

**OVERVIEW**

- Equity markets performance was strong in April, especially in small cap sectors. For the month the S&P 500 gained +9.4%, the DJIA +7.3%, NASDAQ +12.3%, Russell 2000 +12.3%, NAREIT +30.5%, & the MK Equity Universe +27.9%. YTD 2009 the S&P 500 is down -3.4%, the DJIA -6.9%, NASDAQ +8.9%, Russell 2000 -2.4%, NAREIT -12.7% & the MKEU +9.6%.
- Economic data reported over the period 4/18 – 4/30 softened following more positive trends in mid-March to mid-April period. While Q1:09 GDP came in at the low end of expectations at -6.1%, with a surprising decline in government spending, signs of improvement in the financial/banking systems and continued Global Central Bank focus on providing liquidity/stimulus suggests an improving trend. Our consulting economist expects an improving GDP trend with positive growth in Q4:09. His updated valuation models suggest that from April 30<sup>th</sup> closing levels the estimated upside potential is 18% (+/-) for the S&P 500 and 14.5% (+/-) for the DJIA over the next 6-12 months.
- In April 26/28 sectors followed by research beat the S&P 500 and all reported positive performance. All 3 sectors with positive analyst ratings for April beat the S&P 500. Updated ratings for May indicates that these sectors – Healthcare Services, Semiconductors, & System Area Networks – have positive analyst ratings.

**ECONOMIC TRENDS & OUTLOOK**

**Trends:** Economic data reported over the period 4/16 – 4/30/09 was more on the negative side compared to positive trends reported in the period mid-March to mid-April. While trends remain weak in housing, there was a modest uptick in the manufacturing sector and in consumer confidence. *These trends along with continuing Fed focus on enhancing market liquidity suggests we could be seeing a bottoming in economic activity.*

The **Advance Q1:09 GDP (4/29)** report indicated a contraction of -6.1% (+), closely matching the -6.3% decline in Q4:08. The data indicate a +2.2% gain in PCE (strong gains in durable goods spending) & a positive impact from weaker imports. This was offset by sharper declines in both residential & non-residential (both structures & equipment/software – however sales of computers made a positive contribution) fixed investments, accelerated drawdown of inventories, weaker exports & government spending (both federal & state/local had an unexpected decline) which was partly offset by weaker imports. Offsetting some concern over deflation, the **Q1:09 Implicit Price Deflator** gained +2.9% (up from +0.6% in Q4:08) & the **Q1:09 Core-PCE Price Index** gained +1.5% (up from +0.9%). *The gain in PCE despite rising unemployment & a rising saving rate suggests that an uptrend is setting up in a key sector of the domestic economy. Depleted inventory levels & the positive impact from the economic stimulus programs indicate that the outlook is for a recovering economic environment going forward.* The Consumer Discretionary Group beat the S&P 500 in April. In addition reflecting a potential bottoming in the economy (and positive contribution from computers) the Technology, Industrial, & Materials Groups also beat the S&P 500.

**March Personal Income (4/30)** declined -0.3% (-) with continuing declines in private sector wages offset some by continued gains in the government sectors. **March Personal Spending** declined -0.2% (-), following gains in January & February. Consumer spending on services increased while spending declined for durable & nondurable goods. Reflecting continuing consumer caution, the **March Savings Rate** increased to 4.2%. *In Q1:09 Personal Spending gained +1.1% and Personal Income declined -2%. During the quarter strong spending gains were recorded for durables & services, while non-durables declined (reflecting lower gas prices).* While March was soft, the Consumer Discretionary Group beat the S&P 500 in April reflecting positive trends during Q1:09.

