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Morning Notes August 06, 2009

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BFG

- The Major Indexes see their BFG scores close around 10. The bulls are in control.
- Trend scores starting to move back up. Score move from mid 30s to mid 50s.
- Couple new sell ideas **XLF RKH \$BIX**

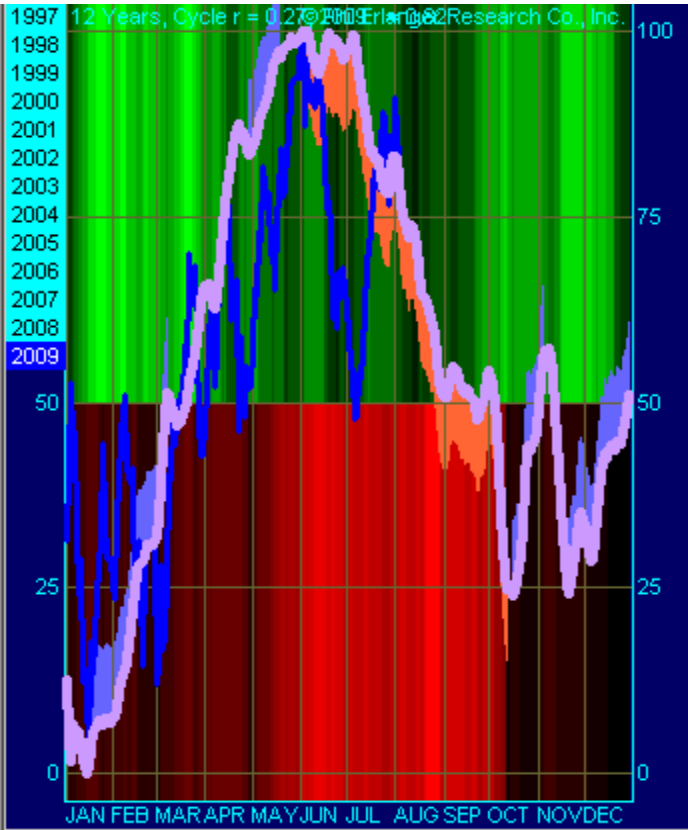


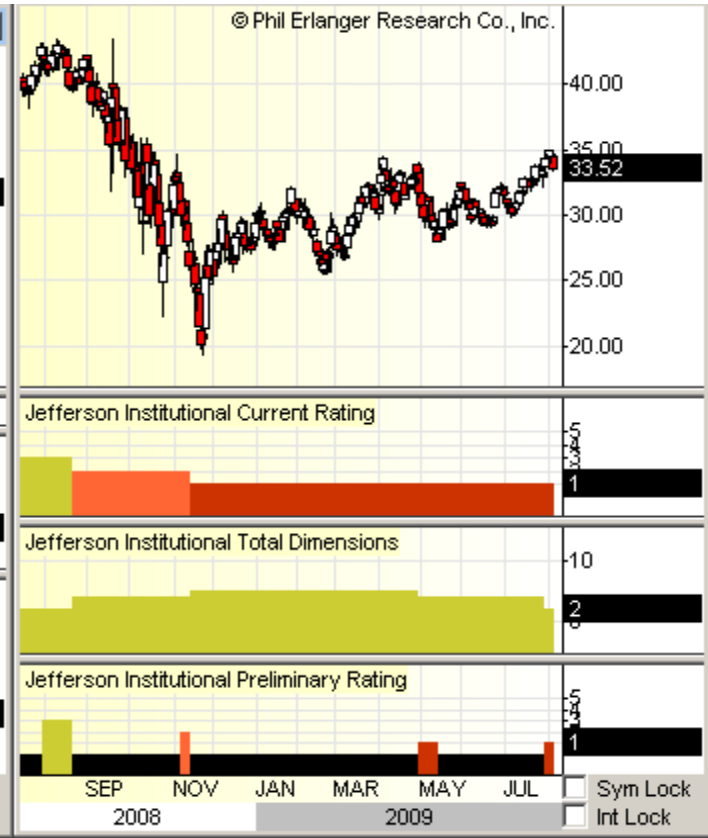
- New Type 1s ([Short Squeeze](#)) of Note **OSG SOLR**



- New Type 4s ([Long Squeeze](#)) of Note **RIG NOV AMT**







- Volatile earnings plays over the next trading sessions.

