

From: [REDACTED]
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Subject: Early Tour 2.19.14

Good Morning ... European Markets mostly lower 0-70 bps (Russia -0.96%) ... NKY -0.52%, SHCOMP +1.11%, HSI +0.26%, KOSPI -0.20%, TWSE +0.24%, ASX +0.29%

EUR 1.3749 (-0.07%) JPY 102.13 (+0.22%) GBP 1.6681 (-0.02%) RUB -0.67% US10yr 2.6872%

Futures: Dow -25, Nasdaq -2, S&P -3 DXY \$80.00 (unch) Crude \$102.61 (+0.18%) Gold \$1319.30 (-0.39%)

Asian indices were skewed higher overnight in what was a very dull session. Japan gave back some of yesterday's gains post the BOJ release. The Nikkei opened lower and held a narrow range as the yen strengthened to 102.15 intra-day. Bridgestone (-4.3%) weighed after announcing profit forecasts that were below estimates (out post close yesterday). In Korea, the KOSPI closed lower on foreign selling, especially in Hyundai (-1.7%) post disappointing Jan EU sales data. China outperformed as the SHCOMP rallied to its highest level in two months led by financial names. Hong Kong was also higher although the Macau space was under pressure following reports of the potential shortening of license renewal period to five years from 10 years. Volumes were light all around except for Australia, which was boosted on a slew of results, including Fortescue (-2.3%) which posted 1H net income slightly below estimates (stock rallied 20+% into numbers). Tomorrow we get trade data out of Japan, along with the BOJ Feb economic report. The HSBC/Markit China Flash PMI is due out @ 8:45pm tonight as well. European markets tilted slightly better for sale this morning with volumes at their best levels of the week. EMU Banks underperforming -0.95% on what seems to be profit taking after the recent run (CBK GY -3.1% on no real news). On the geo-political front, the situation in the Ukraine continues to deteriorate with at least 25 people killed yesterday in the clashes around Independence Square. Anti-government protests in Venezuela and Thailand are also starting to escalate. On the Economic calendar we will get the FOMC minutes from Bernanke's last meeting at 2pm today. SPA's -3 handles = 1833.70 last.

MBA Mortgage Applications @ 7am, PPI & Housing Starts @ 8:30am

FOMC minutes from Bernanke's last meeting (Jan 28-29) @ 2pm

DVN, GRMN, HCN, HST pre-open / EQIX, MAR, SWY, TSLA after close

- Herbalife Q4 profits increase 10% & boosts guidance with better China sales (trading +6.0%)
- Green Mountain holder Lavazza enters new stock purchase pact to keep % ownership (trading +3.4%)
- Analog Devices eps inline, guides better, boosts div and increases buyback by \$1B (trading +1.7%)
- CF industries Q4 eps beat on better sales, reaffirms forecast and boosts dividend (trading +0.6%)
- Flowserve reaffirms forecast for 2014, reports better revs and raises dividend (trading -0.2%)
- Panera Bread Q4 eps beats but guides below consensus, company-owned sss + 1.7% (trading -3%)
- Flour Corp Q4 eps beat but revenues miss, year-end backlog drops 8.6% (trading +0.6%)
- Potbelly eps beats estimates and sees FY comp sales growth in low single digits (trading -2.7%)
- Sapient sees Q1 service revenues \$328 million - \$338 million versus estimate \$323.3 million
- Canadian Natural (CNQ CN) buys some assets of Devon Canada for C\$3.13 billion
- US minimum wage rise may cost half million jobs by H2 2016 according to non-partisan CBO ([FT](#))
- Credit Agricole Q4 revs ahead, EBIT better, better div, net income miss, CT1 12.6% (trading +1.8%)
- TF1 Q4 net income ahead, revs miss, op income improving, prioritising growth (trading -1.6%)
- KPN: Reuters reports EU will object to Telefonica bid for KPN's German unit (trading -0.66%)
- Portugal Tel Q4 revenues light, EPS inline, EBITDA misses estimates (trading -0.79%)
- Orange/Jazztel: Orange said to be eyeing Spanish M&A targets including Jazztel (JAZ SM +3.5%)
- Peugeot FY revs good, net debt better, confirms €3bn cap increase (trading +3.0%)
- Lafarge Q4 revs in line, EBITDA light, EPS beats, reaffirms objective outlook (trading +3.2%)
- Clariant Q4 revs fine, EBITDA better, net income below, confirms m/t targets (trading -1.9%)
- Meda Q4 sales better, adj EBITDA ahead, net income good, 10% organic growth (trading +7.3%)
- Temenos Q4 revs light, EPS better, EPS ahead, FY guidance okay (trading +6.3%)
- Carlsberg FY revs inline, EBIT ahead, EPS good, solid underlying guidance (trading +6.0%)
- Atos Origin FY revs inline, EBIT shade light, solid backlog for Q1 (trading -4.2%)
- Norma Group Q4 prelims: revs shade below, adj EBITDA improving, solid margins (trading +0.07%)
- OMV Q4 revs okay, EBIT ahead, EPS below, propose div increase to €1.25 (trading -1.1%)