**March Housing Starts (4/16)** declined -10.8% (-48.4% YoY) to 510k units (-) and all four regions had double-digit declines (however, sequential gains were noted in the Northeast & Midwest). **March Building Permits (4/16)** declined -9% (-45% YoY) to 513k units (-) and trends were weak in all regions (the West region was flat sequentially). *While the report suggests a potential bottoming in the residential single-family starts, investors will monitor impact of foreclosure on future construction trends.* **March Existing Home Sales (4/23)** declined -3% (-7.1% YoY) to 4.57 million (-). Sales trends were weak both sequentially & YoY in all regions, except for a flattening sequential trend in the Midwest. **Existing Home Supply** edged up to 9.8 months (from 9.7 months), however the \$8k first time buyers credit, falling mortgage rate, & increasing affordability is expected to result in this supply being whittled down by mid-year. **March Median Existing Home Prices** gained +4.2% sequentially to \$175.2k (-12% YoY). *Increasing buyer traffic is raising optimism among realtors that housing markets are bottoming out.* **March New Home Sales (4/24)** declined -0.6% (-30.6% YoY) to 356K (+). While all four regions reported sharp YoY declines, the sequential trend was flat in the South & gained in the West. **New Home Supply** edged down to 10.7 months (from 11.2 months) and **March New Home Median Price** edged down to \$210.4k (-12% YoY). *The trend in the monthly data suggests a bottoming in new home sales.* The **February S&P/Case Shiller Home Price Index (4/28)** was down -19% YoY for both the 10-city & 20-city index. All 20 cities declined sequentially; however, for 16/20 cities the rate of decline slowed. YoY the weakest trends were reported in Phoenix (-35%) & Las Vegas (-31%), with the best relative performance in Dallas (-4.5%) & Denver (-5.7%). *The trend in the data is leading to some optimism that the worst of the decline in housing markets are behind us.* The MK Residential Building Products Sector & the Materials Group handily beat the S&P 500 in April.

**March Durable Goods Orders (4/24)** edged down -0.8% (+). The sectors that reported sequential order gains were electronic equipment/appliance & aircraft/parts (both defense & non-defense). Order trends were weaker than average in motor vehicles/parts, computers/related products, communication equipment, metals/fabricated products, & semiconductor shipments. In Q1:09 Durable Goods Orders declined -27.1% and the sector with order gain was defense aircraft/parts. *In Q1:09 Durable Goods Backlogs declined -4.9% and this along with weak order trends & low capacity utilization are in line with expectations for a weak near-term outlook for capital spending.* Despite weak near-term fundamentals the Technology Group & all six MK Technology sectors handily outperformed the S&P 500 in April & YTD 2009.

---

**Morgan Keegan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decisions. PLEASE SEE DISCLOSURES AND ANALYST CERTIFICATION STATEMENT BEGINNING ON PAGE 3.**

**Weekly Initial Claims for 4/11 (4/16), 4/18 (4/23) & 4/25 (4/30)** were 610k (-), 640k (+), & 631k (-). The 4-week moving average was 637k (-) and Continuing Claims was 6.271 million (+). The data suggest continued volatility, but a potential bottoming, in labor market trends. Hiring activity, however, continues to remain weak in line with expectations for a deterioration of economic activity in H1:09. The **Mid-April Michigan Consumer Sentiment Index (4/17)** gained to 61.9 (+) reflecting a pickup in stock markets and economic data suggesting a bottoming in the economic downturn. The **April Consumer Confidence Index (4/28)** bounced up to 39.2 (+), with the report reflecting a sharp uptick in consumer expectations and some improvement in the employment outlook. This is being viewed as an expectation by consumers that we are at a bottom in the current down cycle. The Consumer Discretionary Group is ahead of the S&P 500 in both April & YTD 2009 reflecting investor perception of a more positive outlook for consumer spending, especially as stimulus spending kicks in. The **March Leading Economic Index (4/20)** dropped -0.3% (-), for its 9<sup>th</sup> consecutive monthly decline. This report indicates that the near-term economic outlook remains weak, however the intensity of the decline is starting to wane which is leading to some optimism that this recession will end in Q3:09. In April cyclical groups outperformed the S&P 500.

The **April Philly Fed Index (4/16)** improved to -24.4 (+), and marked the 16<sup>th</sup> negative monthly reading over the last 17 months. This indicator has very closely tracked the current economic downturn. The **April Chicago PMI Index (4/30)** gained sharply to 40.1 (+), with the report suggesting a pickup in employment indicators. All three key regional manufacturing indexes have picked up in April, suggesting that the manufacturing sector has hit bottom, with recovery potential over the next 6 – 12 months as companies focus on rebuilding depleted inventory levels. The Industrial & Materials Groups beat the S&P 500 in April.

**Outlook:** Following the **April 28-29 FOMC Policy Meeting (4/29)** the Fed announced that it will maintain the Fed Funds Rate target in the 0% - 0.25% range for an extended period in its efforts to stimulate economic growth, which was starting to show a slower pace of contraction. The Fed reiterated its commitment to purchase \$1.25 trillion of Agency MBS & \$200 billion of Agency debt by year-end in addition to purchase of \$300 billion of Treasury securities by autumn. These steps are being taken to provide support for mortgage lending, housing markets, & private credit markets. Signs of improvement in upcoming economic reports will increase investor confidence in the Fed's ability to manage the current financial markets crisis.

