



G L O B A L M A R K E T S

SUMMARY OF INVESTMENT ANALYSIS

Name of the company: Goldman Sachs Group

Ticker (Exchange)/Price of share: GS (NYSE)/141.87 USD

Sector: Finance

Industry: Investment Activity

Description:

Goldman Sachs Group, together with its subsidiaries provides various financial services including investment banking, securities and investment management services, financial institutions, governments and individuals. Investment Banking Division provides investment advice with respect to mergers and acquisitions, restructurings, and underwriting services, including equity underwriting and debt underwriting. Trading Division is engaged in trade and investment in various financial instruments. Asset Management Division provides various asset management services and investment advisory services, financial planning, management of funds.

Commentary:

- ❖ For the first quarter Goldman Sachs financial results positively surprised the analyst who gave a forecast of \$ 1.5 earnings per share, and profit \$ 3.39 per share or a total of \$ 1.814 billion net profit. On 14.07.09 the investment bank will announced its results for the second quarter, now the analysts are giving higher appraisal in the range \$ 3.20-\$ 3.60 earnings per share or approximately \$ 2.2 billion net profit. Since the beginning of the crisis so far Goldman Sachs is the best financial performing U.S. bank.
- ❖ Higher profit forecasts for the bank are due to its main activity – securities trading, which improved significantly after FED helped in thawing out the credit markets on the one hand and the stock exchange rally since March so far on the other hand.
- ❖ The failures of the competitors Lehman Brothers and Bear Stearns gave the bank a chance and it increased significantly its market share not only in the U.S. but also in Asia. The efficient risk management protected the bank from the problems that all of its competitors have.
- ❖ Goldman Sachs repaid \$ 10 billion of government bailout, which is evidence that the bank make profits.
- ❖ On 07.07.09. Goldman Sachs received an improved rating "buy" for its shares, by the Bank of America - Merrill Lynch, another big-bank competitor.

Graph:



Short-term target price, defined using both technical and fundamental analysis*: \$ 152-155

* A potential risk for the company and for the stock price could be the following: slowing economy, decreasing revenues, lower cash flows, decreasing recommendations of analysts and others. Due to a great number of factors reaching the target price is not guaranteed, all data are based on the expectations for the company development. In case of short-term speculations and abrupt changes in the stock price below \$ 42, we recommend selling in order to minimize the loss to 5%.

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Basic fundamental data:

Market capitalization:	71.42 млрд.	P/E (price/earnings):	31.71
Beta:	1.42	P/S (price/sales):	1.41
EPS (TTM) vs. TTM 1yr Ago:	4.84	P/B (price/book value):	3.21
ROA:	0.23	ROE:	4.33
Operating Margin (ttm)	52.49	Profit margin (ttm):	10.45%

Main competitors and related companies:

Morgan Stanley	Citigroup
JPMorgan Chase & Co	Deutsche Bank AG
Bank of America	Credit Suisse Group AG

Updated at: 13.07.09

Sources: <http://www2.goldmansachs.com/>, www.bloomberg.com, www.reuters.com, www.nyse.com, www.yahoo.com, www.bicharts.com

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The information above represents investment research as it is defined in art. 42, para. 6 - Ordinance № 38/2007 of FSC, for the requirements of the activities of the investment intermediaries, respectively it is not conformed to the investment objectives, financial statement, experience and the respond of the specific investor to the risk. It is in your interest, before taking an investment decision on the basis of this investment research, to receive an investment advice, appropriate for your specific characteristics as an investor.

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