From: [redacted]
Sent: Thur 10/9/2014 10:00:09 AM
Subject: Early Tour 10.9.14

Good Morning … European Markets up 25-115 bps (Portugal -0.35%, Turkey +2.8%, Greece +1.7%) … NKY -0.75%, SHCOMP +0.28%, HSI +1.08%, KOSPI (closed), TWSE +0.13%, ASX +1.06%

EUR 1.2772 (+0.30%) JPY 107.86 (+0.21%) RUB +0.59% AUD +0.31% NZD +0.45% GBP +0.24% US 10yr 2.313%

Futures: **Dow +30, Nasdaq +12, S&P +5** DXY $85.06 (-24c) Crude $87.34 (+3c) Gold $1227.90 (+$21.90) Copper +1.35% Silver +3.14% Nat Gas +0.26%

Asia mostly higher overnight with the exception of Japan. HK led gains after the big rebound in the US and pro-growth comments from China's Premier Li during yesterday's State Council meeting. Autos were strong on the back of BTE Sep sales from Great Wall (+4.5%) while Macau plays (+1.6%) got a boost ahead of Q3 results. Tianhe Chemicals got slammed (-40.7%) after resuming trading following fraud allegations from Anonymous Analytics. In Japan, the Nikkei closed on the lows as the ¥ firmed against the USD, breaking 108 and adding selling pressure to exporters and reflation plays. Japan Machinery orders for August were out before the open, rising +4.7% (est +0.5%) which represents the 3rd straight month of improvement. Mini-SQ (expiry) tomorrow so volumes will be higher on the open. Taiwan squeezed out a small gain, helped in part by TSMC (+2%) ahead of Q3 sales out post close (NT$209.1bn vs cons of NT$207.5bn). Korea was closed for a holiday and Taiwan will be closed tomorrow. European markets also bid higher today after the S&P rallied 43 handles from the lows to the highs after the Europe close yesterday on the more dovish Fed Minutes (biggest 1-day gain in the S&P this year, volume 8.5 billion shares = 6th biggest day of the year). Basic Resources, Tech, Construction leading the way higher in Europe so far this morning. USD is weaker again with the DXY -0.22% and the 10yr yield is 2.31%. SPA's +5 handles = 1967.10 last.

Jobless Claims @ 8:30am, Wholesale Inventories @ 10am

PEP earnings pre-open / FDO #'s post close

Icahn plans to send open letter to Apple today

- Gap Sept comps missed (sees Q3 gm's lighter) & CEO to step down next year (trading -8%)
- Alcoa strong Q3 profits (eps +180%) on better auto & aerospace demand (trading +1.5%)
- Apple to hold October 16th event planning to reveal latest iPad tablets ahead of holidays

- Ruby Tuesday loss narrower as better comps & margins helped cost savings (trading +18%)
- Advanced Micro named (COO) Lisa Su as Chief Executive effective immediately (trading -7%)
- The Helmsley Building put up for sale in NYC, may fetch more than $1.1 billion (Bloomberg)
- Royal Mail settlement pact with French competition authority, makes £18M provision (trading +1.5%)
- Casino signs joint purchasing pact with Intermarche in a bid to reduce their costs (trading +2.3%)
- Gerresheimer issues 2015 forecast below analyst ests, Bereneberg & JPM downgrade (trading -7.5%)
- Moeller-Maersk gets U.S. regulatory approval for pact with MSC according to *Reuters* (trading +2.7%)
- Hays IMS ahead of recently lowered expectations, went ex-dividend today of 1.8p (trading +5.3%)
- Wood Group update inline, confirms guidance, strategy presentation on PSN division this am (trading +4.2%)
- Suedzucker Q2 inline, FY outlook confirmed but targets challenging as EU sugar worse (trading -11%)
- Delta Lloyd ends sale process of its Belgian banking business as talks failed (trading -3.2%)
- Rolls Royce's Trent 1000 engines selected by Norwegian Air for 9 Dreamliner aircraft (trading +1.0%)
- GlaxoSmithKline issues statement on website: sees negative impact of FX on Q3 (trading unch)
- German exports slide the most since January 2009 (-5.8% m/m in August vs estimate -4.0%)
- Fast Retailing (Uniqlo) reported after the close in Japan (forecast FY net income to rise +34%)