**MK SECTOR / MARKET PERFORMANCE**

SECTOR PERFORMANCE – LEADERS & LAGGARDS			
For the Period 31-MAR-09 thru 30-APRIL-09		Year to Date as of 30-APRIL-09	
LEADERS	LAGGARDS	LEADERS	LAGGARDS
System Area Networks	MLPs/Energy Infrastructure	Restaurants	Regional Banks
Maritime Shipping	Truckload Carriers	Semiconductors	Transportation Leasing
Consumer Special Situations	Specialty Retail	Communications Technology	HealthCare REITs
Communications Equipment	Transaction Processing	Communications Equipment	Airfreight/Non-Asset Based
Residential Building Products	Less-than-Truckload Carriers	Maritime Shipping	Specialty Finance

Equity market gains in April matched the gains in March and small cap sectors handily beat S&P 500. This suggests increasing confidence in the economic outlook and the strong performance of the Financial Group over the last two months suggests that the Fed is slowly achieving its goal of stabilizing the banking system. In April the **S&P 500 gained +9.4%**, the **DJIA +7.3%**, **NASDAQ +12.3%**, **Russell 2000 +15.3%**, **NAREIT +30.5%**, & the **MK Equity Universe +27.9%**. Reflecting an improving economic environment interest rates edged higher from mid-April levels with the 10-year Treasury Yield rising to 3.12% & 30-year Treasury Yield to 4.04% at end of April from March-end levels of 2.68% & 3.56%. Oil prices edged higher ending April at \$51.12/bbl from the March-end level of \$48.61/bbl and from year-end 2008 level of \$44.60/bbl. In April 5/10 S&P Groups beat the S&P 500 and only Healthcare reported negative performance. The Top 3 Groups were Financials, Consumer Discretionary, & Industrials. The Bottom 3 Groups were Healthcare, Utilities, & Telecom. The strong market gains in both March & April have improved the tone of the equity markets in 2009. **YTD 2009 the S&P 500 is now down -3.4%**, **DJIA -6.9%**, **NASDAQ +8.9%**, **Russell 2000 -2.4%**, **NAREIT -12.7%**, & the **MKEU +9.6%**. **YTD 3/10 Groups are ahead of the S&P 500 and in positive territory – Technology, Materials, & Consumer Discretionary.** The Bottom 3 Groups were Financials, Utilities, & Consumer Staples. The **Sector Performance Table** on page 5 details both market index & sector performance for both April & YTD 2009. The **Leaders & Laggards Table** above summarizes the Top & Bottom 5 sectors in the MK Equity Universe for both April & YTD 2009.

**ECONOMIC / MARKET / SECTOR HIGHLIGHTS**

Our consulting economist **Dr. Donald Ratajczak** has provided reviews of economic reports / financial market trends and his expectations in his publication “**Dr. Ratajczak's Weekly Commentary**” dated April 20<sup>th</sup> & April 27<sup>th</sup>. Recent economic reports (initial claims, inventory) & an improvement in the equity markets (a lead indicator) suggest that the rate of decay in the economic outlook has started to decline. While headline inflation declined in March due primarily to volatile energy costs, core inflation remains positive (hence, deflation is not a threat) and within the perceived Fed target range. Better than expected trade deficits, declines in inventory levels and stabilization in unfilled orders led to a modest upward revision of Q1:09 GDP to -5.6% (which was reported at -6.1%) from the estimated -5.6% to -6.3% ranges (Q4:08 GDP was -6.3%). The current estimate is for Q2:09 GDP of -2.8%, Q3:09 GDP of -0.5%, followed by +2.0% Q4:09 GDP growth. However job markets (a lagging indicator) are expected to remain weak with April Payroll Losses estimated at -667K with the Unemployment Rate rising to 8.9% (from 8.5% in March). *Positive trends in bank sector earnings have increased confidence levels that the bank system / model is not broken, which supports expectations for an uptrend in future economic activity.* However continuing weak trends in key short-term indicators – initial claims, order backlogs – suggest that market outlook remains volatile. *While equity markets rebounded strongly in March – April, as fear factors receded, the expectation for ongoing economic weakness is expected to lead to near-term market correction.* While equity markets remain undervalued, the strong near-term appreciation from reduction in fear factors suggests some speculative excess, which needs to be removed for a more sustainable long-term upward trend for stock values. **Updated valuation models suggest that from April 30<sup>th</sup> closing levels of 872.81 for the S&P 500 and 8168.12 for the DJIA, the estimated upside potential over the next 6 (Q3:09) – 12 (Q1:10) months is in the +9.5% - +25.9% (S&P 500) & +7% - +22.1% (DJIA) ranges.** While there remains strong potential for near-term corrections considering the still fragile state of the global economy & financial systems, improving trends suggest a healthier market outlook in the latter half of 2009.

