From: [redacted]
Sent: Mon 5/5/2014 9:42:54 AM
Subject: Early Tour 5.5.14

Good Morning … European Markets off 50-130 bps (UK & Ireland closed) … NKY (closed), SHCOMP +0.05%, HSI -1.28%, KOSPI (closed), TWSE +0.04%, ASX +0.08%

EUR 1.3875 (+0.96%) JPY 101.96 (+0.23%) GBP 1.6872 (+0.01%) SEK -0.52% NOK -0.33% US 10yr 2.5789%

Futures: Dow -74, Nasdaq -17, S&P -7 DXY 79.49 (-0.04%) Crude $100.35 (+0.59%) Gold $1311.70 (+0.68%)

It was a relatively quiet night in Asia with Japan, Korea, Thailand closed for holidays. China HSBC Manufacturing PMI for April came in weaker than expected at 48.1 vs est 48.4 and March's 48.3. HK underperformed post the weaker PMI print and several stocks trading ex-div. Australia managed to close in the green despite banks weighing after results from WBC (-1.2%). M&A also in focus as Aurizon (-4.8%) and China's Baosteel have launched a $1.42b bid for Aquila (+36.3%). Taiwan was slightly higher, boosted in part by HTC which closed limit up (+7%) ahead of tomorrow's Q2 results/analyst meeting. Japan and Korea remain closed tomorrow, along with HK, which is closed for Buddha's birthday. It is also very quiet in Europe today with the UK & Ireland closed for a Bank Holiday. European markets getting hit 50-130 bps in thin liquidity as Ukraine unrest flares up again (FT) with headlines reading "Russia moves warplanes into Ukraine attack position" (Breitbart) (note these planes were moved late last week). US futures were flat earlier but have rolled over with Europe, SPA's -7 handles =1866.90 last.

Markit Services PMI @ 9:45am, ISM Non-Manufacturing @ 10am

PFE reports before the open / AIG, THC, VNO report after the close

- Berkshire Hathaway Q1 earnings down on insurance underwriting, annual meeting over the w/e
- Sina fined by govt and licenses to be revoked due to "unhealthy and indecent content" (trading -3.4%)
- Apple/Samsung: US jury orders Samsung to pay Apple $120 million for patent infringements
- Astrazeneca: *Sunday Times* says Pfizer will lobby shareholders to force AZN into talks (LSE closed)

- Wacker Chemie Q1 sales inline with expectations, EBITDA comes in below consensus (trading -4.1%)
- Alstom CEO sends letter to Siemens counterpart promising to open books (*Les Echos*) (trading -0.90%)
- UCB: named as a takeover candidate in *Barron's* as well as local paper *De Tijd* over w/e (trading -0.60%)
- Volvo/Trucks: prelim class 8 truck orders in North America 24.4k in Apr (lowest intake since Nov)
- MAN SE Q1 sales revenue drops 13%, order intake declines 3%, forecast unchanged (trading -0.80%)
- Wincor Nixdorf Q2 results below expectations, sales 1.5% below, EBIT 18% below (trading -6.7%)
- Repsol: Pemex hires Credit Agricole to sell its 9.4% Repsol stake says *El Confidencial* (trading -1.2%)
- Carrefour has started to work on exit plan from India according to the *Times of India* (trading -1.1%)
- SAP Technology Chief Vishal Sikka steps down (personal reasons) in mgmt overhaul (trading -2.4%)
- Imerys CEO says that emerging markets slowed down in recent months (*Les Echos*) (trading -1.1%)
- Fuchs Petrolub (chemicals) Q1 EBIT inline with estimates, confirms 2014 outlook (trading -0.18%)
- Suez Environment denies report that GDF Suez is planning to lower its 36% stake in Suez (trading -0.25%)
- Banca Monte De Paschi: reverse split starts today, Banca IMI makes negative comments (trading -3.4%)
- Portugal will exit bailout without a precautionary credit line (the program officially ends May 17)
- EU reduces Euro-area 2015 growth forecast to 1.7% from 1.8% as pace of inflation is seen slowing

Leading European Sectors: Basic Resources -0.35%, Telco -0.39%, Travel & Leisure -0.40%
Lagging European Sectors: Tech -1.71%, Autos/Parts -1.58%, EMU Banks -1.53%

RAIL earnings miss – BEAV exploring strategic alternatives – CMSCA may stream EA games

Secondaries (announced/priced): N/A

IPO's: N/A

US Key Research:

- Barcap upgrades AINV, Multiple brokers initiate LQ & KING, DB initiates FEYE (hold) & upgrades CRM (buy)
- Topeka upgrades DIS (buy), Piper upgrades CVD, Maxim cust MSG, Raja upgrades CBRL & cuts ACIW
- Jefferies upgrades ARIA (buy), BMO downgrades EL, JPM upgrades LLL/LLI/WCC, Bern upgrades ORCL
- JMP downgrades RWT, KBW upgrades OZM

Europe Key Research:

- Natixis downgrades IHG LN, Pareto initiates TIL NO (buy), DB upgrades NDX1 GY, Danske downgrades AZN LN
- Kepler upgrades European Energy to neutral

Reporting Pre-Open: OXY, PFE, SYY, TSN, ALCS, ALX, ANIP, AUXL, BCPC, BIP, BSFT, EXAR, FRM, FSTR, GSM, INFU, IVR, KOP, KOS, NGS, NHI, NSSC, OWW, PETS, QLTY, RLGY, TESO, TREX, WLK

