

From: [REDACTED]
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Subject: Early Tour 11.21.14

Good Morning ... European Markets up 75-200 bps (Spain +2.3%, Russia -0.76%) ... NKY +0.33%, SHCOMP +1.39%, HSI +0.61%, KOSPI +0.35%, TWSE +0.14%, ASX -0.22%

EUR 1.2456 (-0.67%) JPY 117.70 (+0.41%) EUR/JPY 146.66 (-1.10%) RUB +1.30% NZD +0.83% AUD +1.10% US 10yr 2.33%

Futures: Dow +123, Nasdaq +32, S&P +14 DXY \$88.06 (+47c) Crude \$76.29 (+0.44%) Gold \$197.70 (+\$6.70) Copper +0.83% Silver +1.00% Nat Gas -2.63%

Asia indices ended mostly higher with volumes relatively light. Shanghai outperformed following reports that China's central bank is considering relaxing loan-to-deposit rules which would increase lenders' ability to extend credit (Mainland brokers saw a strong rally heading into the close). Hong Kong ended a four day slump as Energy and Casino stocks rebounded. Macau names were bid after the State Council approved longer opening hours for the China-Macau border crossings which will become effective December 18. Japan ended higher ahead of the long weekend (closed Monday for Labor Thanksgiving). The Nikkei sold off in the AM session as the ¥ rose to 117.36 after FinMin Aso said the currency decline had been too fast, but pared early declines after Abe dissolved the parliament ahead of December elections – and late Nikkei futures buying pushed index levels higher to finish positive on the day. European markets are bid higher across the board into the weekend with **options expiry** flattering volumes. Major indices legged higher after the open as **Draghi delivered dovish remarks** in his keynote speech at the European Banking Conference in Frankfurt. He was quoted as saying that the inflation situation has become increasingly challenging and they will seek to raise inflation as fast as possible (full text [here](#)). EUR getting hit -0.73% to 1.2448 level last. Markets took another leg higher a short while ago on headlines that **China cuts interest rates** (cut deposit rate by 25bps and lending rate by 40bps). Miners/Steels spiked on that and are currently best performing sector in Europe. ANN & FL reporting pre-open. SPA's +14 handles = 2066.40 last (they were +5 handles before the China interest rate headlines). Have a good weekend.

Options expiration today, KC Fed @ 4pm

- Autodesk Q3 beat & raised FY15 rev/billings growth views (Q4 eps outlook light) (trading +2%)
- Hertz hired ex-United COO John Tague (Icahn's choice) as new CEO over Scott Thompson
- GameStop weak earnings & lowered FY2015 eps top end below estimates (trading -11%)
- Gap mixed Q3 as sales slumped & cut profit forecast / FY15 eps/op margin views (trading -3.5%)

- Intuit beat (smaller than expected loss) & Q2 revenue outlook topped ests (trading +3.5%)
- Fresh Market Q3 rev beat but eps trailed & cut top end of year eps view (trading -2%)
- Ross Stores good Q3 as eps & comp sales beat ests (sees Q4 margin decline) (trading +4.7%)
- Aruba Networks beat Q1 #'s but weak outlook (rev view midpoint trailed) (trading -6%)
- Marvell Technology inline profit but revs missed & Q4 guidance soft (trading off small)
- Alibaba sells \$8 billion in its first sale of bonds at yields that were lower than originally offered
- Airbus: Delta confirms the order for 50 Airbus wide-body jets valued at ~ \$14 billion (trading +2.0%)
- Rolls Royce big contract win: wins \$5 billion Trent engine order for 50 jets from Delta (trading +0.65%)
- Richemont said to be considering IPO of online retailer Net-a-Porter for next year (trading +2.5%)
- STMicro: CEO Bozotti quoted as saying it may take longer to reach profit target (trading -1.4%)
- Swedish Orphan exercises opt-in right for Elocta, will make \$10M payment to Biogen (trading -1.1%)
- UK Independence Party gains 2nd seat in Commons with Rochester victory by Mark Reckless

Leading European Sectors: Basic Res +3.78%, Oil & Gas +2.37%, Construction +2.05%
Lagging European Sectors: Healthcare +0.51%, Trav/Les +0.63%, Food/Bev +0.87%

Secondaries (announced/priced): NYMT, EIGI, PRGO, SGGH, WMS, OTIV, TCPC, CLTX, MF6 GY, ELE SM priced €13.50

IPO's (filed/priced): Peak Resorts (SKIS) 10m shrs at \$9 (low end)

IPO's (lock-up expired): Burlington Stores (BURL) 34.0M shares (45.6% of outstanding)

US Key Research:

- Barcap downgrades WAIR/FISV, Bernstein downgrades BEN & upgrades BLK, DB initiates HRL (hold)
- JMP initiates ZFC (mp), JPM upgrades ZBRA/MANU Topeka initiates FISV/FIS (hold) & ADP/PAYX (sell)

- Key downgrades MAC, Nomura initiates AMZN (buy), Telsey downgrades GME & upgrades BBY
- Jefferies cuts WX & initiates RNG/ADBE/BNFT/CHKP/PAYC/QLIKSSNC/SWIVMW/CA/INTU/SPLK (buy)
- Jefferies initiates CVLT/DATA/ORCL/SAP GR/CTXS/RHT/WDAY (hold) & CRM/MSFT/SYMC (up)
- Compass Point initiates MGI/WU (neut) & XOOM (sell)