Welcome to the ORATS Earnings Move Report!

The goal of this report is to analyze movement in stocks around earnings.

Earnings Effect is calculated from past moves during earnings compared to normal moves in a stock.

Earnings effect caps are periodically tested actual and adjusted to match current conditions.

Implied is highlighted one standard deviation over-RED (below-GREEN) the ORATS projected volatility.

ORATS divided by Implied above 100% show under(over) valued second month implied volatility.

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Earnings date sources: Wall Street Horizon; WhisperNumber

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Sort current column - Descending

Sort current column - Ascending

Date	Reporting#	AvgEffect
8/6	236	169%
8/7	62	149%
8/10	66	157%
8/11	47	164%
8/12	46	161%
8/13	34	168%
8/14	21	129%

Symbol	Name	AvgOpt Volume	Earnings Date	Earnings Time	Price	Normal Move	ORATS Move	Earn Effect	ORATS Month1	ORATS Month2	Implied Month1	Implied Month2	ORATS /Implied	Special Symbol*
		1337			\$18.32	\$0.57	\$0.93	164%	68.9%	62.8%	70.3%	63.2%	107%	
PCLN	PRICELINE.COM	4474	8/10/2009	Before	\$ 129.23	\$ 3.59	\$ 6.21	173%	36.1%	35.7%	55.4%	46.8%	76%	AAP*
AUXL	AUXILIUM PHAR	1696	8/6/2009	Before	\$ 30.57	\$ 1.56	\$ 4.30	275%	81.1%	66.8%	49.9%	90.8%	74%	AAV
TMV	DIR-D 30Y T B	174	8/12/2009	Unknown	\$ 78.62	\$ 2.72	\$ 4.26	156%	59.9%	50.7%	51.5%	52.5%	97%	AAWW
CNQ	CANADIAN NAT	2945	8/6/2009	Before	\$ 63.07	\$ 1.78	\$ 4.00	224%	65.0%	56.3%	50.5%	47.3%	119%	ABAT
NILE	BLUE NILE INC	140	8/6/2009	After	\$ 46.55	\$ 2.40	\$ 3.91	163%	90.0%	70.6%	67.5%	56.3%	125%	ABMD
EBIX	EBIX INC	39	8/5/2009	Before	\$ 40.99	\$ 1.40	\$ 3.85	275%	72.8%	59.2%	105.8%	54.3%	109%	ABV
MIDD	MIDDLEBY CORP	337	8/7/2009	Unknown	\$ 53.61	\$ 1.55	\$ 3.75	242%	75.5%	63.1%	53.5%	46.6%	135%	ACAD
DV	DEVRY INC	618	8/13/2009	After	\$ 51.02	\$ 1.31	\$ 3.60	275%	63.4%	52.0%	48.4%	41.7%	125%	ACCL
ASEI	AMERICAN SCIE	237	8/6/2009	After	\$ 69.82	\$ 1.40	\$ 3.39	242%	64.0%	53.3%	34.9%	32.8%	163%	ACF*
AGU	AGRIUM INC	8728	8/5/2009	Before	\$ 47.97	\$ 1.34	\$ 3.30	247%	65.4%	56.0%	48.4%	47.7%	117%	ACIW*
DWSN	DAWSON GEOPHY	67	8/5/2009	Before	\$ 29.20	\$ 1.63	\$ 3.27	200%	136.6%	112.1%	77.5%	58.0%	193%	ACM
BYI	BALLY TECHNOL	954	8/12/2009	After	\$ 38.49	\$ 1.14	\$ 3.13	275%	93.4%	75.0%	57.8%	48.4%	155%	ACS
AFAM	ALMOST FAMILY	270	8/5/2009	Before	\$ 29.83	\$ 1.10	\$ 3.04	275%	137.3%	106.3%	58.1%	55.4%	192%	ADSK
FSYS	FUEL SYSTEMS	1167	8/6/2009	After	\$ 27.18	\$ 1.15	\$ 3.04	264%	88.2%	75.1%	92.7%	72.7%	103%	ADY
PWRD	PERFECT WORL-	2051	8/10/2009	Before	\$ 36.34	\$ 1.41	\$ 3.03	214%	74.3%	64.7%	74.8%	64.3%	101%	AEE

Jefferson Research www.jeffersonresearch.com

- C.R. Bard (BCR)** is on the *Jefferson 4 or 5 Scan with High Shorts*. Stock is near its 200 day moving average. Tech rank of 10% with short intensity of 59% and a short ratio of 4.10. Good aggressive entry on the long side here.



