasing index data from around the world show shrinking manufacturing activity in the Euro Zone, Japan and Australia with only a mild pickup of economic momentum in Emerging Markets.

Nor should the rally be ascribed to more enlightened monetary and fiscal policies. In the U.S., a tighter-than-optimal tax agreement on New Year's Day leaves the economy with significant fiscal drag with the distinct danger of more to come should the parties fail to agree on an alternative way to cut long-term spending to replace the long-dreaded "sequester" now scheduled to kick in on March 1.

Meanwhile the Fed's continued balance sheet expansion appears to be generating more debate than lending activity. The new Japanese government has proposed more monetary and fiscal expansion, but this cannot inspire confidence given the track record of these tools in achieving a Japanese revival over the last 20 years.

Finally in Europe, while the ECB has successfully convinced markets that the banks are safe and that it will protect the sovereign debt market, the governments themselves remain on a relentless path of deficit reduction through austerity, which, in a recessionary economy, is normally both painful and ineffective.

What has happened is that "tail risks" have fallen.

Over the course of the past year, the danger of a financial collapse in Europe has clearly receded, a "hard landing" in China has been avoided, continued gains in U.S. energy production have reduced our vulnerability

to a Middle East oil shock and the New Year's Day agreement, combined with a three-month suspension of the debt ceiling, has reduced the danger of a Washington-produced crisis.

As these tail risks have fallen, the "tail valuations", that is to say the cheapness of stocks relative to the extremely expensive global fixed income markets, has induced investors to move money from bonds into stocks.

One sign of this is that, based on preliminary data, January saw a bigger inflow into stock mutual funds than any month in the past five years. While the pace of these flows is likely to abate, the trend may well continue.

The bottom line is that, even with slow global growth, until the world gets a little scarier, equities are likely to continue to outperform fixed income investments. This being the case, it probably still makes sense for long-term investors to still be a little over-weight equities relative to their "normal" appropriately balanced portfolio.

Kelly is chief global strategist for JPMorgan Funds. A version of this article is also printed on a JPMorgan Website.

Comments? E-mail us at editors@barrons.com

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MARKET WEEK

Stocks --- The Trader: Looking for a Pause -- or a Pullback

By Vito J. Racanelli

2,112 字

2013 年 2 月 11 日

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Investors took a breather as January's stock-market festivities gave way to a quiet first week of trading in February. But equities did rise slightly, bringing the broad market to its sixth straight week of gains.

Megacaps were the exception, with the Dow Jones Industrial Average inching down, though it flirted with 14,000 several times before closing below that level. There was little market-moving earnings, economic or political news. So, without an obvious cue, equities orbited tightly around the closing levels of the prior week.

Last week, the Dow lost 0.1%, or 17 points, to 13,992.97. It remains about 172 points from the all-time high. The Standard and Poor's 500 index added five points, or 0.3%, to 1517.93, and a 52-week high. It is off 3% from its all-time highs. The Nasdaq Composite rose 15, or 0.5%, to 3193.87.

With the Dow unable to punch through to record heights last week, as many were hoping it would, two trading camps have developed: those who expect this to be a pause, versus those who are looking for a temporary pullback in coming weeks after January's furious 5%-to-6% rise.

"Everyone is still trying to figure out if that was for real," says Doreen Mogavero, CEO of broker-dealer Mogavero. "There's been a lot of money on the sidelines for a long time and those investors -- whether they believe the rally or not -- know they have to do something with the money."

Many money managers are "behind the eight-ball" after January's big jump caught them unaware, says Darren Chevitz, research director at Jacob Asset Management. "They are praying for a pullback, so they can get in." Given the market psychology, a pullback could be dramatic but short-lived, he adds.

Because the market is nearing all-time highs, says Mogavero, the mostly quiescent volatility probably will increase in coming weeks: "People will be nervous about getting in at new highs." The tug of war between the two camps will intensify.

Friday, McDonald's (ticker: MCD) said that global same-store sales dropped a worse-than-expected 1.9% in January on slowing demand overseas. Mickey D's stock managed a small rise of 0.2%, to 94.87, despite that bad news, notes Mark Lehmann, president of JMP Securities in San Francisco. More importantly, that the market shrugged off such news from a Dow member is a measure of the strength of the 2013 rally, he says, adding that the path of least resistance appears to be higher.

Long-suffering Merck shareholders couldn't be blamed for using Zegerid, the firm's over-the-counter heartburn medicine. Since February 2008, the pharmaceutical giant's stock is down 14%, while the market is up 12%. Worse still, Merck's performance lately has been bested by those of Pfizer (PFE) and Abbott Laboratories (ABT). Over the past 12 months, Pfizer is up 28% and Abbott 29%, compared with just 7% for Merck (MRK).

A good deal of the market's more recent ardor for its rivals can be traced to decisions the two made in 2012 to hive off various parts of their businesses to enhance shareholder value. That came in response to market restlessness over what businesses are strategic fits for a pharma company.

This month, Zoetis (ZTS), the animal-health unit spun off from Pfizer, began trading; Zoetis has risen to \$33.05 from \$26. One month earlier, Abbott Labs completed the separation of AbbVie (ABBV). AbbVie, which holds Abbott's traditional pharma business, has climbed about 6% since Dec. 31. Abbott, which now focuses on diagnostics, medical devices, nutritionals, and branded generic drugs, is up 10%.

Both Pfizer and Abbott are viewed by institutional money managers as more willing than Merck to entertain major moves to increase shareholder value. Merck's chairman and CEO, Kenneth C. Frazier, so far doesn't seem amenable to making such changes.

Merck's reticence might weaken by the end of this year, however, particularly if its pipeline challenges worsen. With a stock that hasn't done much while rival stocks have galloped ahead, it wouldn't be a surprise if shareholders start to agitate for things like a spinoff of Merck's own animal-health business, or its consumer-health division, which sells well-known brands like Claritin and Coppertone.

If the comments in a recent survey of 167 money managers conducted by ISI Group -- after Merck's fourth-quarter results were released Feb. 1 -- are any indication, the clamor for the company to do something is going to rise.

ISI pharma and biotech analyst Mark Schoenebaum says the survey suggests that many investors are contrasting Pfizer's moves with Merck's lack of similar ones. "There seems to be an emerging group of investors who'd like Merck to follow Pfizer," he observes.

Here's one survey response: "Zoetis showed the market's appetite for animal health. Merck's the No. 2 player. Significant value creation potential for a company in desperate need of some positive actionable catalysts."

The company has made it clear, adds the ISI analyst, that such changes aren't on the agenda. "I don't expect it to happen quickly. . ." Schoenebaum says, adding that if Merck's pipeline doesn't deliver, it will follow Pfizer and Abbott.

Both Merck's fourth-quarter results and Feb. 1 earnings call brought mostly bad news. The company announced a possible year-long delay in seeking regulatory approval for odanacatib, a potential blockbuster osteoporosis drug, to 2014 from the first-half 2013 target. That, combined with plunging sales of newly off-patent Singulair, is increasing uncertainty about Merck's pipeline. Since the news, the stock is down 5%. It closed at \$41 Friday.

In response, a Merck spokesman said that the animal-health and consumer divisions complement its core business. The company intends to grow these businesses to enhance its overall performance.

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At Friday's close of \$37.22, however, the stock looks stretched, given the uncertainties of Obamacare reimbursement for hospitals, and HCA's fourth-quarter results, which were more checkered than they seem at first blush. EPS -- excluding extraordinary items -- beat expectations, but organic revenue growth may be weaker than it looks. Leverage is rising; profit margins are falling; and earnings before interest, depreciation, and amortization fell from year-earlier levels.

Meanwhile, HCA continues to fund special dividends, a total of \$4.50 per share last year, nearly \$2 billion, mainly through debt, giving big gains to Bain Capital Partners and KKR (KKR), part of the private-equity group that brought HCA public in March 2011, after taking it private in 2006. That group sold about 32 million shares in December for around \$1 billion, but Bain and KKR still own about 40% of HCA.

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Those results don't support the huge stock-price rise and suggest that investors are expecting a great deal from Obamacare a year from now. On the quarterly earnings call, HCA acknowledged that it's difficult to predict how much health insurers will pay for all those newly insured people the stock market is so excited about.

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Debt, meanwhile, thanks mainly to the special dividends, increased by \$2 billion, to \$29 billion. It's now higher than the company's \$28 billion in total assets. Though down from 4.5 times in the year-earlier period, the debt-to-Ebitda ratio rose to 4.4 times from 4.1 times in the third quarter.

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| NYSEMKTComp. | 2409.94 | -20.49 | -0.84 |
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Last Week Week Earlier

| | | |
|--------------------|---------|---------|
| NYSE | | |
| Advances | 1,671 | 1,764 |
| Declines | 1,467 | 1,384 |
| Unchanged | 74 | 61 |
| NewHighs | 580 | 725 |
| NewLows | 37 | 48 |
| AvDailyVol(mil) | 3,366.0 | 3,724.6 |
| Dollar | | |
| (Finexspotindex) | 80.21 | 79.13 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-235 | 131-040 |
| Crude Oil | | |

| | | |
|----------------------|---------|---------|
| (NYMlightsweetcrude) | 95.72 | 97.77 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 301.06 | 305.07 |
| Gold | | |
| (CMXnearbyfutures) | 1666.00 | 1669.40 |
| -0- | | |

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Heard on the Street
European Markets Show Lingering Lack of Faith

By Richard Barley

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2013 年 2 月 11 日 00:57

Dow Jones Top Global Market Stories

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The start of 2013 has seen stock markets surge higher in the U.S., Japan and the U.K. -- but not the euro zone. That's odd: one of the reasons for increased investor optimism has been better news from Europe. Economic data has been stronger than expected, bond-market tensions have declined and the European Central Bank has even exited some of its emergency lending. Why are European markets not joining the party?

