



美股观点：熊市！

严冬结束前还存在 10% 的下跌空间

标普 500 指数已经从高点下挫近 20%；还将下跌 10%

从股指期货的表现来看，标普 500 指数已经从 10 月份创下的高点下跌了 19%，进一步下跌 10% 也不会有什么稀奇。从 1950 年以来，回调幅度在 20% 以上的熊市已经出现了 9 次，平均跌幅为 32%。

我们估计 2008 年标普 500 指数每股盈利将下降 5% 至 83 美元

我们估计标普 500 指数 2008 和 2009 年每股盈利将分别为 83 美元和 88.50 美元，-5% 和 7% 的增长反映了高盛经济研究团队关于美国经济温和衰退的预测。2008 年自上而下和自下而上的市场预测分别为 101 和 102 美元。

以三种方法计算标普 500 点位低于当前合理价值 17%

标普 500 指数期货目前为 1265 点，较我们当前 1480 点的合理价值估测低 17%。股息贴现模型、估值倍数均值回归和 Fed 模型都显示其价值被低估。标普 500 指数期货对应的自上而下的 2008 年每股盈利预期为 15 倍，我们的年底合理价值估测为 1550 点。

投资建议：防御型行业；衰退组合

我们与投资者的讨论表明，人们越发认为衰退的持续时间将超过两个季度。日常消费品和医疗保健行业以及我们的衰退组合（彭博：<GSTHRECN>）应会强于大盘。

标普 500 指数自 1950 年以来的熊市（基于标普 500 指数期货 1265 点的当前水平）

Peak	Trough	Decline	Days
10-Jul-57	22-Oct-57	(21) %	104
12-Dec-61	26-Jun-62	(28)	196
9-Feb-66	7-Oct-66	(22)	240
29-Nov-68	26-May-70	(36)	543
11-Jan-73	3-Oct-74	(48)	630
28-Nov-80	12-Aug-82	(27)	622
25-Aug-87	4-Dec-87	(34)	101
16-Jul-90	11-Oct-90	(20)	87
24-Mar-00	9-Oct-02	(49)	929
Average		(32) %	384
Median		(28)	240
9-Oct-07	21-Jan-08	(19)	104

资料来源：Compustat、高盛研究

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US Equity Views: Bear market!

10% downside remains before hibernation ends

S&P 500 down almost 20% since peak with 10% more to come

Based on futures, S&P 500 is down 19% since peaking in October and a further 10% fall would not be unusual. Bear markets involving a 20%+ correction have occurred 9 times since 1950 with an average drop of 32%.

We estimate 2008 S&P 500 EPS will fall by 5% to \$83.00

We estimate 2008 and 2009 EPS for the S&P 500 will equal \$83 and \$88.50. Growth of -5% and 7% reflects mild recession forecast by Goldman Sachs Economics. Top-down & bottom-up 2008 consensus equals \$101 and \$102.

S&P 500 trades 17% below current fair value using three methods

S&P 500 futures trade at 1265 or 17% below our current fair value of 1480. DDM, multiple mean reversion, and Fed model all point to undervaluation. SPX trades 15X top-down 2008 EPS. Our year-end fair value equals 1550.

Investment recommendations: Defensive sectors; Recession basket

Our investor discussions indicate a rising belief that the recession will last longer than two quarters. Consumer Staples and Health Care should outperform along with our Recession basket (Bloomberg: <GSTHRECN>).

S&P 500 bear markets since 1950 (current based on SPX Futures of 1265)

Peak	Trough	Decline	Days
10-Jul-57	22-Oct-57	(21) %	104
12-Dec-61	26-Jun-62	(28)	196
9-Feb-66	7-Oct-66	(22)	240
29-Nov-68	26-May-70	(36)	543
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Source: Compustat and Goldman Sachs Research.

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Bear markets: Past, present and future

The S&P 500 has dropped 15% since reaching a high of 1565 on October 9, 2007. Although the US market was closed in observance of Martin Luther King Day, overseas markets were open and the S&P 500 futures market now trades at approximately 1265, indicating a further 5% drop is expected when markets re-open. Assuming the futures market is roughly accurate, the S&P 500 will have declined by more than 19% in less than three months. A bear market typically describes a 20% drop in a market index.

This commentary has three objectives:

1. Place the current trading pattern of the S&P 500 in the context of the nine other bear markets since 1950 and note how it may prove to be more or less severe than previous episodes. Our conclusion: We are on track to experience a typical bear market involving a peak-to-trough correction of 30%. This trading pattern suggests the S&P 500 has the potential to fall an additional 10% before reaching a floor of roughly 1150.

2. Review the changes behind our new reduced 2008 and 2009 top-down EPS estimates for the S&P 500. Incorporating the mild recession forecast by Goldman Sachs Economics Research into our profit model suggests S&P 500 earnings of \$83.00 and \$88.50, respectively, reflecting a EPS decline of 5% in 2008 and a subsequent rise of 7%. However, our EPS scenario analysis suggests a deeper and more prolonged recession would lead to S&P 500 earnings of just \$79 (-9%) and \$82 (4%) for 2008 and 2009, respectively.