8/5/2009 1:31:34 PM Eastern - On Deck For Tomorrow

>>> Access this report at <http://ipofinancial.com/reports> <<<

Avago Technologies

Total Lead Managers 4 Preferred 2ndry Pricing Target

Deutsche Bank	Barclays Capital	Morgan Stanley	Citi	Credit Suisse	Goldman Sachs	J. P. Morgan
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36,000,000 Range 13.00 - 15.00 Current Price vs. Filing Pts Pot Exco N A O Rank Date 7/31/09 ↗
 IPO Hot Listed Since 7/31/09 Syn **AVGO** Curr Rank .50-.75

CDC Software

Total Lead Managers 2 Preferred 2ndry Pricing Target

Lazard Freres	JMP Securities	Cantor Fitzgerald & Co	Janney Montgomery	Macquire	Morgan Keegan	
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4,800,000 Range 11.00 - 13.00 Current Price vs. Filing Pts Pot Exco N A O Rank Date 7/15/09 →
 IPO Hot Listed Since Syn **CDCS** Curr Rank .375-.50

Columbia Banking System

Total Lead Managers 2 Preferred 2ndry Pricing Target **12.25**

Keefe Bruyette	D.A. Davidson					
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6,700,000 Range 2nd - 12.17 Current Price vs. Filing Pts 0.28 Pot 2.3% Exco N A O Rank Date 8/3/09 →
 2ndry Hot Listed Since Syn **COLB** Curr Rank S-Shot

Dyncorp Interntaional

Total Lead Managers 1 Preferred 2ndry Pricing Target **18.25**

Goldman Sachs	Credit Suisse					
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10,000,000 Range 2nd - 23.00 Current Price vs. Filing Pts -1.61 Pot -7.0% Exco N A O Rank Date 8/5/09 ↗
 2ndry Hot Listed Since Syn **DCP** Curr Rank S-Flat:Shot

EnerNOC				Total Lead Managers	2	Preferred 2ndry Pricing Target	27.75
J. P. Morgan	Morgan Stanley	Canaccord Adams	Robert W. Baird				
3,750,000	Range 2nd - 30.68	Current Price vs. Filing	Pts -0.98	Exo <input type="radio"/> N <input type="radio"/> A <input checked="" type="radio"/> O	Rank Date 8/3/09		→
2ndry	Hot Listed Since	Pot -3.2%		Sym ENOC	Curr Rank S-Shot:Good		
PetroHawk				Total Lead Managers	2	Preferred 2ndry Pricing Target	22.50
Barclays Capital	J. P. Morgan						
25,000,000	Range 2nd - 24.28	Current Price vs. Filing	Pts	Exo <input checked="" type="radio"/> N <input type="radio"/> A <input type="radio"/> O	Rank Date 8/4/09		→
2ndry	Hot Listed Since	Pot		Sym HK	Curr Rank S-Flat		
STEC				Total Lead Managers	2	Preferred 2ndry Pricing Target	32.60
J. P. Morgan	Deutsche Bank	Barclays Capital	Oppenheimer				
7,500,000	Range 2nd - 34.09	Current Price vs. Filing	Pts -1.34	Exo <input type="radio"/> N <input type="radio"/> A <input checked="" type="radio"/> O	Rank Date 8/3/09		→
2ndry	Hot Listed Since	Pot -3.9%		Sym STEC	Curr Rank S-Shot		

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- **IPO This Morning:** AVGO CDCS
- **Secondary Today:** COLB DCP ENOC HK STEC
- **Menlow Commentary:**

As anticipated, both IPOs are set to debut tomorrow, in addition to the 5 2ndrys.