True, Europe had a good run last year, with Italian and Spanish stocks rising more than 30% off their July lows. But now the rally appears to be flagging. While the **S&P500** is up 6.3% year-to-date, Germany's Dax is up just 0.4%, Italy's FTSE MIB 2.1% and Spain's Ibex 35 is flat. In credit markets, the cost of insuring European corporate debt via the Markit iTraxx index has risen to 1.15% of the principal insured, versus 0.88% for the comparable U.S. CDX IG index, with the gap between the two widening sharply since late January. Safe-haven German Bunds have rallied impressively in February and the Swiss franc has strengthened again.

There are some concerns about the rising euro damaging the European economy, but given the lags involved, that seems unlikely to be the main cause of poor market performance. There have been jitters, too, about Italian elections and Spanish politics -- but not the same kind of fears as dominated markets last year, making it difficult to ascribe all of the underperformance to these worries.

The problem may simply be that euro-zone markets have come a long way since the ECB promised to intervene to keep the euro intact. The fear of a decline now may simply be greater than the hunger for incremental returns. That helps to explain why German yields are still very low: capital preservation is still high on investors' list of priorities. At UBS, clients of its wealth management division are holding 28% of their assets in cash.

Investors may have come round to the idea that the darkest days of the sovereign crisis are past. But they can't be sure the euro zone is out of the woods yet. Caution could trump optimism for a while yet.

Richard Barley is a writer for Heard on the Street. He has covered the European corporate credit market in one form or another since 1998. He can be reached at +44-20-7842-9406 or richard.barley@dowjones.com; follow him on Twitter at @RichardBarley1

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文件 DJTGMS1120130211e92b0001d

DOW JONES NEWSWIRES

Barron's: The Trader: Looking For A Pause -- Or A Pullback

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2013 年 2 月 9 日 05:07

Dow Jones Institutional News

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(From BARRON'S 2/11/13)

By Vito J. Racanelli

Investors took a breather as January's stock-market festivities gave way to a quiet first week of trading in February. But equities did rise slightly, bringing the broad market to its sixth straight week of gains.

Megacaps were the exception, with the Dow Jones Industrial Average inching down, though it flirted with 14,000 several times before closing below that level. There was little market-moving earnings, economic or political news. So, without an obvious cue, equities orbited tightly around the closing levels of the prior week.

Last week, the Dow lost 0.1%, or 17 points, to 13,992.97. It remains about 172 points from the all-time high. The Standard and Poor's 500 index added five points, or 0.3%, to 1517.93, and a 52-week high. It is off 3% from its all-time highs. The Nasdaq Composite rose 15, or 0.5%, to 3193.87.

With the Dow unable to punch through to record heights last week, as many were hoping it would, two trading camps have developed: those who expect this to be a pause, versus those who are looking for a temporary pullback in coming weeks after January's furious 5%-to-6% rise.

"Everyone is still trying to figure out if that was for real," says Doreen Mogavero, CEO of broker-dealer Mogavero. "There's been a lot of money on the sidelines for a long time and those investors -- whether they believe the rally or not -- know they have to do something with the money."

Many money managers are "behind the eight-ball" after January's big jump caught them unaware, says Darren Chevitz, research director at Jacob Asset Management. "They are praying for a pullback, so they can get in." Given the market psychology, a pullback could be dramatic but short-lived, he adds.

Because the market is nearing all-time highs, says Mogavero, the mostly quiescent volatility probably will increase in coming weeks: "People will be nervous about getting in at new highs." The tug of war between the two camps will intensify.

Friday, McDonald's (ticker: MCD) said that global same-store sales dropped a worse-than-expected 1.9% in January on slowing demand overseas. Mickey D's stock managed a small rise of 0.2%, to 94.87, despite that bad news, notes Mark Lehmann, president of JMP Securities in San Francisco. More importantly, that the market shrugged off such news from a Dow member is a measure of the strength of the 2013 rally, he says, adding that the path of least resistance appears to be higher.

Long-suffering Merck shareholders couldn't be blamed for using Zegerid, the firm's over-the-counter heartburn medicine. Since February 2008, the pharmaceutical giant's stock is down 14%, while the market is up 12%. Worse still, Merck's performance lately has been bested by those of Pfizer (PFE) and Abbott Laboratories (ABT). Over the past 12 months, Pfizer is up 28% and Abbott 29%, compared with just 7% for Merck (MRK).

A good deal of the market's more recent ardor for its rivals can be traced to decisions the two made in 2012 to hive off various parts of their businesses to enhance shareholder value. That came in response to market restlessness over what businesses are strategic fits for a pharma company.

This month, Zoetis (ZTS), the animal-health unit spun off from Pfizer, began trading; Zoetis has risen to \$33.05 from \$26. One month earlier, Abbott Labs completed the separation of AbbVie (ABBV). AbbVie, which holds Abbott's traditional pharma business, has climbed about 6% since Dec. 31. Abbott, which now focuses on diagnostics, medical devices, nutritionals, and branded generic drugs, is up 10%.

Both Pfizer and Abbott are viewed by institutional money managers as more willing than Merck to entertain major moves to increase shareholder value. Merck's chairman and CEO, Kenneth C. Frazier, so far doesn't seem amenable to making such changes.

Merck's reticence might weaken by the end of this year, however, particularly if its pipeline challenges worsen. With a stock that hasn't done much while rival stocks have galloped ahead, it wouldn't be a surprise if shareholders start to agitate for things like a spinoff of Merck's own animal-health business, or its consumer-health division, which sells well-known brands like Claritin and Coppertone.

If the comments in a recent survey of 167 money managers conducted by ISI Group -- after Merck's fourth-quarter results were released Feb. 1 -- are any indication, the clamor for the company to do something is going to rise.

ISI pharma and biotech analyst Mark Schoenebaum says the survey suggests that many investors are contrasting Pfizer's moves with Merck's lack of similar ones. "There seems to be an emerging group of investors who'd like Merck to follow Pfizer," he observes.

Here's one survey response: "Zoetis showed the market's appetite for animal health. Merck's the No. 2 player. Significant value creation potential for a company in desperate need of some positive actionable catalysts."

The company has made it clear, adds the ISI analyst, that such changes aren't on the agenda. "I don't expect it to happen quickly. . ." Schoenebaum says, adding that if Merck's pipeline doesn't deliver, it will follow Pfizer and Abbott.

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9 Feb 2013 00:07 EDT Barron's: The Trader: Looking For A Pause -- Or A -2-

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February 09, 2013 00:07 ET (05:07 GMT)

文件 DJDN000020130209e9290009n

DOW JONES NEWSWIRES

DJ HEARD ON THE STREET: Daily Digest

3,196 字

2013 年 2 月 8 日 17:44

Dow Jones Institutional News

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HEARD ON THE STREET: European Markets Show Lingering Lack of Faith

By Richard Barley

The start of 2013 has seen stock markets surge higher in the U.S., Japan and the U.K. but not the euro zone. That's odd: one of the reasons for increased investor optimism has been better news from Europe. Economic data has been stronger than expected, bond-market tensions have declined and the European Central Bank has even exited some of its emergency lending. Why are European markets not joining the party?

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HEARD ON THE STREET: Saipem Should Fly Eni Nest

By Andrew People

Saipem isn't doing Eni any good.

The Italian oil major's shares have fallen nearly 10% in the last week thanks to its 43%-owned oil services subsidiary. First Saipem warned its earnings could fall by 50% this year. Now Eni and its chief executive Paolo Scaroni have been drawn into an investigation into alleged bribes paid indirectly by Saipem to Algerian government officials since 2007. Eni denies Mr. Scaroni or any of its management were involved, but the issue highlights its problem with Saipem - it has ownership without control. Getting free from this mess will take a change of heart from the Italian government.

The sell-off in Eni shares looks overdone. The company has lost nearly EUR7 billion of value since January 29, implying the full EUR4.1 billion market value of its Saipem stake should be written off. That looks an extreme scenario: Saipem still expects to make EUR450 million in earnings this year.

Yet the uncertainty surrounding Mr. Scaroni isn't helping. The bribery probe is centered on payments allegedly made to Algerian government officials via a Dubai-based company, which in turn received a 2%-3%

cut from contracts a Saipem subsidiary signed with Algerian state-owned oil company Sonatrach. But Eni says it is not involved with Saipem's management beyond having one representative on its nine member board. It never discusses Saipem with other oil companies because it, too, is a Saipem customer, it says.

That leaves Eni apparently treating Saipem as a passive investment, but one whose earnings it consolidates and whose reputational risk it bears. The solution would be for Eni to sell its Saipem stake and focus on its main exploration and production business, a step Mr. Scaroni has long backed, according to a senior company official. In the past year Eni has sold down non-core assets, such as a 30% stake in gas network Snam. But Eni's own 30% owner, the Italian government, is keen to ensure Saipem stays in Italian hands, so has resisted a sale to date.