3. Explore the valuation of the S&P 500 using three different approaches. A combination of mean reversion of multiples, dividend discount model (DDM) and the Fed model point to a current fair value of 1480, roughly 17% above the 1265 level indicated by the SPX futures market. Looking ahead, we estimate a year-end 2008 fair value of 1550, approximately 23% above current levels.

Two notable risks exist to our outlook: Positive (money flow) and negative (EPS revisions).

On the positive side, three pools of capital may be attracted to US equities following the 20% drop over the past three months: (1) international investors seeking to benefit from the combination of battered share prices and a weak US dollar; (2) sovereign wealth funds (SWF) and other investors with longer-term investment horizons; and (3) pension funds investing under tactical asset allocation guidelines designed to keep bond and equity allocations within predetermined bands.

On the negative side, 4Q2007 earnings season is about to hit a crescendo with 233 stocks reporting over the next two weeks representing 55% of the equity capitalization of the S&P 500. The results are likely to disappoint. The S&P 500 is expected to post year/year earnings decline of 16% comprised of -85% for Financials and +11% for the S&P 500 excluding Financials. We believe the S&P 500 will experience a wave of significant negative EPS revisions over the next several months which may weigh upon the market.

Nine (soon to be 10) bear markets since 1950

There have been nine episodes post-1950 where the S&P 500 declined by more than 20%, the traditional definition of a bear market. During these periods, the S&P 500 declined by an average of 32% from peak to trough and 28% on a median basis.

The most severe bear market occurred from March 2000 through October 2002 when the S&P 500 declined by 49%, closely followed by the 48% slide from January 1973 to October 1974. The average bear market lasts for 384 days (median = 240) but ranges from a low of 87 days in 1990 to a high of 929 days in 2000-2002.

The current market decline would classify as a bear market if the S&P 500 breaks the 1252 level. The Index is already on the cusp of breaching the bear market barrier and S&P 500 Futures indicate the index will open at 1265 on Tuesday morning. It is difficult to predict with precision whether the current bear market will be more or less severe than the typical market decline of about 30%. Valid reasons exist arguing for and against the idea that the current bear market will be worse than others.

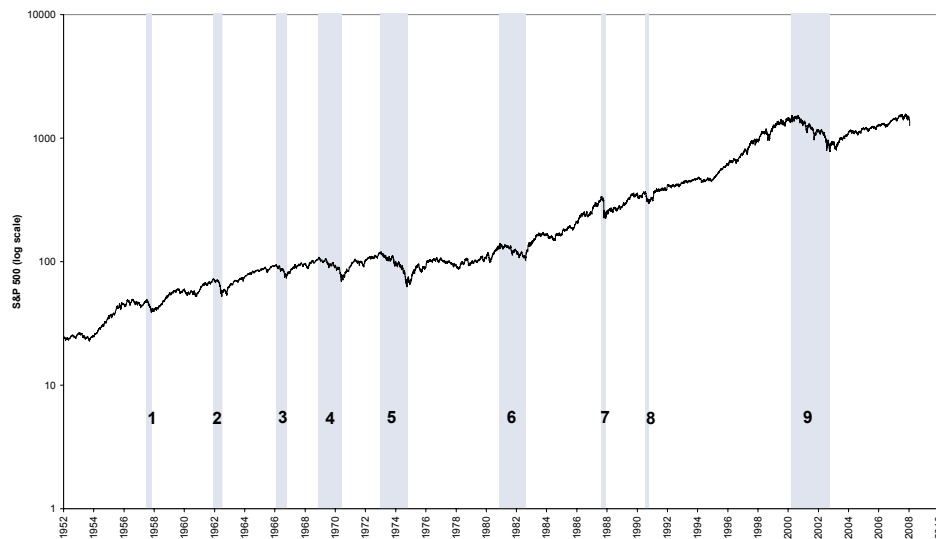
Reasons why this bear market will be MORE severe

- 1. Credit markets:** The current decline will likely be exacerbated by deteriorating credit markets, a dynamic absent from prior declines.
- 2. Housing bubble:** House prices are still between 10% and 30% above "fair value", measured by average house price divided by median income
- 3. Consumer slowdown:** Consumer spending has been robust for the past 25 years and there is compelling reason to believe that the consumer will finally roll over. Declining employment, falling consumer confidence and high oil prices strongly suggest that consumer spending will slow.
- 4. Peak margins:** Profit margins are at an all time high of 8.2% and will likely decline by a small amount toward the 30-year average of 5%.

Reasons why this bear market will be LESS severe

- 1. Emerging markets:** The benefit of emerging markets to the global economy is probably greater than in prior bear markets.
- 2. Valuation:** The valuation of the S&P 500 is attractive even when consensus estimates are reduced significantly.
- 3. Cash:** Corporate balance sheets remain flush with cash and corporate leverage is below historical levels.
- 4. Liquidity:** Two major sources of liquidity are sovereign wealth funds (SWFs) and private equity firms, although LBO firms currently have no access to leveraged financing.

