From: [redacted]
Sent: Tue 11/19/2013 10:55:24 AM
Subject: Early Tour 11.19.13

Good Morning … European Markets off 35-95 bps (Portugal -0.10%) … NKY -0.25%, SHCOMP -0.19%, HSI +0.18%, KOSPI +1.04%, TWSE +0.84%, ASX -0.59%

EUR 1.3507 (+0.01%) JPY 99.84 (+0.15%) EUR/JPY 134.85 (-0.15%) AUD 0.9415 (+0.40%) NZD 0.8336 (+0.02%) RUB 32.68 (-0.41%)

US 10yr 2.685% Japan 10yr 0.62% Germany 10yr 1.71% Portugal 10yr 5.95% Italy 10yr 4.06% Spain 10yr 4.08%

Futures: **Dow -10, Nasdaq -4, S&P -3** DXY $80.75 (-7c) Crude $92.92 (-11c) Gold $1272.10 (-20c) Copper +0.05% Silver -0.16% Nat Gas +0.30%

Asian markets were mixed overnight with indices trading in a pretty tight range after yesterday's strong moves out of China and HK. Shanghai underperformed after China FDI for October disappointed, coming in at 1.2% vs. expectations of 6.1% and 4.9% previously. Developers came under pressure after Guangzhou became the latest city to raise down-payment requirements for second homes and banks were also weaker on continued concerns over interest rate liberalization. Hong Kong however held up but came off the earlier highs. Japan struggled as the JPY dipped below 100. South Korea, which has been a recent laggard, outperformed with the KOSPI closing at the best levels as foreigners and locals both supported the market. European markets are broadly lower and tracking the late day sell-off in the US that used Carl Icahn's comments that he is very cautious on equities as an excuse to book some profits. In the US Bernanke speaks tonight in DC (7pm) and we will get the FOMC minutes from the October meeting tomorrow afternoon. The *WSJ* CEO Council also continues today and interviews will include the following: Stanley Fischer & Glenn Hubbard on the Global Economic Outlook (8:15-8:45am), Jack Lew on Prospects for the US Economy (8:45-9:00am), Larry Summers on the Future of Global Economic Management (2:00-2:30pm), as well as a conversation with President Obama (3-4pm). No major economic data due today. SPA's -3 handles = 1785.80 last.

BBY, CPB, HD, MDT, TJX earnings pre-open / LZB #'s post close

Kantar Food Retail market share data in the UK due out @ 6am

- Salesforce.com eps inline, revenue beat & outlook mixed (cloud partnership with HP) (trading -1%)
- Brocade Q4 beat estimates as profit up on stronger margins, lower costs (rev view light) (trading +3%)
- Urban Outfitters profit +18% as Q3 topped with boosted gm's but cautious for Q4 (trading -2%)
- ICE to buy Singapore Mercantile Exchange for $150 million to add commodity futures trading in Asia
- SWM to buy Delstar Inc.(producer of specialty materials for filtration industry) for $231.5M in cash
- JP Morgan agrees to take responsibility for past misdeeds of WaMu (nearing $13 billion settlement)
- Spain's Cepsa (owned by Abu Dhabi) buying Coastal Energy (CEN CN) for C$2.3B (28.3% premium)
- DSM sells majority stake in pharma business to JLL Partners (will be merged with Patheon PTI CN)
- ITV 9mnths external revs improve, studios solid, cost savings good, confident outlook (trading -0.65%)
- Easyjet FY revs good, pretax profit beats, EPS exceeds, spec div 44.1p, upbeat outlook (trading +6.0%)
- Paddy Power lowers FY op profit guidance, unfavourable sports results (trading -8.0%)
- AMEC IMS: trading inline, positive comments, potential for further cash return (trading +1.0%)
- Enterprise Inns FY revs below, EBITDA in line, consumer spending restrained, muted outlook (trading +7.3%)
- Melrose IMS: trading inline, contemplating capital return, positive outlook, FX headwinds (trading -0.40%)
- Wirecard Q3 revs better, EBITDA ahead, profit shade ahead, narrows FY guidance (trading +0.50%)
- Sixt Q3 pretax income beats, reaffirms rental guidance, upbeat on leasing business (trading +1.8%)
- Intertek IMS: headwinds persist, margins helped by cost controls, restructuring focus on Europe (trading -4.5%)
- Smiths IMS: revs and op profit growing, expectation remain in line, FX concerns (trading -2.1%)
- Keller IMS: continued improving trends, increased project awards, FY to be at top end (trading +4.8%)
- IG Group Q2 trading update, subdued, satisfactory trading, subdued market, lack details (trading -2.9%)
- Halma H1 revs improve y/y, dividend better @ 4.35p, remains on track to make further progress (trading +0.70%)

