From: [redacted]
Sent: Fri 6/6/2014 9:52:13 AM
Subject: Early Tour 6.6.14

Good Morning … European Markets up 10-60 bps (Portugal +1.4%, Spain +1.0%, Swiss -0.20%) … NKY -0.01%, SHCOMP -0.54%, HSI -0.69%, KOSPI (closed), TWSE -0.07%, ASX +0.50%

EUR 1.3630 (-0.22%)   JPY 102.38 (+0.04%)   EUR/JPY 139.53 (-0.26%)   AUD +0.13%   NZD +0.35%   US 10yr 2.5766%

Futures: Dow +37, Nasdaq +6, S&P +3   DXY $80.46 (+9c)   Crude $102.68 (+20c)   Gold $123.80 (+50c)   Copper -1.04%   Silver +0.04%   Nat Gas +0.26%

Major Asian indices were once again mixed and little changed ahead of the US NFP number due out later today. Despite the yen being slightly stronger and end-of-week profit taking, the Nikkei managed to closed down only 1bps and closed up just over +3.0% for the week. Sentiment was helped by a Nikkei report that Japan PM Shinzo Abe has asked the GPIF to accelerate stock investment and instructed them to announce a reconfigured portfolio makeup in Sept or Oct, ahead of its initial year-end deadline. Retail investors remain bullish as evidenced by the Mothers Index gaining +1.4%. Shanghai underperformed, reversing earlier gains after the CBRC announced plans to tighten Wealth Management products and adjust loan-to-deposit ratios. South Korea was closed & Australia is closed on Monday. European markets are firmer this morning after US markets continued to rally post the ECB yesterday. EMU Banks leading the way +1.05% on the session. Luxury lagging -1.03% weighed down by Prada (closed -6.9% in HK). Sweden closed for holiday today (also note that Norway, Denmark, Switzerland, Greece, Austria, Hungary, Luxembourg all closed on Monday for Whit Monday). US labor report will be the focus this morning and is due out @ 8:30am est. SPA's +3 handles = 1941.40 last.

May Labor Report @ 8:30am (NFP est 215k, Unemployment Rate est 6.4%)

Consumer Credit @ 3pm, 70th Anniversary of the Allied D-Day landings today

- Verifone Q2 earnings beat estimates and raises FY eps & revenue guidance (trading +3.5%)
- BofA in talks to pay at least $12 billion to settle DOJ/State investigations (*Dow Jones*)
- Panera Bread approved new 3yr share repurchase program to $600M (14% outstanding)
- Diamond Foods eps/revs missed & posted wider loss (nut segment sales fell) (trading -9%)

- Cooper Cos #'s beat expectations & boosted low end of FY14 eps forecast (trading inline)
- Thor Industries Q3 eps $1.03 vs $1.07 ests & revs inline (guidance cautious) (trading down small)
- CAC 40 change announced: Valeo replacing Vallourec effective on the close June 20
- Coloplast trading +2.5% (positive follow thru from CMD on Wednesday) (Danske positive)
- Centrica: takeover spec in *Daily Mail* (rumors Qataris have offered to buy big lines of stock)
- Morrisons: AGM today in the UK: 15.4% against re-election of CEO Dalton Philips (trading -0.93%)
- Veoila sells its 65.0% stake in Marius Pedersen Group for €240M to help lower debt (trading -0.14%)
- Deutsche Bank rights begin trading (DBKB GY), terms 5 per 18, subscription price €22.5
- Prada closes -6.88% in HK after weak #'s yday (subdued Chinese spending in Europe)

Leading European Sectors: Banks +0.90%, Construction +0.84%, Fin Services +0.84%
Lagging European Sectors: Food/Bev -0.89%, Retail -0.05%, Healthcare +0.07%

SEAC cuts forecast – RALY cuts forecast – CMTL boosts forecast

MTN revs better – KCOM LN numbers inline – AERL ID weak passenger data

Secondaries (announced/priced): HDSN, LG, CSGP, NVAX, RDUS, MBII, SCM (atm), BMPS IM (rights)

IPO's (filed/priced): Arista Networks (ANET) 5.25M shares priced at $43 (above range), Pfenex (PFNX) files $74.8M IPO through William Blair and JMP, Game Digital started trading today (GMD LN)

US Key Research:

- Imperial initiates RSG/SABR (op), Jefferies downgrades FTR, RBC initiates RSE (op)
- Wells downgrades SM/SFY/ATHL/AREX/APA, GS cuts BTU & upgrades CNX
- Buckingham initiates BLMN (buy), Longbow upgrades MLHR (buy), Stifel upgrades HUM (buy)
- Key upgrades LII/WTS (buy)