Exhibit 1: SPX has declined by 20% or more on 9 occasions since 1950



Note: Shaded region represents S&P 500 decline of 20% or greater

	Peak	Trough	Decline	Duration (Days)
1	10-Jul-57	22-Oct-57	(21) %	104
2	12-Dec-61	26-Jun-62	(28)	196
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Average			(32) %	384
Median			(28)	240

Current* 9-Oct-07 21-Jan-08 (19) 104

* Assumes S&P 500 price of 1265, the price indicated by the Futures on January 21, 2008

Source: Compustat and Goldman Sachs Research.

Lowering our S&P 500 top-down EPS estimates

We are reducing our 2008 and 2009 earnings estimates for the S&P 500. Our new 2008 EPS estimate of \$83.00 represents a roughly 5% decrease from our previously published forecast of \$87.25. Our revised 2009 estimate of \$88.50 is slightly more than 3% below our previous estimate of \$91.50.

Two changes explain why we have reduced our future S&P 500 profit forecasts.

First, earnings are starting from a reduced base. We currently estimate that 2007 EPS will equal about \$87.00 per share compared with our previous estimate of \$90.00 published just a month ago. Led by the Financials, results for 4Q2007 have been well-below expectations. The weak results have established a new, lower base for 2007 earnings. Investors should note that this level remains a moving target given that most firms have not yet reported full-year results including more than 19 Financials companies scheduled to report 4Q results this week alone.

Second, Goldman Sachs Economics Research recently adjusted its forecast to include a mild recession in 2008. Our December 2007 report *Earnings & Valuation: Triumph of Top-Down* explained our earnings model in detail. Based on the anticipated decline in GDP during 2Q and 3Q, our revised top-down model predicts a decrease in S&P 500 earnings of 4.6% in 2008 followed by an increase of 6.8% in 2009. These growth rates compare with our prior estimates of -3.1% and 4.9% for 2008 and 2009, respectively.

We see three sources of downside risk to our earnings forecast.

First, the starting base for future growth could be lowered again if 4Q2007 earnings continue to disappoint relative to expectations.

Second, the EPS growth rate could be lowered if the recession becomes more severe than currently anticipated. Goldman Sachs Economics currently forecasts a relatively mild recession with -1.0% GDP growth in 2Q and 3Q2008. To assess the downside risk to our earnings estimates we have run a scenario analysis on our top-down model assuming a deeper recession. Under this scenario, S&P 500 earnings would decline by 9.3% in 2008 and rise by 3.0% in 2009, resulting in EPS estimates of \$79 in 2008 and \$82 in 2009.

Third, 2008 earnings estimates for Financials companies have not been revised down as much as 2007 earnings following the poor performance in 4Q2007. The result is that bottom-up estimates now forecast a 31% increase in earnings for Financials in 2008. Our top-down earnings model applies the same haircut to bottom-up Financials earnings growth as to earnings for S&P 500 excluding Financials and Utilities. Accordingly, the high anticipated growth for Financials on a bottom-up basis boosts our overall earnings forecast. Based upon the Goldman Sachs Economics forecast of a mild recession in 2008, our top-down EPS growth estimate for S&P 500 excluding Financials and Utilities is for earnings to decline by 8.6% in 2008 (see Exhibit 2).

Exhibit 2: Roadmap to the Goldman Sachs Top-Down S&P 500 earnings estimates
 as of January 21, 2008.

S&P 500 Earnings Growth			
Share of Net Income			
	2007	2008E	2009E
Non-Financials & Utilities	76 %	73 %	73 %
Utilities	3	4	4
Financials	20	23	24
Earnings Growth Rates			
Non-Financials & Utilities (from regression model)	8.5 %	(8.6)%	6.1 %
Utilities (using trend earnings growth)	8.2	6.9	6.9
Financials (applying differential from bottom-up vs top-down model)	(27.7)	8.4	8.9
Goldman Sachs Top-Down Estimates		Top-Down	
S&P 500 Net Income Growth (pre-extraordinary items)		(4.6)%	6.8 %
S&P 500 Operating Earnings Per Share (EPS)		\$83.00	\$88.50
Consensus Bottom-Up		Bottom-Up	
S&P 500 Net Income Growth (pre-extraordinary items)		17.4 %	11.9 %
S&P 500 Operating Earnings Per Share (EPS)		\$102.17	\$114.37
Difference (Goldman Sachs Top-Down vs. Consensus Bottom-Up)			
S&P 500 Net Income Growth (pre-extraordinary items)		(22.0)pp	(5.2)pp
S&P 500 Operating Earnings Per Share (EPS)		(\$19.17)	(\$25.87)

Source: Goldman Sachs Research.

Valuation: S&P 500 trades at 17% discount to current fair value

The S&P 500 trades at 17% below our current estimate of fair value. Our recent report on *Earnings & Valuation: Triumph of the Top-Down* examined in detail various approaches to the question of how to value the S&P 500 in term of both methodology (mean reversion of multiples, dividend discount models, and the Fed model) as well as from a data perspective (top-down earnings estimates vs. bottom-up consensus forecasts).

Exhibits 3 and 4 contain an updated valuation summary using three different methods and two sets of data. Exhibits 5 and 6 show the historical P/E valuation of the S&P 500 and the deviation from fair value using the trailing 1-year average P/E.

