From: [redacted]
Sent: Thur 2/6/2014 10:49:51 AM
Subject: Early Tour 2.6.14

Good Morning … European Markets up 70-150 bps … NKY -0.18%, SHCOMP (closed), HSI +0.72%, KOSPI +0.88%, TWSE +0.56%, ASX +1.20%

EUR 1.3528 (-0.04%) JPY 101.54 (-0.09%) AUD +0.49% NZD +0.09% GBP -0.10% RUB +0.54%

Spain 10yr 3.71% Italy 3.77% Portugal 10yr 4.96% US 10yr 2.67%

Futures: Dow +72, Nasdaq +19, S&P +9 DXY $81.08 (+4c) Crude $97.75 (+37c) Gold $1258.30 (+$1.40) Copper +0.47% Silver +1.06% Nat Gas +3.86%

Asian markets were mostly higher overnight on light volumes ahead of Friday's NFP. Australia led the region for a change with the ASX200 closing at the highs after a surprise trade surplus – miners were strong along with Woolworths (+2.4%) which posted solid 2Q food & liquor sales. In Japan, the Nikkei saw a late day sell-off to finish marginally lower despite Softbank (+3.8%) reversing some YTD losses and posting its best daily gain this year. Earnings remain in focus with another round of results out after the close including Sony (+1.5%) which officially announced the sale of its PC business as well as cutting jobs and lowering FY forecasts. In Korea, the KOSPI was higher driven by gains in Naver (+7.3%) and Hynix (+5.3%) - Naver on strong 4Q results and Hynix helped by stable 2H Jan DRAM prices. HK saw choppy trading, but rallied in the afternoon to close near the highs. Macau names rebounded hard from yesterday's losses as chatter that strong CNY traffic will offset Jan's weaker GGR growth (Sands +10.9%, Galaxy +7.3%, SJM +6%). China should be the focus tomorrow as the market re-opens tonight after the CNY break. European markets up 70-150 bps with macro focus on the ECB decision due out @ 7:45am with a Draghi press conference 45min later. General consensus is that any change today is premature (next month more likely) but there are a handful of banks that are now calling for a 15bps cut to the refi rate after the recent inflation data (and a few that think they might even drop the deposit rate negative). It seems to be a closer call than the market is pricing in and the EUR could be vulnerable to a downside move if they do indeed act. There has also been some recent rumblings that they are considering ending the SMP sterilization which would add ~ €175B to the EMU financial system. Heavy earnings day and the key names and movers are recapped below. Some wild moves in the US after hours last evening with Green Mountain Coffee +43% after Coca-Cola buys a 10% stake and Twitter -17% as user growth slows. Retail comps out today & Jobless Claims due before the bell. SPA's +9 handles on highs of morning =

1753 last.

BOE @ 7am & ECB @ 7:45am, Nonfarm Productivity / Jobless Claims / Trade Balance @ 8:30am

