

From: [REDACTED]
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Good Morning ... European Markets up 0-75 bps (Italy/Norway +1.3%) ... NKY closed, SHCOMP +0.84%, HSI +1.45%, KOSPI -0.23%, TWSE +0.71%, ASX -0.89%

EUR 1.3869 (+0.13%) JPY 102.65 (-0.15%) EUR/JPY 142.37 (+0.29%) RUB +0.45% CAD +0.40% SEK +0.38% US 10yr 2.72%

Futures: Dow +40, Nasdaq +14, S&P +5 DXY \$79.61 (-8c) Crude \$101.36 (+0.52%) Gold \$1290.40 (-\$8.70) Copper -0.11% Silver -0.99% Nat Gas -0.56%

AsiaPac markets finish mixed overnight with indices trading in +/- 1% range and volumes light as Japan was closed for Showa. Australia underperformed as the iron ore names continued to sell off on concerns about yesterday's reports out of China that the banks are going to be significantly changing the terms of letters of credit using iron ore as collateral. Hong Kong is lower with Macau getting hit hard on a number of broker downgrades post the most recent run rate number suggesting April's GGR is going to come in near the +7% y/y number. China managed to rebound on reports of SOE reform and a net injection of RMB 91 billion ahead of the upcoming holiday. European markets generally higher although France and Belgium are flat to down small. Nokia +7.3% a notable outperformer after its cash return plans came in above expectations, while UK outsourcing firm Serco -21% is the worst performer in the EStoxx600 after another profit warning. Heaviest earnings day of the season so far as much of this week's releases are out today given the holiday coming up for most of the region on Thursday. See below for a full recap. CaseShiller & Consumer Confidence out later and the macro calendar will pick up tomorrow with US GDP, BOJ, FOMC, and Eurozone CPI. SPA's +5 handles = 1871 last.

SPCS Home Price Index @ 9am, Consumer Confidence @ 10am

CHKP,CNX,COH,FRX,GT,VLO,S,MGM, earnings pre-open

DNB,EBAY,ESRX,FISV,GNW,MAR,OI,STX,X,DWA,PNRA #'s after close

- Herbalife topped ests & boosted forecast on strong sales growth (ends div to repurchase stock) (trading flat)
- Buffalo Wild Wings strong quarter as profit jumped due to sales strength, boosted outlook (trading +5%)

- General Growth Properties good #'s with FFO beat on solid occupancy/rent & raised view (trading inline)
- Hartford Financial beat on robust P&C & group margins (underwriting profit best since 3Q10) (trading +2%)
- Plum Creek Timber eps & revs (\$317M vs \$314M ests) topped & reaffirmed 2014 view
- Nokia margins better, Rajeev Suri CEO, €5B capital structure optimization program (trading +7.3%)
- Serco may see material downward revision to views, consulting holders on equity placing (trading -21%)
- Deutsche Bank beats lowered expectations, trading revenue beats estimates (trading +2.1%)
- Sanofi inline with consensus, maintaining guidance, no need to jump on merger bandwagon (trading -1.6%)
- ABB 19% EBIT miss driven by power systems, Q1 sales \$9.47B versus estimate \$9.76B (trading -6.8%)
- Hermes revenues beat by 2%, constant currency growth +15% vs consensus +12% (trading +0.27%)
- Atlas Copco operating profit/sales/margins light, order intake inline, outlook raised (trading +1.8%)
- Orange Q1 sales & EBITDA beat, reiterates FY earnings target, no big acquisitions in plans (trading +4.2%)
- BP Q1 profit drops with output, net income inline, dividend increased, solid start to 2014 (trading +0.88%)
- Volkswagen Q1 EBIT €2.9B vs estimate €2.74B, still sees 2014 stable revs give or take 3% (trading -0.64%)
- Nordea Q1 solid with costs and loan losses slightly lower, profit rose 4.7% in Q1 (trading +3.1%)
- Santander Q1 net better than ests, offers €4.7 billion in stock for 25% stake in Brazil unit (trading +0.68%)
- Cap Gemini Q1 revenues inline, bookings +5.0% y/y, FY14 guidance reiterated (trading -1.1%)
- Infineon results look better, revenues 7% ahead, margins better at 14% (consensus 12%) (trading +5.3%)
- STMicroelectronics revenues inline, opex cut better than expected, economic improvement (trading +1.4%)
- Statoil Q1 better, sales & ebitda +4% vs consensus, strong production & high gas price (trading +3.9%)
- Eni net income inline with consensus, sees 2014 gas sales slightly lower on the year (trading +2.0%)