- Homeserve H1 revs light, EBITDA in line, dividend flat y/y, guidance maintained (trading -2.1%)
- Swiss Re buys ING's 11% stake in Sul America SA & 3.8% from Larragoiti family for $334mn (trading +0.06%)
- Volvo: Dagens reports company may make management changes to speed efficiency program (trading -0.70%)
- Repsol: Pemex seeking an alliance with Carlos Simm to buy additional 10% stake in Repsol (trading -0.30%)
- TF1: stock -2.9% yesterday after France lost to Ukraine in 1st leg of World Cup qualifier (rematch tonight)
- Alcatel rights began trading today (ALUDS FP), terms 8 per 41 (subscription price 2.1), TERP = 2.899
- Finmeccanica & EADS may jointly bid for majority stake in Avio Space from Cinven (*Il Sole*)
- European car sales +4.6% in October (first consecutive monthly gain in 2 years on Spain incentive)
- German ZEW November investor expectations 54.6 vs est 54.0, current situation 28.7 vs est 31.0
- OECD cuts 2014 global growth to +3.6% from +5.8% in May (sees US +2.9% in 2014, +3.4% in 2015) (WSJ)
- RBA says mounting evidence interest rate cuts are working, still open to possibly lowering rates further

Leading European Sectors: Tech -0.24%, Utilities -0.26%, Trav/Les -0.28%
Lagging European Sectors: Construction -1.19%, Basic Res -0.99%, Real Estate -0.84%

ACXM increases buyback – GLPW names cfo – IPAR special dividend

Notable Options Activity Yesterday:

PG ($84.57 -0.3%) upside call buying was the theme in PG with 13,500 January $87.5 calls purchased for $0.62 in conjunction with 11,500 Jan2015 $92.5 calls for $2.25. The trades were tied to 335k shares of stock at $84.25 and are possibly a stock replacement strategy.

DAR (21.46 -0.1%) customer bought 80,000 Jan 17.5 puts for $0.25 and sold 39,000 Jan 22.5p at $2.30. The trade likely closes out a 1x2 put spread which was purchased in August when shares were trading north of $22

Secondaries (announced/priced): RAI, CSII, MEMP, NCT, DWRE, SPSC, TLLP, SFM, NEE, OILT, BXMT (convert), KBC BB, DWNI GY (convert), EVK GY (convert), Kepco (015760 KS)

IPO's (lock-up expires): Ply Gem Holdings (PGEM)

IPO's: CTT - Correios de Portugal price range €4.10-€5.52 (pricing Dec 3)

US Key Research:

- GS initiates EIGI (buy) & removes ALTR from Conviction Buy List, ISI initiates DGX/LH (neut's)
- Leerink Swann initiates CI/CNC/HUM/WLP (op's) & AET/MOH/UNH/WCG/HNT (mp's)
- Piper initiates ABM/CTAS (neut), Roth initiates SANW (buy), Stifel cuts VPHM & initiates AERI (buy)
- MLV & Co initiates DDR/EQY/FRT/ROIC (buy's) & AAT/ KIM (holds), Citi upgrades QGEN
- KBW upgrades RCKB/UBNK, Canaccord initiates GST (buy), Opco initiates UNXL (perform)
- CS initiates AVP/COTY (neut's) & EL (op) & upgrades MTN, JPM initiates ICE (ow)
- Mizuho initiates INTC/QCOM (buy's), Raja downgrades WAG/ZION, FBR upgrades WYNN

Europe Key Research:

- DBK initiate G IM (b), reinstate ATL IM (b), initiate UQA AV (h), upgrade DPW GY
- Berenberg downgrade SAZ GY, initiate UQA AV (b), CS upgrade KPN NA
- Exane upgrade IT IM, ING downgrade TESB BB, Investec upgrade BOY LN, downgrade MLRO LN
- MS resume UQA AV (ew), Nomura upgrade SREN SW, OUT1V FH (n), downgrade SCR FP, BALN SW
- CBK upgrade B5A GY, Natixis downgrade PFC LN, UBS initiate UQA AV (b)

Reporting Pre-Open: BBY, CPB, HD, MDT, TJX, AMAP, DAKT, DKS, DSX, LEDS, MDT, QIWI, TSL, VAL, XNY

Reporting Post-Close: AMCN, CCSC, CRMT, GLAD, LZB, MODN, OCLS, SLP, STV, XUE

Economic Data: Employment Cost Index @ 8:30am

API crude oil inventories @ 4:30pm

Fed Speakers: Evans @ 2:15pm (Chcago), Bernanke @ 7pm (D.C.)

