**From:** [redacted]
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**Subject:** Early Tour 2.21.14

Good Morning … European Markets up 0-70 bps (Spain & Italy -0.25%) … NKY +2.88%, SHCOMP -1.17%, HSI +0.78%, KOSPI +1.41%, TWSE +0.91%, ASX +0.49%

EUR 1.3711 (-0.05%) JPY 102.40 (-0.12%) GBP +0.14% CAD -0.46% SEK -0.40% US10yr 2.7572%

Futures: Dow +36, Nasdaq +6, S&P +3 DXY 80.36 (+0.09%) Crude $102.55 (-0.18%) Gold 1319.80 (+0.22%)

Asia mostly higher overnight as Japan recovered all of yesterday's move and then some with the Nikkei closing up on the week for the first time in 2014. The Yen has weakened slightly back up to the 102.40 level versus the USD this morning. South Korea posted the biggest gain this month as foreign buying returned and drove the KOSPI back above the 200d average. China underperformed as the SHCOMP pulled back largely due to PetroChina closing -3.88%. European markets generally higher this morning with the exception of IBEX/MIB being down a touch and the DAX essentially flat. Volumes are decent with the options expiry. UK's FTSE100 +0.24% acts well again after outperforming yesterday with the Vodafone reinvestment trade taking effect on the close today. Auto parts supplier Valeo (FR FP) +12.8% is the best performer in Estoxx600 after beating estimates while Elekta (EKTAB SS) -10.5% is the worst performer after issuing a profit warning related to gamma knife and fx effects. Sector-wise, Luxury lags with Kering (KER FP) -2.7% after #'s and EMU Banks also weaker by -0.30% on some continued profit taking. PCLN, GRPN, HP, JWN, ESRX, INTU, MRVL all reported last night in the US and full recap is highlighted below. SPA's +3 handles = 1840 last.

***Existing Home Sales @ 10am, Options Expiration Today***

***CHTR & DISH reporting pre-open, Volkswagen #'s due today as well***

***USA vs Canada Men's Hockey Semi-Finals @ 12pm EST***

- Hewlett-Packard revs/eps for Q1 beat estimates on increased server demand (trading +3.4%)
- Brookdale to buy Emeritus Senior Living in $2.8B deal (ESC holders get 0.95 BKD shares)
- Priceline.com Q4 results beat estimates on better than expected European earnings (trading +1.1%)

- Groupon revenue lifted in Q4 by better mobile sales, revs/eps beat, warns of acquisition costs (trading -7.7%)
- Express Scripts reports eps inline but sees Q1 earnings below estimates due to effects of weather (trading -2%)
- Allscripts reports better revs/eps beat estimates by 1c, contract backlog +21% yoy (trading +1.6%)
- Juniper announces intergrated operation plan, 10c dividend, & $1.2B accelerated buyback (trading +2.4%)
- Qlik Technologies Q4 eps beat estimates by 1c, guides year earnings below expectations (trading +7.6%)
- Tile Shop reiterates 2014 revs and eps guidance, 10.1% comp store sales growth (trading +5.2%)
- Newmont Mining swung to Q4 loss on impairment charges, revs hurt by weaker avg prices (trading unch)
- UIL Holdings reports better Q4 earnings than consensus, guidance inline (trading unch)
- Nordstrom Q4 eps beat est but guides full year revs below, comps up inline +2.2% (trading unch)
- Grand Canyon Education reports better Q4, guides revs slightly higher than ests (trading 1.5%)
- Aruba Networks Q2 earnings come in penny better, $200M repurchase authorization (trading +11%)
- Intuit Q2 revs come in better than preliminary reports, guides Q3 forecast higher (trading +2%)
- Acadia Research trades down post close after Q4 revs miss estimates -77% y/y (trading -7.2%)
- Marvell Technology reports better Q4 revs and adjusted eps, guides Q1 forecast lower (trading unch)
- Pilgrim's Pride reports better eps on slightly light revs, ebitda $195.6M & margin 9.6% (trading +2.3%)
- Anixter said to be working with GS on possible sale of company (Rexel said to be a potential bidder)
- Elekta Q3 profit warning: cuts EBITA forecasts, FY sales and growth forecasts, no guidance (trading -10.5%)
- Kering FY revs inline, EBIT fine, YSL & Bottega good, Gucci light, forecasts rev & op income growth (trading -2.7%)
- K+S: positive pricing news from Canpotex in South America, who achieve $360/t (trading +1.5%)
- Matas Q3 revs inline, EBIT light, (LFL growth pre announce), raises rev guidance, good run (trading -2.8%)
- Informa FY revs inline, adj op profit better, EPS fine, proposes div of 18.9p (trading +1.5%)