Any more bad news from Saipem might encourage the government to let go.

HEARD ON THE STREET: KPN Shouldn't Count on Slim Pickings

By Renee Schultes

Just when many companies are raising cheap debt to buy back shares and pay dividends, KPN (KPN.AE) is doing the opposite. Not surprisingly, the Dutch telecom operator's decision to launch a EUR4 billion rights issue - equivalent to two-thirds of its pre-announcement market value - this week has gone down badly with shareholders: the stock has lost 22% of its value. But investors shouldn't count on imminent salvation from 28% shareholder America Movil (AMX), controlled by Mexican tycoon Carlos Slim.

KPN has been in trouble for some time: its shares have dropped by more than 70% since chief executive Eelco Blok took the helm in April 2011. Blame that on his predecessor who handed cash back to shareholders but skimmed on necessary investments. KPN says it needs to spend EUR7 billion over the next three years at a time when operating cash flow is falling. Without new equity, credit rating agencies would have downgraded its debt to junk status, pushing up borrowing costs. The rights issue will reduce net debt to below 2.5 times Ebitda at the end of next year from a current four times when soon to be consolidated commitments and spectrum costs are included.

Mr. Slim has yet to say whether he will take up his rights. Even if he does, it will cost him EUR1.1 billion. But if he doesn't, he could face more than 50% dilution, assuming the new shares are issued at a 40% discount to the pre-announcement price. Some shareholders may be hoping Mr. Slim takes advantage of the share price weakness to mount a full bid: although a mandatory offer triggered by any increase in his stake above 30% would need to be pitched at EUR8 a share, there is nothing to stop him making a voluntary offer.

But that may depend on whether he believes KPN can halt the slide in its cash flow. Its strategy is to sacrifice margins in an attempt to grow market share in the Netherlands, Germany and Belgium. But the market seems unconvinced given growing competition, particularly in Germany and Belgium. Ebitda fell by 12% last year to EUR4.5 billion and could fall at least another 15% this year, estimates Bernstein Research. Even if Mr. Slim does want to take full control of KPN, he may prefer to bide his time.

HEARD ON THE STREET: Italy's Bank Scandal Warning to Draghi

By Christopher Emsden

The recent trouble at Banca Monte dei Paschi di Siena (BMPS.MI), which last week had to be bailed out for a second time amid allegations of accounting irregularities that have embroiled the Italian government, the Bank of Italy and its former chief Mario Draghi, is more than just a domestic political scandal. The ruckus highlights potential vulnerabilities in plans for a new single European bank supervisor.

The Tuscan lender, which bills itself as the world's oldest bank, used complex derivatives to tweak its balance sheet that have now triggered massive losses contributing to a EUR3.9 billion black hole to be filled by taxpayers. Many of these derivative schemes are now the subject of judicial probes. The Bank of Italy admitted its supervisors were aware of the schemes, fuelling demands for a wider investigation.

In reality, the BofI's freedom for maneuver was limited. One problem was that the derivative deals did not violate accounting rules. While international accounting standards require that a seller of credit default swaps mark their position to market, that's not the case for "structured repos" -an innovative transaction that achieves the same effect - for which historical costs can be used.

Monte dei Paschi took advantage of this loophole to issue structured repos, thereby spreading out accrued losses over a longer period even though the bank remained fully exposed to fluctuating liquidity risks. Thanks

to this ruse, the bank posted a profit in 2009, enabling it to pay a dividend - which it had secretly promised to creditors that had subscribed to preferred shares used to bolster the capital base. Although the BOI was critical of the structured repos, it was hamstrung because no rule was broken.

In fact, the BOI did eventually evict Monte dei Paschi's management and force a clean sweep of its board of directors. But the way in which it has handled the affair has led to allegations of subterfuge that have pulled in Mr. Draghi, now president of the European Central Bank.

Those charges may be wide of the mark, but the political fuss is a timely reminder that bank supervision is a highly charged activity requiring delicate judgments to balance competing interests. Mr. Draghi will be fully aware just how much more politically sensitive banking regulation will become when conducted cross-border by the ECB as part of the euro zone's proposed banking union.

Indeed, the discretion required for bank supervision sits uncomfortably with the transparency the ECB deploys in the conduct of monetary policy where clear communication is essential to the management of expectations. All the more reason for Mr. Draghi to ensure the new supervisory body is ring-fenced to minimize the risk that some future scandal undermines the independence of the entire ECB.

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By Rolfe Winkler

Can a new breed of irrationally exuberant investor light a fire under Apple's shares? David Einhorn thinks so. That is why he is picking a fight with the company.

Since May 2012, the hedge-fund investor, whose firm Greenlight Capital holds a stake in Apple valued at about \$610 million, has been trying to sell the company on a novel idea. Namely, to issue a new class of high-yielding preferred stock to existing investors.

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His theory is that such shares would receive a higher multiple than Apple's existing common shares and so, abracadabra, shareholders would see a pop in the total value of their Apple holdings. The alchemy lies in creating a security tailor-made for income-oriented investors who want a steady stream of secure payouts with less exposure to the volatility of earnings.

Mr. Einhorn's math works like this: Apple would commit to paying, say, \$2 billion a year in preferred dividends on the new security. The security's senior claim on Apple's huge stream of earnings would make it more like a perpetual fixed-income security than a share of common stock. For added comfort, there is Apple's sovereign-like balance sheet, currently fortified with \$137 billion of cash.

It isn't unreasonable to think that such a security might yield a bit more than, say, Microsoft's 30-year bonds, which offer about 4%. Assuming a 5% yield, a preferred security from Apple that paid \$2 billion in total annual income would have an implied market value of \$40 billion. Thought of another way, it would sport an earnings multiple of 20 times.

Today, Apple has a market capitalization of \$443 billion, about 10 times expected net income for the year ending in September 2013. If a different class of investors is willing to pay 20 times for a relatively secure slice of earnings, then for every \$2 billion that Apple promises them, regular shareholders would in theory see a \$20 billion increase in the market value of their total Apple holdings. The risk is that if Apple were to pay out too much in preferred dividends, it could crimp its room to maneuver in the volatile handset business although \$2 billion is nowhere near such a level. Another important question in setting total payouts to shareholders is how much cash Apple earns in the U.S. versus what it takes in ;overseas cash that is subject to tax if repatriated.

Why doesn't Mr. Einhorn press Apple to simply raise the dividend for common shareholders? Because his goal isn't simply to get his hands on Apple's cash pile. Rather, he wants to exploit the fact that some investors particularly pension funds are willing to overpay for higher-yielding, long-term securities.

His proposal is very much in keeping with the zeitgeist engineered by Federal Reserve Chairman Ben Bernanke. In financial markets that take many cues from quantitative easing, yield is today's dot-com. U.S. "junk" bonds now pay about five percentage points more than comparable U.S. government debt. Only last summer, that spread was north of seven percentage points.

Mr. Einhorn's proposal echoes the fever for master limited partnerships. MLPs are tax-advantaged structures that many energy companies have used to spin off steady-paying assets like pipelines. Many investors have been attracted to MLPs because of their superior yields: The Alerian MLP yields about 6%, compared with 2.1% for the S&P 500.

The result is that assets are generally ascribed higher valuations in MLPs than within regular corporations. The Alerian index is up about 140% since the end of 2008, more than double the S&P 500's gain. Little wonder that MLP IPOs have spiked. They raised \$4.75 billion in 2012, according to Dealogic, more than the prior two years combined.

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Ireland will still repay the debt taken on to support Anglo Irish and Irish Nationwide, but on better terms. The original debt was made up of EUR31 billion of promissory notes, now reduced to EUR25 billion, that required hefty payments: Ireland was due to pay EUR3.1 billion, or around 1.8% of GDP, in March this year. They will now be replaced with EUR25 billion of long-term government bonds that mature between 2038 and 2053. They will carry a floating interest rate that the Irish government pegs at around 3% initially, versus 8% on the previous notes.

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The ultimate result should be lower government-bond issuance in coming years which should help Ireland continue its already successful return to market and a reduction in the budget deficit by 0.6 percentage point of GDP in 2014 and 2015. That will help the Irish government meet the target of cutting the deficit to 3% of GDP by 2015.

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February 08, 2013 12:44 ET (17:44 GMT)

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The start of 2013 has seen stock markets surge higher in the U.S., Japan and the U.K. but not the euro zone. That's odd: one of the reasons for increased investor optimism has been better news from Europe. Economic data has been stronger than expected, bond-market tensions have declined and the European Central Bank has even exited some of its emergency lending. Why are European markets not joining the party?

True, Europe had a good run last year, with Italian and Spanish stocks rising more than 30% off their July lows. But now the rally appears to be flagging. While the **S&P500** is up 6.3% year-to-date, Germany's Dax is up just 0.4%, Italy's FTSE MIB 2.1% and Spain's Ibex 35 is flat. In credit markets, the cost of insuring European corporate debt via the Markit iTraxx index has risen to 1.15% of the principal insured, versus 0.88% for the comparable U.S. CDX IG index, with the gap between the two widening sharply since late January. Safe-haven German Bunds have rallied impressively in February and the Swiss franc has strengthened again.

