

SMIF January 24, 2012

1:00 pm Class

1. Concerns/Opening Ideas
 - a. Minutes Approval
 - b. Teachers Comments
2. BHS
 - a. TIP
 - i. Low Volatility
 - ii. \$4.60 in dividends in 2011
 - iii. We need the exposure to fixed income
 - iv. Recommendation: Hold
 - b. BMY
 - i. 12.6% HPR
 - ii. Has been at an all-time high
 - iii. Plavix expires (2010 net sales of \$6.7 billion)
 - iv. Optimistic for its pipeline and acquisitions
 - v. Recommendation: Hold
 - c. DEO
 - i. Estimates a 6.8% organic sales growth in 2011
 - ii. 11.37% return in 2011
 - iii. Price Target of \$94.43
 - iv. Recommendation: Hold
 - d. INTC
 - i. Beat out expectations
 - ii. Full year revenue up 24% in 2011 to \$54.2 billion
 - iii. EPS up to \$2.53, up 25%
 - iv. Price target of \$30
 - v. Recommendation: Hold
 - e. KO
 - i. HPR has been 15%
 - ii. Price target of \$74
 - iii. Concerns over Orange Juice sales due to a possible carcinogenic fungicide
 - iv. Recommendation: Hold
 - f. LVS
 - i. Chinese Economy grew 8.9% in 4!
 - ii. Macau Gambling revenue rose 42%
 - iii. In negotiations to build casinos in Florida
 - iv. Price Target of \$60
 - v. Recommendation: Hold
 - g. BLK
 - i. Beat estimates, but due to cost savings
 - ii. HPR of 9.91%
 - iii. Recommendation: Hold
 - iv. Price Target of \$194
 - v. Discussion of selling calls

1. With a current price close to our target, we will be happy to take the volatility protection
 2. Motion to sell April \$195 at \$5.40 by Arvi Mohan
 - a. Seconded by Lindsey Whitman
 - b. Motion passes 20-0 with one abstention
- h. UPS
- i. Realized a 21% HPR
 - ii. Price target of \$84.75
 - iii. Projects strong earnings for Q4
 - iv. However worries about global slowing in Asia
 - v. Recommendation to sell at limit to realize gains, could get back in if/when it drops later
 - vi. Massive exposure to foreign economies
 - vii. Motion to sell all shares at \$74.98
 1. Motion Seconded
 2. Motion passes unanimously 21-0
- i. GLD
- i. HPR of -2.1%
 - ii. 2012 demand is supposed to be high
 - iii. Good inflation hedge, strong long-term play
 - iv. Recommendation: Hold
- j. SCCO
- i. HPR of 19.4%
 - ii. Dividend of 6.7%
 - iii. 2012 price target of \$48
 - iv. Concerns over economy prevents us from purchasing more
 - v. Recommendation; Hold

Extra Information:

1. Pick up your clicker from the Library.
2. Check your class schedule to start thinking about pitch dates.
3. New pitch guidelines for this semester.
4. Newsletter deadline coming up.
5. Think about possible asset allocations for this semester!