## SUMMARY / OUTLOOK

The strengthening dollar (\$) and the stronger performance of small cap sectors in March & April have positively influenced the performance of the MK Equity Universe. In April the MKEU gained +27.9% compared to the +9.4% gain in the S&P 500. In March the MKEU gained +10.8% and the S&P 500 +8.5%. In April 26/28 sectors followed by research beat the S&P 500 (up from 15/28 in March) and all sectors reported positive performance. The Top 3 sectors were System Area Networks, Maritime Shipping, & Consumer Special Situations. The Bottom 3 sectors were Energy MLPs, Truckload Carriers, & Specialty Retailing. All three sectors with positive analyst ratings for April - Healthcare Services, Semiconductors, & System Area Networks - beat the S&P 500. YTD 2009 19/28 sectors are ahead of the S&P 500. The Top 3 sectors are Restaurants, Semiconductors, & Communication Technology and the Bottom 3 sectors were Regional Banks, Transportation Leasing, & Healthcare REITs. Research Analysts have updated their Fundamental & Valuation ratings for May. Updates reflect two fundamental upgrades - Restaurants & Communications Technology, and four valuation downgrades - Residential Building Products, Comm. Equipment, Comm. Technology, & Secure Information Management. Updated Technical Ratings from the Equity Strategy Desk reflect a neutral technical outlook for all sectors in May. Updated ratings indicate that the same three sectors - Healthcare Services, Semiconductors, & SANs - have positive ratings for May. Details on ratings and changes made for May are outlined in the **Sector Outlook Table** on page 5. **For details on individual stock and sector trends please contact the Equity Strategy Group.**

**Ramkrishna Kasargod, CFA**  
**901-579-4246**

---

## ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

### IMPORTANT DISCLOSURE STATEMENT AND ANALYST CERTIFICATION

The research analyst responsible for the preparation of this report and the research analyst's household has no financial interest in the securities of this company. The research analyst responsible for the preparation of this report does not serve as an officer, director, or advisory board member of this company and receives no compensation from it. The research analyst responsible for the preparation of this report is compensated in part on the firm's investment banking revenue but not based upon specific investment banking services transactions.

### ANALYST CERTIFICATION

The research analyst responsible for the preparation for this research report certifies that:

- (a) the views expressed in this research report accurately reflect the research analyst's personal views about any and all of the subject security(ies) and issuer(s), and
- (b) no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

### ADDITIONAL DISCLOSURES

The information contained in this report is based on sources considered to be reliable but is not represented to be complete and its accuracy is not guaranteed. The opinions expressed reflect the judgment of the author as of the date of publication and are subject to change without notice. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities. Morgan Keegan & Co., Inc., a subsidiary of Regions Financial Corporation, and its officers, directors, shareholders and employees, other than the research analyst responsible for the preparation of this report, and affiliates and members of their families may have positions in these securities and may, as principal or agent, buy and sell such securities before, after or concurrently with the publication of this report. Morgan Keegan & Co., Inc., member NYSE, NASD and SIPC is a registered broker-dealer subsidiary of Regions Financial Corporation. Investments are NOT FDIC INSURED, NOT BANK GUARANTEED and MAY LOSE VALUE.

