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Description:  
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Good Morning ... European Markets up 0-50 bps (\$RTS +1.7%, Portugal +1.00%, Greece -2.4%) ... NKY (closed), SHCOMP -3.03%, HSI -0.39%, KOSPI -0.21%, TWSE +0.03%, ASX -1.12%

EUR 1.2229 (-0.01%) JPY 120.11 (-0.05%) EUR/JPY 146.88 (+0.04%) RUB +1.99% AUD -0.07% US 10yr 2.156%

Futures: **Dow +14, Nasdaq +1, [REDACTED] +1** DXY \$89.72 (-5c) Crude \$56.05 (+78c) Gold \$1178.80 (-\$1.00) Copper -0.10% Silver +0.27% Nat Gas +1.62%

Asian markets mixed overnight on light volume ahead of Christmas and with Japan closed for the Emperor's birthday. China A-shares saw a volatile session with the SHCOMP rallying from -3% to up +30bps to then sell-off in the afternoon back to the lows. Insurance names however, remained strong as press reports that the group will book profits of RMB300b on stock investments in Q4. HK followed the move lower in China, but fared a bit better as moves in autos (+1.7%), airlines (+80bps) and brokers (+75bps) helped to stem declines. Dalian Wanda IPO was in focus, breaking below the offer price of HK\$48 to close at HK\$46.80 (-2.5%). Steel makers (-2.4%) got hit on reports of a cut in the steel exports tax rebate in China. Miners (-3.4%) also weighed on Australia as iron-ore prices hit Jun09 lows. Taiwan managed to close in the green for a 4<sup>th</sup> straight day – led by gains in non-tech sectors like rubber (+1.9%), plastics (+1.1%) and textiles (+50bps). HK, NZ and Australia all have early closes tomorrow and Japan re-opens. European markets mixed but generally higher on the last full day of trading ahead of the Christmas holiday (markets that are open tomorrow are ½ day and all of Europe will be closed on Thursday and Friday). Russia \$RTS +1.7% and the RUB is stronger after Putin spoke by phone with Poroshenko, Merkel and Hollande last evening and they agreed to hold the next round of peace talks tomorrow and Thursday. Saudi oil minister vows that they will not cut production even if oil goes to \$20/bbl in an interview to the Middle East Economic Survey ([FEI](#)). WTI Crude clawing back some of yesterday's move and currently +1.0% to \$55.81/bbl. In Greece, we had the 2<sup>nd</sup> round of Presidential voting in a live vote about 30min ago and the final vote was 168 Yes and 131 No = shy of the 200 needed as expected (3<sup>rd</sup> round on Dec 29 where only 180 are need to confirm the nominee). Big macro day in the US with a lot of data pulled forward to today because of the holiday. SPA's ~ flat = 2072.60 last.

\*\*\*Durable Goods Orders & GDP @ 8:30am, FHFA House Price Index @ 9am\*\*\*

\*\*\*Michigan Confidence, Richmond Fed, New Home Sales, Personal Income @ 10am\*\*\*

- Family Dollar special shareholder vote on the proposed merger
- Gemalto to issue up to 5% capital over five years to fund I-t incentive plans (trading +0.58%)
- Nutreco: Cargill says it is no longer pursuing acquisition of Nutreco (NUO NA -4.9%)
- SocGen: Russia's woes could force SocGen to push back profit targets there ([WSJ](#))

- Oerlikon sells Advanced Tech Segment to Evatec AG (price undisclosed) (trading +3.3%)
- Thorntons trading statement: now sees FY earnings below last financial year (trading -22%)
- APR Energy says adjusted ebitda to be 500-600 bps below previous guidance (trading -14%)
- North Korea lost what little access it has to Internet on Monday in digital blackout ([WSJ](#))

**Leading European Sectors:** Construction +0.86%, Retail +0.38%, Insurance +0.35%

**Lagging European Sectors:** Telco -0.42%, Real Estate -0.33%, Basic Res -0.23%

**European Markets open tomorrow (1/2 day):** UK, France, Spain, Netherlands, Belgium, Ireland, Portugal

**European Markets closed tomorrow:** Germany, Italy, Switzerland, Denmark, Norway, Sweden, Finland, Austria, Greece, Poland, Czech

CHK \$1b stock buyback – SCS weaker sales – OSIR marketing pact

**Secondaries (announced/priced):** ALDR

**IPO's (lock-up expired):** gasLog Partners (GLOP) 2.9M shares (19.3% of outstanding), GoPro (GPRO) 15.3M shares (12.0% of outstanding), ServiceMaster (SERV) 91.8M shares (69.0% of outstanding), TCP International (TCPI) 20.6M shares (71.5% of outstanding)