AET, CMI, DO, EXC, FOXA, GM, K, NBL, PM, SEE, AOL, DNKN, NILE, TEVA #'s pre-open

ATVI, EXPE, NWSA, VRSN, LNKD, OPEN, OUTR earnings after close

- Coca-Cola to buy 10% Green Mountain stake for $1.25B ($74.98/shr) (GMCR trading +43.0%)
- Akamai Q4 profit expectations beat & boosted forecast (growth across all lines) (trading +17.0%)
- Pandora earnings up y/y & total listeners +16% this qtr but disappointing guidance (trading -10%)
- Twitter user growth slowed plus time spent dropped & net loss wider (conservative view) (trading -17.0%)
- Shutterfly 4th quarter profit fell 18% on higher expenses & expects surprise current yr loss (trading -8.0%)
- Yelp big jump in quarterly revenues trimming loss on strong domestic growth (solid rev outlook) (trading +7.0%)
- Disney Q1 eps/revs topped & profit jumped on strength at film business (cable networks surged) (trading +3.0%)
- Fiserv 23.5% gain in Q4 earnings as revs increased & benefited from business divestiture (trading inline)
- Prudential swung to Q4 loss on $1.2B Yen charge as International unit growth stalled (trading -1%)
- Select Comfort missed earnings expectations for 5th consecutive qtr on weak holiday season (trading -2.5%)
- Vodafone Q3 revs in line, Europe challenging (German/Italian trends weak), EM strong, upbeat outlook (trading +3.0%)
- Credit Suisse Q4 below, net profit miss, CHF514mn provisions, FICC below, advisory ahead, div light (trading -1.5%)
- AkzoNobel Q4 revs in line, EBITDA miss, net income ahead, maintains 2015 targets, small quarter (trading +7.2%)
- Daimler Q4 EBIT beats, revs in line, sees significant rise in FY profit, guides for larger FX hit (trading +4.2%)
- Sanofi Q4 revs in line, EPS good (Lovenox, Plavix ahead), op income ok, BUT guidance lower (trading -1.8%)
- Astrazeneca Q4 sales & EPS broadly in line, guidance okay, focus on 2014 pipeline (trading -3.0%)

- Lundbeck Q4 revs light, EBITDA miss, maintains guidance, FX headwinds, Ebixa generics weighed (trading -2.2%)

- Volvo Q4 revs in line, EPS down y/y, EBITDA ahead, SEK3.00 div, ongoing costs, orders good (trading +4.2%)

- Dassault Systems Q4 revs in line, op income fine, EPS slight better, guidance below (trading -6.6%)

- DNB Q4 net beats, pretax ahead, EPS strong, loan losses better (one off reversal), NOK2.70 div (trading +0.50%)

- Danske Bank Q4 mixed, loan losses better, trading below, costs worse, pays first div since 2007 (trading +4.1%)

- Alcatel Q4 revs light, top line miss, strong Q4 margins, Opex savings good, Shift Plan on track (trading +9.7%)

- Sky Deutschland Q4 revs shade below, EBITDA in line, net income light, net adds in range (trading +5.0%)

- Swisscom FY revs in line, EBITDA fine, EPS ahead, maintain guidance, sees moderate growth (trading +1.7%)

- Wacker Chemie FY revs good, EBITDA ahead, Siltronic & Polysilicon strong, good chemical demand (trading +6.4%)

- DSV Q4 sales in line, PTP & net income light, announces DKK200mn (max 2mn shs) buy back (trading -4.7%)

- Smith & Nephew Q4 revs fine, EBIT miss, EPS ahead, sees trading profit margin exceeding 2013 (trading +2.2%)

- Metso Q4 revs miss, EBITA below, orders weak, lower backlog sees 2014 net sales below 2013 (trading +3.6%)

- TGS Q4 revs in line with prerelease, EBITDA ahead, EBIT good, reaffirms 2014 guidance (trading +4.1%)

- Orkla Q4 revs ahead, EBITA shade light, EPS miss, FX headwinds effect costs, Brands Russia weighs (trading -1.3%)

- SBM Offshore FY revs improve y/y, EBIT good, sees rev guidance in line with 2013, FCF -ve for 2 years (trading -3.1%)

- Husqvarna Q4 revs good, EBIT worse, EPS miss, effected by higher costs, small quarter (trading +3.6%)

- Luxury: December Swiss watch exports +3.8% on the year in nominal terms according to Customs Office

- Sony announces restructuring, to sell PC business, spin off TV business by July, and will cut 5,000 jobs

Leading European Sectors: Autos/Parts +2.35%, Construction +2.05%, Telco +1.74%
Lagging European Sectors: Healthcare -0.06%, Real Estate +0.32%, Basic Res +0.58%

CNW net slight drop – ZUMZ comps down – RRTS guides down

AVNR revs better – XL bottom line beat – FLT yr view mdpt beat

BKD revs +5% – RLD loss narrower – TQNT rev view missed

CBG penny better – ATML rev outlook missed – ALL op income better

SWI eps/revs topped – CALD buys Leadrocket – IRBT penny beat

CLW $100M buyback – TYL mixed – CSCD rev view light

GLUU outlook solid – VR inc buyback – BDN #'s light

TSO eps missed – HOG raises div – ORLY buyback increase

Secondaries (announced/priced): NLST, CSTM, EVHC, PPHM & PDLI (converts)