- Electrolux: AHAM Jan 2014 -7.7%, poor number may be effected by US weather (trading -0.28%)
- Monitise H1 revs better, continued increased demand, good mix, reit guidance (trading -4.6%)
- Swedish Match Q4 revs light, op profit decreases y/y, maintains long term financial plan (trading +3.0%)
- Germany fails to get bids for maximum target at bunds auction (Bloomberg headline)
- UK October-December ILO unemployment rate 7.2% versus estimate 7.1%
- Venezuelan opposition leader surrenders to security forces to face charges of fomenting unrest (FT)
- Thailand: protesters seeking to oust PM Yingluck have planned a rally at her temporary office

Leading European Sectors: Utilities +0.42%, Oil & Gas +0.25%, Food/Bev +0.12%
Lagging European Sectors: EMU Banks -0.95%, Travel/Leisure -0.66%, Autos/Parts -0.53%

MFRM guides below – ZIXI guidance misses – LZB eps and revs light

PNRA eps beat est – NBR eps beat & revs increase – PEI penny better

THO expands production capacity – RAIL reports loss – VZ share issue to VOD

Secondaries (announced/priced): KMP, CPN, ARWR, OAKS

IPO's: King Digital Entertainment files for IPO, Pets at Home Group Plc launches IPO, Kennedy Wilson Europe Real Estate Plc (pricing Feb 26)

US Key Research:

- B. Riley initiates VCRA (buy), Barcap downgrades APL, DNB downgrades GLOG (hold)
- Evercore upgrades GOGO (ow), GS upgrades ACT (buy) and cuts FRX & reinstates MCK (buy)
- Jefferies cuts NPSP, Topeka initiates RGC (hold), Stifel initiates MSA (hold) & OSK/URI (buy)
- B. Riley initiates VCRA (buy), FBR initiates AOS/JCI/LII/SUNE/ (op) & TSLA/CPST/FCEL (mp)
- Raja downgrades DRC, Canaccord initiates HEI (buy), RBC upgrades RTN, Topeka initiates CKEC (buy)

➤ Citi initiates M (buy) & JWN/KSS/JCP/DDS (neut)

Europe Key Research:

➤ Barc upgrade UHR VX, DB downgrade DUE GY, BDT GY, Exane downgrade SW1 GY

➤ GS downgrade CA FP, JEFF upgrade MKS LN, KepChev downgrade TEN IM

➤ Berenberg upgrade JAZ SM, Akros downgrade TEN IM

Reporting Pre-Open: DVN, GRMN, HCN, HST, AIMC, CBMX, CCC, CG, CLMT, COBR, DX, DXYN, ESNT, EV, GEO, HAWK, HL, INOD, KNOP, LAD, LL, MDCO, MGM, NEO, NM, NOR, OCR, SAH, SAVE, SIX, SUNE, WAB, XEC, ZBRA

Reporting Post-Close: EQIX, MAR, SWY, TSLA, WMB, ACHC, ALLE, AMTG, ARII, ARRS, ASGN, AVG, AWAY, AXLL, BAS, BJRI, BRX, CAR, CDE, CLUB, CNK, CSGP, CW, CXO, DENN, DL, DRII, EIG, EPAM, EQY, ETE, EXAC, FELE, GDP, GSS, HLS, HLX, HOS, HR, ICAD, JACK, KAI, LGCY, LHO, LOCK, LONG, MCHX, MHLI, MIC, MM, MUSA, NOA, NEW, OSI, PGTI, PRAA, PVA, QTS, RBCN, REXX, RGP, SNPS, STNR, STR, SXL, TILE, TRAK, TRN, TSRO, TX, UIHC, UNTD, VECO, VVC, WIRE, WPZ