The stock market does not usually trade at fair value. It may trade at a discount or a premium to fair value for an extended period of time. In the current bear market environment it is hard to see how the S&P 500 will be revalued upwards given the news flow of earnings disappointments and negative earnings revisions coupled with ongoing concerns about the length and severity of the US recession.

Valuation is not a catalyst for performance. We recommend investors adopt a defensive posture and tilt portfolios towards Consumer Staples and Health Care stocks as well as focus on the stocks included in our Recession Protection basket traded on Bloomberg under ticker <GSTHRECEN>.

Exhibit 3: S&P 500 trades 17% below CURRENT fair value based on Goldman Sachs top-down EPS
as of December 21, 2008

CURRENT S&P 500 Fair Value				
Methodology	Goldman Sachs Top-Down		Consensus Bottom-Up	
	Fair Value	Above / (Below) Current	Fair Value	Above / (Below) Current
Reversion of P/E multiple to 10-year history	1470	16%	1620	28%
10-year Dividend Discount Model (DDM) <i>Assumptions: 4% ERP, 6.7% long term EPS growth, 4.5% risk free rate</i>	1420	12	1590	26
Fed model	1560	23	1670	32
Average Fair Value	1480	17%	1630	29%
S&P 500 Index *	1265		1265	

* Assumes S&P 500 price of 1265, the price indicated by the Futures on January 21, 2008

Source: Compustat, FirstCall via FactSet, Goldman Sachs Research.

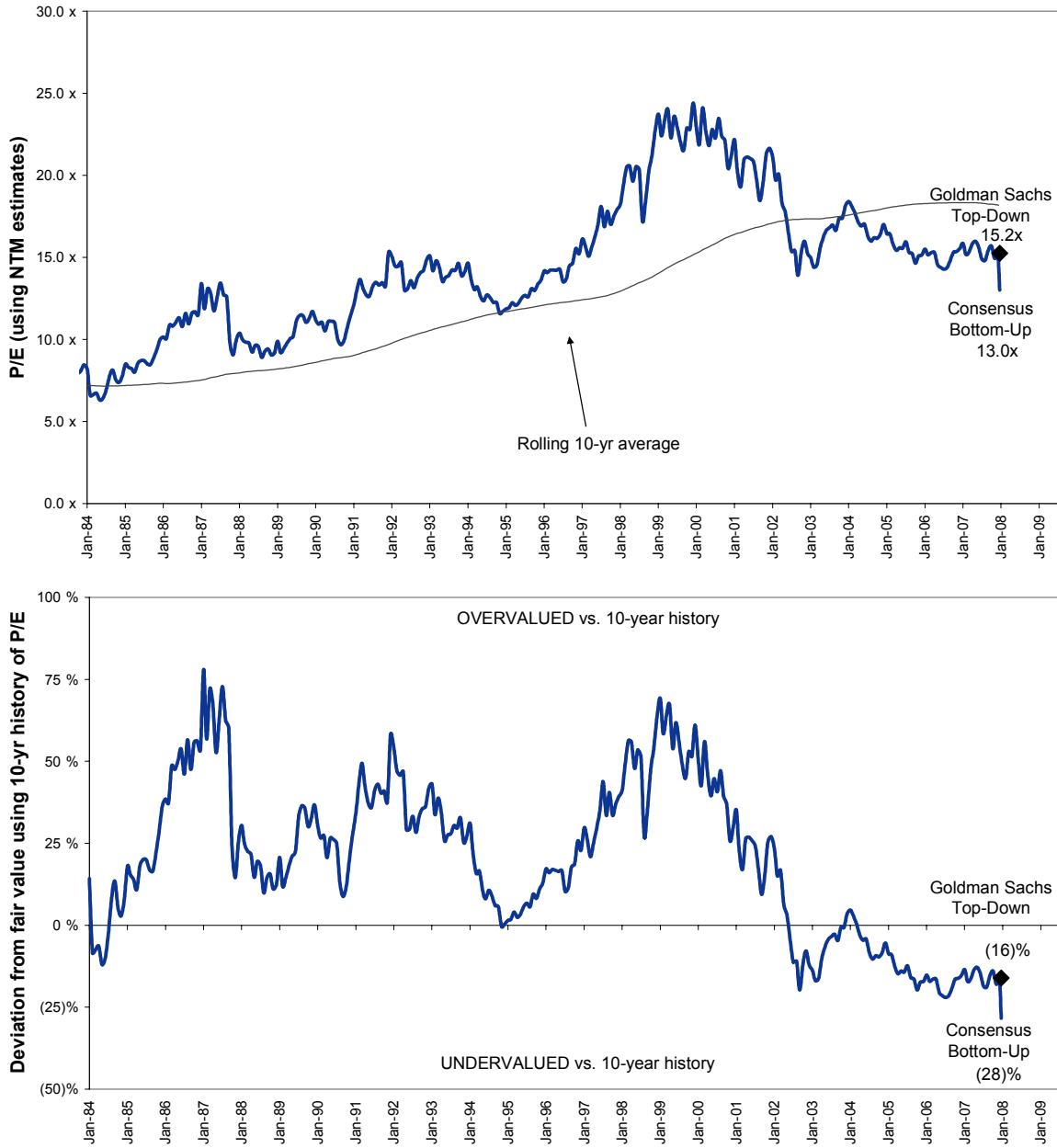
Exhibit 4: S&P 500 trades 23% below YEAR-END 2008 fair value based on Goldman Sachs top-down EPS
as of December 21, 2008

