

Below we highlight this morning's key upgrades and downgrades. This report is unique, however, because we have gathered each stock's one-day price performance when it has received an upgrade or downgrade in the past. So unlike other daily analyst recommendation reports, we provide a quantitative perspective on what the upgrade or downgrade should mean for the stock. To find this data, we gathered all historical upgrades and downgrades going back to 2001 and filtered out the ones that occurred on the same day as an earnings report (since earnings are the main factor in moving the stock price on those days). We then put all of the reports into our Bespoke Historical Upgrades/Downgrades database with over 35,000 analyst recommendations.

Today is a quiet day for upgrades and downgrades. Two key upgrades are Prudential (PRU) and Merck (MRK). Both of these stocks tend to gap up about 80 bps and then go up another 25 to 35 bps from open to close. One downgrade worth noting is BIIB. When it has been downgraded in the past, it has gapped down sharply and then reversed and risen an average of 1.61% from open to close.

### Upgrades

Stock	Firm	From	To	When Stock Receives Upgrade...			When Firm Upgrades A Stock...		
				Gap (%)	Open to Close (%)	1-Day Change (%)	Gap (%)	Open to Close (%)	1-Day Change (%)
GTW	Citigroup	Sell	Hold	↑ 4.25	↓ -1.38	↑ 2.83	↑ 2.20	↑ 0.17	↑ 2.38
MWV	Credit Suisse	Neutral	Outprfm	↑ 1.40	↑ 0.61	↑ 2.02	↑ 2.35	↑ 0.24	↑ 2.60
PRU	Credit Suisse	Neutral	Outprfm	↑ 0.80	↑ 0.24	↑ 1.04	↑ 2.35	↑ 0.24	↑ 2.60
MRK	B of A	Neutral	Buy	↑ 0.83	↑ 0.37	↑ 1.20	↑ 2.55	↑ 0.35	↑ 2.90

### Downgrades

Stock	Firm	From	To	When Stock Receives Downgrade...			When Firm Downgrades A Stock...		
				Gap (%)	Open to Close (%)	1-Day Change (%)	Gap (%)	Open to Close (%)	1-Day Change (%)
STM	Lehman	Overwgt	Underwgt	↓ -0.26	↓ -0.28	↓ -0.54	↓ -1.95	↓ -0.80	↓ -2.72
PAS	HSBC	Neutral	Underwgt	↓ -1.85	↓ -2.69	↓ -4.55	↓ -1.09	↓ -1.42	↓ -2.51
BKI	Citigroup	Buy	Hold	↓ -1.64	↓ -2.16	↓ -3.77	↓ -2.83	↓ -1.28	↓ -4.04
BIIB	UBS	Neutral	Sell	↓ -10.27	↑ 1.61	↓ -8.88	↓ -2.63	↓ -0.67	↓ -3.28

If you would like to purchase the Bespoke Upgrades/Downgrades database to enhance your trading opportunities, please call 914-315-1248 or email [info@bespokeinvest.com](mailto:info@bespokeinvest.com).