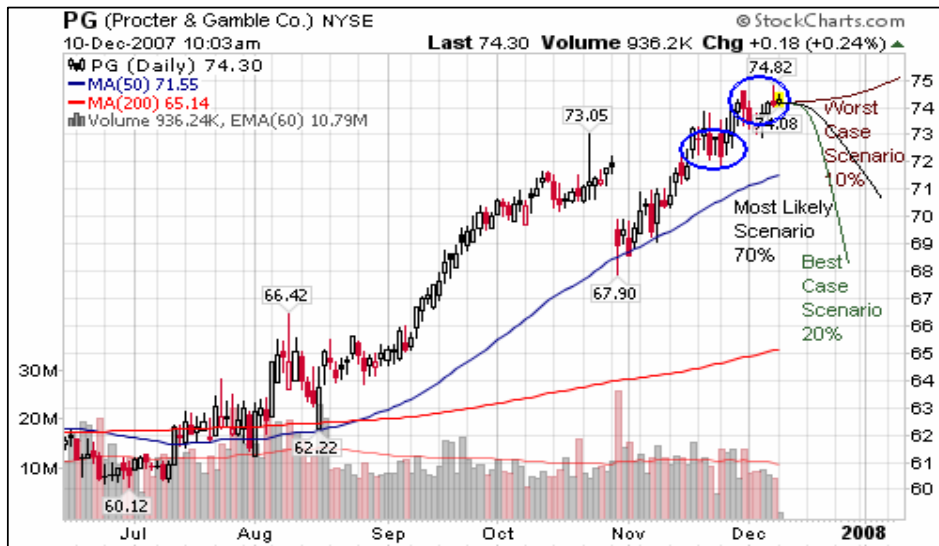




# 3-D Research Note on PG

## MARKET PLAY



### Facts & Interpretations:

- the stock most likely won't move higher for a while as large traders place sell orders at 74-74.5 (Nov 29, Dec 7)
- bullish candlesticks (Nov 16- 26) indicate that large traders accumulate the stock at the 72 level
- the price likely drops below 74.5-75, the stock has a lot of room to move lower

**BEARISH PLAY**

**Procter & Gamble Co. (PG)**



Stock Symbol	PG		
Industry	Personal & Household Prods.		
	PG	Industry	Sector
Valuation Ratios			
P/E, Trailing	23.39	24.29	22.23
Price/Sales (ttm)	2.96	2.96	2.77
Price/Book (mrq)	3.48	7.40	6.96
Dividends, %			
Dividend Yield	1.89	1.85	2.37
Div Yield - 5 Yr Avg	--	1.98	2.45
Growth Rates			
EPS - Next 5 Years	12.9%	11.5%	9.9%
PEG	1.64	3.21	2.32
Profitability Ratios, %			
Gross Margin	52.06	52.77	44.73
Profit Margin	13.76	12.20	11.99
Operating Margin	20.30	18.15	17.28
Management Effectiveness, %			
Return on Assets	7.69	9.40	11.13
Return on Equity	16.49	20.94	26.98

<b>Support/Resistance Levels</b>		
	Support	Resistance
Short-term	72-73	75
Intermediate-term	68-70	78-80

<b>Stock &amp; Sector Trends</b>		
	PG	Sector
Short-term, based on 10-Day SMA	Up	Up
Intermediate-term, based on 50-Day SMA	Up	Up

Bearish factors	forming top, intermediate & short-term overbought, high P/E, PEG, P/S, P/B
Bullish factors	intermediate & short-term bullish trend, high profit & operating margins, EPS revisions trend - up

**"FIRST CHOICE" OPTION STRATEGIES:**

**BUY PUT**

Stock Symbol	Last Stock Price	Expiration Month	Strike Price	Option Symbol	Recommended Entry Stock Price	Entry Put Option Price	Break-even	Max Profit (per one contract)	Sum Invested (per one contract)	Exit Price (Target Price)	Target Profit (per one contract)	Target Return
PG	74.12	Jan-08	80.00	.PGMP	74.20	6.00	74.00	Unlimited	6.00	5.00	-1.00	-16.7%

**BEARISH CALL SPREAD**

Stock Symbol	Last Stock Price	Expiration Month	Lower Strike	Option Symbol	Higher Strike	Option Symbol	Recommended Entry Stock Price	Entry Credit	Break-even	Max Profit (per one contract)	Sum Invested (per one contract)	Exit Debit (Target Debit)	Target Profit (per one contract)	Target Return
PG	74.12	Jan-08	75.00	.PGA0	80.00	.PGAP	74.20	1.00	76.00	1.00	4.00	0.50	0.50	12.5%

**BEARISH PUT SPREAD**

Stock Symbol	Last Stock Price	Expiration Month	Lower Strike	Option Symbol	Higher Strike	Option Symbol	Recommended Entry Stock Price	Entry Debit	Break-even	Max Profit (per one contract)	Sum Invested (per one contract)	Exit Credit (Target Credit)	Target Profit (per one contract)	Target Return
PG	74.12	Jan-08	75.00	.PGM0	80.00	.PGMP	74.20	4.00	76.00	1.00	4.00	4.50	0.50	12.5%