- Axa FY weaker on adverse mortality & US/Japan model changes, overall business okay (trading -1.6%)

- SES Q4 revs ahead, EBITDA in line, EBIT good, 2014 rev & EBITDA to show strong org growth (trading +0.80%)

- Tenaris Q4 revs inline, EBITDA & net better, cautious outlook on flat guidance (trading -0.60%)

- SGL expects net FY loss of almost €400M vs €282.9M, poor outlook, no dividend (trading -6.7%)

- Gecina FY EBITDA light, net income ahead, EPS shade below, proposes €4.6 dividend (trading -0.30%)

- Abengoa FY revs inline, EPS fine, sales good, focused on raising credit rating (trading +3.0%)

- Club Med Q1 revs flat y/y, winter bookings -4.6% over the past 8 weeks (trading -0.06%)

- Blinkx appoints Ujjal Kohli to the board, CEO buys 10k shares (trading +10.1%)

- RBS: *FT* reports on dramatic restructuring, at least 30k job losses in coming years (trading +2.1%)

- UK January retail sales fall more than forecast led by drop in food/clothes (-1.5% m/m vs est -1.0%)

**Leading European Sectors:** Autos/Parts +1.02%, Oil & Gas +0.69%, Telco +0.62%
**Lagging European Sectors:** Luxury -0.55%, Basic Resources -0.33%, EMU Banks -0.28%

HNSN revs better – JOBS revs/eps beat – INAP 3's mixed

LO boosts div – SSTK earnings better – ABTL revs better

EMN $1B repurchase – BCOR penny better – TC loss worse

**Secondaries (announced/priced):** PGNX, FANG

**IPO's:** Selmer Scientific (SMLR) prices 1.43M shares at $7.00

**US Key Research:**

- Barcap downgrades MONT, KBW upgrades EMCI & downgrades ESNT

- Jefferies upgrades COMM (buy) & cuts PEG & initiates FLT/WEX (buy)

- Nomura initiates TXT (neut) and ETN (buy), Opco initiates WFM (op) & SFM/TFM (p)
- Stifel cuts JWN & initiates IRG (buy), UBS downgrades SXL, GS upgrades TOT
- Piper initiates BCRX (ow), Baird initiates NLSN (neut), Sterne Agee initiates AVHI (neut)
- Macquarie initiates CASY/PTRY (neut), RBC downgrades GRPN, Raja cuts MHK

**Europe Key Research:**

- Baad downgrade TTI GY, IMI upgrade AGL IM, BofAML upgrade EDCL LN
- Barc upgrade RCO FP, Citi downgrade CAP FP, CS downgrade IHG LN
- DB downgrade SAF FP, Exane downgrade PHIA NA, IMI LN
- GS upgrade FP FP, HSBC downgrade MLP GY, upgrade SDRL NO
- JPM downgrade GLEN LN, BDEV LN, upgrade EDCL LN, BVS LN
- KBC upgrade WES NA, Mainfirst downgrade UCG IM, MS downgrade TCY LN
- RayJ downgrade HEN3 GY, RBC upgrade LUPE SS,
- SocGen downgrade ICAD FP, upgrade TEC FP, BA/ LN
- Swedbank downgrade SOBI SS, NOR NO, upgrade DNO NO
- UBS upgrade RIEN SW, KUD SW, downgrade SMIN LN
- UBS initiate BOY LN, MGAM LN, SPX LN (buy), IMI LN, XAR LN, HLMA LN (n), VSVS LN (s)

**Reporting Pre-Open:** AEE, CHTR, DISH, ECL, GHC, PNW, B, BCC, CRWN, DCI, DGICA, GKNT, LBY, RUTH, SATS, SR, STRZA, TFX, WBAI, WLB