Europe Key Research:

- Kepler downgrades Prada (1913 HK), CS downgrades SRG IM & TRN IM, Jefferies upgrades WKP LN
- Liberum downgrades IMG LN, GS resumes ALPHA GA (buy), TPEIR GA (n), EUROB GA (n)
- Raja upgrades EN FP, Berenberg initiates TCG LN (buy), ING downgrades UCB BB, WHA NA, BHW PW
- MS resumes AZN LN (ew), Citi initiates SAABB SS(buy), UBS upgrades ASC LN, LBBW upgrades DBK GY
- DB upgrades FOS SJ, Danske positive COLOB DC, HSBC upgrades TPEIR GA, Natixis upgrades SGSN VX
- Citi downgrades EDCL LN, Exane downgrades EDPR PL, DNB initiates VARDIA NO (buy)

Reporting Pre-Open: KMG, MDI CN, PNY

Reporting Post-Close: JOSB, ODC

Economic Data: May Employment Report @ 8:30am, Consumer Credit @ 3pm

Conferences: WWDC (SF)

Analyst/Investor Days: TRV, AAWW, MWE

Non-Deal Roadshows: AXGN, CODE, ELOS, FRP, HIVE, IHG, KFX, ORM, PCP, PPO, SGI, SWKS, WCC, XRX

Shareholder Meetings: ENT, WMT, BABY, LDOS, VAC, DLLR, FVE, TAXI, TGTX, ACAD, GRMN, LAYN, MWE, ADNC, ONTY, IMMR, CAP, PULS, SBSA

Equity/Mixed Shelfs: RIBT ($30M)

Other Newspaper Articles & Stories

WSJ cautious: Broadcom (BRCM) WSJ

- BofA in Talks to Pay at Least $12 Billion to Settle Probes WSJ
- GM Fires 15 Workers Over Recall Delays WSJ
- Vodafone Says Phones Are Tapped WSJ
- Europe Tries Below-Zero Interest Rate WSJ
- Thai Military Looks to Boost Nation's Spirits WSJ
- Pope Francis Overhauls Vatican Financial Watchdog WSJ
- In Portugal, Deflation More Than Just a Threat WSJ
- G.M. Inquiry on Defect Finds ‘Pattern of Incompetence’ NYT
- Bond Rally Is Squeezing the Trading at Big Banks NYT
- ECB unveils radical moves to fight deflation and lift economy FT
- Tories win Newark by-election as Ukip gains FT
- BofA in talks to pay $12bn over probe FT
- US warns on China air force modernisation FT
- S&P loses Australia appeal over misleading investors FT
- High-profile hacking raises cyber security fears FT
- Juncker refuses to ‘give in’ to Cameron FT
- SNP scoffs at ‘patronising’ pro-unionist campaign graphic FT
- Iran: Rogue trader FT
- Strongmen are back to dash hopes of the Arab spring FT
- Obama risks ire by joining Scots debate FT
- Fresh signs of life in India's equity capital markets FT

- Jewellers turn to mobile gaming FT
- What Xi and Putin really think about the west FT
- Draghi has done enough to silence the doubters FT
- Sprint / T-Mobile: extreme makeover Lex
- Banks and the ECB: everything it takes Lex
- Alibaba: soccer Ma Lex
- Bank valuations: for what it's worth Lex
- The Tory split on Europe can't be reconciled The Times
- War and Reality The Times
- Sky-high cost of housing is scaring away global talent The Times
- America's regulators to get tough on high-frequency trading The Times
- Anti-fraud agency hints at inquiry into Libor scandal Independent
- Whitehall will be sold off in the name of reform Independent
- Interest rates are entering the twilight zone Telegraph
- Dotcom darlings must confront the grim reality of how to make a profit Telegraph
- Eurozone will need more than just QE if it is ever to recover CityAM
- Our leaders have forgotten the spirit of D-Day – and why it saved the world CityAM

Key Events Next Week

Monday: MCD sales (May), China May PPI/CPI, MSCO Global Nat Resources Conf (Barcelona), KBW US Regional Leaders Bank Conference (NYC), Earnings (HTZ, PBY)

Tuesday: Wholesale Inventories April, NFIB Small Business Optimism, MSCI releases results of Annual Review, E3 Video Game Conf (LA), MS Financials Conference (NYC), GS Healthcare Conference (Palos Verde, CA), Piper Consumer Conf (NYC), William Blair Growth Conf (Chicago), Earnings (BURL, HDS, RSH, ULTA, UNFI)

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

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