From: Ike Groff
Sent: Wed 7/23/2014 9:58:07 AM
Subject: Early Tour 7.23.14

Good Morning … European Markets up 10-50 bps (Greece +0.92%, Portugal +0.83%) … NKY -0.10%, SHCOMP +0.14%, KOSPI -0.03%, HSI +0.80%, TWSE (closed), ASX +0.60%

EUR 1.3464 (-0.01%) JPY 101.39 (+0.07%) EUR/JPY 136.51 (-0.09%) AUD +0.55% NZD +0.17% RUB +0.36%

US 10yr 2.467% Spain 10yr 2.57% Italy 10yr 2.76% Portugal 10yr 3.70%

Futures: Dow +24, Nasdaq +6, S&P +3 DXY $80.77 (-1c) Crude $102.37 (-3c) Gold $1310.10 (+$2.10) Copper -0.28% Silver +0.08% Nat Gas +0.34%

Asian markets were mostly higher overnight with HK and China again getting most of the attention. HK closed higher on decent volume. H-shares (HSCEI +2% and just shy of YTD high) continue to be strong on speculation the government is accelerating measures to support the housing market – "old China" names getting a boost like property (+1.8%) and materials (+2.2%). In Japan, the Nikkei started off in positive territory but it was a slow grind to end on the lows. Volumes noticeably lighter with TSE turnover at the lowest level in two weeks. Retail buying evident however with MOTHERS index outperforming (+1.7%) and moves in names like Cyberdyne (+18.6%) and Mixi (+3.3%), which were the top two traded names by value on the TOPIX. Korea closed marginally lower after the KOSPI tested new YTD highs but failed to hold, however foreigners extended the buying streak to 7 days straight. Australia quietly marching higher as well, marking another 6yr high. China HSBC mfg PMI due tonight. Taiwan was closed due to a typhoon. European markets higher 0-50 bps this morning. Russia +0.41% as the relief rally from yesterday continues after the EU foreign minister failed to agree to any further sanctions for now. Its all about single-stock earnings today (full recap below). SPA's +3 handles = 1978 last.

Mortgage Applications @ 7am

BIIB,BA,CHKP,DAL,DOW,EMC,FCX,GD,NSC,NOC,PEP reports pre-open

T,AVB,CA,CTXS,CCI,ETFC,FFIV,FB,FLS,GILD,ILMN,QCOM,TRIP #'s post close

- Apple earnings beat & profit rose on solid iPhone sales but weaker iPad revs (trading -0.05%)
- Microsoft topped rev view on good cloud growth but profit slid (Nokia hurt earnings) (trading +1.5%)
- Broadcom smaller Q2 loss as GM better than expected & eps topped (to cut 2,500 jobs) (trading +2.5%)
- Intuitive Surgical profit fell but big eps beat & sees year procedures growth on higher end (trading +11%)
- Discover strong credit card fundamentals as profit topped (sees 'significant' vol loss) (trading flat)
- Electronic Arts beat Q1 forecast but conservative outlook (Q2 release of Fifa 15 & Madden 15) (trading -1%)
- VMware eps & sales beat ests on good NSX growth (Q3/ Yr revenue views inline) (trading +0.05%)
- FMC Tech 9c eps beat & boosted yr eps view to $2.70 - $2.80 vs $2.70 ests (trading +1.1%)
- Juniper strong Q2 in every metric but Q3 sales & profit guidance missed estimates (trading -7%)
- Linear Tech Q4 beat by 8c & revs topped but Q1 revenue view below estimates (trading -2%)
- Robert Half eps/revs beat & profit increased 19% topping expectations (trading +2.5%)
- Xilinx light quarter on Comms weakness & rev outlook well short of ests (BMO & WBlair d/g) (trading -7%)
- Covanta solid quarter as eps & revenues beat ests & reaffirmed forecast (trading inline)
- Dick's Sporting Goods lays off all the PGA golf instructors (400) it employed in golf sections of stores
- PetSmart hires JP Morgan to evaluate range of alternatives (leveraged buyback, PE deal, etc) (Reuters)
- Deutsche Bank: NY Fed said to criticize DB's oversight and reporting, ADR -2.93% yday (trading -1.1%)
- Akzo Nobel ebit better, lower restructuring charges, sales light due to fx, 2015 on track (trading +3.9%)
- Syngenta H1 ebitda -4% vs consensus, bad weather in N.A., lowers FY14 fcf outlook (trading -0.61%)
- ABB Q2 hurt by loss in Power Systems unit on chargers for solar/wind, strong orders (trading -1.6%)
- SSAB Q2 profit tops ests on US steel prices/EMEA costs, sees better demand in N.A. (trading +1.4%)
- Daimler Q2 profit beats ests, Mercedes margins better & trucks inline, bus guidance raised (trading +1.4%)