Economic Data: MBA Mortgage Applications @ 7am, PPI / Housing Starts & Building Permits @ 8:30am, Fed Minutes @ 2pm

Fed Speakers: Bullard @ 1pm (DC), Williams @ 7pm (NYC)

Conferences: EnerCom's The Oil & Services Conference 12 (SF), Barcap Industrial Select (Miami)

Analyst/Investor Days: KPN NA, DOV

Non-Deal Roadshows: ACI, ALJ, BKU, CDNS, CI, CPST, CTRL, EDR, FOR, HAS, HBP, HIG, INSY, KPTI, LF, MAT, MCO, MLHR, NE, NOV, OMCL, PRXL, PSEC, PSTI, RBA, SALE, SN, SPB, SWKS, SYNA

Shareholder Meetings: CHFN, LEE, UTI, TRER, VAL, SIRO, ATW

Equity/Mixed Shelves: ADXS (\$50M), MWE (\$1.2B)

Other Newspaper Articles & Stories

WSJ positive: Duke Energy (DUK) [WSJ](#)

- Netflix-Traffic Feud Leads to Video Slowdown [WSJ](#)
- Raising Minimum Wage Reduces Jobs, Poverty, Study Says [WSJ](#)
- Inside Target, CEO Gregg Steinhafel Struggles to Contain Giant Cybertheft [WSJ](#)
- Fed Sets Rules for Foreign Banks [WSJ](#)
- As Coffee Soars, That Cup of Joe May Get Pricier [WSJ](#)
- New Push to Throw Assets Overboard [WSJ](#)
- Spirit Airlines Is Gaining Altitude [WSJ](#)
- Peugeot Secures \$1.1 Billion Lifeline From China [WSJ](#)
- 'Candy Crush Saga' Maker Files for an IPO [WSJ](#)
- GM Secures Aluminum for Trucks [WSJ](#)
- Bitcoin Experiment in Real Life [WSJ](#)
- Bangkok Braces for Possibility of More Confrontation [WSJ](#)
- Central Banks Take Advantage of Calm in Markets [WSJ](#)
- Americans Ramp Up Borrowing [WSJ](#)
- Germany, Putin and the West [WSJ](#)
- Hurting the 0.3% [WSJ](#)
- Loan Complaints by Homeowners Rise Once More [NYT](#)
- Obama Orders New Efficiency for Big Trucks [NYT](#)
- Minimum Wage Increase Would Have Mixed Effects, C.B.O. Report Says [NYT](#)

- Ukraine's capital descends into violence as activists resist police [FT](#)
- Australian central bank walking a currency tightrope [FT](#)
- Listings worth \$8.3bn lined up in IPO flurry [FT](#)
- Flood claims cannot be rushed, say insurers [FT](#)
- Give them some credit [FT](#)
- China considers larger tanks as soldiers pile on pounds [FT](#)
- 'Candy Crush Saga' game creator files for New York IPO [FT](#)
- Cameron takes the battle against independence to the Scots [FT](#)
- UK factories shut down to avoid high power costs [FT](#)
- Europe cannot afford to give in to the separatists [FT](#)
- Scotland's slow road to Brussels [FT](#)
- Brussels warns Italy's Renzi to stick to EU budget rules [FT](#)
- Peugeot/Dongfeng: Drive carefully [Lex](#)
- Actavis / Forest: roll up, tax down [Lex](#)
- Candy Crush: mugs' game [Lex](#)
- BHP Billiton: keep on trucking [Lex](#)
- We're in a mess. We must know who to blame [The Times](#)
- Fed chief gets tough with US divisions of British banks [The Times](#)
- Failing states such as Syria deserve to fail [The Times](#)
- Inflation dip gives Bank of England more options [Independent](#)
- If we want a US-style energy boom in the UK, the sector needs young workers [Telegraph](#)
- Gold demand softens by 15% globally as economic recovery heats up [Guardian](#)
- Mining tax: it's time for all Australians to realise they are being ripped off [Guardian](#)
- We must help the poor – but hurting the rich makes no sense [CityAM](#)

Key Events This Week

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