**IPO's (filed/priced):** Infraredx (REDX) files \$55M IPO through RBC, Canaccord, and BMO

#### **US Key Research:**

- Ascendant initiates JCI (buy), Barcap initiates AXTA (ew) & reinstates FLT (ow), CS initiates FUN (op), Wells initiates SONS (op)
- Drexel initiates CRM (hold), JMP initiates ITCI (mp), Topeka initiates CCC (buy), Webush assumes PTCT (op)
- Baird downgrades ACHN, Piper upgrades CRY, Stifel upgrades DEI, JMP initiates ITCI (op), Drexel Hamilton initiates CRM (hold)

#### **Europe Key Research:**

- Banca Akros upgrades CVAL IM, Barcap initiates IEH LN (ew), Bryan Garnier downgrades SOI FP, Handelsbanken cuts DNB NO/RCL
- Exane cuts SOI FP/SCMN SW & upgrades AFR LN, GS initiates VM LN (neut), Investec downgrades GKN LN

**Reporting Pre-Open:** WAG, ARKR, ZA

**Reporting Post-Close:** CAMP, CALM

**Economic Data:** Durable & Capital Goods Orders / GDP @ 8:30am, FHFA House Price Index @ 9am, U. of Michigan Confidence @ 9:55am, Richmond Fed / New Home Sales / Personal Income & Spending @ 10am

Treasury auction in 5yr notes @ 1pm (\$35B), API weekly oil inventories @ 4:30pm

**Conferences:** No major conferences

**Analyst/Investor Days:** N/A

**Non-Deal Roadshows:** N/A

**Shareholder Meetings:** CEL, MARK

**Equity/Mixed Shelves:** ARCX (\$500M), HE, ESPR (\$200M), PEI (\$1B)

***Other Newspaper Articles & Stories***

WSJ positive: Rio Tinto (RIO AU) [WSJ](#)

- NYC Mayor, Police Unions Postpone Debate [WSJ](#)
- Buyers Don't Keep Home Fires Burning [WSJ](#)
- Floundering Mattel Tries to Make Things Fun Again [WSJ](#)
- Dish Boss Racks Up TV Brawls [WSJ](#)
- Startup Founders Leverage Hot Market for Early Paydays [WSJ](#)
- Natural-Gas Prices Drop on Mild Weather [WSJ](#)
- Goldman Sachs Sells Aluminum Business [WSJ](#)

- Ranking the Top 20 Finance Chiefs [WSJ](#)
- The Future of Cars Looks Very Different [WSJ](#)
- Alibaba's Global Site Stumbles [WSJ](#)
- Oil Price Drop, Nuclear Deal Delay Unsettle Iran's Economy [WSJ](#)
- Thomas Kwok Sentenced to Five Years in Prison Following Corruption Conviction [WSJ](#)
- China's Dark Shadow Looms Over Oil's Future [WSJ](#)
- Quantitative Easing Won't Lift Europe's Economy [WSJ](#)
- North Korea Loses Its Link to the Internet [NYT](#)
- Natural Gas Glut Isn't Deterring Southwestern Energy [NYT](#)
- Entry Point of JPMorgan Data Breach Is Identified [NYT](#)
- De Blasio Fights to Find Balance After Officers' Killings [NYT](#)
- In Struggle for Identity, Iraqis Rally Around Many Flags [NYT](#)
- Opec leader vows not to cut oil output even if price hits \$20 [FT](#)
- From inside Putin's parallel universe, the crisis looks bright [FT](#)
- Piketty's (unintended) advice for investors [FT](#)
- Cameron has surrendered to his party's vote-repelling right wing [FT](#)
- The Pope's message to Vatican clerics, reinterpreted for CEOs [FT](#)
- Nicaragua breaks ground on \$50bn canal [FT](#)
- Trader in fraud inquiry disappears [FT](#)
- Russia faces full-blown crisis, says Kudrin [FT](#)
- Polls point to most unpredictable UK general election in decades [FT](#)
- France shows courage in diagnosing its economic ills [FT](#)
- Caught on the wrong side of the 'vol' trade [FT](#)
- North Korea internet cut in possible revenge attack [FT](#)
- China and Africa: two-way trade [Lex](#)
- Nigerian banks: losing steam [Lex](#)
- Nigerian consumer goods: luxury prices [Lex](#)
- Nigerian capital controls: eye of the needle [Lex](#)
- James Moore: Theresa May's migrant student plans to 'send 'em all back' is economic insanity [Independent](#)
- Customers complain to banks every 10 seconds [Independent](#)
- Labour's cuts really would be less deep than the Conservatives' [Independent](#)

- Bank of England says confidence in banking system is still shaky amid recent scandals and cyber threats [Independent](#)
- Want to raise more money, Chancellor? Then cut taxes [Telegraph](#)
- Five greatest threats to your investments in 2015 - and how to avoid them [Telegraph](#)
- Double blow to UK as growth revised down and current account deficit soars – business live [Guardian](#)
- 2015: the beginning of the end for climate sceptics [Guardian](#)
- Calls for a UK exit from the EU are at best perverse, and at worst unpatriotic [Guardian](#)
- Are Christmas presents a waste of money? Don't listen to the Scrooge economists [CityAM](#)

### ***Key Events This Week***

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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