There are some concerns about the rising euro damaging the European economy, but given the lags involved, that seems unlikely to be the main cause of poor market performance. There have been jitters, too, about Italian elections and Spanish politics - but not the same kind of fears as dominated markets last year, making it difficult to ascribe all of the underperformance to these worries.

The problem may simply be that euro-zone markets have come a long way since the ECB promised to intervene to keep the euro intact. The fear of a decline now may simply be greater than the hunger for incremental returns. That helps to explain why German yields are still very low: capital preservation is still high on investors' list of priorities. At UBS, clients of its wealth management division are holding 28% of their assets in cash.

Investors may have come round to the idea that the darkest days of the sovereign crisis are past. But they can't be sure the euro zone is out of the woods yet. Caution could trump optimism for a while yet.

HEARD ON THE STREET: Saipem Should Fly Eni Nest

By Andrew People

Saipem isn't doing Eni any good.

The Italian oil major's shares have fallen nearly 10% in the last week thanks to its 43%-owned oil services subsidiary. First Saipem warned its earnings could fall by 50% this year. Now Eni and its chief executive Paolo Scaroni have been drawn into an investigation into alleged bribes paid indirectly by Saipem to Algerian government officials since 2007. Eni denies Mr. Scaroni or any of its management were involved, but the issue highlights its problem with Saipem - it has ownership without control. Getting free from this mess will take a change of heart from the Italian government.

The sell-off in Eni shares looks overdone. The company has lost nearly EUR7 billion of value since January 29, implying the full EUR4.1 billion market value of its Saipem stake should be written off. That looks an extreme scenario: Saipem still expects to make EUR450 million in earnings this year.

Yet the uncertainty surrounding Mr. Scaroni isn't helping. The bribery probe is centered on payments allegedly made to Algerian government officials via a Dubai-based company, which in turn received a 2%-3% cut from contracts a Saipem subsidiary signed with Algerian state-owned oil company Sonatrach. But Eni

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That leaves Eni apparently treating Saipem as a passive investment, but one whose earnings it consolidates and whose reputational risk it bears. The solution would be for Eni to sell its Saipem stake and focus on its main exploration and production business, a step Mr. Scaroni has long backed, according to a senior company official. In the past year Eni has sold down non-core assets, such as a 30% stake in gas network Snam. But Eni's own 30% owner, the Italian government, is keen to ensure Saipem stays in Italian hands, so has resisted a sale to date.

Any more bad news from Saipem might encourage the government to let go.

HEARD ON THE STREET: KPN Shouldn't Count on Slim Pickings

By Renee Schultes

Just when many companies are raising cheap debt to buy back shares and pay dividends, KPN (KPN.AE) is doing the opposite. Not surprisingly, the Dutch telecom operator's decision to launch a EUR4 billion rights issue - equivalent to two-thirds of its pre-announcement market value - this week has gone down badly with shareholders: the stock has lost 22% of its value. But investors shouldn't count on imminent salvation from 28% shareholder America Movil (AMX), controlled by Mexican tycoon Carlos Slim.

KPN has been in trouble for some time: its shares have dropped by more than 70% since chief executive Eelco Blok took the helm in April 2011. Blame that on his predecessor who handed cash back to shareholders but skimmed on necessary investments. KPN says it needs to spend EUR7 billion over the next three years at a time when operating cash flow is falling. Without new equity, credit rating agencies would have downgraded its debt to junk status, pushing up borrowing costs. The rights issue will reduce net debt to below 2.5 times Ebitda at the end of next year from a current four times when soon to be consolidated commitments and spectrum costs are included.

Mr. Slim has yet to say whether he will take up his rights. Even if he does, it will cost him EUR1.1 billion. But if he doesn't, he could face more than 50% dilution, assuming the new shares are issued at a 40% discount to the pre-announcement price. Some shareholders may be hoping Mr. Slim takes advantage of the share price weakness to mount a full bid: although a mandatory offer triggered by any increase in his stake above 30% would need to be pitched at EUR8 a share, there is nothing to stop him making a voluntary offer.

But that may depend on whether he believes KPN can halt the slide in its cash flow. Its strategy is to sacrifice margins in an attempt to grow market share in the Netherlands, Germany and Belgium. But the market seems unconvinced given growing competition, particularly in Germany and Belgium. Ebitda fell by 12% last year to EUR4.5 billion and could fall at least another 15% this year, estimates Bernstein Research. Even if Mr. Slim does want to take full control of KPN, he may prefer to bide his time.

HEARD ON THE STREET: Italy's Bank Scandal Warning to Draghi

By Christopher Emsden

The recent trouble at Banca Monte dei Paschi di Siena (BMPS.MI), which last week had to be bailed out for a second time amid allegations of accounting irregularities that have embroiled the Italian government, the Bank of Italy and its former chief Mario Draghi, is more than just a domestic political scandal. The ruckus highlights potential vulnerabilities in plans for a new single European bank supervisor.

The Tuscan lender, which bills itself as the world's oldest bank, used complex derivatives to tweak its balance sheet that have now triggered massive losses contributing to a EUR3.9 billion black hole to be filled by taxpayers. Many of these derivative schemes are now the subject of judicial probes. The Bank of Italy admitted its supervisors were aware of the schemes, fuelling demands for a wider investigation.

In reality, the BOI's freedom for maneuver was limited. One problem was that the derivative deals did not violate accounting rules. While international accounting standards require that a seller of credit default swaps mark their position to market, that's not the case for "structured repos" -an innovative transaction that achieves the same effect - for which historical costs can be used.

Monte dei Paschi took advantage of this loophole to issue structured repos, thereby spreading out accrued losses over a longer period even though the bank remained fully exposed to fluctuating liquidity risks. Thanks to this ruse, the bank posted a profit in 2009, enabling it to pay a dividend - which it had secretly promised to

creditors that had subscribed to preferred shares used to bolster the capital base. Although the BOI was critical of the structured repos, it was hamstrung because no rule was broken.

In fact, the BOI did eventually evict Monte dei Paschi's management and force a clean sweep of its board of directors. But the way in which it has handled the affair has led to allegations of subterfuge that have pulled in Mr. Draghi, now president of the European Central Bank.

Those charges may be wide of the mark, but the political fuss is a timely reminder that bank supervision is a highly charged activity requiring delicate judgments to balance competing interests. Mr. Draghi will be fully aware just how much more politically sensitive banking regulation will become when conducted cross-border by the ECB as part of the euro zone's proposed banking union.

Indeed, the discretion required for bank supervision sits uncomfortably with the transparency the ECB deploys in the conduct of monetary policy where clear communication is essential to the management of expectations. All the more reason for Mr. Draghi to ensure the new supervisory body is ring-fenced to minimize the risk that some future scandal undermines the independence of the entire ECB.

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By Christopher Emsden

The recent trouble at Banca Monte dei Paschi di Siena (BMPS.MI), which last week had to be bailed out for a second time amid allegations of accounting irregularities that have embroiled the Italian government, the Bank of Italy and its former chief Mario Draghi, is more than just a domestic political scandal. The ruckus highlights potential vulnerabilities in plans for a new single European bank supervisor.

The Tuscan lender, which bills itself as the world's oldest bank, used complex derivatives to tweak its balance sheet that have now triggered massive losses contributing to a EUR3.9 billion black hole to be filled by taxpayers. Many of these derivative schemes are now the subject of judicial probes. The Bank of Italy admitted its supervisors were aware of the schemes, fuelling demands for a wider investigation.

In reality, the BOI's freedom for maneuver was limited. One problem was that the derivative deals did not violate accounting rules. While international accounting standards require that a seller of credit default swaps mark their position to market, that's not the case for "structured repos" -an innovative transaction that achieves the same effect - for which historical costs can be used.

Monte dei Paschi took advantage of this loophole to issue structured repos, thereby spreading out accrued losses over a longer period even though the bank remained fully exposed to fluctuating liquidity risks. Thanks to this ruse, the bank posted a profit in 2009, enabling it to pay a dividend - which it had secretly promised to

creditors that had subscribed to preferred shares used to bolster the capital base. Although the BOI was critical of the structured repos, it was hamstrung because no rule was broken.

In fact, the BOI did eventually evict Monte dei Paschi's management and force a clean sweep of its board of directors. But the way in which it has handled the affair has led to allegations of subterfuge that have pulled in Mr. Draghi, now president of the European Central Bank.

Those charges may be wide of the mark, but the political fuss is a timely reminder that bank supervision is a highly charged activity requiring delicate judgments to balance competing interests. Mr. Draghi will be fully aware just how much more politically sensitive banking regulation will become when conducted cross-border by the ECB as part of the euro zone's proposed banking union.

Indeed, the discretion required for bank supervision sits uncomfortably with the transparency the ECB deploys in the conduct of monetary policy where clear communication is essential to the management of expectations. All the more reason for Mr. Draghi to ensure the new supervisory body is ring-fenced to minimize the risk that some future scandal undermines the independence of the entire ECB.

HEARD ON THE STREET: Peeling Cash off Apple

By
Rolfe Winkler

Can a new breed of irrationally exuberant investor light a fire under Apple's shares? David Einhorn thinks so. That is why he is picking a fight with the company.

Since May 2012, the hedge-fund investor, whose firm Greenlight Capital holds a stake in Apple valued at about \$610 million, has been trying to sell the company on a novel idea. Namely, to issue a new class of high-yielding preferred stock to existing investors.