- Shire: continued bid speculation in the press that Allergan may make an approach (SHP LN +3.4%)
- Essilor 1.3% revenue beat with like-for-like growth +2.4% (mkt +1.6%), decent short interest (trading +3.8%)
- Whitbread trading looks strong to start, net debt is down, dividend better at 68p (mkt 63p) (trading +0.54%)
- Nobel Biocare Q1 net income and sales miss consensus estimates, maintains forecast (trading +0.41%)
- Enagas Small beat across the board with net at €99.7M and EBITDA at €245.9M (trading -0.18%)
- MTU Aero (MTX GY) Q1 results generally inline with estimates, backs 2014 outlook (trading -3.5%)
- TomTom raises revenue & profit forecasts, sees modest rev impact from DAMS takeover (trading +9.8%)

Leading European Sectors: Tech +1.86%, Banks +1.23%, Oil & Gas +1.15%
Lagging European Sectors: Basic Res +0.01%, Retail +0.26%, Utilities +0.35%

JJSF eps light – HELE penny miss, reorganizes – RUTH penny better

QCOR missed – AMP \$2.5B buyback – AMKR gm's beat

N boosted yr view – SU mixed – TCS eps missed

CRUS buying WLF LN – STJ LN strong update – FUM1V FH #'s solid

CEQ NO strong results – WDI GY #'s better – SGL GY sales weak

SCAB SS slightly weaker – OTE1V FH #'s weaker – RDW LN positive statement

TCY LN confident statement – OUT1V FH #'s weaker – GEBN VX strong #'s

PWTN SW #'s inline – UG FP cap raise details – CPW LN #'s mixed

AIXA GY sales inline – SGRO LN demand improving – GALP PL #'s weak

Secondaries (announced/priced): FET, UACL, MEG, GPT (holders), EPB

IPO's (filed/priced): Aspen Aerogels (ASPN) files \$86.3M IPO through Barclays, JPMorgan and Citi

IPO's (lock-up expiration): Container Store (TCS)

US Key Research:

- Barcap upgrades CHH & initiates FIVN (ow), Berenberg initiates CCL/NCHL/RCH (buy)
- GS initiates OPWR (buy), JMP initiates TSLX (mp), JPM initiates FIVN (ow)
- MLV initiates AMRE (buy), MS initiates OPWR (ow) and GRUB (ew), Nomura cuts CCE
- Nomura initiates KO (buy), Piper initiates VNCE (ow), BMO initiates GRUB (op)
- W. Blair initiates SONS/AUDC (op), JMP initiates TSLX (mp), Bofa initiates FIVN (buy)
- PacCrest upgrades HPQ & initiates GNTX (sp) and OPWR (op), Jefferies upgrades EE (buy)
- Raja upgrades IM (strong buy) & upgrades TECO, KBW upgrades LBAI, GS initiates OPWR (buy)

Europe Key Research:

- Exane upgrades OCDO LN, Citi downgrades SRP LN, GS upgrades AMER LN & CW/ LN
- UBS upgrades RMV LN, BofA adds RMG LN to Europe 1 list, SEB upgrades ORI SS
- SocGen downgrades ABBN VX, Nordea initiates LATOB SS (sell) & LUNDB SS (sell) & MELK SS (sell)
- HSBC adds AF FP & removes LHA GY to Europe Super 10 list, Barclays upgrades ABG LN
- Kepler upgrades AZN LN, Panmure upgrades AZN LN, MS downgrades BNP FP & upgrades GLE FP
- Mirabaud upgrades LOGN VX, Numis upgrades FOXT LN, HSBC upgrades WG/ LN
- Liberum downgrades AMEC LN, HSBC downgrades AAL LN & ANTO LN, Kepler downgrades RYA ID

Reporting Pre-Open: ADM, BMY, BSX, CHKP, CMI, CNX, COH, ESV, ETN, FRX, GT, HCBK, HRS, LYB, MHFI, MRK, PCAR, PH, ROK, VLO, WAT, XYL, ACPW, AGCO, AHC, ALR, AMG, ARRY, AXE, CARB, CAS, CBR, CBRX, CIT, CMLS, CPLA, CRY, DBD, DDD, DFRG, EME, FDP, FLWS, GEO, GK, GLT, GTLS, HCA, HMST, HSII, HUN, HW, INOD, IPGP, IRWD, JRN, KLIC, LFUS, LG, LKQ, LRN, MGI, MGLN, MGM, MLM, NCI, NMM, OSK, PCMI, PES, PLT, POR, PROV, RESI, RYN, S, SAVE, SCL, SCOR, SLAB, ST, STAR, STBA, STCK, TRIB, TRS, TRW, TWIN, UDR, UTHR, VAC, WDR, WRLD, WWW