- STMicrolectronics Q1 slightly better than expected, outlook tough light on revenues (trading -3.6%)
- Alstom revenues tough shy of estimates, orders slightly ahead, cant give current yr forecast (trading +0.56%)
- Outotec: *Daily Mail* speculates that Weir may be ready to bid €12/share for Outotec (trading +10.5%)
- Telenor Q2 profit misses ests on one-time costs, sales/ebitda better, keeps forecast (trading +3.4%)
- Sage Q3 organic growth weaker, sees Q4 performance improving, guidance unchanged (trading -0.39%)
- Capita H1 revenue beats estimates, organic growth rises, confident for 2014 outlook (trading +3.5%)
- UCB positive phase 3 results for Brivaracetam on epilepsy, reports numbers July 30 (trading -0.73%)
- Phoenix Group refinance of senior debt structure, £900M unsecured 5yr bank facility (trading -0.07%)
- BHP strong Q4 production, iron ore output tops prior forecast on Aussie growth projects (trading +0.73%)

Leading European Sectors: Autos/Parts +0.83%, Chemicals +0.52%, Basic Res +0.50%
Lagging European Sectors: Utilities -0.28%, Oil & Gas +0.02%, Trav/Les +0.04%

CCO special cash div – TSS – MANH raises eps view

ETH div boost – RHI #'s better – HA 2c eps beat

IRBT rev forecast below – IEX raises eps outlook – NBR eps beat

BEAV eps beat – EXP revs missed – FTI boosts yr eps view

Secondaries (announced/priced): LJPC, FPI, BOFI, NYLD, MEET

IPO's (filed/priced): Medical Transcription (MTBC) 4.1M shares priced at $5

US Key Research:

- Barcap initiates TSE (ew), Bernstein downgrades RTN, Baird downgrades MCD/DRH
- BMO cuts XLNX, Canaccord cuts HXL, Goldman upgrades LII (buy) & reinstates MW (buy)
- DB initiates ACT/ENDP/MNK/MYL/PRGO/TEVA (buy) & HSP/SLXP/VRX (hold)
- Imperial initiates MLNX (op), Jefferies upgrade CODE/MDRX (buy), JMP cuts CBST
- JPM downgrades DD/CATM/FMER & initiates GT (ow) and CTB (neut), ISI & BMO up AAPL pt
- Landesbank upgrades MCD (buy), Opco initiates MAA (op) & ARCP/CXP (perf)
- Mizuho initiates DEI/ESS/HCP/VTR (buy) & AIVB/AVB/BDN/EQR/HCN/PKY (neut)
- PacCrest upgrades MSFT, Raja downgrades LXK & upgrades ISRG, RBC downgrades EAT
- Stifel upgrades PLD and ISRG (buy), UBS downgrades LPT, Wolfe cuts UNFI/TFM/WFM
- Wells initiates FLR/JEC (op) and EVHC/CBI (mp) & downgrades UTX, W Blair cuts XLNX (mp)

Europe Key Research:

- Exane downgrades DLG LN & upgrades ESUR LN, Barclays downgrades NOS PL, Nomura downgrades UHR VX
- Nomura downgrades LHA GY, BofA adds LXS GY to Europe 1 list & downgrades PUB FP, CS upgrades DSY FP
- CS initiates BME LN (op), MS upgrades SOON VX and downgrades GN DC, DB initiates PLND LN (buy)
- Lampe upgrades GBF GY, Investec upgrades RSW LN, BofA initiates BME LN (n), KBC downgrades UCB BB
- KBC downgrades INTO BB, Santander upgrades BKT SM, Bryan Garnier initiates ELIOR FP
- DB initiates BME LN (op), GS initiates BME LN (buy), Jefferies initiates PLND LN (up) & BME LN (buy)
- JPM upgrades MUV2 GY & EDR SM, LBBW downgrades BOSS GY, Natixis upgrades ARM LN
- Nordea downgrades KRA1V FH, Numis upgrades RSW LN, Oddo upgrades HAV FP
- Oriel initiates BTG LN (sell), SEB upgrades KESBV FH & ADDTB SS & downgrades KRA1V FH
- ShoreCap upgrades CPI LN, SocGen upgrades BMPS IM, UBS downgrades CORA NA

Reporting Pre-Open: APD, APH, BIIB, BA, CHKP, DAL, DOW, EMC, FCX, GD, NSC, NOC, PEP, PX, R, SIAL, SPG, TEL, TMO, WHR, BLX, BEAV, CHFC, CCO, CKSW, MYCC, CNMD, COR, EVR,

FCF, HERO, JAKK, JNS, KNX, LSTR, LAD, MPX, MKTX, BABY, NYCB, OIIM, OCR, OC, PPBI, PCH, RDCM, ROL, RES, SEIC, SLGN, SCL, MDCO, TUP, UTL, YDKN