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His theory is that such shares would receive a higher multiple than Apple's existing common shares and so, abracadabra, shareholders would see a pop in the total value of their Apple holdings. The alchemy lies in creating a security tailor-made for income-oriented investors who want a steady stream of secure payouts with less exposure to the volatility of earnings.

Mr. Einhorn's math works like this: Apple would commit to paying, say, \$2 billion a year in preferred dividends on the new security. The security's senior claim on Apple's huge stream of earnings would make it more like a perpetual fixed-income security than a share of common stock. For added comfort, there is Apple's sovereign-like balance sheet, currently fortified with \$137 billion of cash.

It isn't unreasonable to think that such a security might yield a bit more than, say, Microsoft's 30-year bonds, which offer about 4%. Assuming a 5% yield, a preferred security from Apple that paid \$2 billion in total annual income would have an implied market value of \$40 billion. Thought of another way, it would sport an earnings multiple of 20 times.

Today, Apple has a market capitalization of \$443 billion, about 10 times expected net income for the year ending in September 2013. If a different class of investors is willing to pay 20 times for a relatively secure slice of earnings, then for every \$2 billion that Apple promises them, regular shareholders would in theory see a \$20 billion increase in the market value of their total Apple holdings. The risk is that if Apple were to pay out too much in preferred dividends, it could crimp its room to maneuver in the volatile handset business although \$2 billion is nowhere near such a level. Another important question in setting total payouts to shareholders is how much cash Apple earns in the U.S. versus what it takes in ;overseas cash that is subject to tax if repatriated.

Why doesn't Mr. Einhorn press Apple to simply raise the dividend for common shareholders? Because his goal isn't simply to get his hands on Apple's cash pile. Rather, he wants to exploit the fact that some investors particularly pension funds are willing to overpay for higher-yielding, long-term securities.

His proposal is very much in keeping with the zeitgeist engineered by Federal Reserve Chairman Ben Bernanke. In financial markets that take many cues from quantitative easing, yield is today's dot-com. U.S. "junk" bonds now pay about five percentage points more than comparable U.S. government debt. Only last summer, that spread was north of seven percentage points.

Mr. Einhorn's proposal echoes the fever for master limited partnerships. MLPs are tax-advantaged structures that many energy companies have used to spin off steady-paying assets like pipelines. Many investors have

been attracted to MLPs because of their superior yields: The Alerian MLP yields about 6%, compared with 2.1% for the S&P 500.

The result is that assets are generally ascribed higher valuations in MLPs than within regular corporations. The Alerian index is up about 140% since the end of 2008, more than double the S&P 500's gain. Little wonder that MLP IPOs have spiked. They raised \$4.75 billion in 2012, according to Dealogic, more than the prior two years combined.

With regards to Apple, Mr. Einhorn isn't proposing spinning off a separate operating company. But he does want Apple to issue a separately traded security whose defining characteristic is that it pays a dependable income stream that, right now, could make it the most popular kid in class.

The other lesson to draw from MLPs, however, is that you can have too much of a good thing. Signs of a bubble in the sector are emerging in the form of lower yields, high acquisition premiums and IPOs of less-suitable, more-volatile assets like refineries. When an increase in interest rates looks near, the popularity of such investments would likely wane, hitting those holding MLP stocks. The same is likely to hold true for anyone buying preferred stock in Apple.

Though Mr. Einhorn presented his preferred plan nine months ago, Apple brought matters to a head last month, when it put a proposal in its annual shareholder proxy that would make preferred-share issuance harder. And, in an effort to secure support for the change, Apple combined it with other, potentially popular changes to its bylaws like adopting majority voting for directors. Shareholders have to vote to support all the proposed bylaw changes or none at all.

Ironically, in trying to cut off discussion of Mr. Einhorn's idea with its proxy proposal, Apple has brought more attention to it than it ever received previously. The idea is clever enough to merit discussion. And that is why Apple owes it to its shareholders to separate its proposed bylaw changes.

Apple may come up with a compromise, by simply giving more cash to shareholders through dividends of share buybacks. In fact, it said late Thursday that it is considering a return of more cash.

But if Mr. Einhorn's preferred shares ever did get issued, there would be two important take-aways. For Apple investors more interested in the company's ability to make the next must-have gadget, they should flip the preferred stock to yield-hungry investors pretty quickly. For the rest of us, Mr. Einhorn's move might be the clearest signal yet that the bull market in fixed-income and high-yielding securities is well into bubble territory.

--Liam Denning contributed to this article.

HEARD ON THE STREET: A Good Day for Ireland

By Richard Barley

Ireland has won a key victory in renegotiating an onerous debt package used to fund its most broken banks.

It wasn't a smooth process. The deal involved an emergency midnight parliamentary debate and an odd European Central Bank news conference at which President Mario Draghi could only say he "took note" of an operation in Ireland without saying what it was. But the Irish government says the move reduces borrowing needs by 20 billion euros (\$27 billion) over the next 10 years and the deficit by EUR1 billion a year in the near term. That should help Ireland exit from its bailout program smoothly.

The key to the deal was a move to liquidate Irish Bank Resolution Corp., the umbrella entity for defunct lenders Anglo Irish Bank and Irish Nationwide, triggering the unwinding of the current expensive debt package. That was carried out via emergency legislation after the government feared news of the liquidation was about to leak. Technically, this is a deal between the Irish government and the Irish central bank, explaining Mr. Draghi's reticence. But the ECB's tacit approval is vital.

Ireland will still repay the debt taken on to support Anglo Irish and Irish Nationwide, but on better terms. The original debt was made up of EUR31 billion of promissory notes, now reduced to EUR25 billion, that required hefty payments: Ireland was due to pay EUR3.1 billion, or around 1.8% of GDP, in March this year. They will now be replaced with EUR25 billion of long-term government bonds that mature between 2038 and 2053. They will carry a floating interest rate that the Irish government pegs at around 3% initially, versus 8% on the previous notes.

Since the bonds will be held by the Irish central bank, which plans to drip-feed them into the market over an extended period, some of that interest payment will return to the government when the bank hands over its profits. The average maturity of the debt will be raised to 34 years from seven to eight years.

The ultimate result should be lower government-bond issuance in coming years which should help Ireland continue its already successful return to market and a reduction in the budget deficit by 0.6 percentage point of GDP in 2014 and 2015. That will help the Irish government meet the target of cutting the deficit to 3% of GDP by 2015.

Markets welcomed the deal, driving the yield on Ireland's bond due 2020 below 4%. But it isn't just good news for Ireland a successful exit from its bailout program will be good news for the euro zone, too. After all, Europe still needs as many good news stories as it can get

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Paul B. Farrell

News & Commentary

10 signs Wall Street's soul sickness grows worse; Commentary: Rally hides dangerous moral pathology

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2013 年 2 月 5 日 05:01

MarketWatch

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SAN LUIS OBISPO, Calif. (MarketWatch) — Yes, the Dow and **S&P500** hit new highs. But the rally's hiding huge risks: "GDP turns negative as U.S. economic recovery stalls," screams one headline. Another hears a "Ticking Time Bomb."

World's central bankers at Davos warn cheap money's blowing a new asset bubble. Dr. Doom, Marc Faber, "loves the high odds of a 'big-time' market crash." Another, Nouriel Roubini, says "prepare for a perfect storm," while Bond King Bill Gross sees a "credit supernova" dead ahead.

Rally? Bubble? Crash? Global? Is the economy "peaking?" Are we on a long, slow-growth downhill slide to a 1% GDP? Is our banking system infested with a soul-sickness virus? Is Adam Smith's capitalist ideal turning against our markets and economy, accelerating the odds of more brutal competitive wars over an ever-shrinking, low-margin profits pool?

The answers became obvious in a disturbing new comment from Seth Godin, best-selling author of "Unleashing the Idea Virus" and one of America's leading minds: "If, 70 years ago, you asked Henry Luce, 'What is Time magazine for?' he'd probably talk about setting society's agenda, capturing the attention of the educated and powerful and most of all, delivering the best weekly news package he could. Today, the answer is clear. The purpose of the magazine is to make as much money as possible. Everything else is in service of that goal. It used to be that the profit enabled the magazine to reach its goals. Today, the goal is to reach the profit."

Profits, profits, profits: Godin warns that our obsession with profits is infecting the entire American culture. Godin is onto something. Ask yourself: Has the decline of America's GDP something to do with our addiction to profits backfiring? Has our obsession with profits come at the expense of our nation's humanity? Are GDP, profits and capitalism now America's "moral compass," the false god Jack Bogle, Vanguard's founder, wrote about several years ago in his classic, "The Battle for the Soul of Capitalism"?

How Wall Street amputated Adam Smith's 'invisible hand'

Godin's perspective echo the predictions Bogle made near the 2008 crash: Adam Smith's "invisible hand" is no longer driving "capitalism in a healthy, positive direction." A "happy conspiracy" of Wall Street, Washington and Corporate America is spreading a "pathological mutation of capitalism," driven by the many profit-addicted "invisible hands" of this new "mutant capitalism," replacing Adam Smith's ideal from 1776, the original soul of democracy and capitalism.