Conferences: Barcap Select Growth (NYC), Sterne Agee Small-Mid Cap 1x1's (Philadelphia), KBW Securities Brokerage & Market Structure (NYC)

Conferences: Lazard Healthcare (NYC), MS Consumer (Sausalito)

Analyst/Investor Days: NOK1V FH, TRP, PVA, TEL, UAL, CHRW, ENOC, NFG, ATMI, GDOT, NQ, AMGN

Non-Deal Roadshows: ABTL, ACLS, ATVI, BA, BGC, BRKL, CAR, CDNS, CL, COP, CRUS, CSTE, EGN, EIX, EVRY, EZPW, FOR, GGG, H, HILL, INCY, KEYW, KONA, KOP, MDXG, MLM, NSTG, PCCC, PTN, QLYS, SCTY, SNAK, STX, TRNX, UA, UBIC, UMBF, UNTD, WCC, XRAY

Shareholder Meetings: NOK, CALI, UEPS, HAIN, MSFT, LTRX, CFNB, CSCO, PAA, NTSC, SHFL, LTON

Equity/Mixed Shelfs: ATOS ($40M), GGS ($300M)

Other Newspaper Articles & Stories

WSJ cautious: Advanced Micro Devices (AMD) WSJ

- Graduate data reveal England's lost and indebted generation FT
- Bitcoin at $785 with a little help from Bernanke FT
- Business taxes fall more heavily on labour FT
- End of the imperial corporate leader FT
- US taps crowds for seed capital FT
- S Korea's $21bn alternative to Seoul lacks transport and soul FT
- UK probes private accounts of foreign exchange traders FT
- Raghuram Rajan plans 'dramatic remaking' of India's banks FT
- Angela Merkel says spy scandal is testing EU-US trade talks FT
- South Korean companies: Needed on the home front FT
- London living FT
- White House and insurers work to bypass troubled health website FT
- Italy's leader warns Germany of rise of anti-European sentiment FT
- China and Japan are heading for a collision FT
- The British have met crisis with understatement FT
- Investment, not the surplus, is Germany's big problem FT
- Boeing: mumbo jumbo Lex
- China: Make plenum-ade Lex
- Nokia: face-off spot Lex
- Petrofac: join the queue Lex
- J.P. Morgan, U.S. Reach Historic Settlement WSJ
- Watch Firms Buy Swiss Parts Makers WSJ
- Marco Rubio: No Bailouts for ObamaCare WSJ Op-Ed
- Authorities See Worth of Bitcoin WSJ
- U.S. Meatpackers Fight New Country-of-Origin Labels WSJ
- Cardiologist Says New Formula Overstates Risk of Heart Attack WSJ

- Safety Experts Raise Concern Over Popular Laundry Packs WSJ
- Cardiologist Says New Formula Overstates Risk of Heart Attack WSJ
- A Conflict in Geithner's New Job? Not Exactly NYT
- Dropbox Is Said to Seek $250 Million in Funding, Doubling Its Valuation NYT
- U.S. Poised to Announce $13 Billion JPMorgan Settlement NYT
- Property bubble 'poses threat to financial stability' The Times
- London will be overtaken, say bankers The Times
- Tories should want us all to be middle-class The Times
- If Obamacare fails, Obama's vision dies too The Times
- Fall in worldwide business taxes slowing Independent
- James Moore: Forget the drugs, the real scandal is how opaque building societies can be Independent
- Satyajit Das: Zombie banks are just one of the problems the eurozone still faces Independent
- Thousands of Britons caught up in tax raid on wealthy foreigners Telegraph
- Pressure mounts on Osborne for two-year business rates freeze Telegraph
- Reality check: we cannot consume our way to balanced recovery Telegraph
- Bundesbank says Italian and Spanish banks still hooked on home state debt Telegraph
- There is nothing worse than self-righteousness in business CityAM
- Don't write off India: 2014 vote holds promise for the untapped Asian giant CityAM

Key Events This Week

Wednesday: FOMC Minutes, CPI, Retail Sales, MBA Mortgage Applications, Existing Home Sales, BOE minutes, GSCO Global Steel Conf (NYC), MS TMT (Barcelona), China Flash PMI, Earnings (ADT, DE, JCP, LOW, SJM, SPLS, GMCR, LTD)

Thursday: US Flash PMI, ECB council meeting (Frankfurt), Philadelphia Fed, Markit US PMI, BOJ decision, Eurozone Flash PMI, Bofa Energy Conference (Miami), Earnings (ANF, GME, PDCO, TGT, GPS, INTU, ROST)

Friday: JOLTs Job Openings, Kansas City Fed Manufacturing Activity Index, Earnigs (PETM, FL)

Key Events on the Horizon

Nov 26 – MSCI changes effective on the close

Nov 27 – Italy Senate to vote on expelling Berlusconi from Parliament

Nov 28 – US Thanksgiving (market closed)

Dec 5 – BOE & ECB rate decisions

Dec 18 – FOMC rate decision

Jan 15 – Current CR runs out

Feb 7 – Debt ceiling deadline (Treasury can use extraordinary measures for ~ 1 month past this date)

[redacted]