From: [redacted] <[redacted]>
Subject: Early Tour 12.30.14
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Inline-Images: image001.jpg

Description: Description:

Good Morning … European Markets off 10-100 bps (Norway -1.1%, Portugal -1.5%, Russia $RTS -4.2%) … NKY -1.57%, SHCOMP -0.07%, HSI -1.14%, KOSPI -0.64%, TWSE -0.19%, ASX -1.04%

EUR 1.2151 (-0.01%)   JPY 119.76 (+0.76%)   EUR/JPY 146.53 (-0.77%)   RUB -0.52%   AUD +0.38%   US 10yr 2.20%

Futures: **Dow -17, Nasdaq -3, S&P -4**   DXY $90.08 (-11c)   Crude $53.26 (-35c)   Gold $1186.60 (+$4.70)   Copper +0.92%   Silver +0.89%   Nat Gas -1.28%

Asian indices were lower overnight on light volumes as the year comes to an end in several markets. Japan underperformed with the Nikkei ending on the lows in the final trading day of the year, despite some positive developments on tax cuts. Brokers (-2%), electronics (-1.9%) and chemicals (-1.6%) led declines. Japan will now be closed until January 5th. In Korea, the KOSPI was lower for a second day to end the year down -4.8% and is on track to be the 2nd worst performing index in the region behind Malaysia at -5.5%. Both locals and foreigners were net sellers, focused mainly on marquee large cap names (POSCO -1.3%, NAVER -1.5%, HMC -1.5%). Cheil Industries (+6%) bucked the trend once again as the FTSE inclusion went effective on the close. Hong Kong was lower on weakness in energy (-2.6%), telecom (-2.1%) and autos (-2.3%). On the plus side, developers (+40bps) were stronger on chatter that China may terminate the Home Purchase Restrictions in tier 1 cities in 2015. Headlines also out this morning that airplane debris and bodies have been spotted floating near the island of Borneo and they are certain it is from the missing AirAsia plane. There seems to be some year-end macro unwinding going on as well this morning as the USD is weaker versus most major currencies which has the Yen strengthening below 120 level. And WTI Crude sliding some more and making new 6yr lows ~ $53/bbl level. European markets are mostly lower this morning into year-end for many markets (1/2 day in Germany today and much of Europe is shut tomorrow). Inflation data out of Spain came in weaker than expected (Spain Dec preliminary CPI -1.1% y/y vs est -0.70%). SPA's -4 handles = 2081.90 last.

CaseShiller Home Price Index @ 9am, Consumer Confidence @ 10am, Germany ½ day today

Italy, Denmark, Finland, Sweden, Norway, Switzerland, Austria, Germany, Russia closed tomorrow

- Civeo 2015 revenue forecast trailed lowest ests & suspended dividend (trading -28%)
- American Realty Capital trading +6% after Corvex disclosed 7.1% stake (65M shares)
- Accenture awarded 5-year $563M contract for Healthcare.Gov work (trading +1.5%)
- Oasis Petroleum (OAS) holder SPO Advisory reported 7.9% stake in 13D filing
- Airlines: first UK diagnosis of ebola in Scotland (nurse returning from Sierra Leone)
- Next Q4 sales better, special dividend 50p/share, guidance relatively inline (trading +3.8%)

- Songbird: Qatar publishes offer document, Franklin Mutual backs bid (owns 7%) (trading -0.39%)

Leading European Sectors: Retail +0.28%, Trav/Les +0.12%, Construction +0.01%
Lagging European Sectors: Oil & Gas -1.53%, Telco -0.80%, Basic Res -0.66%

Secondaries (announced/priced): N/A

IPO's (filed/priced): Tracon Pharmaceuticals (TCON) files $57.5M IPO through Wells Fargo and Stifel, Carbylan Therapeutics (CBYL) files $86.3M IPO through Leerink

US Key Research:

- DA Davidson initiates QLGC (buy), DB initiates CNV (hold), JMP initiates PTX (op), MLV downgrades ARR
- Topeka initiates GPOR (buy), Rafferty downgrades BBT

Reporting Pre-Open: N/A

Economic Data: S&P/Case-Shiller US Home Price Index @ 9am, Consumer Confidence @ 10am

API weekly oil inventories @ 4:30pm

Conferences: No major conferences

Analyst/Investor Days: N/A

Non-Deal Roadshows: N/A

Shareholder Meetings: ATTU, KNDI, FORD, PSTR

Equity/Mixed Shelfs: N/A

Other Newspaper Articles & Stories

- Investors Struggle to Get Into Private Equity Funds WSJ
- Detroit's Road Through China Narrows Ahead WSJ
- Activists Flock to Fledgling Spinoffs WSJ
- Russian Opposition Leader Navalny Found Guilty WSJ
- Shake Shack Files for IPO WSJ
- Rich Valuations Don't Mean There's a Tech 'Bubble' WSJ
- Investors Struggle to Get Into Some Private Equity Funds WSJ
- The Progressive Case for Fracking WSJ
- WHO Seeks Lessons in Slow Ebola Response WSJ
- Goldman Readies for a Fight Over Loan to Banco Espírito Santo WSJ
- How Ebola Roared Back NYT
- Seeking to Ride on China's Stock Market Highs NYT
- Court Filing Illuminates Morgan Stanley Role in Lending NYT
- Victims of G.M. Deadly Defect Fall Through Legal Cracks NYT
- Fears for fresh Greek crisis after poll called FT
- Eurozone's weakest link is the voters FT
- A kingdom fit for an oil price ordeal FT
- The African dream needs to adapt to leaner times FT
- Bet on rising renminbi still a safe one FT
- Restructuring costs weigh down Japan Inc FT
- Obama touts 'strategic patience' against Putin FT
- Tokyo agrees first in series of corporate tax cuts FT
- Forgive the debt or earn the wrath of its victims FT
- Sky and BT: grudge match Lex
- Keystone pipeline: carbon nation Lex
- CEOs and chairs: hot seat Lex
- Sellside research: price for thought Lex
- This Greek tragedy could end in utter ruin Telegraph
- Five New Year's resolutions for economic policymakers Telegraph
- Business group calls for end of EU 'lifestyle regulation' Telegraph

- Abolish GCSEs or face talent crisis, warns head of CBI Independent
- Labour not responsible for crash, says former Bank of England governor Guardian
- British workers may wait a decade for wages to recover, says TUC boss Guardian
- Europe's shadow budget venture could lead to spiralling debt Guardian
- Why the North Korea-US hacking row could help clear the air Guardian
- Patient tested for possible Ebola symptoms at Royal Cornwall Hospital in Truro CityAM

Key Events This Week

Wednesday: New Year's Eve (1/2 days: UK, France, Spain, Netherlands, Belgium, Ireland, Portugal, Greece, Rest of Europe closed), Full day of trading in the US, Chicago PMI, Pending Home Sales

Thursday: New Year's Day (Markets Closed in US & Europe)

Friday: Switzerland & Russia closed, Markit US Manufacturing PMI

Key Events on the Horizon

Jan 7 – Consumer Electronics Show (CES) begins in Las Vegas

Jan 8 – BOE rate decision

Jan 22 – ECB rate decision (potential announcement on QE?)

Jan 25 – Greece elections (tentative date, awaiting confirmation)

Jan 28 – FOMC rate decision