## MORGAN KEEGAN SECTOR PERFORMANCE (4/30/2009)

MORGAN KEEGAN SECTOR COVERAGE	2009		Historical Performance			Price/Earnings Ratio			Mkt. Cap Total (\$Mil)	Mkt. Cap / LTM Rev. a/o prev qtr	Price / Book	Indiv Wt of Sector / MK Univ
	YTD Perf % Chg	Period* % Chg	2008	2007	2006	2007A	2008E	2009E				
<b>CONSUMER SERVICES</b>												
RESTAURANTS (17)	52.0%	25.8%	-32.0%	-14.3%	0.4%	19.6	17.5	15.3	\$ 19,523.71	0.8	3.3	1.5%
SPECIALTY RETAIL (11)	18.5%	9.0%	-11.1%	-10.1%	-0.4%	17.8	16.8	15.6	\$ 212,348.24	0.5	2.9	16.4%
CONSUMER SPECIAL SITUATIONS (5)	15.3%	40.1%	-49.8%	27.1%	11.2%	12.5	14.9	14.0	\$ 4,030.66	0.6	1.8	0.3%
<b>ENERGY</b>												
EXPLORATION & PRODUCTION (17)	9.8%	29.9%	-52.1%	26.4%	2.1%	14.2	17.6	20.7	\$ 53,767.94	2.8	2.5	4.2%
MLPs/ENERGY INFRASTRUCTURE (14)	24.5%	6.7%	-53.8%	8.8%	NA	14.3	18.0	13.1	\$ 56,131.02	0.8	1.8	4.3%
OILFIELD SERVICES (19)	1.1%	35.5%	-54.1%	7.4%	-2.6%	5.3	6.6	7.1	\$ 58,305.81	1.1	1.0	4.5%
<b>FINANCIAL SERVICES</b>												
REGIONAL BANKS (14)	-36.5%	16.5%	-50.3%	-27.0%	8.7%	12.7	15.4	10.5	\$ 20,895.02	1.3	0.9	1.6%
SPECIALTY FINANCE (5)	-6.8%	22.1%	-33.7%	-16.5%	NA	5.8	7.7	6.0	\$ 1,114.40	2.8	0.6	0.1%
<b>HEALTHCARE</b>												
HEALTHCARE INFO TECHNOLOGY (6)	21.6%	19.6%	-24.2%	-3.6%	NA	23.8	23.9	21.8	\$ 9,749.35	3.5	7.5	0.8%
HEALTHCARE REITS (5)	-19.5%	16.9%	-13.5%	-3.6%	NA	10.5	11.0	10.7	\$ 17,911.75	5.8	1.4	1.4%
HEALTHCARE SERVICES (11)	5.3%	21.4%	-44.0%	23.8%	NA	16.3	14.8	12.1	\$ 7,925.16	0.8	4.0	0.6%
<b>SECURITY, SAFETY &amp; DEFENSE (19)</b>	-6.4%	15.3%	-34.3%	-2.0%	-7.3%	18.0	15.7	14.5	\$ 53,047.89	1.7	2.8	4.1%
<b>INDUSTRIAL / CONSTRUCTION</b>												
RESIDENTIAL BUILDING PRODUCTS (7)	0.3%	37.3%	18.6%	-44.2%	6.8%	15.9	19.8	12.8	\$ 6,123.27	0.6	2.3	0.5%
NON-RESIDENTIAL/INDUSTRIAL PRODUCTS (10)	11.2%	25.6%	-33.2%	3.8%	9.1%	10.8	17.1	13.6	\$ 20,662.62	0.7	5.5	1.6%
<b>REAL ESTATE INVESTMENT TRUSTS (12)</b>	-5.9%	38.4%	-47.3%	-29.3%	18.2%	6.2	6.9	7.2	\$ 10,206.12	1.9	1.1	0.8%
<b>TECHNOLOGY</b>												
COMMUNICATIONS COMPONENTS (6)	27.3%	33.0%	-81.7%	NA	NA	12.9	16.1	12.1	\$ 2,303.15	0.9	1.4	0.2%
COMMUNICATIONS EQUIPMENT (13)	29.2%	38.9%	-40.2%	-3.9%	5.8%	15.6	17.6	18.2	\$ 139,481.58	1.4	3.1	10.8%
COMMUNICATIONS TECHNOLOGY (17)	35.5%	25.8%	-55.5%	7.8%	45.3%	14.5	18.7	14.3	\$ 229,494.04	1.5	4.4	17.7%
SECURE INFORMATION MGMT (14)	11.1%	17.4%	-36.5%	18.8%	13.1%	17.1	15.8	12.9	\$ 60,812.86	2.4	4.1	4.7%
SEMICONDUCTOR (12)	47.2%	18.3%	-55.3%	11.8%	-1.0%	13.6	22.9	26.2	\$ 21,128.03	2.3	3.6	1.6%
SYSTEM AREA NETWORKS (3)	12.0%	51.5%	-28.6%	-27.6%	19.3%	10.3	13.7	23.4	\$ 3,243.31	1.9	2.5	0.3%
TRANSACTION PROCESSING (13)	17.1%	12.7%	-47.4%	6.7%	35.6%	13.8	13.8	13.5	\$ 100,158.25	2.1	7.5	7.7%
<b>TRANSPORTATION</b>												
AIR FREIGHT/NON-ASSET BASED (6)	-18.4%	15.2%	-25.5%	-15.2%	-0.9%	12.8	17.6	14.3	\$ 78,485.99	0.7	4.7	6.1%
LESS-THAN-TRUCKLOAD CARRIERS (6)	0.6%	14.3%	-22.2%	-27.4%	-11.3%	16.7	19.7	14.2	\$ 3,144.65	0.3	2.3	0.2%
MARITIME SHIPPING (5)	28.7%	45.8%	-60.9%	23.0%	33.1%	8.4	14.7	10.4	\$ 3,589.23	1.0	1.9	0.3%
RAILROADS (10)	-6.4%	37.0%	-22.6%	1.1%	25.3%	9.2	13.2	11.1	\$ 77,963.76	1.0	2.2	6.0%
TRANSPORTATION LEASING (3)	-21.1%	25.8%	-23.7%	-12.7%	NA	6.4	13.1	11.6	\$ 3,157.32	0.7	1.3	0.2%
TRUCKLOAD CARRIERS (12)	-3.8%	8.1%	-10.2%	-15.3%	-1.9%	20.6	25.0	18.2	\$ 19,276.71	0.8	3.4	1.5%
<b>SPECIAL SITUATIONS (2)</b>	35.0%	104.6%	-72.0%	-16.4%	15.9%	NM	NM	11.4	\$ 761.91	0.4	0.9	0.1%
<b>MORGAN KEEGAN RESEARCH (1)</b>												
<b>GROUP AVERAGE (294)</b>	9.6%	27.9%	-37.8%	-4.3%	9.5%	13.4	15.9	14.0	\$ 1,294,743.75	1.5	2.8	

