

**From:** Ike Groff  
**Sent:** Tue 6/10/2014 9:55:06 AM  
**Subject:** Early Tour 6.10.14

Good Morning ... European Markets up 0-50 bps (Denmark/Greece/Swiss +0.75%, UK -0.56%) ... NKY -0.85%, SHCOMP +1.08%, HSI +0.86%, KOSPI +1.09%, TWSE +0.65%, ASX +0.10%

EUR 1.3558 (-0.26%) JPY 102.35 (+0.17%) EUR/JPY 138.77 (-0.43%) NZD +0.17% RUB -0.18% US 10yr 2.615%

Futures: Dow -22, Nasdaq -7, S&P -4 DXY \$80.75 (+10c) Crude \$104.63 (+22c) Gold \$1253.40 (-50c) Copper -0.53% Silver -0.22% Nat Gas -0.58%

Asian share were mostly higher overnight. Volume improved vs yesterday but still tracking on the lighter side. Shanghai and Hong Kong outperformed (HSI has erased YTD loss at today's close) after China reported more benign CPI and PPI in May which leaves the door open for potentially further stimulus measures. Also helping sentiment was the PBOC announcement of the RRR cut details for eligible banks to help boost lending to smaller companies. Hong Kong listed Macau names continue to get punished on back negative headlines of stricter regulations on UnionPay as well as more GGR downgrades from the sell-side. Japan underperformed as the Nikkei finally dips below the 15k mark in what most were pointing to as profit taking, especially with retail investors (Mothers -2.2%). European markets started the day flat to down small but generally moved higher mid-morning as the EUR rolled over sharply to the 1.3560 level. Denmark, Greece, Swiss all up over 70bps and outperform as they come back online from holiday yesterday. UK lags on profit taking with the FTSE 100 -0.56% (BT worst performing name -2.8% on news that Sky will launch a new channel dedicated to European football). Quiet overnight in the US. SPA's -4 handles = 1946.20 last.

\*\*\*Wholesale Inventories @ 10am, E3 Video Game Conf (LA) begins\*\*\*

\*\*\*MSCI releases results of Annual Market Classification Review tonight after 5pm\*\*\*

- eBay's PayPal head David Marcus stepping down to lead Facebook's mobile messaging
- Wal-Mart.com CEO in the US (Joel Anderson) to step down according to company memo
- Urban Outfitters Q2 comp sales to date trending in-line with estimates (Stifel reiterates buy)
- Pep Boys revs missed but stronger gross margins (higher SG&A vs ests) (trading +2.5%)

- ON Semiconductor to acquire Aptina Imaging for ~ \$400M in cash (immediately accretive)
- Gemalto: China Telecom picks Gemalto for NFC services commercial launch (trading +2.8%)
- Technicolor to acquire Mr. X (Toronto's leading VFX studio) (terms not disclosed) (trading +4.1%)
- Bank of Ireland: Wilbur Ross to sell his remaining 5.5% stake @ 26.5c/share (trading -3.9%)
- Iliad's bid for Bouygues Telecom said to stumble over price gap (€4-5B vs €7-8B) (ILD FP -0.19%)
- Publicis buyback approved overnight (€1.84B) (was authorized at May 28 AGM) (trading +1.7%)
- Ted Baker IMS for 19 weeks to June 9 out, strong performance, revs +17.9% (trading -0.20%)
- BT getting hit -2.8% on news of Sky Sports 5 channel dedicated to European football
- SEC investigating a number of big dark pools re: proper disclosure on how they operate ([WSJ](#))
- UK industrial output posts biggest annual gain since 2011(+3.0% y/y vs est +2.8%)

**Leading European Sectors:** Healthcare +0.87%, Tech +0.50%, Media +0.23%  
**Lagging European Sectors:** Telco -0.37%, Basic Res -0.37%, Oil & Gas -0.32%

DNDN ceo to step down – ONNN \$400M acquisition – FDX div boost

RCPT pos data – MFRM cfo to step down – COOL earnings light

CASY beat ests – CVA to cut jobs, inc div – TPLM total revs above

**Secondaries (announced/priced):** VRNT (common + convert), SBNY, SUNE, ACHC, PSG, IBP, BAS, ROYT, BKIR ID

**IPO's (launched/priced):** GoDaddy (1609711) files for \$100M IPO through Morgan Stanley, JP Morgan and Citi, Bauer Performance Sports (PSG) files \$135M US IPO through Morgan Stanley, BofA and RBC, Viper Energy Partners files for \$100M IPO, Ambrx files for \$70M IPO, Avolon (AVOL) Holdings files \$100M IPO through JP Morgan, Morgan Stanley and Citi

