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**BLACKROCK'S BOB DOLL SAYS STOCKS STILL ON TRACK
TO POST DOUBLE-DIGIT PERCENTAGE GAINS IN 2009**

**"Green Shoots in Barren Ground": Conditions Improve,
Though Global Economy Remains Fragile**

**Stocks Now in "Corrective Phase,"
But S&P 500 Index Should Hit 1,000 by Year's End**

**Doll to Investors: Continue Dollar-Cost-Averaging
Into Stocks, Corporate Bonds, Commodities;
Stocks Likely to Outperform Other Assets Over Coming Year**

New York, June 25, 2009 - The global economy remains fragile, but the worst of the recession "is now in the rear view mirror" and improving economic conditions during 2009's second half will help boost equity prices higher, with stocks likely outperforming all other asset classes over the next 12 months, according to Robert C. Doll, Vice Chairman and Global Chief Investment Officer of Equities at BlackRock, Inc. (NYSE: BLK).

Doll believes that stocks in the United States and most other markets are on track to post double-digit percentage gains this year, with US stocks outperforming European stocks and emerging markets outpacing developed markets for all of 2009.

Prospects for equities will depend largely on the pace and extent of global economic recovery, Doll noted. "Numerous economic 'green shoots' have emerged, with home buying levels, housing inventories, business confidence, consumer confidence, corporate inventories and industrial production levels all more positive than a few months ago," Doll said in his annual mid-year update and outlook for the economy and the financial markets. "Productivity measures have also been trending higher, which is good news for corporate profits, inflation and overall growth.

"However, these green shoots are sprouting in ground still largely barren," he said. "The labor market is under tremendous strain, with monthly declines in jobs levels in the six digits and unemployment now exceeding 9%. Many consumers are still unable or unwilling to ramp up spending. Additionally, the outlook for corporate earnings remains uncertain and many companies are still struggling with the possibility of bankruptcy."

For 2009, Doll estimates that global growth will be between 0.5% and 1% -- the lowest level seen in the post-World War II period - and non-inflation-adjusted US growth will be negative, the first such GDP decline in the US economy in 50 years.

"We expect that GDP will decline by around 1% to 2% in the second quarter, and in the second half of 2009 we are expecting to see growth at around the zero level, probably on the positive side of zero," Doll said. Economic recovery should become more evident in 2010, but it will likely be "a subpar one," with GDP expanding by around 2% next year.

Stocks Heading "Sideways"

In the weeks since the equity markets' low, reached on March 6, stocks have staged an impressive upward run, appreciating around 40%. "The question is whether the rally represents the start of a longer-term return to improved market conditions, or more of a blip in a longer-term downtrend," Doll said. "We believe the truth lies somewhere in the middle."

Equities have entered a "sideways correction phase," according to Doll, and though it is extremely unlikely that prices will retreat back to their early-March levels, some modest near-term declines with continued volatility are likely. "We will need to see some actual good news, rather than merely less bad news, before stocks can move higher," he said.

At the same time, the current upturn significantly differs from previous, failed rally attempts, Doll said. "From a technical perspective, the recent rally has been marked by strong momentum and expanding volume on the upside, and diminishing momentum and volume on the downside," he said. "Also, lower quality and more cyclical areas of the market have been outperforming, as have emerging markets when compared with developed markets, trends that occur when more sustained recoveries begin."

S&P 500 Will Hit 1,000; Energy, Healthcare and IT Are Favored Sectors

On balance, Doll believes that the S&P 500 Index will reach 1,000 by year's end, but also holds out the possibility of a near-term pullback before then that could take the index back down to the 800 to 850 mark (the index closed at 901 on Wednesday, June 24).

Over the long term, policy-induced reflation should win out over credit deflation, Doll said. "A great deal of investable cash remains on the sidelines," he said. "For investors, 2009 and beyond is a time to be dollar-cost averaging out of safer assets such as cash and Treasuries and into higher-risk assets such as stocks, corporate bonds and commodities."

From a sector perspective, Doll's favorite cyclical sector is energy, his favorite defensive sector is healthcare and his favorite growth sector is technology. Altogether, Doll believes that by the end of the year, a basket of energy, healthcare and information technology stocks will have outperformed utilities, financial and materials stocks. "Financials have bottomed, but this sector will likely continue to lag as many financial companies experience balance sheet problems," he said.

Oil's Resurgence

As the economy has shown signs of renewed life, many financial markets have been improving, a trend particularly evident in the case of oil prices. Oil nearly doubled over the course of May and into June, as prices approached the \$70 a barrel mark. "The recovery in oil prices is not surprising, but the pace of the acceleration is," Doll said. "Demand levels have begun to creep back up as emerging economies, particularly China, have gotten back on their feet and fear of a global depression has receded."

Oil's equilibrium price point is probably in the \$60 to \$80 range, Doll said. "Oil's rapid run-up may result in some consolidation and profit-taking, but over the longer term, we expect that oil prices will remain relatively elevated as the global economy continues to improve," he said. "At this point, we do not believe higher energy prices represent a significant drag to the global economy - though this factor bears close watching."

Update on Predictions for 2009

In his mid-year update and outlook, Doll also revisited his annual predictions on the markets and the economy, which were first made in January. Although Doll typically makes 10 predictions for the year, he offered 12 for 2009, to better reflect the full spectrum of key economic and financial issues and themes likely to shape investment market performance over the year.