Europe Key Research:

- Berenberg positive GFS SM & cuts TALK LN (sell), ABN Amro downgrades MT NA (sell), Baader upgrades SIX2 GR (buy)
- Bryan Garnier upgrades ELA LN/ENQ LN (buy) and PMO LN/CHAR LN & downgrades OPHR LN, Citi upgrades PFL LN
- CS downgrades SRP LN, Danske Bank cuts ICA SS (sell), Exane downgrades GTK IM, Gilbert Dupont upgrades SESL FP
- GS upgrades MAERSK.B DC (buy), Goodbody initiates BREE LN (buy), HSBC upgrades SAS SS & cuts RYAB ID/ALFA SS
- JPM downgrades CNA LN, KBC upgrades UCB BB, Macquarie downgrades AMI LN, Mainfirst upgrades RENE PL
- Nomura upgrades PFC LN & downgrades HTG LN/WG LN, Oddo upgrades ALO FP (buy) & downgrades SIE GR/AREVA FP
- Oriel downgrades VOD LN, Banco Santander downgrades VIV FP, Bankhaus Lampe upgrades DEX GR/MLP GR
- HSBC downgrades ALFA SS/FLU AV, UBS upgrades EOAN GR/RWE GR and PAG LN & initiates CMBN SW (buy)

Reporting Pre-Open: ANN, BERY, DXLG, FL, GMAN, HSOL, HIBB, MOLG, SIRO, GASS, TNP

Economic Data: Kansas City Fed Manufacturing Activity @ 4pm

Conferences: MS Euro TMT (Barcelona)

Analyst/Investor Days: TYC, LXFT, TKMR

Non-Deal Roadshows: ACAD, ASEI, ASML, BWEN, FLXN, FMC, G, HON, HSC, LABL, MSA, OZM, PBI, PFPT, PRSC, REMY, STBA, T

Shareholder Meetings: ATHM, LTRX, IKAN

Equity/Mixed Shelves: LEAF, LBIO (\$100M), KSU, IBIO (\$100M)

Other Newspaper Articles & Stories

WSJ positive: FireEye (FEYE) [WSJ](#)

- Republicans, Obama Tread a Delicate Political Path [WSJ](#)
- Pentagon to Contractors: Innovate [WSJ](#)
- U.K.'s Cameron Loses Ground to Anti-Europe Party [WSJ](#)
- Obama Announces Moves to Overhaul Immigration [WSJ](#)
- Alibaba Becomes Wall Street's Favorite Customer [WSJ](#)
- Startups Mine Data From Fields, Shadows [WSJ](#)
- With Cheap Fuel, America's Tank Is Half Full [WSJ](#)
- Takata Learned Early of Air-Bag Woes [WSJ](#)
- Targeted Ads? TV Can Do That [WSJ](#)
- Muddy Waters Nudges Superb Summit off Cliff's Edge [WSJ](#)
- Technip Explores New Terrain With CGG Bid [WSJ](#)
- Is the U.S. Shale Boom About to Go Bust? [Barron's](#)
- Gold: It's Time to Buy [Barron's](#)
- Obama, Daring Congress, Acts to Overhaul Immigration [NYT](#)
- The Democrats' Immigration Problem [NYT Op-Ed](#)

- Democratic Squabbling on C.I.A. Torture Report [NYT](#)
- Falling Wages at Factories Squeeze the Middle Class [NYT](#)
- Argentina's Case Has No Victors, Many Losers [NYT](#)
- After Criticism, Fed Will Study Wall St. Oversight [NYT](#)
- Osborne drops challenge to bank bonus cap [FT](#)
- Demand for Alibaba's bonds hits \$55bn [FT](#)
- Fed asks whether it is too close to banks [FT](#)
- Hedge fund used Cayman shells for shorting [FT](#)
- RBS fined £56m for IT meltdown [FT](#)
- Cameron backs Scots control of benefits [FT](#)
- 'Ukip has started a class war - and is winning' [Telegraph](#)
- Goldman Sachs eyes sterling surge to 15-year highs against the euro [Telegraph](#)
- Fifa widen World Cup report access [Guardian](#)
- Ineos calls for shale gas revolution [Guardian](#)
- The poorest will suffer if we force renewable energy on the developing world [City AM](#)

Key Events Next Week

Monday: US Flash Services PMI Nov, Chicago Fed National Activity Index, Dallas Fed Manufacturing Outlook, Sterne Agee SMID Cap Investor Conference (Philadelphia), Earnings (TSL, QIHU, WDAY)

Tuesday: MSCI rebalance on close, Q3 GDP, S&P/Case-Shiller US Home Price Index Sept, Consumer Confidence Nov, Richmond Fed Manufacturing, Earnings (CPB, HRL, TIF, ADI)

Wednesday: Chicago PMI Nov, Oct Durable Goods, Oct New Home Sales, Michigan Confidence Nov, US Core PCE Oct, Earnings (DE, SDRL)

Thursday: Thanksgiving (US markets closed)

Friday: US markets half-day (1pm close), ISM Milwaukee, Japan retail sales, Eurozone unemployment Oct, Eurozone CPI Nov, Earnings (FRO, NTZ)

Key Events on the Horizon

Dec 4 – BOE/ECB rate decision

Dec 14 – Japan snap election

Dec 15 – BOE publishes UK bank stress test results

Dec 17 – FOMC rate decision

Jan 8 – BOE rate decision

Jan 22 – ECB rate decision

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