**IPO's (lock-up expired):** Aramark (ARMK) 190.5M shares (82.9% of outstanding), CatchMark Timber Trust (CTT) 3.2M shares (25.2% of outstanding), Hilton Worldwide (HLT) 765.9M shares (77.8% of outstanding), Scorpio Bulkers (SALT) 5.3M shares (4.0% of outstanding), TetraLogic Pharmaceuticals (TLOG) 17.4M shares (82.5% outstanding)

## US Key Research:

- DB initiates MRO/COP/CVX/HES (buy) & HES/MUR/OXY/XOM (hold), CS initiates KORS (op)
- Jefferies initiates MNST/PEP (buy) & CCE/COT/DPS/KO (hold) & downgrades EHTH, RBC cuts TLLP
- Jefferies initiates DPZ (buy) & DPS (hold), JMP upgrades SCHN (buy) & initiates TRUE (op)
- Stifel upgrades SU (buy), Barcap initiates NMBL (ew), Piper initiates JMEI (neut), Wells cuts HITT
- Imperial initiates AMD (op), BMO upgrades CL, UBS downgrades LVS, Evercore upgrades NFLX
- Raja upgrades RSG (strong buy), RBC upgrades UNP, MS initiates PAY (ew)

## Europe Key Research:

- SocGen upgrades HEN3 GY & WEIR LN and downgrades LR FP, GS downgrades SPD LN
- Creditsights upgrades MC FP, GS adds ASC LN to CL Buy, JPM initiates TCH FP (ow)
- Jefferies initiates DOM LN (buy), Exane downgrades BG/ LN, MS downgrades DIA SM
- Macquarie downgrades LUPE SS, MainFirst downgrades GET FP, Natixis downgrades GFC FP
- GS reits DAI GY CL Buy, ABG upgrades DNO NO, BofA reinstates ALNT LN (buy)
- DB initiates SNGS RU (buy), GS removes BOK LN from CL Buy, JPM upgrades FQM LN
- Investec initiates SAF FP (add) & MTX GY (reduce), downgrades BA/ LN, upgrades ULE LN & AIR FP
- Nordea downgrades TOP DC, Oriel downgrades TED LN, HSBC upgrades MFON RU
- Mediobanca upgrades AEF IM, Peel Hunt upgrades E2V LN, SEB downgrades REC NO

**Reporting Pre-Open:** ARES, BURL, CBK, CHKE, FRAN, HDS, RSH

**Reporting Post-Close:** NCS, OXM, SPWH, ULTA, UNFI

**Economic Data:** NFIB Small Business Optimism @ 7:30am, JOLTs Job Openings / Wholesale Inventories @ 10am

API crude oil inventories @ 4:30pm

**Conferences:** CS Future of Payments (SF), CS MLP & Energy Logistics (NYC), MS Financials (NYC)  
**Conferences:** Piper Consumer (NYC), GS Healthcare (Palos Verde, CA), William Blair Growth Stock (Chicago)

**Analyst/Investor Days:** MET, DDD, SMLP, TAL, WTM, OB, RALY

**Non-Deal Roadshows:** ACRX, AEZS, ALTR, ATVI, BMTc, BTU, BYI, CAPR, CBG, CEVA, CHMT, CKSW, CRNT, CTCT, CWCO, DD, DSPG, DTLK, ESNT, FCF, FHN, FL, GLUU, GRC, HBAN, IMAX, IPHS, JASO, LB, LTRX, MDCA, MHLd, MVNR, NDSN, NICE, PSX, QSII, SAPE, SNCR, SON, STBA, SYNL, TRXC, VZ, YELP, DATE, AAPL, ACHN

**Shareholder Meetings:** DSCO, ESGR, LTC, SSI, WRES, GM, HPT, PF, AMCX, AVHI, CHMI, DCTH, EXA, GIII, IFMI, JGW, PTCT, REV, RJET, SPNC, STXS, BBY, OWW, TJX, LNKD, AMS, CROX, OFLX, ANTH, ALXA, ESS, PBYI, ISIS, ADSK, CVT

**Equity/Mixed Shelves:** IBTX (\$250M), REXX, CA

### ***Other Newspaper Articles & Stories***

WSJ negative: Alibaba's IPO [WSJ](#)