IPO's (filed/priced): Egalet (EGLT) 4.2M shares priced at $12 (midpt), Revance Therapeutics (RVNC) 6M shares priced at $16 (high-end), Ladder Capital (LADR) 13.3M shares priced at $17 (midpt)

IPO's (lock-up expires): Boise Cascade (BCC) 7.8M, Constellium (CSTM) 58.8M, JGWPT Holdings (JGW) 0.9M, Scorpio Bulkers (SALT) 96.1M

US Key Research:

- GS downgrades MTH & upgrades LEN (buy), Janney initiates FIVE (buy)
- JPM upgrades VECO, Miller Tabak upgrades BWLD (buy), RBC upgrades PSMI
- Stifel upgrades CACI (buy), UBS cuts TWTR (sell), Wells upgrades I/COTY/CCK
- UBS upgrades SYT, Bofa downgrades SYT, HSBC upgrades CCL
- Canaccord upgrades LVLT (buy), Raja downgrades MDC & upgrades YELP
- Longbow downgrades TTMI, BMO upgrades SWN

Europe Key Research:

- BofAML downgrade SYNN SW, Citi initiate BKIA SM (n), JEFF downgrade HL/ LN
- CS upgrade MPI LN, RB/ LN, DZ downgrade BAYN GY, KepChev downgrade AMS SW
- Danske upgrade NES1V FH, GJF NO, POY1V FH, IJ SS, Libr upgrade TEC FP
- GS downgrade MSK IM, PUM GY, reinstate REP SM (n), upgrade TOD IM, Nomura upgrade MEO GY
- Hand upgrade TEL NO, LUPE SS, ING upgrade CRBN NA, Natixis downgrade PC IM
- HSBC initiate SCAB SS (ow), upgrade HMB SS, AC FP, EDEN FP, downgrade FR FP, JDW LN, HDD GY
- Nordea downgrade PEABB SS, upgrade MMO1V FH, IFSA SS, Numis downgrade TT/ LN
- Lampe downgrade GIB GY, MEO GY, RBC upgrade LMI LN, UBS upgrade SYNN VX
- Ensk upgrade ALFA SS, TOM NO, downgrade STERV FH, GJF NO

Reporting Pre-Open: ADS, AET, CMI, DO, EXC, FOXA, GM, K, NBL, PM, PPL, PRGO, SEE, SIAL, SNA, TDC, VMC, WEC, AAP, AINV, ALR, AMAG, AMSC, AOL, BDC, BR, CFX, CRAI, CSL, DNKN, FLO, FSC, FWM, GBDC, GPK, HCLP, HERO, HHS, HLSS, INGR, IT, IVC, KKR, LEE, LIN, MDSO, MMS, MNK, MPW, MRLN, MSCI, MWIV, MWW, NILE, NJR, NUS, NYT, ODFL, OZM, PBH, PENN, PMFG, PTEN, PTSX, RFP, RLOG, ROLL, RSTI, SALE, SBH, SMG, SPH, SPR, SQNS, SUNE, TBI, TEVA, THR, TW, USAT, USG

Reporting Post-Close: AIV, ATVI, EXPE, FTI, NWSA, RSG, VRSN, AAN, ABCO, ACET, ADEP, ADNC, AHL, ASYS, ATHN, ATR, AVNW, BEBE, BKH, BRKS, BRS, BYI, CATM, CLCT, CTS, CYTK, DCT, ECHO, ECOM, EDE, EGOV, ELON, ENH, ESE, FFG, FGL, FLDM, G, GIGA, GSM, HAYN, HITT, HME, IMI, IMPV, KMPR, LCI, LGF, LNKD, LSCC, MCC, MFLX, MITK, MPWR, MRH, MXL, NBIX, NCR, NFG, NTGR, ONNN, OPEN, OUTR, PDEX, PDM, PHX, POST, PXLW, RENT, RNG, SMT, SOFO, SPSC, SQI, SREV, SSD, THRX, TPX, UBNT, UEPS, UVV, WHG, WWWW, ZIGO