<b>S&amp;P 500 INDEX (2)</b>	<b>-3.4%</b>	<b>9.4%</b>	<b>-38.5%</b>	<b>3.5%</b>	<b>13.6%</b>	<b>12.7</b>	<b>14.2</b>	<b>11.3</b>				<b>1.9</b>
------------------------------	--------------	-------------	---------------	-------------	--------------	-------------	-------------	-------------	--	--	--	------------

(1) Source is MK Equity Research Overview; Average excludes stocks that were trading below \$2.00/share at beginning of the year

(2) Source is ThomsonOne Analytics and Reuters LTD.

\*For the period: 3/31/2009 to 4/30/2009

S&P 500 INDUSTRY BREAKDOWN	PERFORMANCE THRU		HISTORIC ANNUAL PERFORMANCE					SECTOR WEIGHT S&P 500
	30-Apr-09	YTD	2008	2007	2006	2005	2004	
CONSUMER DISCRETIONARY	8.5%	18.5%	-34.9%	-14.3%	17.2%	-7.5%	12.3%	8.4%
CONSUMER STAPLES	-8.6%	3.0%	-17.7%	11.6%	11.8%	1.3%	6.0%	13.4%
ENERGY	-7.9%	4.8%	-35.9%	32.4%	22.2%	29.1%	28.8%	13.8%
FINANCIALS	-13.9%	22.2%	-56.9%	-20.8%	16.2%	3.7%	8.2%	9.8%
HEALTHCARE	-9.3%	-0.9%	-24.5%	5.4%	5.8%	4.8%	0.2%	15.6%
INDUSTRIALS	-7.9%	17.7%	-41.5%	9.8%	11.0%	0.4%	16.0%	9.8%
INFORMATION TECHNOLOGY	16.5%	12.1%	-43.7%	15.5%	7.7%	0.4%	2.4%	17.4%
MATERIALS	11.8%	15.1%	-47.0%	20.0%	15.7%	2.2%	10.8%	3.1%
TELECOMMUNICATION SERVICES	-6.4%	2.2%	-33.6%	8.5%	32.1%	-9.1%	16.0%	4.1%
UTILITIES	-11.5%	0.4%	-31.5%	15.8%	16.9%	12.8%	19.6%	4.5%
S&P 500 Index	-3.4%	9.4%	-38.5%	3.5%	13.6%	3.0%	9.0%	
DOW JONES INDUSTRIAL AVERAGE	-6.9%	7.3%	-33.8%	6.4%	16.3%	-0.6%	3.1%	
NASDAQ	8.9%	12.3%	-40.5%	9.8%	9.5%	1.4%	8.6%	
RUSSELL 2000	-2.4%	15.3%	-34.8%	-2.7%	17.0%	3.3%	17.0%	
NAREIT Equity Index	-12.7%	30.5%	-41.1%	-19.7%	29.5%	6.7%	28.5%	
MORGAN KEEGAN EQUITY RESEARCH	9.6%	27.9%	-37.8%	-4.3%	9.5%	9.6%	22.0%	