YEAR-END 2008 S&P 500 Fair Value				
Methodology	Goldman Sachs Top-Down		Consensus Bottom-Up	
	Fair Value	Above / (Below) Current	Fair Value	Above / (Below) Current
Reversion of P/E multiple to 10-year history	1590	26%	2080	64%
10-year Dividend Discount Model (DDM) <i>Assumptions: 4% ERP, 6.7% long term EPS growth, 4.5% risk free rate</i>	1460	15	1680	33
Fed model	1610	27	1960	55
Average Fair Value	1550	23%	1910	51%
S&P 500 Index *	1265		1265	

* Assumes S&P 500 price of 1265, the price indicated by the Futures on January 21, 2008

Source: Compustat, FirstCall via FactSet, Goldman Sachs Research.

Exhibit 5: S&P 500 P/E and deviation from fair value using trailing 10-year average P/E



Source: Compustat, FirstCall via Factset, Goldman Sachs Research.

Earnings: A deluge of 233 firms will report earnings in next 2 weeks

Earnings expectations for 4Q 007 remain mixed with -16% year/year growth divided between a collapse of -85% in Financials and +11% for the remaining sectors of the S&P 500 (see Exhibit 6).

Looking ahead, the bottom-up earnings growth forecasts appear extremely optimistic for 2008 with 16% rise in EPS led by Financials at 25%, followed by Information Technology at 20% and Consumer Discretionary at 18%.

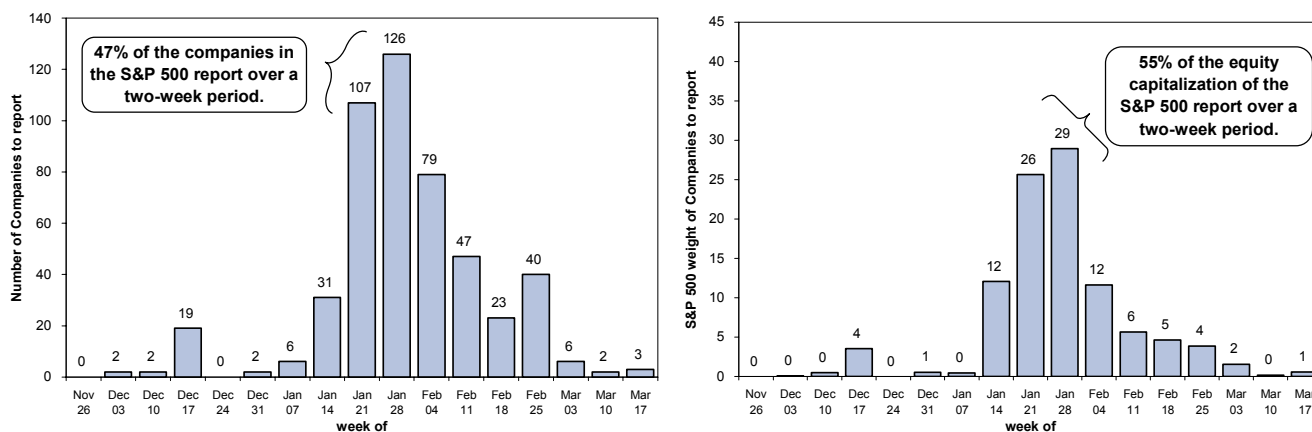
Fourth quarter results to date have generally been disappointing with fewer positive surprises than any time over the past several years. Health Care has been a notable exception (see Exhibit 8).

Exhibit 6: Analysts expect earnings to rebound in 2008; Financial earnings may weigh down 4Q2007
as of January 17, 2008

	2007E Earnings Growth				2008E Earnings Growth				Annual	
	1Q	2Q	3Q	4QE	1QE	2QE	3QE	4QE	2007E	2008E
Information Technology	13 %	12 %	15 %	21 %	11 %	21 %	17 %	19 %	13 %	20 %
Energy	3	6	(12)	14	25	6	23	7	2	14
Health Care	14	8	14	12	3	11	10	15	12	11
Industrials	8	14	11	12	11	11	12	15	11	12
S&P 500 (ex-Financials)	8	8	3	11	11	10	17	16	6	14
Consumer Staples	11	8	11	9	9	10	11	13	6	11
Utilities	14	18	5	8	6	5	7	8	7	8
Telecommunication Services	30	31	28	3	11	9	9	13	3	12
Consumer Discretionary	(11)	(10)	(24)	(0)	4	10	56	32	(8)	18
Materials	18	13	10	(5)	2	2	8	23	7	11
S&P 500	8	9	(5)	(16)	3	3	22	42	(2)	16
Financials	7	10	(29)	(85)	(16)	(17)	40	547	(24)	25

Source: Compustat, First Call via FactSet, Goldman Sachs Research.

Exhibit 7: Earnings calendar summary
as of January 18, 2008



Source: Compustat, FirstCall via FactSet, Goldman Sachs Research.

