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Subject: Early Tour 12.22.14

Date: Mon, 22 Dec 2014 10:42:49 +0000

Inline-Images: image001.jpg

 Description:
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Good Morning ... European Markets up 10-80 bps (Russia \$RTS +4.2%)... NKY +0.08%, SHCOMP +0.61%, HSI +1.32%, KOSPI +0.68%, TWSE +1.06%, ASX +1.94%

EUR 1.2260 (+0.25%) JPY 119.84 (-0.29%) EUR/JPY 146.92 (+0.53%) RUB +5.40% AUD +0.24% US 10yr 2.17%

Futures: **Dow +40, Nasdaq +10, S&P +4** DXY \$89.51 (-9c) Crude \$57.59 (+45c) Gold \$1195.50 (-50c) Copper +0.64% Silver +0.31% Nat Gas -5.23%

Asian markets higher overnight with news-flow and volumes subdued ahead of Christmas. Japan underperformed as the Nikkei slipped into holiday mode and retail players appeared to take profits with the TSE Mothers index finishing -1.8%. Oil names were in focus as Showa Shell (+27.7%) popped on news that the company may be acquired by Idemitsu (+2.5%) for up to 500bn yen (\$4.2 bn) - a deal that could create Japan's second largest player in the domestic gasoline market. South Korea also underperformed a bit as foreigners remained net sellers for a 9th consecutive session despite inflows into dividends plays - KEPCO (+2.7%) following gov'ts plan to increase SOE payout to 25% in 2015. China saw further gains, with the SHCOMP hitting a fresh high intra-day on big volume. HK followed along as money continues to flow out of "new" China into "old" China plays like financials and infrastructure. Japan is closed tomorrow, Philippines is closed on Tuesday and Australia, Hong Kong, New Zealand and Singapore all close early. European markets bid higher to start the holiday shortened week and volumes and news flow is light as expected. Russia \$RTS +4.2% as WTI Crude ticks +0.70% to \$57.53/bbl. In the US we will have the Chicago Fed before the open and Existing Home Sales a little later in the morning. SPA's +3 handles = 2070.90 last.

Chicago Fed @ 8:30am, Existing Home Sales @ 10am

- Soitec cuts 2015-16 targets as sale of San Diego Gas & Electric contract fails (trading -53%)
- Areva said to have gotten order by Iberdrola of EUR 620 million says *El Pais* (trading +0.78%)
- Thales to name Henri Proglio as Chairman, Patrice Caine as CEO says *AFP* (trading -1.1%)
- Kingfisher to sell controlling stake in B&Q China for £140 million to Wumei (trading +1.7%)
- Fresenius being sued by Sanofi to block generic Jevtana prostate-cancer drug (trading +1.1%)
- Bilfinger sells construction unit to Implenia, expects roughly EUR 230M in proceeds (trading +1.1%)
- Almirall said it has not been approached by Actavis after bid speculation (*Reuters*) (trading -0.14%)
- Ferroviario confirms talks end with Transfield they rejected improved A\$1 million bid (trading +0.59%)

- Delta Lloyd: Dutch Regulator has asked to dismiss its CFO by Jan 2016 at the latest (trading -4.5%)
- Neste Oil guides FY profit €550M+ vs €400M+ on insurance compensation & tax credit (trading +1.9%)
- Barclays cuts Asia Investment Bank client list by 30% to bolster profitability says *FT* (trading +0.78%)

Leading European Sectors: Oil & Gas +1.44%, Chemicals +0.83%, Media +0.83%

Lagging European Sectors: Trav/Les +0.02%, Basic Res +0.07%, Food/Bev +0.29%

Secondaries (announced/priced): D, NPTN, IDN, NEWM

IPO's (lock-up expired): Adeptus HHealth (ADPT) 4.5M shares (44.9% of outstanding), Amphastar Pharma (AMPH) 19.5M shares (44.9% of outstanding), Imprivata (IMPR) 17.8M shares (78.1% of outstanding), Mataerialise (MTLS) 33.0M shares (70.1% of outstanding)

IPO's (filed/priced): Reverse Mortgage Investment Trust (RMIT) files \$100M IPO through FBR, Asante Solutions (PUMP) files for \$45M IPO through Leerink & Cowen, Yulong Eco-Materials Limited (1607741) files \$10.7M IPO through Cuttone & Co and Axiom Capital

US Key Research:

- GS downgrades EGP, Evercore upgrades FRT (buy) & downgrades PEB, Jefferies initiates SCVL/BWS (hold)
- JMP initiate HDP (op), RBC upgrades ARMK, Longbow downgrades WDC, Roth initiates WATT (buy)
- Nomura, DB, JPM, GS initiate AXTA, Mizuho initiates COH/KORS (neut), PacCrest initiates DISCA (sp) & TWX (op)

Europe Key Research:

- KBC reinitiates TESB BB (accumulate), Citi downgrades FLU AV, HSBC downgrades SSE LN, RBC upgrades HOME LN
- Bofa upgrades SDR LN, Panmure downgrades CWD LN, Helvea downgrades ROG VX, Natixis downgrades SOI FP

Reporting Pre-Open: BASI, JYNT

Reporting Post-Close: SCS

Economic Data: Chicago Fed National Activity Index @ 8:30am, Existing Home Sales @ 10am