- Taxpayers Face Big Tab for Unusual Doctor Billings [WSJ](#)
- Paper Planes Transform Into Tiny Drones [WSJ](#)
- Bond Markets Twist, Investors Shout [WSJ](#)
- Tech IPOs Beckon Credit Suisse [WSJ](#)
- 'Dark Pools' Face New SEC Probe [WSJ](#)
- IMF Chief Lagarde Calls for Cultural Overhaul at Banks [WSJ](#)

- China's Central Bank Unveils Cuts in Reserve Ratios for Some Banks [WSJ](#)
- Why Uber Might Well Be Worth \$18 Billion [NYT](#)
- For Western Oil Companies, Expanding in Russia Is a Dance Around Sanctions [NYT](#)
- Market volatility plummets to multiyear lows [FT](#)
- Price rises threaten to stifle China easing [FT](#)
- Russia's neighbours: Primary colours [FT](#)
- Gordon Brown warns Scotland could be lost 'by mistake' [FT](#)
- How many off-the-wall questions can you fit in one interview? [FT](#)
- US states consider carbon trading schemes [FT](#)
- Rouhani's visit to Ankara lifts hopes for Turkey-Iran thaw [FT](#)
- Robot makers turn to technology industry as next world to conquer [FT](#)
- Keep the lid on Pandora's box or Asia will pay dearly [FT](#)
- The crisis shows moral capital is in secular decline [FT](#)
- Investors fear that cheap credit is fuelling another bubble [FT](#)
- China gas demand to double on smog concerns [FT](#)
- Singapore banks ramp up to offer local service to multinationals [FT](#)
- Branson gives backing to money transfer start-up TransferWise [FT](#)
- Tyson/Hillshire: Meatpacking district [Lex](#)
- Greece: hit or myth [Lex](#)
- TSB: little Lloyds [Lex](#)
- Sports Direct: time to share [Lex](#)
- Global risk blights outlook for lenders [The Times](#)
- We want to work for you, says Cameron, as International Festival for Business opens in Liverpool [The Times](#)
- New fund follows the evidence to capitalise on female-led companies [The Times](#)
- Swamp-drainers take on the croc-shooters [The Times](#)
- Risk managers fearful of danger to City from Ukraine crisis [Independent](#)

- Satyajit Das: The West wrings its hands over Asian workers, but carries on robbing them [Independent](#)
- Europe is jealous as Britain resurrects the Laffer Curve [Telegraph](#)
- Britain readies 'last resort' measures to keep the lights on [Telegraph](#)
- Why Jean-Claude Juncker won't become President of the Commission [Telegraph](#)
- The French are right: tear up public debt – most of it is illegitimate anyway [Guardian](#)
- Good business practice, as well as new laws, are needed to stop forced labour [Guardian](#)

### ***Key Events This Week***

Wednesday: MBA Mortgage Applications, Treasury's monthly budget statement, Bofa Housing Summit (Boston), Earnings (HRB, RH)

Thursday: World Cup kicks off in Brazil, US Retail Sales, Import Price Index, Eurozone IP April, Earnings (LUL usU, RLOG, OCLS)

Friday: PPI, Michigan Confidence, China FAI/retail sales/IP (May), Eurozone trade balance, Eurozone unemployment, BOJ rate decision, Earnings (LABL)

### ***Key Events on the Horizon***

June 18 – FOMC rate/taper announcement

June 13 – Preliminary additions/deletions to Russell Indices published after 6pm EST

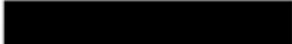
June 20 – Updates to the list of additions/deletions to Russell Indices, FTSE quarterly rebalance on close

June 27 – Russell Rebalance on the close of trading

July 13 – World Cup Final

September 18 – Scotland's referendum on Independence

October – Brazil elections

Ike Groff | 680 Washington Blvd | Stamford, CT 06901 |    


---

This e-mail and any files transmitted with it are confidential and intended only for the person or entity to which it is addressed. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this e-mail and any attachment(s) is strictly prohibited. If you have received this e-mail in error please immediately notify the sender at  or by replying to this e-mail and delete the e-mail and any attachment(s) from your system. Nothing herein shall be construed as a financial promotion to any person or persons, or a solicitation or recommendation to buy or sell any security or other investment or to engage in any trading strategy. Information presented is from sources believed to be reliable, but is not guaranteed to be accurate or complete. This information should not be taken as an offer nor as a solicitation of an offer to buy or sell securities or other financial instruments. Email transmission cannot be guaranteed to be secure, timely or error free. Tourmaline Partners, LLC may review and store both incoming and outgoing messages. Use by other than the intended recipients is prohibited.