Today as we stare at these three macro trends — the declining GDP, America's all-consuming obsession with profits and Bogle's diagnosis of a "pathological mutation" driving the American economy — and we can easily see that Godin "profits virus" has become a pandemic the last five years, spreading way beyond our banking system, undermining the American and global economies.

Unfortunately, most investors are in denial, blind to the symptoms, refusing to listen, dismissing critics like Godin and Bogle.

10 symptoms of Wall Street's metastasizing soul sickness

Shortly after the 2008 Wall Street bank credit meltdown we identified the symptoms of this mutation of capitalism, profits virus, and soul sickness. With the new SEC chairman appointment of a prosecutor this is a perfect time to update, reexamine what government missed exposing the past five years.

Take a moment to diagnose our bank culture through these 10 symptoms of moral pathology, focused on Goldman Sachs in 2009 because of its conflicts of interest with the Treasury secretary. Since then, however, that toxic culture has metastasized, spreading deep into our banking system, economy and democracy.

Look with fresh eyes and ask yourself if America's "profits virus" obsession made us better place since 2008:

1. Narcissistic self-interest: with an extreme God complex

Narcissists are self-centered, power-driven, myopic. When I was at Morgan Stanley in the 1970s we ran an ad: "If God Wanted To Do a Financing, He Would Call Morgan Stanley." Goldman's boss Lloyd Blankfein not only paid himself \$68 million in the hot 2007 market but also, after Wall Street's 2008 meltdown, bragged to the London Times he was a "blue-collar guy," that banking had a "social purpose," he was just a banker "doing God's work."

2. Pathological liars: incapable of honesty even with own investors

No too-greedy-to-fail bank bosses have gone to jail. Reagan prosecuted 1,800. In 2008 the bosses sold \$40 billion of high-risk mortgages. Secretly shorted them. Never told investors. Even our Treasury Secretary knew. Stayed silent. Sin of omission. Main Street lost trillions. That's fraud. That's "mutant capitalism." That's soulless. Nothing's changed.

3. Paranoid obsessive: about secrecy, guilt and non-disclosure

The New York Fed was in on this massive Ponzi scheme. Negotiated in secret. Later taxpayers learned they paid \$13 billion too much in secret deals to buy \$62 billion of AIG credit-default swaps. Bottom line: the Treasury and Fed covered \$180 billion in AIG's toxic CDOs. No disclosure, just fraud.

4. Borderline split personalities: ignoring conflicts of interest

The New York Times: "Before becoming Treasury secretary in 2006, Hank Paulson agreed to hold himself to a higher ethical standard than his predecessors ... said he'd avoid his old buddies at Goldman where he was CEO. Later Congress saw many conflicts of interest, not just meetings but favorable treatment for his buddies at Goldman."

5. Power-mad egomaniacs: running government for personal profits

"For a year Goldman said it wouldn't have suffered damage if AIG collapsed," but a later report proved otherwise, said the Wall Street Journal: TARP inspector general said the New York Fed Chair Tim Geithner did pay too much. "If AIG had collapsed, Goldman would have had to cover the losses itself," couldn't collect, would go bankrupt.

6. Total denial: of own greed, corruption, damage to economy

Rolling Stone's Matt Taibbi called Goldman "a giant vampire squid wrapped around the face of humanity." Banks triggered a global collapse. Main Street suffered. Greedy bank CEOs raided the U.S. Treasury, still got \$30 billion in bonuses, year-over-year 60% increase. And nothing's changed. We're on track to repeat the 2008 meltdown again.

7. No fiduciary duty: only to insiders, conspired to defraud investors

New York Examiner: "Goldman was at the heart of the subprime market, selling subprime junk as no-risk AAA bonds, then gambling, hedging, shorting their investors. Goldman traded like Enron. That set up the meltdown." The Fed and Goldman's ex-CEO at Treasury saved Goldman. Taxpayers got stuck with the bill.

8. Moral failures: Just a PR problem, don't get caught next time

The year after the 2008 crash Goldman Sachs awarded huge bonuses. The public went ballistic. USA Today said Goldman went "on a PR blitz in a bid to undo the damage," canceled its Christmas party. Amid tens of billions in bonuses they "also launched a \$500 million program for small businesses." Banks treat moral issues as PR problems.

9. Charitable donations: tax and PR opportunities, not moral issues

The New York Times dug into Goldman's charitable deductions: Money to their foundation was dwarfed by insiders' bonuses. Their foundation got \$400 million, gave away \$22 million. Insider bonuses were 20 times more. Even the New York Post said "Goldman's Born Again Image is Laughable."

10. Conspiracies cover-up fraud: Feign humility and fake apologies

If caught, just fake it. Blankfein told CBS “he’s sorry for the role Goldman played in the housing crisis: We participated in things that were clearly wrong.” Clearly wrong? No, “clearly criminal.” He was admitting to a fraud. Cheated millions of homeowners, investors. Then he laughs at us with bogus “restitution” claims. A fund of \$100 million annually for five years to small-business owners? The Financial Times said “\$100 million is the profits from one good trading day. In 3Q ‘09 they had 36 days better than that.” It’s time to turn the clock back, prosecute, get a pound of flesh from the vampire squids.

Powerful biblical lesson ... ‘Jesus threw them out ...’

Back then, New York Times columnist Maureen Dowd wrote: “Goldman’s trickle-down catechism isn’t working. We have two economies. In the past decade Wall Street’s shared little with society. Their culture is totally money-obsessed.”

Dowd echoes Godin and Bogle. Dowd saw capitalism run amuck: For them “there’s always room for a bigger house, bigger boat. If not, you’re falling behind. It’s an addiction. And Washington’s done little to quell it.” And in a clear dig at Goldman’s boss: “And as far as doing God’s work: The bankers who took taxpayer money, pocketing obscene bonuses: They’re the same greedy types Jesus threw out of the temple.”

In all 10 areas, ask yourself: Has Wall Street improved since the 2008 crash? Or has it torn our great nation down further, made America worse in the past five years? Blowing another bubble? Is Wall Street’s addiction to profits pushing us closer to another, bigger market and economic meltdown, driving America closer to the Second Great Depression?

Take a moment to diagnose our bank culture through these 10 symptoms of moral pathology, focused on Goldman Sachs in 2009 because of its conflicts of interest with the Treasury secretary. Since then, however, that toxic culture has metastasized, spreading deep into our banking system, economy and democracy.|103

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MARKET WEEK

Stocks --- The Trader: Friday Surge Boosts Dow's Gain This Year to 6%

By Vito J. Racanelli

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The Dow Jones Industrial Average didn't hit an all-time high last week, as many investors had hoped, but who's going to argue with another weekly gain of nearly 1%? The broad stock market is up a blistering 6% already this year.

Last week, the rally came mostly on Friday, when the Dow finished above 14,000 for the first time since Oct. 12, 2007. The market drove higher on good fourth-quarter earnings reports and more data suggesting that the individual investor is returning to stocks.

The market also ignored Wednesday's surprise fourth-quarter report of a 0.1% contraction in gross domestic product and instead concentrated on the Federal Reserve's policy statement, released the same day, that its monetary easing would continue until the employment outlook "improves substantially."

The GDP data were discounted almost immediately as a one-off event, says Dan Greenhaus, chief global strategist at BTIG. The big move Friday is explained by the day's broadly encouraging employment, consumer-sentiment, manufacturing, and construction-spending figures. "Nobody sees the fourth quarter as the start of a contraction," he says, adding that the December construction data alone should change the final fourth-quarter number to a positive.

The Dow rose 0.8%, or 114 points, to 14,009.79 last week, and jumped 6% in January. It's just 155 points from its all-time high. The Standard & Poor's 500 index gained 0.7%, or 10, to 1513.17, and rose 5% last month. The Nasdaq Composite added 29.4 points, or 0.9%, to 3179.10. Prices of 10-year U.S. Treasuries, meanwhile, fell for the second straight week.

The rally is partly being powered by fourth-quarter profits that are topping expectations, observes Michael Yoshikami, CEO of Destination Wealth Management. Of the 234 companies in the S&P 500 that have reported, 70% posted profits and 67% revenue above mean forecasts, FactSet says. The quarter's 4% earnings growth rate is higher than the expected 1% to 2%.

Now that the market has risen more than 120% from its 2009 lows, the individual investor finally seems to be returning, Yoshikami says. What could dampen the party, near-term, are the talks in Washington about government spending and the March 1 sequestration deadline. Though he says there's a 75% chance that the market will hit record highs before that deadline, "we have to be aware of it."

Dan Morgan, a portfolio manager at Synovus Trust, concurs. For now, the market isn't being held hostage by action, or lack of it, in Washington, he says. Can it go higher? Morgan notes that the S&P 500 is just slightly below its all-time high of 2007, even as the index's trailing annual earnings per share are about \$100, versus \$85 in 2007. From a market-multiple perspective, "there is room, but there is Washington," too, Morgan observes. Corporate America is healthy, but lower unemployment would help.

The prediction for the Super Bowl: Ravens 24; 49ers, 20.

With equities up 38% in the past 16 months, some institutional investors grouse that it's hard to find companies offering good stock value, as well as strong business prospects.

There are cheap shares out there whose issuers' fundamentals aren't very good. And there are plenty of stocks with strong fundamentals, but many of them aren't cheap, sitting at, or near, 52-week highs.

