



# BULLS & BEARS

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## TOP STORIES

- NON-FARM PAYROLLS UNEXPECTEDLY DECLINE 63,000
- YAHOO, TIME WARNER STEP UP MERGER TALKS
- THORNBURG MORTGAGE PLUMMETS ON BANKRUPTCY WORRIES
- OIL HITS NEW INTRA-DAY HIGH
- AMBAC ANNOUNCES PLAN TO RAISE \$1.5 BILLION

## MARKETS

DJIA	11893.69
NASDAQ	2212.49
S&P	1293.37
OIL	\$105.15
GOLD	\$972.40
EURO	\$1.5345

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## MARKET SUMMARY

Monday 03/03/08

The market started the day on a positive note with United Technologies announcing its intentions to purchase Diebold, but recession fears once again took over sending the Dow to a third straight day of losses. Warren Buffett announced that he had withdrawn his offer to reinsure \$800 billion of municipal bonds, while manufacturing and construction spending continued to fall. The dollar continued to plummet, with the Euro hitting a new intra-day high of \$1.5257.

Tuesday 03/04/08

Equities opened with a down-side bias as Apple suffered multiple price target cuts, and Intel slashed its gross profit margin on continuing weakness. Federal Reserve chairman Ben Bernanke announced his plan to help struggling home owners avoid foreclosure. The Dow settled to a modest decline to continue its 3-day losing streak. Crude fell back under \$100 as OPEC hinted that it would keep its production output unchanged during its upcoming meeting. Gold, meanwhile, declined slightly as investors took profits from yesterday's rally.

Wednesday 03/05/08

The Dow surged on news that Yahoo and Time Warner were seeking a potential merger. The good news continued as At&t announced that it would boost its investment in Networks and Solutions to \$1 billion in the current year, while the Institute of Supply Management saw non-manufacturing sectors of the US economy contract at a slower pace than expected. Unfortunately, Ambac Financial's announcement that it would sell \$1.5 billion of its common stock in an effort to maintain its AAA credit rating triggered a slide in the financials, and erased much of the gains. The Dow managed to end its losing streak as it closed slightly in the green.

Thursday 03/06/08

Stocks plummeted right at the open as investors learned about record-high mortgage foreclosure rates and a pending bankruptcy for Thornburg Mortgage. Few equities were spared from the selling pressure as the NYSE's advance/decline ratio checked in at a dismal 0.13. Even Tivo shares took a hit despite a stronger-than-expected earnings report. The Dow ended the day with a 200 point loss as 29 of the 30 Dow components closed lower. Crude, meanwhile, raced to a new record high on continuing weakness in the dollar, yesterday's unexpected decline in inventories, and instability in Ecuador and Venezuela.

Friday 03/07/08

Stocks opened on weakness as the Labor Department announced a second straight month of declining non-farm payrolls. The 63,000 drop was far worse than the expected gain of 20,000. Many analysts noted that this is the definitive sign of a recession. In an attempt to help the markets, the Fed announced 2 steps to inject more cash into the banking system. Despite this, however, the Dow closed over 200 points lower, with oil hitting a new intra-day record of \$106.54.

## THE WEEK IN QUOTES

*"Buffett's still living in the same house he bought when he was 28 for \$31,000."*

*-- Robert Miles author of a biography of Warren Buffett, who became the richest man on the planet this year with \$62 billion, according to Forbes magazine*

*"Extensive campaigns will be launched to encourage civilized behavior."*

*-- Chinese Premier Wen Jilabo on the government's plans to mandate good manners among Chinese ahead of the Beijing Olympics*

*"I'd rather spend my money on my genome than a Bentley or an airplane."*

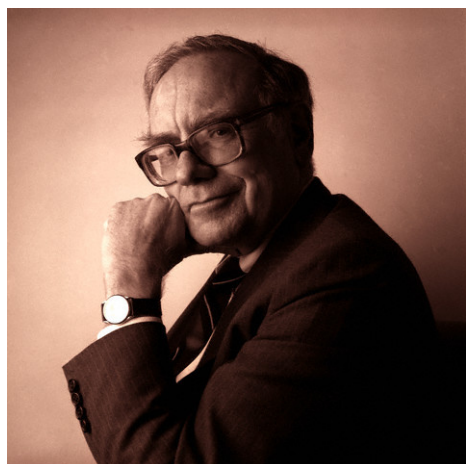
*-- Dan Stoicescu who paid \$350,000 for the full sequence of his genetic code*

*"It could trigger layoffs nationwide, further eroding U.S. economic competitiveness."*

*-- Sen. George Voinovich of Ohio, in a letter to the Environmental Protection Agency, which will decide in coming weeks if pollution regulations should be changed*

## Billionaires: Richest vs. Youngest

By Mehnt Bhatia &amp; Robith Salim

*Warren Buffett*

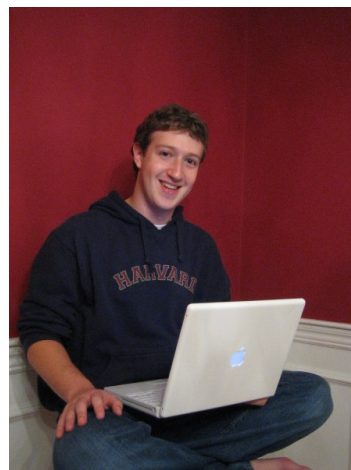
Warren Buffet, born on August 30 1930, is an American Investor and businessman, who often engages himself in philanthropy as well. He completed his Bachelor's degree in University of Nebraska Lincoln and Masters in Columbia University.