Exhibit 8: S&P 500 earnings results by sector
 as of January 18, 2008

S&P 500 EQUAL-WEIGHTED

	Number of Companies			Std Dev Surprises (a)			Absolute Surprises (b)			Avg 4Q Surprise
	Reported	Total	% of Co's	Positive	Negative	In-Line	Positive	Negative	In-Line	
Health Care	1	51	2 %	100 %	0 %	0 %	100 %	0 %	0 %	28 %
Information Technology	11	71	15	55	18	27	73	18	9	5
Consumer Discretionary	12	88	14	33	25	42	42	42	17	4
Consumer Staples	6	39	15	33	0	67	83	0	17	7
Materials	3	28	11	33	0	67	67	33	0	7
Industrials	4	56	7	25	0	75	50	0	50	1
Financials	24	92	26	13	50	38	21	71	8	(7)
Energy	1	35	3	0	0	100	0	100	0	(2)
Telecom Services	0	9	0	NM	NM	NM	NM	NM	NM	NM
Utilities	0	31	0	NM	NM	NM	NM	NM	NM	NM
S&P 500	62	500	12 %	29 %	27 %	44 %	45 %	42 %	13 %	1 %

Comparative Data (full earnings season)

3Q 2007	499	500	100 %	35 %	17 %	48 %	61 %	29 %	9 %	2 %
2Q 2007	495	500	99	47	13	40	65	23	12	5
1Q 2007	497	500	99	43	15	42	64	25	11	5
4Q 2006	490	500	98	42	13	44	63	25	12	5
3Q 2006	483	500	97	48	10	42	70	21	9	6
2Q 2006	490	500	98	47	13	40	67	22	10	5
1Q 2006	494	500	99	45	15	41	64	25	11	5
4Q 2005	482	500	97	42	15	43	62	27	11	5

S&P 500 CAP-WEIGHTED

	Weight of Companies			Std Dev Surprises (a)			Absolute Surprises (b)			Avg 4Q Surprise
	Reported	Total	% of Co's	Positive	Negative	In-Line	Positive	Negative	In-Line	
Health Care	0	13	1 %	100 %	0 %	0 %	100 %	0 %	0 %	28 %
Information Technology	3	16	21	64	29	7	69	29	2	5
Materials	1	3	24	62	0	38	73	27	0	16
Consumer Discretionary	1	8	12	46	5	50	62	17	21	8
Consumer Staples	1	11	8	44	0	56	96	0	4	6
Financials	7	17	41	6	60	34	16	75	9	(5)
Industrials	3	11	29	3	0	97	9	0	91	0
Energy	1	12	7	0	0	100	0	100	0	(2)
Telecom Services	0	3	0	NM	NM	NM	NM	NM	NM	NM
Utilities	0	4	0	NM	NM	NM	NM	NM	NM	NM
S&P 500	17	100	17 %	24 %	30 %	46 %	34 %	43 %	23 %	1 %

Source: Compustat, FirstCall via FactSet, Goldman Sachs Research.

Exhibit 9: S&P 500 companies scheduled to report during week of January 22-25, 2008