Then there's Wal-Mart Stores (ticker: WMT), whose shares had a pretty good 2012, but have fallen 9% from a record \$77.60 in mid-October to \$70.49 at Friday's close.

Part of that slide derives from disappointing revenue and same-store sales in the fiscal third quarter, ended October. Moreover, since last spring, Wal-Mart has grappled with bribery allegations in Mexico. In a November filing with the Securities and Exchange Commission, the big retailer said that it is looking into potential U.S. bribery-law violations in Brazil, China, and India, too.

The spirited market rally has encouraged investors to move into riskier smaller-cap stocks with more upside potential than the slower-growing mega-cap Wal-Mart. With the market already soaring by more than 5% in January alone, pressure is building on institutional investors to swing for home runs, in order to beat the market this year.

But the patient, long-term investor knows that wins can be made of singles and doubles, too, and at the current price Wal-Mart is a good bet to generate a 10%-15% total return over the next 12 months.

That might or might not beat the market in 2013, but a double-digit return shouldn't be dismissed, particularly if furnished by a stable, steadily growing, dividend-paying quality stock like Wal-Mart.

"It's good value here," says John Wells, who co-runs the Christopher Weil & Co. Core Investment fund (CWCFX), which owns a stake in the company. Wal-Mart is a formidable retail competitor that makes profits, as opposed to Amazon (AMZN), "where I'm surprised how little money is made." There's a lot of hope that Amazon will become more profitable in the future, but Wal-Mart is making hay now.

Track records count for a lot in these pages, and Wal-Mart has produced a long skein of higher revenue, earnings, and dividends, through good years and bad. Its annual EPS growth rate is an expected 8% to 10%. Granted, some of that comes from the reduction of shares outstanding by repurchases. But it's impressive, given Wal-Mart's size: It's expected to have nearly \$500 billion in sales this year.

The online threat shouldn't be ignored, but Wal-Mart is also one of the biggest Internet retailers out there. It gets most of its sales domestically, but will benefit from global growth. Already, 25% of its sales and revenue come from abroad. That's up from 20% a few years ago.

Wal-Mart shares are trading at a price/earnings ratio of less than 13 times consensus analyst expectations of \$5.40 for this fiscal year, which ends next January. The P/E is not far off its historical low, and the stock is relatively inexpensive by other valuation metrics, as well.

Compared with the market and its history, the discount retailer is as cheap as it was back in 2007, adds Cameron Clement, a fund manager at Cornerstone Investment Partners, which has recently increased its longstanding position in Wal-Mart.

"It surprises me" that the market could react so negatively to one quarter for a company of this size and history, Clement says of the third-quarter results. All Wal-Mart has done over the past five years is consistently provide 5% revenue and 9% EPS growth, he adds.

Though Wal-Mart's dividend yield is average, at 2.2%, the stock could also benefit from a continued shift out of bonds and into equities. And the stock's safety and quality will appeal to conservative investors.

The giant retailer's stock is the kind of ballast that works in any diversified portfolio. For an investor who doesn't own Wal-Mart, it seems a propitious time to start buying.

Exploration and production company Hess (HES) Wednesday reported \$1.66 a share in earnings for the fourth quarter and a 10% sales rise to \$9.7 billion. The results were a welcome improvement from a loss a year earlier, but they were about as expected.

More important, they probably didn't satisfy activist investor Elliott Management, which recently took a 4% stake in Hess and is agitating for sweeping changes to increase shareholder value, such as a break-up of its assets.

This column pointed out last May 21, when Hess' stock was at \$44.60, that the New York-based E&P outfit was greatly undervalued. We noted then that Hess's biggest problems were self-inflicted but fixable: too much capital spending and not enough production from what are good assets, such as fields in the Bakken Shale in North Dakota.

Investors were unhappy with the continual production disruptions and with Hess's habit of missing analyst earnings expectations, and had pushed the shares down to near all-time lows. Last Friday, however, the stock closed at \$68.21, 53% above its quote when our bullish item ran.

Elliott Management's beef appears to be similar. In a recent SEC filing, Elliott attributed the stock's underperformance over the years to an unfocused portfolio and poor management. It is proposing five new

board members at the coming shareholders meeting to help bring about a substantial restructuring, including the spinoff of the Bakken properties, among other changes.

Elliott, which declined to comment beyond the filing, has said that the shares could be worth more than \$126.

Investors who bought the stock last May fat are sitting on a fat gain and a nice decision: What do they do now?

Hess's public response has been polite, but suggests that management lacks ardor for the massive changes that Elliott is suggesting. No surprise there. In a conference call Wednesday, CEO John Hess broadly indicated that management opposes a radical breakup of Hess's operations. Through a spokesman, the company declined to comment, but it is preparing a response to Elliott's proposals.

In recent years, a number of energy-sector companies, including ConocoPhillips (COP), Marathon Petroleum (MPC), and Tesoro (X), have spun off assets. Post-spinoff stock performance has generally enhanced the overall value to shareholders.

Elliott's proposals would likely do the same for Hess, though its \$126 valuation seems a stretch. The price would value Hess' current assets at 19 times analysts' consensus estimates of about \$6.50 next year, double the firm's long-term P/E.

Moreover, a breakup could be a long and bruising way off. It remains uncertain, given management's present attitude and John Hess' 10% stake in the company.

Additionally, the executive team, which already has its hands full with improving operations, will be distracted as it battles Elliott. Since mid-July of 2012, when Hess announced a strategy change, the energy producer has been cutting costs, boosting production, and divesting assets. And that was before Elliott showed up.

Given the 50%-plus rise in the shares since our item was published, it's time to take some money off the table. A breakup of Hess would bring a price substantially higher than \$66, perhaps \$90 to \$100, if perfectly executed. But there's significant risk that Elliott Management's activism will fail.

The conservative -- and smart -- course would be to sell a portion, say half, of one's Hess stake, and then play with house money. A big gain would be locked in, but an investor would still have a chance to participate in further advances if management continues to improve operations or if Elliott is ultimately successful.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14009.79 | +113.81 | +0.82 |
| DJTransportation | 5857.23 | -12.82 | -0.22 |
| DJUtilities | 474.53 | +4.48 | +0.95 |
| DJ65Stocks | 4776.95 | +24.93 | +0.52 |
| DJUSMarket | 380.90 | +2.42 | +0.64 |
| NYSEComp. | 8965.12 | +60.60 | +0.68 |
| NYSEMKTComp. | 2430.43 | +17.50 | +0.73 |
| S&P500 | 1513.17 | +10.21 | +0.68 |
| S&PMidCap | 1101.59 | +4.89 | +0.45 |
| S&PSmallCap | 509.43 | +0.96 | +0.19 |
| Nasdaq | 3179.10 | +29.39 | +0.93 |
| ValueLine(arith.) | 3411.65 | +23.05 | +0.68 |
| Russell2000 | 911.20 | +5.96 | +0.66 |
| DJUSTSM | 15935.26 | +96.37 | +0.61 |

Last Week Week Earlier

| | | |
|-----------------|---------|---------|
| NYSE | | |
| Advances | 1,764 | 2,181 |
| Declines | 1,384 | 957 |
| Unchanged | 61 | 63 |
| NewHighs | 725 | 794 |
| NewLows | 48 | 32 |
| AvDailyVol(mil) | 3,724.6 | 3,516.9 |

| | | |
|----------------------|---------|---------|
| Dollar | | |
| (Finexspotindex) | 79.21 | 79.75 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-040 | 131-130 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 97.77 | 95.88 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 305.07 | 299.31 |
| Gold | | |
| (CMXnearbyfutures) | 1669.40 | 1656.40 |

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DOW JONES NEWSWIRES

Barron's: The Trader: Friday Surge Boosts Dow's Gain This Year To 6%

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(From BARRON'S 2/4/13)

By Vito J. Racanelli

The Dow Jones Industrial Average didn't hit an all-time high last week, as many investors had hoped, but who's going to argue with another weekly gain of nearly 1%? The broad stock market is up a blistering 6% already this year.

Last week, the rally came mostly on Friday, when the Dow finished above 14,000 for the first time since Oct. 12, 2007. The market drove higher on good fourth-quarter earnings reports and more data suggesting that the individual investor is returning to stocks.

The market also ignored Wednesday's surprise fourth-quarter report of a 0.1% contraction in gross domestic product and instead concentrated on the Federal Reserve's policy statement, released the same day, that its monetary easing would continue until the employment outlook "improves substantially."

The GDP data were discounted almost immediately as a one-off event, says Dan Greenhaus, chief global strategist at BTIG. The big move Friday is explained by the day's broadly encouraging employment, consumer-sentiment, manufacturing, and construction-spending figures. "Nobody sees the fourth quarter as the start of a contraction," he says, adding that the December construction data alone should change the final fourth-quarter number to a positive.

The Dow rose 0.8%, or 114 points, to 14,009.79 last week, and jumped 6% in January. It's just 155 points from its all-time high. The Standard & Poor's 500 index gained 0.7%, or 10, to 1513.17, and rose 5% last month. The Nasdaq Composite added 29.4 points, or 0.9%, to 3179.10. Prices of 10-year U.S. Treasuries, meanwhile, fell for the second straight week.

The rally is partly being powered by fourth-quarter profits that are topping expectations, observes Michael Yoshikami, CEO of Destination Wealth Management. Of the 234 companies in the S&P 500 that have reported, 70% posted profits and 67% revenue above mean forecasts, FactSet says. The quarter's 4% earnings growth rate is higher than the expected 1% to 2%.