He is currently the Chairman & CEO of Berkshire Hathaway. Buffet over the years has developed Berkshire Hathaway into one of the top insurance companies in the world. People often looks at him as a god of investing, with an unbeatable track record.

However, Buffet has had his share of difficult times. Almost a decade after his company became the highest share holder of Salomon, making him the director in 1987, Salomon ran into many big problems. Many of its significant employees claimed that the company owed each of them sums in excess of \$10 million. This was only the beginning of a dark phase for the Company as that week itself, a securities clerk accidentally sold hundreds of millions of dollars worth of "blue chips", securities that are generally characterized by long-term growth potential and high dividends.

Buffet took immediate measures to help the firm get out of the hole it dugg itself into. He removed the then Chairman and gave the reigns of control to a temporary non-executive Chairman and paid him \$1000 a day. His rescue efforts did not go in vain, as he managed to rescue the company from of its problems.

His amazing skills in investment have deemed him to be one of the greatest investors of all time. According to Forbes magazine, owing to his current net worth of \$62 million, Warren Buffet has recently taken over Bill Gates to become the richest man in the world. It will be interesting to see whether he will be able to hold this position in light of the increasing number of young billionaires such as Mark Zuckerberg, the founder of facebook.

*Mark Zuckerberg*

One of the most popular website on college campuses around the country, Facebook is a staple website visit for students around the country. With over 150,000 new users signing up daily, Facebook is now growing three times as fast as rival MySpace. With over 40 billion page views every month, Facebook is the sixth most trafficked site in the U.S, and the top photo-sharing site. Over 1% of all Internet time is spent on Facebook.

Mark Elliot Zuckerberg, 23 years old founded the website while studying in Harvard with the help of fellow Harvard student Andrew McCollum and roommates Dustin Moskovitz and Chris Hughes.

Although initially created exclusively for Harvard students to interact with each other, Facebook was eventually released to other colleges and to the general public once Zuckerberg realized its potential for rapid growth. However, the real expansion of Facebook began when Zuckerberg and his friends moved to Palo Alto, California in the summer of 2004. Although they had initially thought of going back to Harvard in the fall, they decided to stay back and leased a small house. It was there that they met Peter Thiel who invested in the company. Today, the company has four offices in Palo Alto, forming what Zuckerberg calls an "urban campus."

Yahoo previously offered a billion dollars to buy the company, which was turned down by Zuckerberg in order to maintain his independence. Documents prove that with around 48 million users, Facebook would generate over 969 million dollars in ad revenue in 2010.

In March 2008, Forbes.com ranked Zuckerberg as #785 on its rich list, citing his net worth as \$1.5 billion making him the youngest billionaire in the world.

## Facebook Hires Sandberg

*By Emily Anderson*

If you ask almost any college student what Facebook is they will probably gush about their favorite social-networking website. From applications to wall posting, messaging, and what college students have lovingly dubbed as “Facebook stalking,” there is an endless amount of things to do on Facebook. Facebook’s attraction to college and high school students has also affected another group: advertisers. Facebook has had a fourfold surge of users in January from the previous year, and this has increased their demand for advertisements drastically. To help them continue to grow, Facebook has recruited a Google veteran, Sheryl Sandberg, into their ranks.

Sandberg has an impressive amount of experience, ranging from working at Google to being on the staff of Bill Clinton to working as a consultant at McKinsey & Co. Sandberg spent six years at Google where she served as Vice President of Global Online Sales & Operations. In that role she built and managed Google’s online sales channels, which represent the majority of Google’s customers worldwide, for both AdWords and AdSense. Sandberg also managed global operations for Google’s consumer products. In addition, Sandberg was instrumental in launching Google.org, the company’s philanthropic arm. Prior to working at Google, Sandberg was Chief of Staff to the U.S. Treasury Secretary under President Bill Clinton, and before that, she was a consultant at McKinsey & Co.