Avago Technologies - AVGO is a Chinese-based semiconductor IPO looking to price 36.0 M shares between \$13.00 and \$15.00 through Deutsche. This deal has been our 'Pick of the Week' and you can read a more in-depth description in that section. We still feel this deal will shape up well and enjoy a strong opening premium.

The other IPO for tomorrow is **CDC Software - CDCS**, a software company, also based in China. Lazard is set to price 4.8 m shares between \$11.00 and \$13.00. This deal also seems to be shaping up well and we feel there is still solid demand for these foreign companies. However, we are more cautious on this deal due to the lack of a historical track record from Lazard, who has not brought an IPO since 2005.

Columbia Banking - COLB is a state commercial bank looking to raise \$80.0 M from Keefe Bruyette. We like Keefe's record in this sector and expect this deal to discount to an attractive level and perform well tomorrow.

We have 2 companies in the business services sector, which has not had any activity since 2007. First there is **Dyncorp - DCP** which amended its original July 2007 filing earlier this morning and placed a date on this deal. Goldman Sachs is now the lead, planning to bring 10.0 M shares public. Since filing 2 years ago, DCP's price plummeted to lows below \$10.00, but have recently recovered up near its original \$23.00 filing price. Since announcing this offering, the stock has dropped approximately -10%. We have been extremely pleased by Goldman's record and expect this deal to produce a decent premium, especially at its recently discounted price level.

The other company in this business services segment is **EnerNOC - ENOC** which is planning to price 3.75 M shares through JP Morgan. JP Morgan is another strong underwriter which we have confidence to price this deal correctly in order to produce a solid premium. This will be ENOC's second 2ndry since its May 2007 IPO and it stands out as one of the stronger performers in this sector. We expect tomorrow's performance to confirm this.

Although today's crude petroleum company did surprising well, we are concerned that **PetroHawk - HK** will run into more difficulty when it prices tomorrow when Barclays prices 25.0 M shares. We are concerned with the size of this deal. While the stock is trading down, we need to see an additional discount and still are concerned it may not be able to generate enough investor interest in light of the high level of activity tomorrow.

Finally, we have **STEC - STEC**, which provides technology solutions such as memory devices. JP Morgan is the lead on this company as well, planning to price 7.5 M shares. As we mentioned earlier, we like JP Morgan's trading record and have confidence this deal will be discounted appropriately to generate interest and produce a premium.

- **Latest Frontline Reports:**

LATEST FRONTLINE REPORTS		
Name	Symbol	Last Report
Cascade Microtech	CSCD	08-04-09
Switch And Data	SDXC	08-04-09
American Capital Agency	AGNC	08-04-09
Ness Technologies	NSTC	08-04-09
Voltaire	VOLT	08-04-09
NetLogic Microsystems	NETL	08-04-09
Compellent Technologies	CML	08-04-09
Duoyuan Global Water	DGW	08-03-09
Chemspec International Limited	CPC	08-03-09
Basic Energy Services	BAS	08-03-09
» View All Frontline Reports		

- Wednesday Morning Commentary:

Over the past few months asset values has been driven by the rise and fall of the \$US. Day to day price swings have become magnified by the mood of the participants.

However I have to ask the following question.

"Has the greed and fear factor created a split personality, or a lack of liquidity that is behind the market gyrations?"

A paradox has developed in the financial markets. It appears that big money is (ignoring?) looking beyond negative news. (It's not the economy stupid it's the dollar). Not sure what will trigger a move back to "normal" asset alignments but it will occur.