as of January 18, 2008

Company name	Ticker	Sector	Rating	4Q2007 EPS			Total Return (YTD)	P/E (NTM)
				Goldman Sachs (\$)	Consensus (\$)	GS vs. Consensus (\$)		
Tuesday, January 22, 2008								
Meredith Corp.	MDP	Consumer Discretionary	NC		\$ 0.72		(11)%	13.1 x
BJ Services	BJS	Energy	Sell	0.59	0.59	0.00	(12)	9.0
Wachovia Corp.	WB	Financials	Not Rated	0.20	0.35	(0.15)	(19)	8.9
Regions Financial Corp.	RF	Financials	Neutral	0.25	0.31	(0.06)	(19)	8.8
KeyCorp	KEY	Financials	Neutral	(0.05)	0.04	(0.09)	(10)	11.8
Fifth Third Bancorp	FITB	Financials	Not Rated	0.27	0.29	(0.02)	(10)	10.7
Bank of America Corp.	BAC	Financials	Not Rated	0.15	0.26	(0.11)	(13)	10.1
Ambac Financial Group	ABK	Financials	Neutral	(5.80)	(2.27)	(3.53)	(76)	2.4
Waters Corporation	WAT	Health Care	NC		1.06		(7)	23.2
United Health Group Inc.	UNH	Health Care	Neutral	0.92	0.92	0.00	(7)	14.4
Johnson & Johnson	JNJ	Health Care	Buy	0.85	0.86	(0.01)	(1)	15.3
Precision Castparts	PCP	Industrials	Buy	1.72	1.72	(0.00)	(16)	15.5
Norfolk Southern Corp.	NSC	Industrials	Neutral	0.91	0.90	0.01	(12)	11.5
Jacobs Engineering Group	JEC	Industrials	Buy	0.72	0.70	0.02	(22)	24.3
Eaton Corp.	ETN	Industrials	Neutral	1.70	1.73	(0.03)	(16)	11.3
CSX Corp.	CSX	Industrials	Neutral	0.65	0.64	0.01	(6)	14.7
Texas Instruments	TXN	Information Technology	Neutral	0.52	0.52	(0.00)	(12)	14.4
Tellabs, Inc.	TLAB	Information Technology	Sell	0.00	0.01	(0.01)	(2)	38.7
Apple Computer	AAPL	Information Technology	Buy	1.60	1.61	(0.01)	(19)	31.7
Du Pont (E.I.)	DD	Materials	Buy	0.50	0.49	0.01	(3)	12.6
Wednesday, January 23, 2008								
Coach, Inc.	COH	Consumer Discretionary	Neutral	\$ 0.69	\$ 0.68	\$ 0.01	(18)%	11.9 x
McCormick & Co.	MKC	Consumer Staples	NC		0.74		(5)	17.8
Kimberly-Clark	KMB	Consumer Staples	Neutral	1.11	1.11	0.00	(6)	14.5
Noble Corporation	NE	Energy	Neutral	1.31	1.30	0.01	(20)	7.8
ConocoPhillips	COP	Energy	Neutral	2.44	2.39	0.05	(17)	7.0
SunTrust Banks	STI	Financials	Neutral	0.40	0.41	(0.01)	(7)	13.2
SLM Corporation	SLM	Financials	Neutral	0.54	0.55	(0.01)	(6)	9.0
Hudson City Bancorp Inc.	HCBK	Financials	NC		0.17		(7)	18.7
Capital One Financial	COF	Financials	Buy	0.60	0.62	(0.02)	(16)	7.2
WellPoint Inc.	WLP	Health Care	Buy	1.50	1.51	(0.01)	(6)	13.2
Varian Medical Systems	VAR	Health Care	NC		0.40		(2)	25.2
Stryker Corp.	SYK	Health Care	Neutral	0.66	0.66	0.00	(12)	23.9
St Jude Medical	STJ	Health Care	Neutral	0.49	0.49	(0.00)	(2)	19.7
Pfizer, Inc.	PFE	Health Care	Buy	0.47	0.47	0.00	(1)	9.8
Gilead Sciences	GILD	Health Care	Buy	0.40	0.40	0.00	0	26.5
Abbott Labs	ABT	Health Care	Buy	0.91	0.92	(0.01)	6	19.0
United Technologies	UTX	Industrials	Buy	1.06	1.06	(0.00)	(11)	14.5
Southwest Airlines	LUV	Industrials	Neutral	0.10	0.10	(0.00)	(1)	18.6
Rockwell Automation, Inc.	ROK	Industrials	NC		1.00		(20)	12.6
General Dynamics	GD	Industrials	Neutral	1.45	1.41	0.04	(9)	14.6
Total System Services	TSS	Information Technology	Neutral	0.33	0.32	0.01	(28)	15.4
Teradyne Inc.	TER	Information Technology	Not Rated	0.05	0.06	(0.01)	(8)	19.4
Symantec Corp.	SYMC	Information Technology	Buy	0.26	0.29	(0.03)	(6)	12.9
QUALCOMM Inc.	QCOM	Information Technology	Buy	0.47	0.52	(0.05)	(3)	18.3
QLogic Corp.	QLGC	Information Technology	Neutral	0.21	0.26	(0.05)	(9)	13.6
Motorola Inc.	MOT	Information Technology	Neutral	0.12	0.13	(0.01)	(17)	24.2
Molex Inc.	MOLX	Information Technology	NC		0.33		(16)	14.9
LSI Logic	LSI	Information Technology	Neutral	0.04	0.07	(0.03)	(25)	12.8
eBay Inc.	EBAY	Information Technology	Buy	0.41	0.41	0.00	(15)	17.6
Citrix Systems	CTXS	Information Technology	Buy	0.38	0.43	(0.05)	(11)	21.5
Praxair, Inc.	PX	Materials	Buy	0.97	0.96	0.01	(11)	19.6
Pactiv Corp.	PTV	Materials	Neutral	0.42	0.43	(0.01)	(7)	12.1
Freeport-McMoran Cp & Gld	FCX	Materials	Buy	1.36	1.74	(0.38)	(17)	9.1
Allegheny Technologies Inc	ATI	Materials	Neutral	1.40	1.41	(0.01)	(22)	9.5
Air Products & Chemicals	APD	Materials	Neutral	1.13	1.13	0.00	(14)	17.4
Exelon Corp.	EXC	Utilities	Neutral	1.08	1.01	0.07	(7)	17.5

Source: Compustat, FirstCall via FactSet, Goldman Sachs Research.

Exhibit 10: S&P 500 companies scheduled to report during week of January 22-25, 2008