Treasury auction in 2yr notes @ 1pm (\$27B)

Conferences: No major conferences

Analyst/Investor Days: N/A

Non-Deal Roadshows: GLPW, NTCT, REMY

Shareholder Meetings: TNGN, MWRX

Equity/Mixed Shelves: TXMD (\$100M), DHRM (\$45M), CBG

Other Newspaper Articles & Stories

Barron's cover: Opportunities from the slide in oil prices [Barron's](#)

Barron's positive: Bed Bath & Beyond (BBBY) [Barron's](#), Wabash National (WNC) [WSJ](#), Southwestern Energy (SWN) [Barron's](#)

- Killings of New York Officers Spark Backlash to Protests [WSJ](#)
- Why Saudis Decided Not to Prop Up Oil [WSJ](#)
- White House Weighs Options Against North Korea [WSJ](#)
- China Probes Stock-Price Manipulation [WSJ](#)
- New Hepatitis C Drug Gets Helping Hand [WSJ](#)
- A Year of IPO Records [WSJ](#)
- Lone Star State of Siege [WSJ](#)
- White House Weighs Options Against North Korea [WSJ](#)
- Not Quite Checkmate for the Bundesbank [WSJ](#)
- As Fed Shines Light on Shadow Banking, Its Regulatory Limits Get Laid Bare [WSJ](#)
- Tunisian Candidate Claims Victory Over Interim President [WSJ](#)
- Oil Shakes Venezuelan Debt to Its Foundations [WSJ](#)
- India's Nuclear Ambitions Rattle Tsunami-Hit Coast [WSJ](#)

- An Autopsy for the Keynesians [WSJ](#)
- 2014: The Year of Living Vulnerably [WSJ](#)
- Rift Ripped Open Between Mayor and Police [NYT](#)
- Pharmacy Deal Marks New Outlook for Hepatitis Drugs [NYT](#)
- In China, a Rapid Jump to Mobile Advertising [NYT](#)
- Hacking at Sony Over 'The Interview' Reveals Hollywood's Failings, Too [NYT](#)
- Crunch Time for FedEx and UPS as Last-Minute Holiday Shipping Ramps Up [NYT](#)
- Oil rout would have wrecked an independent Scotland's finances [FT](#)
- Is the west clinically depressed? [FT](#)
- Investment: Loser's game [FT](#)
- In the next act of the eurozone's economic drama, keep a close eye on Spain [FT](#)
- Scheduling time at work to 'think' is a brainless idea [FT](#)
- Senior City workers expect bonuses to rise by a fifth [FT](#)
- Rich Russians head for UK in record numbers [FT](#)
- Private group to help exchequer chase £20bn debts [FT](#)
- Saudi Arabia and UAE blame oil rout on countries outside Opec [FT](#)
- House prices falling in a third of UK, study shows [FT](#)
- Samaras in last-ditch bid to avert snap election amid bribe claims [FT](#)
- Ticket to the White House set to cost at least \$1bn [FT](#)
- On Cuba, both right and left are right and wrong [FT](#)
- Hortonworks: Back to the source [Lex](#)
- Club Med: happy hour [Lex](#)
- In Putin's Russia, risk takes you [Lex](#)
- Tesco & Carrefour: no place like home [Lex](#)
- Another industrial revolution is coming; it's circular [Telegraph](#)
- QE addiction has made us too complacent [Telegraph](#)
- Can President Putin explain how Osborne conspired to bring down the oil price? [Telegraph](#)
- Don't be offended by a few home truths in the boardroom [Telegraph](#)
- Why politics will dominate 2015: Losers and winners in this maddening new era [CityAM](#)
- It's been a positive year for the City – let's hope 2015 will be the same [CityAM](#)
- The critics are wrong: Our bold plans for new homes for London will benefit all [CityAM](#)

- Countdown to Christmas: From Quindell and Gotham City to Uber and the LDFA: Five of the biggest business battles to watch out for in 2015 [CityAM](#)
- ADHD drugs increasingly prescribed to treat hyperactivity in pre-schoolers [Guardian](#)
- Theresa May warned Tory leadership chances at risk from advisers' infighting [Guardian](#)
- Greece's radical left could kill off austerity in the EU [Guardian](#)
- David Blanchflower: Heard that the UK's the fastest-growing economy? Don't you believe it [Independent](#)
- Most pundits are wrong. The oil price fall is good news at last [Independent](#)
- Sacking of Islamophobic television presenter provokes free-speech row in France [Independent](#)
- Lithuanians anxious as euro looms [Independent](#)

Key Events This Week

Tuesday: Greece Presidential vote (round 2), Q3 GDP, U. of Michigan Confidence Index, New Home Sales Nov, Personal Income & Spending, Earnings (WAG)

Wednesday: Christmas Eve, MBA Mortgage Applications, BOJ Minutes

Thursday: Christmas (Markets closed)

Friday: Boxing Day (European markets closed), China industrial profits Nov

Key Events on the Horizon

Dec 29 – Greece Presidential vote (final round 3)

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

Jan 8 – BOE rate decision

Jan 22 – ECB rate decision

Jan 28 – FOMC rate decision

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