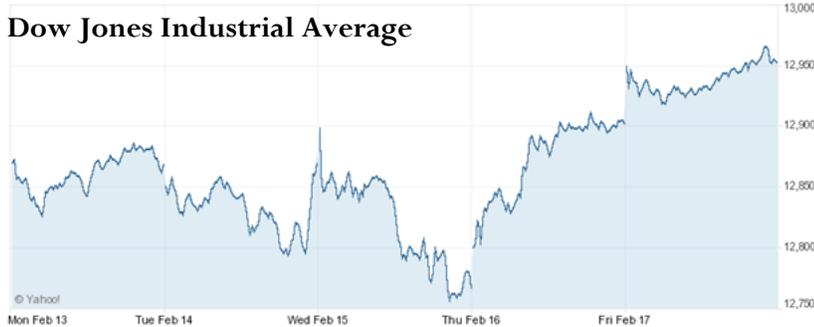


FINANCIAL FRONTLINE NEWSLETTER

WEEK: FEBRUARY 14 - FEBRUARY 20

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- This week the broad market saw a modest gain of 1.4% after an increase on Thursday and Friday, which was the stock markets' sixth weekly gain after seven weeks.
- The S & P 500 ended at a new nine-month high of 1,361.23 with an increase of 0.23% on Friday and the Dow Jones Industrial Average at 12,949.87 after a 0.35% increase.
- Chinese officials made public efforts to increase investment in the Eurozone by bolstering investment in European markets.

FOREIGN EXCHANGE

- The euro experienced gains on Greek bailout hopes. The euro strengthened on Friday with hopes that the complex negotiations over a new debt relief package for Greece were coming together ahead of a Monday meeting of euro-zone finance ministers. The common currency rallied 4.2% against the dollar since touching its lowest level in more than 16 months in January.
- The dollar lost ground against the euro on renewed hopes of a Greece bailout, but the greenback strengthened versus the Japanese yen after dovish comments from Japan's central bank. Late Friday in New York, the euro was at \$1.3144 from \$1.3133 late Thursday. The dollar was at ¥79.56 compared to ¥78.93. The pound bought \$1.5827 compared with \$1.5801, while the dollar fetched 0.9198 Swiss francs from 0.9191 francs.

FIXED INCOME

- Argentine stocks closed higher with hopes on Greek recovery. Investors reacted positively to news that Greece may get another round of financial aid, which helped lift the Merval stock index on Friday. The index closed up 1.13% at 2798.83. Though Argentine assets overreact to market signals, some speculate that they will further extend their gains next week if Greece receives the bailout and starts restructuring its debts with private-sector creditors.
- Investors closed out of safe-harbor Treasury bonds Friday and embraced U.S. stocks as hopes on Greek recovery surmounted. But the bond market recouped part of the price losses later that day, showing how the sentiment in financial markets was cautiously optimistic rather than outright euphoric. A long is a bet on further price gains in bonds. The Treasury market will be shut Monday for the U.S. Presidents' Day holiday.

Market Highlights

Dow Jones Industrial Ave.	12,949.87 ↑148.64
S&P 500	1,361.23 ↑18.59
NYMEX	99.59 ↑1.18
10-YR. TREAS.	2%
FED Funds Rate	0.11
Unemployment Rate	8.30%

COMMODITIES

- The milk market is becoming more liquid as investors flocked to hedge themselves against price swings. Major restaurant, food companies and mild processors trade in this market and their joining makes it easier to buy and sell future contracts.
- New international supply routes and exporters for natural gas emerged. The surge in supply is likely to meet the growing demand of the Asian market while leaving U.K and Europe aside for many of the trade routes will skirt Europe.

M&A & CAPITAL MARKETS

- GS Capital Partners, the private equity firm of Goldman Sachs and Advent International announced that they plan to acquire TransUnion LLC, one of the nation's largest credit-reporting companies for more than \$3 billion. TransUnion is currently a private company owned by Madison Dearborn Partners and the Pritzker family. This deal is expected to close by early in the second quarter, and it will be one of the largest private equity transactions of the year.
- Groupon is growing its business and recently bought Hyperpublic, a start-up that builds databases of local information such as locations and daily deals and makes them freely available to developers. Jordan Cooper, co-founder and CEO of Hyperpublic was reluctant to disclose any financial details regarding the deal, but said the company and investors were more than satisfied with the return. A lot of future plans for the company were also undisclosed but Cooper did note that using local public information to figure out consumer habits and interests would be beneficial in helping Groupon.
- TNT Express, a Dutch shipping company, has rejected a \$6.4 billion takeover bid from United Parcel Service (UPS), but has indicated that it is still interested. More than three years ago, there were discussions of a potential deal, but it fell through. If a deal does come through between TNT and UPS, this will be UPS's largest acquisition. Currently, its largest purchase was back in 2005, when UPS purchased Overnite Corporation for \$1.2 billion.

WORD SEARCH

ADVENT
 ARGENTINA
 EUROZONE
 GOLDMANSACHS
 GREECE
 GROUPON
 GSCAPITAL
 HYPERPUBLIC
 JORDANCOOPER
 MERVAL
 OVERNITE
 PRITZKER
 SWISS
 TRANSUNION
 TREASURY

J O R D A N C O O P E R T G S
 G F A Q E Q S R L X F R D R S
 Y O I N J U E P C Q A O Z O I
 L G L M I K R A H N D E W U W
 J A T D Z T D O S W U T H P S
 M T V T M V N U Z W X I Y O D
 C G I R E A N E V O E N P N T
 G R D N E I N S G V N R E X P
 P I T K O M K S U R B E R R J
 W E N N N S V C A O A V P I Y
 L A T I P A C S G C Y O U J F
 T R E A S U R Y V A H G B J H
 H E C E E R G T G R H S L L F
 U G D A D C C R N C Z O I R M
 L Q L J K D Y A L K B E C M V