Asset Model									
	AFV	Sym		Last	Net	Net%	hi bar	low bar	
	G	H	I	J	K	L	M	N	
1	77	SPY	SP500	100.70	0.26	0.25	100.84	99.93	
2	75	JJC	Copper	38.51	0.45	1.18	38.85	37.65	
3	75	IYR	REIT's	38.30	1.74	4.75	39.17	36.12	
4	72	KOL	Coal	28.70	0.04	0.13	29.04	28.42	
5	71	HYG	High Yield Bds	83.65	-0.25	-0.29	84.06	83.17	
6	68	EEM	Emerging Mkts	36.76	-0.36	-0.96	37.02	36.52	
7	67	DBC	Commodities	23.78	0.09	0.37	23.88	23.52	
8	64	IGE	Nat Resources	30.67	-0.19	-0.61	30.88	30.41	
9	64	SLV	Silver	14.35	0.32	2.28	14.56	14.17	
10	64	FXE	Euro \$	143.98	-0.09	-0.06	144.20	143.79	
11	63	DBA	Agriculture	26.29	-0.06	-0.22	26.41	26.08	
12	62	GLD	Gold	94.68	0.81	0.86	95.11	94.07	
13	61	USO	Oil	37.94	0.02	0.05	38.24	37.59	
14	58	JJG	Grains	40.44	-0.54	-1.31	41.82	38.61	
15	56	CFT	Invest Grade Bds	99.10	-0.25	-0.25	99.58	98.94	
16	54	UNG	Nat Gas	13.77	-0.27	-1.92	14.08	13.62	
17	48	TLT	Leh 20 yr bond	92.32	-0.74	-0.79	93.23	91.49	
18	44	TIP	Inflation Adj	100.03	-0.36	-0.35	100.43	99.71	
19	44	VIX.X	Volatility	24.89	-0.67	-2.62	25.85	24.77	
20	35	COW	Livestock	27.69	-0.56	-1.98	28.80	27.57	
21	33	UUP	US Dollar	23.15	0.02	0.08	23.17	23.08	

General Comments

<http://www.ft.com/cms/s/0/7f6edc2c-821f-11de-9c5e-00144feabdc0.html>

Murdoch vows to charge for all online content

By Kenneth Li and Andrew Edgecliffe-Johnson in New York

Published: August 6 2009 03:00 | Last updated: August 6 2009 03:00

Rupert Murdoch has vowed to charge for all the online content of his newspapers and television news channels, going well beyond his prediction in May that the company would test pay models on one of its stronger papers within the year.

The comments by News Corp's chairman came as he predicted a "high single digit" rebound in the group's operating profits next year. The worst of the media sector slump might be behind the company, he said, as he reported "some good signs of life" in advertising.

Newspaper and television revenues would be down "very low double digits" next year, but growth in cable properties such as Fox News would leave advertising revenues flat and total revenue up 4 per cent.

News Corp put the seal on a brutal fiscal year with a fourth- quarter net loss of \$203m (£119m), dragged down by \$680m in impairment and restructuring charges at Fox Interactive Media, whose MySpace social networking site cut more than 700 jobs in the period.

The latest write-down to boom-era acquisitions masked a 30 per cent fall in quarterly adjusted operating profit to \$948m, in line with lowered projections, and adjusted earnings of 19 cents per share, narrowly ahead of Wall Street forecasts of 18 cents.

However, they resulted in a \$3.4bn net loss for the full year, down from net income of \$5.4bn a year earlier, reflecting \$8.9bn in impairment charges.

The sweeping decision by the owner of titles including The News of the World and The Australian to abandon the practice of giving away news in exchange for attracting a large audience for advertisers could embolden other publishers warily examining paid content models.

"We intend to charge for all our news websites," Mr. Murdoch said.

"If we're successful, we'll be followed by all media," he added, predicting "significant revenues" from charging for differentiated news online.

He warned that "the big competition will be coming from the BBC," which offers online news for free, but said: "Our policy is to win."

Mr. Murdoch said News Corp was highly unlikely to develop its own electronic reader, but took aim at Amazon's Kindle device by praising the rival Sony Reader.

He insisted that News Corp would retain a direct relationship with its subscribers to its content via e-readers, information that Amazon has refused to hand over.

Chase Carey, who recently returned to News Corp as chief operating officer, said the online charging policy would extend to cable networks such as Fox News.

However, he criticized TV Everywhere, the cable industry strategy championed by Time Warner to offer shows online to paying subscribers, as a "defensive" response and said News Corp aimed instead to develop "offensive" models.

Declines in revenue and profit across television and newspaper assets offset strong gains from cable networks businesses in the quarter, in which News Corp's cash pile grew to \$6.5bn.