Reporting Post-Close: AIG, APC, CFN, EOG, THC, VNO, AAON, ACUR, AEIS, AGII, AIN, ALXA, APL, ARCI, ARE, AXLL, BDE, BNFT, CATM, CKEC, CKP, CRK, CVGI, DAC, DATA, ECOL, ECOM, EGOV, ELNK, EMES, ENH, EOX, FLDM, FN, FOLD, FRP, G, GLRE, HCLP, HGR, HI, HL, IDTI, ININ, JBT, KAR, LADR, LAND, LDL, LDR, LF, MCEP, MED, MR, MTSC, MUSA, NCMI, NLS, NTK, OAS, OTTR, PACD, PIKE, PKOH, PLOW, PRI, PSMI, QLYS, RBC, RGR, ROSE, RPAI, RSE, RWT, SALE, SBRA, SHO, SKH, sLRC, SMG, STAG, SUNS, SYKE, SZYM, TNET, TTEC, TXRH, UAM, VECO, VRNS, VVUS, WSR, Y, YY, ZIPR

Economic Data: Markit US PMI @ 9:45am, ISM Non-manufacturing Composite @ 10am

Conferences: CS Offshore Tech (Houston)

Analyst/Investor Days: BEAV, JKHY

Non-Deal Roadshows: AFAM, ETM, SNY, PCH, VSTM, TRN, AFL, BKMU, KCAP, MKSI, STAG, XONE, GMET, CLW, YORW, ALSN, LKQ, CBL, SSP, ALXN, IBKC, MSI, PFMT

Shareholder Meetings: CME, EDU, FISV, HIG, KOOL, LMAT, ONNN, REXX, TTS

Equity/Mixed Shelfs: LMAT ($60M), AKR, MCEP ($400M)

Other Newspaper Articles & Stories

Barron's cover: India: Open for Business Barron's

Barron's positive: Regions Financial (RF) Barron's, Harsco (HSC) Barron's

Barron's cautious: SunEdison (SUNE) Barron's

- Takeovers Put Fuel in Stocks' Empty Tank WSJ
- Strong Job Creation, Weak Stock Market WSJ
- Banks Resume Role in Offering Leverage for Complex Debt WSJ
- No Regrets for the Founder of Tumblr After Yahoo Sale NYT
- Prosper, a Peer-to-Peer Lender, Raises $70 Million NYT
- 'Mindfulness' gives stressed-out bankers something to think about FT
- Portugal exits bailout without safety net of credit line FT
- Prosper lives up to moniker with $650m valuation FT
- Buffett disciples make way to Omaha amid break-up debate FT
- Yuan Yafei, Sanpower chairman – 'Only strange people can succeed' FT
- Switzerland: Change in the air FT
- Q&A: European elections FT

- Ukraine struggles to maintain order FT
- British austerity is no model for the rest of the world FT
- Applus: testing times Lex
- Ares Management – spring chill Lex
- Macquarie: billion-dollar baby Lex
- AstraZeneca / Pfizer: slap-happy Lex
- Europe Rides the Reflation Trade WSJ
- Ukraine Crisis: Fear of Wider Pain Tempers Sanctions WSJ
- Borrowing Cash to Buy Complex Assets Is In Vogue Again WSJ
- British tax regime hailed as a magnet for foreign investment The Times
- University challenge: a pension black hole The Times
- Business commentary: politicians should butt out of bonuses The Times
- Britain could become the world's fourth largest economy within decades Telegraph
- Rapid rate rises 'could throw UK back into recession' Telegraph
- Iran offers Europe gas amid Russian energy embargo fears Telegraph
- Why Britain needs an innovation bank Guardian
- It's madness to 'privatise' Marx – thanks to Piketty he's back in vogue Guardian
- Banks helped create the railways. Now railways are an example to the banks Guardian

Key Events This Week

Tuesday: Trade Balance, Australia rate decision, Eurozone Retail Sales / PMIs, Baird Growth Stock Conference (Chicago), Jefferies Global TMT (Miami), Earnings (AME, DISCA, DTV, EMR, FE, IFF, MOS, NRG, VMX, XRAY, ALL, ATVI, DIS, EA, FMC, FSLR, FTR)

Wednesday: Yellen testifies to Joint Economic Committee (10am), MBA Mortgage Applications, Nonfarm Productivity & Unit Labor Costs, Consumer Credit, German Factory Orders, Bofa Transportation Conference (Boston), DB Health Care Conference (Boston), Earnings (AGN, CHK, DUK, DVN, EXPD, HUM, MDLZ, POM, TAP, CF, FOXA, GMCR, KIM, PRU)

Thursday: Yellen testifies on economy to SBC (9:30am), Bloomberg Consumer Comfort, BOE & ECB interest rate decisions, German IP, BOE & ECB rate decisions, Wells Fargo Industrial & Construction Conference (NYC), Earnings (AEE, APA, BEAM, CVC, DISH, ICE, LINTA, LMCA, PCLN, REGN)

Friday: JOLTs Job Openings, Wholesale inventories March, Sidoti Micro-Cap Conference (NYC), Earnings (RL, BLMN)

Key Events on the Horizon

May 13 – Eurozone ZEW survey

May 17 – Portugal exits EU/IMF bailout program

May 25 – Ukraine elections

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