(Source: Bloomberg LP, Reuters Ltd., NAREIT, and Standard & Poor's)

# MORGAN KEEGAN SECTOR OUTLOOK (30-APRIL-09)

RATINGS (FUNDAMENTAL, VALUATION, & TECHNICAL) UPDATED AS OF 30-APRIL-09

MORGAN KEEGAN SECTOR COVERAGE	COMPANIES COVERED	FUNDAMENTAL OUTLOOK	VALUATION OUTLOOK	TECHNICAL OUTLOOK	# STOCKS RTD OUTPERFORM	% STOCKS RTD OUTPERFORM
<b>CONSUMER SERVICES</b>						
RESTAURANTS	17	↑ =	=	=	9	53%
SPECIALTY RETAIL	11	=	+	=	10	91%
CONSUMER SPECIAL SITUATIONS	5	=	+	=	1	20%
<b>ENERGY</b>						
EXPLORATION & PRODUCTION	11	=	=	=	↑ 6	55%
MLPs/ENERGY INFRASTRUCTURE	13	=	+	=	↓ 10	77%
OILFIELD SERVICES	19	=	=	=	4	21%
<b>FINANCIAL SERVICES</b>						
REGIONAL BANKS	14	-	=	=	4	29%
SPECIALTY FINANCE	5	=	+	=	4	80%
<b>HEALTHCARE</b>						
HEALTHCARE INFO. TECHNOLOGY	6	=	=	=	3	50%
HEALTHCARE REITS	5	+	=	=	0	0%
HEALTHCARE SERVICES	11	+	+	=	7	64%
<b>SAFETY, SECURITY &amp; DEFENSE</b>	18	=	=	=	6	33%
<b>INDUSTRIAL / CONSTRUCTION</b>						
RESIDENTIAL BUILDING PRODUCTS	7	-	=	↑ =	2	29%
NON-RESIDENTIAL/INDUSTRIAL	10	-	↓ =	=	6	60%
<b>REAL ESTATE INVESTMENT TRUSTS</b>	12	-	=	=	2	17%
<b>TECHNOLOGY &amp; TELECOMM.</b>						
COMMUNICATIONS COMPONENTS	6	=	+	=	2	33%
COMMUNICATIONS EQUIPMENT	13	=	↓ =	=	5	38%
COMMUNICATIONS TECHNOLOGY	16	↑ =	↓ =	=	↑ 9	56%
SECURE INFORMATION MANAGEMENT	12	=	↓ =	=	9	75%
SEMICONDUCTORS	12	+	+	=	8	67%
SYSTEM AREA NETWORKS	3	+	+	=	↓ 2	67%
TRANSACTION PROCESSING	13	=	+	=	8	62%
<b>TRANSPORTATION</b>						
AIR FREIGHT/NON-ASSET BASED	6	=	=	=	2	33%
RAILROADS	10	=	=	=	3	30%
LESS-THAN-TRUCKLOAD CARRIERS	6	=	+	↑ =	2	33%
MARINE TRANS. / TRANS. EQUIP.	5	=	=	=	3	60%
TRANSPORTATION LEASING	3	=	+	=	3	100%
TRUCKLOAD CARRIERS	12	-	=	=	4	33%

## DEFINITIONS:

### Fundamental / Valuation Outlooks:

- ++ Positive for both short term & long term
- + Positive long term / undervalued
- = Neutral / in-line with market
- Negative / over-valued
- NR Not Rated

Information provided by Morgan Keegan Senior Analysts

### Technical Outlook:

- ++ Overall technicals are very Positive
- + Overall technicals are turning positive
- = Overall technicals are neutral
- Overall technicals are turning negative
- Overall technicals are very negative

Technical Outlook provided by Equity Strategy Group

# RESEARCH STAFF

## CONSUMER SERVICES

### Restaurants

Robert M. Derrington	615.665.3656
Destin M. Tompkins, CFA, CPA	615.665.3648
Joe Drake - Associate Analyst	615.665.3638