**Economic Data:** Existing Home Sales @ 10am

**Fed Speakers:** Bullard @ 1:10pm (St. Louis)

**Conferences:** No major conferences

**Analyst/Investor Days:** ESRX

**Non-Deal Roadshows:** ACAS, CHGG, CPL, CRAY, GLUU, NOV, SAEX, SIRO

**Shareholder Meetings:** N/A

**Equity/Mixed Shelfs:** XLNX, NVFY ($60M)

***Other Newspaper Articles & Stories***

- Obama Budget Plan Reflects Partisan Lines WSJ
- NCAA Pay Case Nears Ruling WSJ
- In Pricey Facebook Deal for WhatsApp, Two Strong-Willed CEOs WSJ
- Punch the Accelerator on Self-Driving Cars WSJ
- Firm Stops Giving High-Speed Traders Direct Access to Releases WSJ
- Big Banks Take Hits on Trusty Oil Hedge WSJ
- Upstarts Hope to Make 2014 a Blowout Year for Hedge-Fund Debuts WSJ
- Amazon Tempts the Anti-Amazons WSJ
- Wal-Mart's Big-Box Formula Comes Under Strain WSJ
- S&P Downgrades Ukraine Rating WSJ
- Fed Move Rattles Global Bank Talks WSJ
- Europe Echoes Cameron, But Few Are Willing to Follow WSJ
- Chinese Yuan Slumps for Sixth Day WSJ
- Noonan: Whose Side Are We On? WSJ
- A Billionaire Philanthropist in Washington Who's Big on 'Patriotic Giving' NYT
- For Facebook, It's Users First and Profits Later NYT

- An Aggressive Fed Finds Critics on Wall Street NYT
- With Ban on Ads Removed, Hedge Funds Test Waters NYT
- Ukraine urged to pull back from brink FT
- Buffett's Business Wire ends feeds to high-speed traders FT
- Clergy preach to Cameron on benefit reform FT
- Business Barometer FT
- Al Jazeera journalists appear in Cairo court FT
- Brazil pledges $18.5bn cuts in effort to woo investors FT
- Change in Obama's Syria calculus has buoyed Assad FT
- Matteo Renzi should look to Mexico for inspiration FT
- Minimum wage system has 'run its course', says founding chairman FT
- Franklin Templeton's Ukraine bond bet in the red FT
- A Swift lesson in the principles of economics FT
- Brussels relaxes crackdown on regional airport sweeteners FT
- Pepsi / Coke: cola wars Lex
- BAE Systems: not so defensive Lex
- Danone: milk but not much honey Lex
- Technip: oh buoy! Lex
- Osborne backs G20 plan for global growth forecasts The Times
- Housebuilding revival continues but is still nowhere near enough The Times
- Without the UK, Scots couldn't win curling gold The Times
- The Church can wail, but few are listening The Times
- French malaise hits growth in the struggling eurozone Independent
- Israel fears withdrawal by EU firms is too high a price to pay Independent
- Mark Leftly: Public transport should be an asset, not a penalty, for developers Independent
- David Cameron must lead planning revolution to prevent future floods, say experts Telegraph
- France is looking straight down the barrel of a deflation shock Telegraph

- For all their protests, Red Ed and his party are turning yellow Telegraph
- How free markets are making solar energy feasible without subsidies CityAM

***Key Events Next Week***

Monday: Chicago Fed National Activity Index, Dallas Fed Manufacturing Activity Index, BMO Metals & Mining Conference (Hollywood, FL), Citi Global Healthcare Conference (NYC), JPM High Yeild & Leveraged Finance Conference (Miami), Earnings (PANW, FTR, EOG, OKE, THC, VNO)

Tuesday: S&P/Case-Shiller House Price Index, Richmond Fed Manufacturing Idex, Baird Business Solutions Conference (NYC), RBC Healthcare Conference (NYC), Earnings (AMT, BLMN, DPZ, FE, HD, M, TOL, SDRL, AVGO, EIX, FSLR, QEP, RRC, SBAC)

Wednesday: MBA Mortgage Applications, New Home Sales, Wells Fargo Real Estate Securities Conference (NYC), Earnings (AES, CHK, CNP, CVC, DLTR, LOW, NFX, TGT, TJX, ADSK, BIDU, LB, RIG)

Thursday: Durable & Capital Goods Orders, Kansas City Fed Manufacturing Index, Goldman Sachs Social Media Forum (NYC), Earnings (BBY, CTRX, KSS, PLL, SRE, WPX, CRM, GPS, MNST)

Friday: MSCI index rebalance, GDP, Chicago PMI, U. of Michigan Confidence, Earnings (IRM, LINTA, LMCA, NRG, POM, SWN)

***Key Events on the Horizon***

March – Local elections in Turkey

Mar 4 – Obama to publish his budget

Mar 18 – German Constitutional Court will rule on legality of ESM bailout mechanism & fiscal pact

Apr 11 – DBRS to decide on whether to downgrade Spain or Italy

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