Leading European Sectors: Basic Res +2.58%, Tech +2.05%, Construction +1.53%
Lagging European Sectors: Telco +0.09%, Banks +0.23%, Media +0.26%

EOPN forecast light – GSAT call today – KFX prelim revs missed

KFX LN cuts forecast – BWNG LN profit warning – CEY LN production inline

Secondaries (announced/priced): PTCT, ANAC (convert)

IPO's (priced): HubSpot (HUBS) 5m shrs at $25 (above range), USD Partners (USDP) 8.85m shrs at

$17 (below range), Veritex (VBTX) 2.7m shrs at $13, MOL Global (MOLG) 13.5M-ADS IPO priced at $12.50/ADS, OM Asset Management Limited (OMAM) 22.0M-share IPO priced at $14 (below)

IPO's (filed): Landmark Infrastructure (LMRK) files for $50M IPO through Baird, Raymond James and RBC

US Key Research:

- BMO initiates MSFT/CHD (mp) & cuts CL/CHD, Baird initiates MD (op) and IPCM (neut), CRT initiates GRUB (buy)
- DB initiates DK/MPC/TSO/VLO (buy) & HFC/PBF/PSX (hold) & downgrades TDG & initiates AGN (buy)
- GS assumes RNG (neut) & reinstates CBSO (neut), Imperial initiates BDE/NTK (in-line), JMP initiates HLT (op)
- Jefferies initiates TGI/MW (buy) & upgrades BAS and HP (buy), Opco cuts HUB.B & upgrades AYIm Roth upgrades AUMN (buy)
- RBC cuts ARWR & initiates LYB (top pick) and DOW/PPG/SHW/WLK (op) and DD/OLN/VAL (sp) and AXLL (up)
- Telsey, Wells, Sterne, and Janney downgrade GPS, Wells upgrades UTI, Longbow upgrades VMC (buy)

Europe Key Research:

- Bofa upgrades ALPHA GA/NBG (buy) & cuts GRF SM/MAN GR & reinstates ERICB SS (up) and NOK1V FH (buy)
- Bofa reinstates ALU FP (neut), Barcap initiates BOO LN (ow), Berenberg cuts GXI GY, Cantor initiates GDG LN (buy)
- Citi initiates BAVA DC/IPH FP (buy) and EUROB GA (neut) & upgrades ALPHA GA (buy), Unicredit initiates ATT PW (sell)
- CS downgrades HALKB TI/VAKBN TI & upgrades TEBNK TI, Exane downgrades ALV GR, HSBC upgrades RRS LN
- GS upgrades WRT1V FH & adds SIE GR/GEBN SW to Conviction Buy List; removes SU FP, Investec upgrades HSBA LN
- JPM downgrades GXI GR/CEZ CP/RNO FP & upgrades DNLM LN/BMW GR, Kepler initiates JM SS (buy)
- Peel Hunt upgrades ADN LN (buy) & downgrades BWNG LN, Panmure upgrades EMG LN (buy)

- Numis downgrades POG LN/SPT LN & upgrades ANTO LN and PUB LN/PDL LN/RRS LN (buy)

- Nomura downgrades VOD LN, SEB downgrades SWMA SS and ELI1V FH (sell), Swedbank upgrades HLDX SS (buy)

- UBS removes EMSN SW/WCH GR from Most Preferred list

Reporting Pre-Open: PEP, EMMS, LNN, LRN, ZA

Reporting Post-Close: FDO, ANGO, CUDA, CMTL, ENZ, HELE, JOEZ, VOXX

Economic Data: Jobless Claims @ 8:30am, Bloomberg Consumer Comfort @ 9:45am, Wholesale Inventories @ 10am

EIA natural gas storage @ 10:30am, Treasury auction in 30yr bonds @ 1pm ($13B)

Fed Speakers: Bullard @ 10:15am, Draghi & Fisher @ 11am (Washington), Tarullo @ 1:10pm (Washington), Lacker @ 1:15pm (NC), Fischer @ 1:30pm (Washington), Williams @ 3:40pm (Las Vegas)