Reporting Post-Close: AFL, BXP, CHRW, DNB, EBAY, EIX, ESRX, FISV, GAS, GNW, MAC, MAR, OI, STX, TE, VRSK, X, AAT, ACHC, ACMP, AEC, AEGN, AMC, AMRE, ANH, ANIK, APAM, ARI, ATNI, AXS, AZPN, BBRG, BCRH, BGFV, BOOM, BSAC, BTUI, BXMT, CACC, CALX, CAP, CCG, CCUR, CEB, CEMP, CGI, CHE, CLD, CLUB, CMRE, CNQR, COLM, CRAY, CSCD, CTIC, CVTI, DHT, DLB, DWA, EBAY, EPIQ, EPR, EZPW, FALC, FARO, FEIC, FELE, FFBC, FFIC, GFIG, GMED, GPRE, HCC, HF, HFWA, HIW, HURN, IKAN, IPHI, KAI, KFRC, KRA, KTCC, KWR, LMAT, LOGM, MBFI, MRCY, MTSI, MWA, NANO, NATI, NCR, NDLS, NUVA, OHI, OSN, PNRA, POWI, PRXL, PSEM, QTS, REXX, RFMD, RM, RNG, RNR, ROG, RPXC, RVBD, SIMG, SKT, SLCA, SM, STR, SWI, SYX, TAYC, THG, TMH, TRLA, TRN, TWTR, TTS, TWTR, UTLI, VIMC, VNR, VPRT, VRTS, WSH, WTS, XCO, ZLTQ

Economic Data: S&P/Case-Shiller Home Price Index @ 9am, Consumer Confidence Index @ 10am

Conferences: Barcap Retail and Consumer Discretionary (NYC)

Analyst/Investor Days: N/A

Non-Deal Roadshows: AMD, BBRY, CPRX, CRK, CUDA, DRTX, FATE, GORO, JPM, KEY, KMX, NAVB, OCR, PFIE, RAD, SILC, TUP, VSTM, WSO

Shareholder Meetings: SYT, BLMN, CB, HSC, RTIX, TDC, ARI, CGNX, CIE, DTV, HME, KOPN, TSO, VNTV, EXH, HUM, WFC, CCBG, CNSL, CTBI, DPZ, EROC, GAS, HSY, IBM, LCNB, PRGS, SCL, SUBK, SYPR, TRMK, X, AIV, BAGL, BBT, FHN, GLW, KEX, MAN, PZZA, YRCW, BKH, MRC, SU, HNSN, TAC, VGZ, HLF, MVC, PCAR, ROVI, FCBC, FMC, ALEX, SEM, BOKF, CAC, VMI, LAZ

Equity/Mixed Shelves: RAS (\$100M), SHBI (\$100M)

Other Newspaper Articles & Stories

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- Without reform, it would be best for Britain to leave EU [Telegraph](#)
- Cameron must set himself against the spirit of the age [Telegraph](#)
- Bank of England prepares stress tests to ensure banks can survive housing crash [Guardian](#)
- Labour's economic policy: industrial revolution required [Guardian](#)
- Politicians must not interfere to block takeovers of UK firms [Guardian](#)
- UK savings rate may more than double after reforms [CityAM](#)
- UK's top bosses more likely to have worked around the world [CityAM](#)

Key Events This Week

Wednesday: Q1 GDP, ADP Employment Change, Chicago PMI, FOMC Rate Decision and QE3 Pace, China NBS Manufacturing PMI April, BOJ policy decision, Eurozone CPI, German Labor data, Earnings (ACT, ADT, ADP, GRMN, HSP, IP, MOS, PSX, CBG, MET, MUR, WMB)

Thursday: MayDay (most of Europe closed – UK, Ireland, Denmark open), Markit US Manufacturing PMI, Construction Spending March, Autos Sales April, Challenger Job Cuts, Yellen speaks in Washington, Earnings (AMT, BLL, BWA, CAH, CLX, CTRX, HAR, HST, IRM, IVZ, K, LM, MSI, MA, EXPE, KRFT, MHK, PSA, SWN, XL, WU)

Friday: April Employment Report, Eurozone Manufacturing PMI April, Eurozone Unemployment rate March, China non-manufacturing PMI, Earnings (CVS, CVX, EL, GHC, MMC, NU, PNW, SRE)

Sunday: China April HSBC manufacturing PMI

Key Events on the Horizon

May 5 – Ira Sohn Conference NYC 9 ([link](#))

May 17 – Portugal exits EU/IMF bailout program

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