

Monthly Allocation

Where one goes all follow

We are now in the last month of the year and, after a doubtful start, in the midst of the crisis hurricane, it should end on a positive note, with a more than 70% appreciation. Therefore, December should not be a month of risk. Investors will attempt to guarantee the gains so far realized.

A new scare marked the end of November. However, this only gave investors a chance to take a breather. Dubai's debts do not seem to cause much of a worry. The main creditor is the UK, with the exposure of other regions, including the USA, being less than 15%.

Economic data releases few and far between this month

Little economic data will come out this month, both in the USA and Brazil. In Brazil, investors look for a strong recovery in GDP for 3Q09, with release of figures expected for December 10 and with the Copom minutes being released on the 17. In the USA, investors expect the release of sales figures for "Black Friday", that should indicate the strength (or weakness) of Christmas Sales. In addition, we will have one more FOMC meeting on the 16 and 3Q09 GDP on the 22.

The growth of the US economy still depends very much on the resources injected into it by the Federal Government. Inflation is not a problem, and should not be for some months. Therefore, the FED should maintain interest rates at their present level, at least for the next six months.

Things seem to be getting better. The Real Estate sector, although still weak, shows various signs of recovery. The truth is that the panic generated by Dubai is from this sector. On the other hand, as it is a concentrated crisis, it is hardly likely to spread to other regions.

The pre-salt area becoming a reality

The pre-salt area still awaits the approval of Law 9541/09, but Petrobras is already taking steps to prepare for its implementation. One step is the creation of a Minorities Commission to follow the development of the "transfer of rights with compensation" process through which the Government capitalizes Petrobras using oil reserves. Another is the acceptance of Federal Public Debt bonds by minority shareholders' for the proposed Petrobras capital increase.

Performing the same as the Ibovespa guarantees the year's result

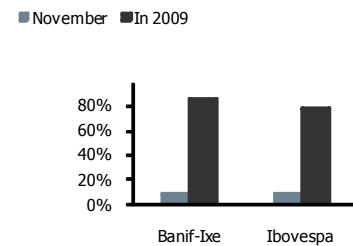
This month, we opted to have a portfolio that balances well with the Ibovespa as we believe that the result for the year is a given and thus expect the last month of 2009 to be flat. Therefore, we aimed at maintaining our portfolio gains in 2009 above 70%.

Outperforming the Ibovespa – Recommended Portfolio (Long)

Share – Catalysts/Fundamentals

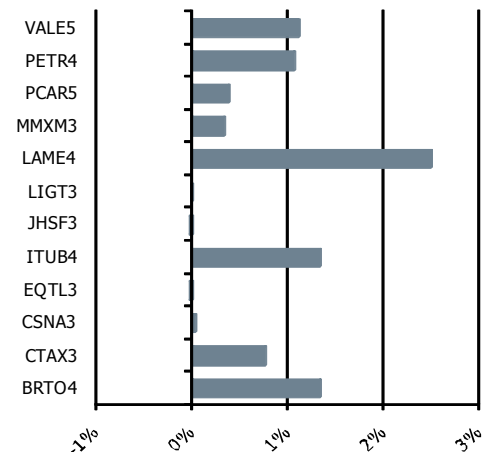
- BPNM4 – Rumors of the possible sale increase in personal credit during Christmas
- BRT04 – Most discounted share in the Oi Group
- BTOW3 – Internet Christmas sales should grow strongly
- CSNA3 – Sales to the domestic market continue to increase
- ELPL6 – 1Q10 dividend should yield at least 8%
- EQTL3 – A stock with low liquidity that should be less volatile
- ITUB4 – Continued increase in credit to all sectors
- KLBN4 – Cardboard price increases should result in a strong 4Q09
- MMXM3 – Sale of a stake in the company should be above investor expectations
- PCAR5 – Food and non-food Christmas sales
- PETR4 – increase in daily volume
- SUZB5 – Cardboard and pulp price increases
- TLPP4 – Defensive stock that should announce dividend payout in December
- VALE5 – Price negotiations start in December with expectations of a 10% increase

Banif - Ixe (LONG) x Ibovespa



Source: Economática

Weighted performance in November/09



Source: Economática. Weighted performance of the stocks from the recommended portfolio

Portfolio - buy ("LONG") - December/09

Company/stock	Ticker	Vol. Neg.*	Weight
Panamericano	BPNM4	4.9	3
Brasil Telecom	BRT04	10.6	5
B2W	BTOW3	30.8	5
CSN	CSNA3	111.7	10
Eletropaulo	ELPL6	23.0	7
Equatorial	EQUR3	4.6	5
Itau-Unibanco	ITUB4	202.6	10
Klabin	KLBN4	9.7	5
MMX	MMXM3	56.0	5
Pão de Açúcar	PCAR5	31.6	5
Petrobrás	PETR4	605.1	15
Suzano	SUZB5	17.4	5
Telesp	TLPP4	6.3	5
Vale	VALE5	642.0	15
Total		-	100%

TOP – Suggestions (SHORT) – December/09

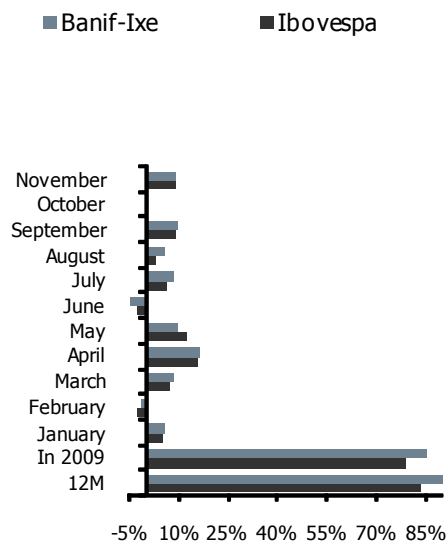
Company/stock	Ticker	Δ Last month
Net	NETC4	29.7

Source: Economática and Banif – Ixe Securities Research
* 3 month Average daily volume traded at the Ibovespa.RP\$ mn

Short suggestion for December

NETC4 – increase in competition with the sale of GVT to Vivendi

Banif - Ixe x Ibovespa Evolution



Source: Economática and Banif - Ixe Securities Research

2008

May-08	10.64%	6.96%
Jun-08	-11.89%	-10.44%
Jul-08	-8.92%	-8.48%
Aug-08	-7.99%	-6.43%
Sep-08	-13.96%	-11.03%
Oct-08	-18.36%	-24.80%
Nov-08	0.24%	-1.77%
Dec-08	2.43%	2.61%

2009

	Banif-Ixe	IBOV
Jan-09	5.68%	4.66%
Feb-09	-1.62%	-2.84%
Mar-09	8.34%	7.18%
Apr-09	16.17%	15.55%
May-09	9.64%	12.49%
Jun-09	-5.95%	-3.26%
Jul-09	8.03%	6.41%
Aug-09	5.72%	3.15%
Sep-09	9.75%	8.90%
Oct-09	0.57%	0.05%
Nov-09	8.83%	8.93%
In 2009	85.10%	78.55%
12M	89.60%	83.21%
18M	-1.44%	-7.64%

Source: Economática and Banif - Ixe Securities Research

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Rating	Coverage	Banking Relationship Last 12 Months
BUY	51.0%	2.0%
NEUTRAL	21.0%	0%
SELL	28.0%	0%

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