

**From:** Jeffrey M Matusow <[REDACTED]>

**To:** Jeevacation <jeevacation@gmail.com>

**Subject:** \*\*GS stock strength - shrs up 1.4% and is the second best performing stock in the sp500

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Goldman up \$3 today - a few bullet points on why from my trading desk below.

GS strength -

- technically - is holding the ~\$140 level pretty well (this was support last May-Jul) shrs have bounced in the high \$130s for last ~week and held
- settlement spec w/SEC - this was out Fri morning (although recall the WSJ late on Fri said a settlement wasn't close)
- regulators not pursuing criminal charges against AIG (this was out late Fri/sat) helping take away tail risk for GS (recall the SEC charges are civil ...the WSJ reported a few weeks back that the Manhattan's DA office was looking into the charges on criminal grounds but the fact charges not being pursued against AIG helping sentiment)
- optimism that conferencing process will take some of the rough edges off the Dodd bill (Frank was on the tape this morning saying the Lincoln bill goes too far)
- recall GS was an aggressive buyer of their own stock in Q1 - from the Q1 conf call: " the Firm repurchased 13.2 million shares for approximately \$2.3 billion. Despite these share repurchases our common shareholders equity still increased by \$2.2 billion to \$66 billion"

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Jeffrey M. Matusow

JPMorgan Private Bank | 40 West 57th Street, 33rd Floor, New York, NY 10019

Work: 212.622.7053 | Fax: 212.310.0108 | Email: [jeffrey.m.matusow@jpmorgan.com](mailto:jeffrey.m.matusow@jpmorgan.com)

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