Now that the market has risen more than 120% from its 2009 lows, the individual investor finally seems to be returning, Yoshikami says. What could dampen the party, near-term, are the talks in Washington about government spending and the March 1 sequestration deadline. Though he says there's a 75% chance that the market will hit record highs before that deadline, "we have to be aware of it."

Dan Morgan, a portfolio manager at Synovus Trust, concurs. For now, the market isn't being held hostage by action, or lack of it, in Washington, he says. Can it go higher? Morgan notes that the S&P 500 is just slightly below its all-time high of 2007, even as the index's trailing annual earnings per share are about \$100, versus \$85 in 2007. From a market-multiple perspective, "there is room, but there is Washington," too, Morgan observes. Corporate America is healthy, but lower unemployment would help.

The prediction for the Super Bowl: Ravens 24; 49ers, 20.

With equities up 38% in the past 16 months, some institutional investors grouse that it's hard to find companies offering good stock value, as well as strong business prospects.

There are cheap shares out there whose issuers' fundamentals aren't very good. And there are plenty of stocks with strong fundamentals, but many of them aren't cheap, sitting at, or near, 52-week highs.

Then there's Wal-Mart Stores (ticker: WMT), whose shares had a pretty good 2012, but have fallen 9% from a record \$77.60 in mid-October to \$70.49 at Friday's close.

Part of that slide derives from disappointing revenue and same-store sales in the fiscal third quarter, ended October. Moreover, since last spring, Wal-Mart has grappled with bribery allegations in Mexico. In a November filing with the Securities and Exchange Commission, the big retailer said that it is looking into potential U.S. bribery-law violations in Brazil, China, and India, too.

The spirited market rally has encouraged investors to move into riskier smaller-cap stocks with more upside potential than the slower-growing mega-cap Wal-Mart. With the market already soaring by more than 5% in January alone, pressure is building on institutional investors to swing for home runs, in order to beat the market this year.

But the patient, long-term investor knows that wins can be made of singles and doubles, too, and at the current price Wal-Mart is a good bet to generate a 10%-15% total return over the next 12 months.

That might or might not beat the market in 2013, but a double-digit return shouldn't be dismissed, particularly if furnished by a stable, steadily growing, dividend-paying quality stock like Wal-Mart.

"It's good value here," says John Wells, who co-runs the Christopher Weil & Co. Core Investment fund (CWCFX), which owns a stake in the company. Wal-Mart is a formidable retail competitor that makes profits, as opposed to Amazon (AMZN), "where I'm surprised how little money is made." There's a lot of hope that Amazon will become more profitable in the future, but Wal-Mart is making hay now.

Track records count for a lot in these pages, and Wal-Mart has produced a long skein of higher revenue, earnings, and dividends, through good years and bad. Its annual EPS growth rate is an expected 8% to 10%. Granted, some of that comes from the reduction of shares outstanding by repurchases. But it's impressive, given Wal-Mart's size: It's expected to have nearly \$500 billion in sales this year.

The online threat shouldn't be ignored, but Wal-Mart is also one of the biggest Internet retailers out there. It gets most of its sales domestically, but will benefit from global growth. Already, 25% of its sales and revenue come from abroad. That's up from 20% a few years ago.

Wal-Mart shares are trading at a price/earnings ratio of less than 13 times consensus analyst expectations of \$5.40 for this fiscal year, which ends next January. The P/E is not far off its historical low, and the stock is relatively inexpensive by other valuation metrics, as well.

Compared with the market and its history, the discount retailer is as cheap as it was back in 2007, adds Cameron Clement, a fund manager at Cornerstone Investment Partners, which has recently increased its longstanding position in Wal-Mart.

"It surprises me" that the market could react so negatively to one quarter for a company of this size and history, Clement says of the third-quarter results. All Wal-Mart has done over the past five years is consistently provide 5% revenue and 9% EPS growth, he adds.

Though Wal-Mart's dividend yield is average, at 2.2%, the stock could also benefit from a continued shift out of bonds and into equities. And the stock's safety and quality will appeal to conservative investors.

The giant retailer's stock is the kind of ballast that works in any diversified portfolio. For an investor who doesn't own Wal-Mart, it seems a propitious time to start buying.

Exploration and production company Hess (HES) Wednesday reported \$1.66 a share in earnings for the fourth quarter and a 10% sales rise to \$9.7 billion. The results were a welcome improvement from a loss a year earlier, but they were about as expected.

More important, they probably didn't satisfy activist investor Elliott Management, which recently took a 4% stake in Hess and is agitating for sweeping changes to increase shareholder value, such as a break-up of its assets.

This column pointed out last May 21, when Hess' stock was at \$44.60, that the New York-based E&P outfit was greatly undervalued. We noted then that Hess's biggest problems were self-inflicted but fixable: too much capital spending and not enough production from what are good assets, such as fields in the Bakken Shale in North Dakota.

Investors were unhappy with the continual production disruptions and with Hess's habit of missing analyst earnings expectations, and had pushed the shares down to near all-time lows. Last Friday, however, the stock closed at \$68.21, 53% above its quote when our bullish item ran.

Elliott Management's beef appears to be similar. In a recent SEC filing, Elliott attributed the stock's underperformance over the years to an unfocused portfolio and poor management. It is proposing five new

board members at the coming shareholders meeting to help bring about a substantial restructuring, including the spinoff of the Bakken properties, among other changes.

Elliott, which declined to comment beyond the filing, has said that the shares could be worth more than \$126.

Investors who bought the stock last May fat are sitting on a fat gain and a nice decision: What do they do now?

Hess's public response has been polite, but suggests that management lacks ardor for the massive changes that Elliott is suggesting. No surprise there. In a conference call Wednesday, CEO John Hess broadly indicated that management opposes a radical breakup of Hess's operations. Through a spokesman, the company declined to comment, but it is preparing a response to Elliott's proposals.

In recent years, a number of energy-sector companies, including ConocoPhillips (COP), Marathon Petroleum (MPC), and Tesoro (X), have spun off assets. Post-spinoff stock performance has generally enhanced the overall value to shareholders.

Elliott's proposals would likely do the same for Hess, though its \$126 valuation seems a stretch. The price would value Hess' current assets at 19 times analysts' consensus estimates of about \$6.50 next year, double the firm's long-term P/E.

Moreover, a breakup could be a long and bruising way off. It remains uncertain, given management's present attitude and John Hess' 10% stake in the company.

Additionally, the executive team, which already has its hands full with improving operations, will be distracted as it battles Elliott. Since mid-July of 2012, when Hess announced a strategy change, the energy producer has been cutting costs, boosting production, and divesting assets. And that was before Elliott showed up.

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Given the 50%-plus rise in the shares since our item was published, it's time to take some money off the table. A breakup of Hess would bring a price substantially higher than \$66, perhaps \$90 to \$100, if perfectly executed. But there's significant risk that Elliott Management's activism will fail.

The conservative -- and smart -- course would be to sell a portion, say half, of one's Hess stake, and then play with house money. A big gain would be locked in, but an investor would still have a chance to participate in further advances if management continues to improve operations or if Elliott is ultimately successful.

Vital Signs

| | Friday's Close | Week's Change | Week's % Chg. |
|-------------------|----------------|---------------|---------------|
| DJIndustrials | 14009.79 | +113.81 | +0.82 |
| DJTransportation | 5857.23 | -12.82 | -0.22 |
| DJUtilities | 474.53 | +4.48 | +0.95 |
| DJ65Stocks | 4776.95 | +24.93 | +0.52 |
| DJUSMarket | 380.90 | +2.42 | +0.64 |
| NYSEComp. | 8965.12 | +60.60 | +0.68 |
| NYSEMKTComp. | 2430.43 | +17.50 | +0.73 |
| S&P500 | 1513.17 | +10.21 | +0.68 |
| S&PMidCap | 1101.59 | +4.89 | +0.45 |
| S&PSmallCap | 509.43 | +0.96 | +0.19 |
| Nasdaq | 3179.10 | +29.39 | +0.93 |
| ValueLine(arith.) | 3411.65 | +23.05 | +0.68 |
| Russell2000 | 911.20 | +5.96 | +0.66 |
| DJUSTSM | 15935.26 | +96.37 | +0.61 |

Last Week Week Earlier

| | | |
|-----------|-------|-------|
| NYSE | | |
| Advances | 1,764 | 2,181 |
| Declines | 1,384 | 957 |
| Unchanged | 61 | 63 |
| NewHighs | 725 | 794 |

| | | |
|----------------------|---------|---------|
| NewLows | 48 | 32 |
| AvDailyVol(mil) | 3,724.6 | 3,516.9 |
| Dollar | | |
| (Finexspotindex) | 79.21 | 79.75 |
| T-Bond | | |
| (CBTnearbyfutures) | 131-040 | 131-130 |
| Crude Oil | | |
| (NYMlightsweetcrude) | 97.77 | 95.88 |
| Inflation KR-CRB | | |
| (FuturesPriceIndex) | 305.07 | 299.31 |
| Gold | | |
| (CMXnearbyfutures) | 1669.40 | 1656.40 |
| --- | | |

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February 02, 2013 00:08 ET (05:08 GMT)

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