### Specialty Retailing

John R. Lawrence	901.579.4203
Benjamin Brownlow - Associate Analyst	901.531.3366
Rachel Cao, CFA - Associate Analyst	901.579.3506

### Special Situations

John R. Lawrence	901.579.4203
Benjamin Brownlow - Associate Analyst	901.531.3366
Rachel Cao, CFA - Associate Analyst	901.579.3506

## ENERGY

### Oilfield Services

J. Michael Drickamer, CFA	901.529.5316
Matthew H. Beeby - Associate Analyst	817.871.4613
Matthew A. Beesley - Associate Analyst	901.579.4584

### Energy Infrastructure/MLPs

John D. Edwards, CFA	713.840.3622
Scott K. Fogleman - Associate Analyst	713.840.3648

### Exploration and Production

Chris Pikul, CFA	303.357.4686
James J. Babka, CFA - Associate Analyst	303.357.4685

## FINANCIAL SERVICES

### Community Banks

Andrew Borrmann	404.240.6764
-----------------	--------------

### Regional Banks

Robert S. Patten	212.508.7573
Ebrahim H. Poonawala - Associate Analyst	212.508.5241
Gregory Welliver - Associate Analyst	212.508.5214

### Specialty Finance

Robert J. Dodd, Ph.D.	901.579.4560
M. Reid Davis - Associate Analyst	901.531.3331

## HEALTHCARE

### Healthcare IT

Jamie Stockton, CFA	901.579.3501
---------------------	--------------

### Healthcare REITS

Robert M. Mains, CFA	518.581.8159
----------------------	--------------

### Healthcare Services

Robert M. Mains, CFA	518.581.8159
----------------------	--------------

### E. Elkan Scheidt

Director of Research  
901.579.2702

## INDUSTRIAL/CONSTRUCTION

### Distribution

Brent D. Rakers, CFA	901.579.4427
----------------------	--------------

### Manufacturing

J. Keith Johnson	901.531.3429
------------------	--------------

## REAL ESTATE

### REITS

Napoleon H. Overton, CFA	901.579.4865
Jason M. Payne - Associate Analyst	901.531.3327
Matthew W. Cantrell - Associate Analyst	901.531.3397

## SECURITY, SAFETY & DEFENSE

Brian W. Rutenbur	615.665.3622
Peter K. Kostyuk - Associate Analyst	615.665.3658

## TECHNOLOGY

### Communications Components

Paul A. Bonenfant	212.906.3707
Jonathan Epstein, CFA - Associate Analyst	212.508.7588

### Communications Equipment

Simon M. Leopold	212.508.7566
Jonathan Epstein, CFA - Associate Analyst	212.508.7588

### Communications Technology

Tavis C. McCourt, CFA	615.665.3644
Justin T. Patterson - Associate Analyst	615.665.3654

### Secure Information Management

Brian S. Freed, CFA	901.524.4191
Samad S. Samana - Associate Analyst	901.578.4640

### Semiconductors

Harsh Kumar	901.579.4534
Will Covington - Associate Analyst	901.531.3348
Anik Dam - Associate Analyst	901.531.3242

### System Area Networks

Harsh Kumar	901.579.4534
Will Covington - Associate Analyst	901.531.3348
Anik Dam - Associate Analyst	901.531.3242

### Transaction Processing

Robert J. Dodd, Ph.D.	901.579.4560
M. Reid Davis - Associate Analyst	901.531.3331

## TRANSPORTATION

### Air Freight/Logistics/LTL/Railroads/Transport. Leasing

Art W. Hatfield, CFA	901.579.4868
J. Douglas Atkinson - Associate Analyst	901.579.3461
Derek Rabe - Associate Analyst	214.365.5518

### Maritime Shipping/Transportation Equip./TL Carriers

Chaz G. Jones	901.531.3417
Michael P. Cotogno - Associate Analyst	901.579.2723

[www.morgankeegan.com](http://www.morgankeegan.com)

WATS: U.S.: 1.800.366.7426

U.K.: 0.800.892.028

Canada: 1.800.654.4528

MORGAN KEEGAN was founded in 1969 to provide sound investments for investors and to raise capital and provide advisory services to corporations, governments and institutions. As a result of the success of this original mission, Morgan Keegan has developed an international business with specific focus in the following industry sectors: consumer, energy, healthcare, transportation services, technology, real estate and financial institutions. Morgan Keegan has focused its research, investment banking and trading resources in these sectors and will continue to build depth of service in these sectors for the benefit of investors, corporations and institutions.