Economic Data: RBC Consumer Outlook Index @ 7am, Challenger Job Cuts @ 7:30am, Nonfarm Productivity & Unit Labor Costs / Jobless Claims @ 8:30am, Bloomberg Consumer Comfort @ 9:45am

DOE crude oil inventories @ 10:30am

Fed Speakers: Tarullo @ 10am (DC), Rosengren @ 5:30pm (FL)

Conferences: Cowen Aerospace/Defense & Transportation (NYC)

Analyst/Investor Days: MTOR, FIO

Non-Deal Roadshows: ADES, ASEI, AXDX, BRCM, CVD, HCI, JDSU, NVO, PIKE, POL, PZG, RVBD, SMCI, VMW

Shareholder Meetings: WIX, GIL, MLVF, COL, ANEN, ARWR, ELX, LYRI, ENTA

Equity/Mixed Shelfs: PTIE ($150M)

Other Newspaper Articles & Stories

WSJ negative: Twitter (TWTR) WSJ

- U.S. Public Companies Rise Again WSJ
- Free Checking Is Disappearing Perk WSJ
- Insurers Face New Pressure Over Limited Doctor Choice WSJ
- U.S. to Curb Pakistan Drone Program WSJ
- Regulators Again May Clip Volcker WSJ
- Philip Morris Has Room to Run Overseas WSJ
- Hard Times for a Bitcoin Evangelist WSJ
- The Cheapest, Richest Casino in Macau WSJ
- Microsoft's New CEO Is More of a Desktop Guy WSJ
- Coming Soon: Coke for the K-Cup Crowd WSJ

- U.S. to Curb Pakistan Drone Program WSJ
- More Men in Prime Working Ages Don't Have Jobs WSJ
- Switzerland Weighs Immigration Caps WSJ
- Tech Industry Flexes Muscle in California Race NYT
- Greece Has a Budget Surplus, a Respite That Could Be Short-Lived NYT
- Germany's Clean-Energy Plan Faces Resistance to Power Lines NYT
- London's super rich give big boost to UK economy, research shows FT
- Obama walks into crossfire of Asian tensions FT
- NY regulator opens currency probe FT
- Shadow banks step out to fund mid-market corporate America FT
- Indonesia calls for greater clarity from Fed on tapering FT
- Ministry urges defence companies to warn Scots about independence FT
- India: Narendra Modi's market model FT
- Sony: Hitting Ctrl+Alt+Del at last Lex
- Twitter: Less favourite Lex
- Rand standing: a rebalance Lex
- Under Armour: undented Lex
- Britain falling behind as balance of military spending power shifts East The Times
- Waking Shark report warns banks over cyber threat The Times
- Taking from the honeypot The Times
- Buoyant service industries spur faster UK growth hopes Independent
- Hamish McRae: Now that the economy is moving decently, it is important policymakers do not muck things up Independent
- UK tax system is 'punishing success' says Institute for Fiscal Studies Telegraph
- Insular ECB is playing dangerous game of chicken with deflationary world forces Telegraph
- Britain is now being taxed so much that the pips are squeaking CityAM
- Challenger banks face a Capital Catch 22: It's time to level the playing field CityAM

- Why wage subsidies are not the best way to help the poorest paid in Britain CityAM

Key Events This Week

Friday: January Employment Report, Debt ceiling deadline (Treasury can use extraordinary measures for ~ 1 month past this date), Consumer Credit, XXII Olympic Winter Games begin (Sochi, Russia), Earnings (CI, FLIR, MCO, WYN)

Key Events on the Horizon

Feb 17 – Presidents' Day in the US (Markets Closed)

Feb 20 – G20 Fin Min meeting in Sydney begins

March – Local elections in Turkey

Mar 4 – Obama to publish his budget

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

[redacted]