as of January 18, 2008

Company name	Ticker	Sector	Rating	4Q2007 EPS			Total Return (YTD)	P/E (NTM)
				Goldman Sachs (\$)	Consensus (\$)	GS vs. Consensus (\$)		
Thursday, January 24, 2008								
McGraw-Hill	MHP	Consumer Discretionary	Buy	\$ 0.54	\$ 0.50	\$ 0.04	(12)%	12.9 x
Lennar Corp	LEN	Consumer Discretionary	Sell	(0.77)	(1.99)	1.22	(27)	NM
Leggett & Platt	LEG	Consumer Discretionary	NC		0.25		(7)	13.2
Ford Motor	F	Consumer Discretionary	Not Rated	(0.29)	(0.20)	(0.09)	(12)	NM
UST Inc.	UST	Consumer Staples	Buy	0.91	0.94	(0.03)	2	15.2
The Hershey Company	HSY	Consumer Staples	Neutral	0.55	0.55	0.00	(7)	17.2
Zions Bancorp	ZION	Financials	Buy	0.31	0.60	(0.29)	(11)	9.2
Sovereign Bancorp	SOV	Financials	NC		0.02		(14)	9.3
National City Corp.	NCC	Financials	Neutral	(0.08)	(0.26)	0.18	(12)	14.6
Janus Capital Group	JNS	Financials	Neutral	0.30	0.32	(0.02)	(26)	17.7
Hartford Financial Svc.Gp.	HIG	Financials	Neutral	2.68	2.49	0.19	(12)	7.6
Franklin Resources	BEN	Financials	Neutral	1.86	1.90	(0.04)	(21)	11.8
Federated Investors Inc.	FII	Financials	Buy	0.60	0.56	0.04	(1)	16.4
E*Trade Financial Corp.	ETFC	Financials	Neutral	(3.16)	(2.90)	(0.26)	(20)	NM
Ameriprise Financial	AMP	Financials	Buy	1.07	1.04	0.03	(10)	11.3
PerkinElmer	PKI	Health Care	NC		0.43		(6)	17.9
Becton, Dickinson	BDX	Health Care	Neutral	1.02	1.03	(0.01)	5	20.4
Baxter International Inc.	BAX	Health Care	Buy	0.74	0.74	(0.00)	9	21.0
Applera Corp-Applied Biosystems G	ABI	Health Care	NC		0.41		(3)	20.1
Amgen	AMGN	Health Care	Buy	0.96	0.97	(0.01)	2	10.9
AmerisourceBergen Corp.	ABC	Health Care	Neutral	0.62	0.62	0.00	4	16.3
Union Pacific	UNP	Industrials	Buy	1.74	1.77	(0.03)	(12)	14.4
Textron Inc.	TXT	Industrials	Buy	0.93	0.92	0.01	(25)	13.9
Rockwell Collins	COL	Industrials	Neutral	0.88	0.91	(0.03)	(15)	15.6
Northrop Grumman Corp.	NOC	Industrials	Sell	1.32	1.31	0.01	(0)	14.5
Lockheed Martin Corp.	LMT	Industrials	Buy	1.68	1.69	(0.01)	(3)	14.5
Danaher Corp.	DHR	Industrials	Neutral	1.13	1.12	0.01	(12)	18.4
Cooper Industries, Ltd.	CBE	Industrials	Neutral	0.83	0.82	0.01	(19)	12.6
Xerox Corp.	XRX	Information Technology	Neutral	0.40	0.40	(0.00)	(18)	10.5
Sun Microsystems Inc.	JAVA	Information Technology	Neutral		0.30		(12)	14.3
Microsoft Corp.	MSFT	Information Technology	Buy	0.45	0.46	(0.01)	(7)	18.0
Microchip Technology Inc.	MCHP	Information Technology	Neutral	0.34	0.35	(0.01)	(9)	18.3
MEMC Electronic Materials	WFR	Information Technology	NC		0.96		(26)	16.8
KLA-Tencor Corp.	KLAC	Information Technology	Buy	0.68	0.71	(0.03)	(9)	15.2
Juniper Networks Inc.	JNPR	Information Technology	Buy	0.20	0.24	(0.04)	(20)	25.5
Compuware Corp.	CPWR	Information Technology	NC		0.18		(25)	10.9
Broadcom Corporation	BRCM	Information Technology	Neutral	0.11	0.32	(0.21)	(10)	18.5
Nucor Corp.	NUE	Materials	Buy	1.17	1.20	(0.03)	(14)	9.2
Eastman Chemical	EMN	Materials	NC		1.07		(2)	12.3
Ball Corp.	BLL	Materials	Neutral	0.57	0.60	(0.03)	(7)	11.5
AT & T Inc.	T	Telecommunication Services	Buy	0.71	0.71	(0.00)	(12)	11.7
Consolidated Edison	ED	Utilities	Sell	0.65	0.61	0.04	(9)	13.6
Friday, January 25, 2008								
Harley-Davidson	HOG	Consumer Discretionary	Neutral		\$ 0.82		(21)%	9.7 x
Fortune Brands, Inc.	FO	Consumer Discretionary	Neutral	1.42	1.44	(0.02)	(9)	12.4
Weatherford International Ltd.	WFT	Energy	Buy	0.96	0.96	(0.00)	(14)	14.6
Legg Mason Inc	LM	Financials	Neutral	1.20	1.12	0.08	(6)	14.1
Honeywell Int'l Inc.	HON	Industrials	Neutral	0.91	0.91	0.00	(10)	15.3
Grainger (W.W.) Inc.	GWW	Industrials	Sell	1.28	1.27	0.01	(18)	12.9
Caterpillar Inc.	CAT	Industrials	Neutral	1.40	1.50	(0.10)	(13)	10.6
JDS Uniphase Corp	JDSU	Information Technology	Neutral	0.08	0.12	(0.04)	(20)	20.6

Source: Compustat, FirstCall via FactSet, Goldman Sachs Research.

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