Sandberg was recruited after Facebook suffered embarrassment due to the “Beacon” issue. This issue involved an advertisement system that sent data from external sites to Facebook, which many users claimed invaded their privacy and for which Mark Zuckerberg later apologized. However, it is obvious Facebook can use Sandberg’s expertise, especially since Facebook aims to compete with Sandberg’s old employer, Google. Facebook is hoping to surpass Google’s MySpace in advertisement revenue as well as in the number of users. They are competing for sales in a market that may almost triple to \$2.5 billion in the U.S. by 2011, according to research firm EMarketer Inc. This is, for any company, a big prize. Facebook is slowly catching up to MySpace. The company has quadrupled the number of users in the past year, while MySpace increased by a respect-

able 15%, allowing Facebook to gain some ground.

Sandberg is the first female executive at Facebook and her responsibilities will include managing sales, marketing, business development, human resources, public policy, privacy, and communications. Zuckerberg stated that Sandberg “has just about the most relevant industry experience for Facebook, especially since we need to scale our operations and scale them globally.” Sandberg plans to start March 24th.

Facebook is growing fast and has the opportunity to grow even more. Sandberg, with her expertise and knowledge, will help Facebook reach its goals. Facebook needs to expand globally and be more efficient and effective with its advertisements. Can Sandberg make the difference? One can only hope. Most college students will agree that Facebook is a great social tool and can only get better.





## Richest People

By Stuti Bhageria

The new Forbes list is out. And this one sees the entrance of a new face in the Top 5 List.

**No. 1 – Warren Buffett****Estimate: \$62 billion**

*The new list for the richest people has a new leader. Warren Buffett with a net worth of \$62 billion was officially announced the richest man in the world. America's most beloved investor soared past friend and bridge partner Bill Gates as shares of Berkshire Hathaway climbed 25% since the middle of last July. Son of Nebraska politician delivered newspapers as a boy. Filed first tax return at age 13, claiming \$35 deduction for bicycle. Studied under value investing guru Benjamin Graham at Columbia. Took over textile firm Berkshire Hathaway 1965. The Oracle of Omaha issued a challenge to members of The Forbes 400 in October; said he would donate \$1 million to charity if the collective group of richest Americans would admit they pay fewer taxes, as a percentage of income, than their secretaries.*

**No. 2 – Carlos Slim Helu****Estimate: \$60 billion**

*Second-richest man in the world this year; even richer than Microsoft's Bill Gates, at least for now, thanks to strong Mexican equities market and the performance of his wireless telephone company, America Movil. His wealth has increased by \$11 billion in the last year. Slim made his first fortune in 1990 when he bought fixed line operator Telefonos de Mexico (Telmex) in a privatization. In December, America Movil struck a deal with Yahoo to provide mobile Web services to 16 countries in Latin America and the Caribbean. A widower and father of six, Slim is a baseball fan and art collector.*

**No. 3 – William Gates III****Estimate: \$58 billion**

*After a decade of being the richest man, Gates is now worth \$58 billion and is ranked third in the world. He is up \$2 billion from a year ago, but would have been perhaps as rich--or richer--than Buffett had Microsoft not made an unsolicited bid for Yahoo at the beginning of February. Microsoft shares fell 15% between Jan. 31, the day before the company announced its bid for the search engine giant, and Feb. 11, the day we locked in stock prices for the 2008 World's Billionaires list. More than half of Gates' fortune is held outside of Microsoft shares.*

**No. 4 – Lakshmi Mittal****Estimate: \$50 billion**

*Lakshmi Narayan Mittal born June 15, 1950 is a London-based Indian billionaire industrialist, born in Sadulpur village, in the Churu district of Rajasthan, India, and resides in Kensington, London. He is the richest man in Europe and the fourth richest person in the world, with a personal fortune of \$50.0 billion. He is the President of the Board of Directors and CEO of ArcelorMittal; ArcelorMittal is the world's largest producer of steel. His residence at 18-19 Kensington Palace Gardens was bought from Formula One boss Bernie Ecclestone in 2004 for \$128 million (£57 million), making it the world's most expensive house at the time.*

**No. 5 – Mukesh Ambani****Estimate: \$43 billion**

*Mukesh Ambani, the second richest Indian, is the chairman, managing director and the largest shareholder of Reliance Industries, India's largest private sector enterprise and a Fortune 500 company. His personal stake in Reliance Industries is 48%. His fortune is up \$22.9 billion since last year, making him the world's second biggest gainer in terms of dollars. Mukesh is using some of his money to build a 27-story home with one floor for car maintenance, one floor for entertainment center comprising a mini-theatre with a seating capacity of 50 people, three floors of terrace gardens, three floors of healthclub, gym and swimming pool, two floors of glass fronted apartments for guests, and an air space floor which will act as a control room for helicopters landing on the helipad above. The cost of this new home: \$1 BILLION.*

Brown



Georgetown



Princeton



UNC



CalTech



Harvard



Rice



U-Penn



Cambridge



Haverford



UBC



USC



Carnegie Mellon



Indiana-U



UC-Berkeley



U-Sydney



Columbia



McGill



U-Chicago



UVA



Duke



Northwestern



U-Michigan