Conferences: No major conferences

Analyst/Investor Days: OPXA, PLKI, VCYT, RENT

Non-Deal Roadshows: CUBE, DRNA, FLML, GSM, HL, HRTG, IMAX, IMDZ, JBT, KFY, KPTI, MU, ONTX, PACD, PANW, PFIE, PINC, PRGX, RBA, SIG, SRCL, STR, TNXP, TROV, ACOR

Shareholder Meetings: APWC, RPM

Equity/Mixed Shelfs: SAFM, PEGI, ASTI ($25M), ONTX ($100M)

Other Newspaper Articles & Stories

WSJ positive: PetroChina (857 HK) WSJ

- Why Startups Aren't Rushing Into IPOs WSJ
- Hackers May Have Targeted at Least 13 Firms WSJ
- Google's Tax Setup Challenged by France WSJ
- Manufacturing Wages Rise Fast in Some States WSJ
- Pimco's Rout Is No Romp for Gross WSJ
- Oil Markets Fly Into a Perfect Storm WSJ
- Gap CEO to Step Down WSJ
- Apple, Others Surprised by GT's Bankruptcy Filing WSJ
- U.S. Sends Mixed Signals on Syria Buffer Zone WSJ
- UKIP Eyes First Parliamentary Seat in Clacton By-Election WSJ
- Russia Spends More to Buoy Ruble WSJ
- Manufacturing Wages Rise Fast in Some Areas WSJ
- The Ebola Democrats WSJ
- Newly Vigilant, U.S. Will Screen Travelers From Africa for Ebola NYT
- Low Price, High Hopes for OnePlus Phone NYT
- Tech groups warn over US online snooping FT
- London house prices drop for first time in three years FT
- Pimco shows that star investors are not really solo artists FT
- German exports plunge in latest sign of slowdown FT
- Businessmen are 'serfs' in Putin's Russia, warns Sergei Pugachev FT
- Lord Bell's textbook for old school public relations FT
- German weakness brings 'euroglut' of gloom FT
- Sea, sun and easy visas lure China buyers FT

- Neither party tells Britain the truth about the deficit FT
- Fed fears market misreading of guidance FT
- US political marketing: Tailored message FT
- Parliament rejects Bratusek for European Commission job FT
- Ajax and Arsenal come out on top in European financial league FT
- Bankers fear new UK rules will scare off talent FT
- Speech of passion and panache is a bit too late FT
- Allergan: three's company Lex
- Yum Brands: a fowl result Lex
- Swisscom: keep on hold Lex
- UK banks: every underdog has its day Lex
- Churchill would be aghast at this Tory plan The Times
- Brussels' green light for a nuclear future The Times
- It's time to pick up your pension pot and carry it around with you The Times
- Jim Armitage: Why trust a company which uses fake Twitter numbers? Independent
- Solar energy and shale are the future, not costly nuclear power plants Independent
- Jim Armitage: If state-controlled firms are so useless, how do they win so many UK deals? Independent
- German model is ruinous for Germany, and deadly for Europe Telegraph
- The time has come for Britain to back a Palestinian state Telegraph
- Five million UK workers face uncertainty after tax bills wrongly calculated twice in HMRC blunder Telegraph
- Iran backs down on Opec sending Brent oil price tumbling Telegraph
- IMF warns period of ultra-low interest rates poses fresh financial crisis threat Guardian
- Britain's economic recovery 'to stall' without campaign to boost exports Guardian
- 8 lessons from Egypt in building a cleaner chemicals industry Guardian
- Arbitrarily criminalising banking is a reckless way to reform British finance CityAM

Key Events This Week

Friday: Treasury Monthly Budget Statement, IMF/World Bank annual meeting (Washington), Earnings (FAST, PGR)

Key Events on the Horizon

Oct – ECB "Comprehensive Assessment" results for European Banks (mid-October)

Oct 18 – Options expiry

Oct 23 – EU Leaders Summit begins (Brussels)

Oct 26 – Brazil run-off election between incumbent Dilma Rousseff & center-right challenger Aecio Neves

Oct 29 – FOMC rate announcement (expected to officially announce the end of monthly bond purchases at this meeting)

Nov 4 – US mid-term elections

Nov 9 – Potential referendum on independence in Catalonia (Spanish PM Rajoy will likely try to block vote from happening)