"At the year's midway point, our predictions are in general looking pretty good," he said. "The economy is improving, but still faces a number of risks. Volatility has remained high, but we expect to see double-digit percentage gains for stocks in most markets around the world as well as the US."

Following is Doll's mid-year commentary on his 2009 predictions:

1. **The US economy faces its first nominal GDP decline in 50 years.**
The period of greatest weakness for the US economy appears to be behind us, but we do not expect to see high levels of growth any time soon. This background, combined with an inflation level of close to 0%, means that it is likely that nominal (non-inflation-adjusted) growth will be negative for all of 2009.
2. **Global growth falls below 2% for the first time since 1991.**
Some areas of the world (most notably emerging markets) have been showing stronger signs of recovery. On balance, however, global growth remains extremely weak, and we expect overall 2009 growth levels to be somewhere between 0.5% and 1%, the lowest level seen in the post-World War II period.
3. **Inflation falls close to zero in many developed countries, but widespread deflation is avoided.**
Inflation has essentially reached the zero point in many economies, but we believe that the widespread policy initiatives enacted around the world should prevent outright deflation. Over the longer term, inflation may become a potential concern, but the likely near-term environment of subpar growth combined with excess capacity does not suggest inflationary pressures are imminent.
4. **The US Treasury curve ends 2009 higher and steeper than where it began.**
Treasury yields have been rising significantly over the past couple of months. By our analysis, this trend has more to do with a normalization of rates than with a reflection of inflation or growth trends. Earlier in the year, short rates fell to zero and longer rates to just over 2%, which was a reflection of fear and risk aversion. As the environment has improved, rates have moved back up, but are still low by historical standards.
5. **Earnings fall by a double-digit percentage again in 2009, the first back-to-back annual drop since the 1930s.**
As with the economy, earnings have been getting less bad in recent months and estimates for future earnings growth have improved. We think it is likely that we will see some actual positive levels of growth in the fourth quarter of this year, but that would not be enough to prevent a second overall year of declining earnings levels.
6. **High yield, municipal and investment grade corporate bond spreads narrow in 2009.**
As economic data has started to improve and investor risk aversion has lessened, we have been seeing spreads narrow in the high yield, municipal and investment grade corporate

bond markets. Spreads still remain high by historical standards and, in our opinion, have further to narrow.

7. **US stocks post a double-digit percentage gain in 2009.**
This prediction is looking much better than it did a few months ago, and we believe stocks are on track to record a double-digit percentage gain this year.
8. **US stocks outperform European stocks while emerging markets outperform developed ones.**
Since the credit crisis began, Europe has been slower to react in terms of policy responses than most other markets, which has created a drag on European economies and markets. Emerging markets have been leading the pack recently, and we believe they will outpace developed markets for all of 2009.
9. **Energy, healthcare and information technology outperform utilities, financials and materials.**
While healthcare has lagged, energy stocks have performed quite well as commodity prices have recovered and the technology sector has been surprisingly resilient for a recessionary environment. On the other side, while we believe financials have bottomed, that sector will likely continue to lag as many financial companies are experiencing balance sheet problems. By the end of the year, we expect that a basket of energy, healthcare and IT stocks will have outperformed a basket of utilities, financials and materials stocks.
10. **Stock market volatility remains elevated as periodic double-digit percentage rallies and declines occur.**
Throughout the first half of the year, we have already seen double-digit percentage declines and rallies. Looking ahead, we expect volatility levels will remain quite high, although not as high as they were in 2008.
11. **Oil and other commodities bottom and move higher by year-end as emerging market economies begin to recover.**
We believe that the oil and broader commodities markets already bottomed earlier this year. As the world economy (particularly emerging markets) begins to recover, demand for commodities will continue to increase.
12. **The US federal budget deficit soars past \$1 trillion as the government continues to grow.**
At the beginning of the year when we made this prediction, the consensus estimate for the deficit was around \$850 billion, and our prediction was on the extreme end of the spectrum. At present, of course, most are now expecting the deficit to easily exceed \$1 trillion and to approach \$1.75 trillion or higher.

What's An Investor to Do?

"The market environment has clearly improved since the beginning of the year, but a great deal of uncertainty and risk remain," Doll said. "Investors need to continue working closely with their financial professional, for help in maintaining focus on their long-term objectives and finding tactical investment strategies that work in the context of their long term plans."

Doll offered other general investment guidelines for the rest of 2009:

- **Dollar cost average into higher-risk assets:** Over the long term, we expect stocks and other higher-risk asset classes to outperform cash and Treasuries, but volatility levels will likely remain high. In this environment, we would encourage investors with cash to put to work to gradually dollar-cost average into these strategies.

- **Think about geography:** Among developed markets, we continue to favor overweight positions in US stocks, where reflation policy has been the most aggressive. Additionally, we continue to believe that the long-term case for investments in emerging markets remains intact. In particular, we favor investments in Asia ex-Japan and in Latin America, where signs of economic revitalization are stronger.
- **Allocate to better-positioned sectors:** From a sector perspective, our favorite cyclical sector is energy, our favorite defensive sector is healthcare, and our favorite growth sector is technology.
- **Stay focused on your long-term plan:** It seems like simple advice, but in the midst of a difficult investing environment, we encourage investors to remain focused on the long term, ride out any potential storms, look for buying opportunities and, above all, rely on the basic tenets of staying well diversified.

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