Reporting Post-Close: AIZ, T, AVB, CA, CTXS, CCI, ETFC, EFX, FFIV, FB, FLS, GILD, ILMN, MAC, NXPI, ORLY, QCOM, TMK, TSCO, TRIP, VAR, EGHT, ALGT, AWH, ALSN, ANGI, ANGO, AHL, AF, BANR, BHLB, BDN, CAKE, CHE, CRUS, CLW, CLB, CLGX, CMRE, CSGP, CVTI, CVTI, CVBF, DWCH, DEL, DMRC, DEL, ETH, RE, FISI, FR, FTNT, GGG, HBI, HWAY, HCCI, HMN, IBKC, ILMN, INFN, TILE, IPCM, KALU, LHO, MBFI, MSA, MKSI, MORN, NSR, NVEC, OII, OFG, OHI, TIS, PCBK, PLCM, PFBC, PTC, PZN, QTM, RJF, RELL, RCKY, SGMO, SKX, SLG, SFG, SUSQ, TAL, TER, TESS, TCBI, TBBK, TRIP, TQNT, TSC, TYL, UMPQ, UFI, USTR, WFT, WSBC

Economic Data: MBA Mortgage Applications @ 7am

DOE energy inventories @ 10:30am

Conferences: No major conferences

Analyst/Investor Days: N/A

Non-Deal Roadshows: BOBE, CUI, DMPI, ERPS, GME, HOV, HZNP, IFT, LEN, LGND, LNT, LPCN, NKTR, PRGO, SPDC, VTL

Shareholder Meetings: WSH, HAE, AVX, PLUG, ENVI, NVTL, PRSC

Equity/Mixed Shelfs: TCAP ($500M)

Other Newspaper Articles & Stories

WSJ cautious: Comcast (CMCSA)/Time Warner Cable (TWC) deal WSJ

- Michael Bloomberg defies Israel flight ban CNBC

- Courts Issue Split Rulings On Subsidies In Health Law WSJ
- SEC Set to Approve Money-Fund Rules WSJ
- iPhone Roars, iPad Whimpers WSJ
- Connecticut Court to Revisit Protection for Whistleblowers WSJ
- U.S. Officials Lay Out Case Against Russians WSJ
- Bet on Failed Bank Creates Windfall WSJ
- As Cereal Slips, New Battle Over Breakfast WSJ
- Deutsche Bank Suffers From Litany of Reporting Problems, Regulators Said WSJ
- CIT's Thain Travels Road to SIFI-Dom WSJ
- Weaker Euro is a Bear Necessity WSJ
- 2 Banks Forged in Crisis, CIT and OneWest, Are Set to Merge, to a Big Payoff NYT
- The Importance of Shedding Some Light on Dark Pools NYT
- StanChart expansion grinds to a halt after profits plunge FT
- Britain accused of hypocrisy in Russia sanctions debate FT
- US warned of up to 25 groups eyeing foreign switch to cut tax FT
- Glasgow set for political games FT
- Israel, Hamas and the rockets FT
- Five challenges for Indonesia president-elect Joko Widodo FT
- US should learn from Germany on jobs FT
- Cheap DNA sequencing will transform medical research FT
- Vladimir Putin starts to show the strain as outrage mounts over MH17 FT
- In banking, too much competition is as bad as too little FT
- The errors of conservatives obscure the case for trade FT
- Countries can thrive without creating tech billionaires FT
- Apple: sweet position Lex
- Bank M&A: Strategically Important Lex
- Credit Suisse: cutting edges Lex

- Saudi Arabia: get riyal Lex
- Metro struggles to profit from 'banking revolution' The Times
- Extra time for bank safety proposals The Times
- 'Britain must start making plans for an EU exit or face economic fallout' The Times
- Imposing effective sanctions on Russia is easier said than done The Times
- Revealed: the VAT loophole driving NHS pharmacy services into hands of private sector Independent
- James Moore: RBS has a lot to learn if it's to regain customers' trust Independent
- Business Adventures by John Brookes: A Bible for billionaires Independent
- Our rocketing national debt pile is the British economy's Achilles' Heel Telegraph
- Eurozone economy dead in the water, with crisis expected to carry on 'a long time' Telegraph
- China's terrifying debt ratios poised to breeze past US levels Telegraph
- Europe must tackle Russia using the only weapon that will work Telegraph
- Lessons in finance: schoolchildren taught the value of everything Guardian
- Ed Miliband's leadership style could put him in No 10 Guardian
- Is a Tea Party movement about to kick off in Britain? Guardian
- Putin has exposed a chilling truth about the West: It no longer exists CityAM
- Britain leads the open data revolution – but sloppy economists must keep up CityAM

Key Events This Week

Thursday: Markit US Manufacturing PMI, June New Home Sales, Kansas City Fed Manufacturing Activity Index, Eurozone Flash July PMIs, Earnings (MMM, BMY, CAT, DO, F, HSY, PCP, LUV, UA, UNP, PRU, SBUX, V)

Friday: Durable & Capital Goods Orders, Earnings (ACAT, AON, LYB, MCO, XRX, SWK)

Key Events on the Horizon

Jul 30 – FOMC policy decision (no press conference)

August – Fed Jackson Hole Conference

Aug 25 – LSE Closed

Sep 1 – Labor Day – US Markets closed

Sep 18 – Scotland's referendum on Independence

October – Brazil elections

Nov 4 – US mid-term elections

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