From: [redacted] <[redacted]>
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Description: Description:

Good Morning … European Markets off 50-160 bps (**Greece -8.12%**) … NKY -0.68%, SHCOMP -5.43%, HSI -2.34%, KOSPI -0.40%, TWSE -0.64%, ASX -1.68%

EUR 1.2361 (+0.36%) JPY 119.93 (+0.63%) EUR/JPY 148.25 (-0.27%) RUB -0.77% Greece 10yr 7.67% US 10yr 2.26%

Futures: **Dow -58, Nasdaq -16, S&P -6** DXY $88.83 (-22c) Crude $63.27 (+23c) Gold $1206.50 (+$11.60) Copper -0.49% Silver +1.13% Nat Gas +2.00%

Asia indices finished down across the board following the weakness in the US yesterday. China once again active as the SHCOMP sold off sharply in the PM session to close -5.4% in record turnover after being +2.4% earlier in the day and snapping a five day +13% win streak. There was no clear reason for the reversal but some were highlighting profit taking as the RRR hadn't materialized over the past weekend despite constant chatter that one was imminent. Japan ended lower with the USDJPY moving towards the 120 level (this is the first negative close for the Nikkei and the Topix in eight trading day. European markets are weaker this morning as peripheral spreads widen out following the developments in Greece. Greek PM Antonis Samaras has opted to pull forward the Presidential vote to next week from February in a risky move to save his coalition (first round of voting now on Dec 17 with further polls on Dec 23 & 29). *Bloomberg* notes that "failure to install a candidate after three attempts [need 180 votes] would prompt the collapse of Samaras' coalition and the dissolution of Parliament" and thus snap elections as early as January → so this has clearly increased political risk and will be a v closely watched event. Greek Banks all under pressure this morning (TPEIR -11.9%, ALPHA -10.1%, ETE -10.7%, EUROB -12.4%). In addition to the Greek vote next Wednesday we will also have the FOMC meeting and there continues to be some debate as to whether the "considerable time" language might be dropped to start more formally preparing the markets for the first rate hike in mid-2015 (WSJ) (Reuters). Tesco trading -10.2% in the UK after another big profit warning and weighing on the rest of the food retailers. WTI Crude traded as low as $62.25/bbl earlier but is now currently +0.46% to $63.34/bbl post headlines on *Bloomberg* citing the chief oil market analyst at Energy Aspects saying OPEC might have extraordinary meeting in Q1. SPA's -6 handles = 2052.90 last.

NFIB Small Business Optimism @ 7:30am, JOLTS Job Openings @ 10am

Wholesale Inventories & IBD/TIPP Economic Optimism @ 10am

- Pep Boys missed Q3 estimates as retail comps & consolidated gm's weaker (trading -4%)
- Ingersoll Rand to buy Frigoblock for EU100M (expects to be accretive to eps/ebidta first FY)
- H&R Block fell short of expectations on wider Q2 loss (-45c vs -42c ests) (trading -5%)
- UTi Worldwide CEO Eric Kirchner resigns effective immediately (Ed Feitzinger to take over)
- Repsol said to revive talks on purchase of Talisman Energy assets or whole co. (Bloomberg)

- JCDecaux considering purchase of the European assets of Clear Channel Outdoor (Reuters)
- Tesco another big warning, group trading profit for financial year will not exceed £1.4B (trading -10.2%)
- Asos total retail sales +8.0% vs est +9.0%, expects FY profits inline with views (trading -4.6%)
- Siemens CMD in Berlin: says they target Dresser-Rand synergies 30% above plan (trading -1.1%)
- Euronext: ICE sells 4.21 million Euronext shares at €23/share in ABB (6% of co.) (trading -5.1%)
- Pandora: group of investors sell 4.6% stake in ABB (5.9M shares @ DKK 520) (trading -1.3%)
- Kinnevik: Avito Q3 trading statement out (Russia's largest online classifieds site) (trading -0.45%)
- Fake web traffic from "bots" accounts for about 11% of ads served up says study (Bloomberg)
- UK: Nov BRC LFL's +0.9% vs est +0.6%, Oct Industrial Production -0.1% m/m vs est +0.2%

Leading European Sectors: Real Estate -0.20%, Autos/Parts -0.46%, Food/Bev -0.48%
Lagging European Sectors: Retail -2.03%, Basic Res -1.68%, Oil & Gas -1.57%

ABM sees eps below – DMND eps beat – THR replaces CNVR S&P 400 today

Secondaries (announced/priced): PCTY, LHO, FLXN, MANU, TRNO, ENV (covnert), TMUS (convertible preferred), ENX FP, PNDORA DC

IPO's (lock-up expired): MobileIron (MOBL) 62.3M shares (83.5% of outstanding), Nordic American Offshore (NAO) 4.1M shares (18.1% of outstanding), Zhaopin (ZPIN) 43.6M shares (87.2% of outstanding)

US Key Research:

- ➢ Citi initiates DDC (buy), Atlantic downgrades M, Baird downgrades VZ, CS upgrades LHCG,
- ➢ Drexel Hamilton initiates LDOS (hold), Guggenheim initiates FITB/KEY (buy) and HBAN (neut)
- ➢ Jefferies initiates NDRM (buy) & downgrades NBR/OII/SLB/CBST, KBW downgrades SEIC
- ➢ JPM initiates ALL/AON/MMC (ow) and ACE/PGR/TRV (neut) and CB/UW (uw) & downgrades SLB
- ➢ Macquarie upgrades SM, DB cuts DOV (sell), Mizuho downgrades WAG, Northland initiates PMCS (op)
- ➢ Opco initiates NXPI (op) & upgrades AEO & downgrades APTO/SVU, Roth initiates NDRM/JYNT (buy)
- ➢ RBC initiates FGEN (op) & downgrades CBST, Stifel initiates FGEN (buy) and COG/APC/NFX/NBL (hold)
- ➢ Wedbush initiates CSCO (op) and JNPR (neut), Lonbow downgrades LPX & upgrades LECO (buy)

Europe Key Research:

- Bofa downgrades BAYN GR/SHP LN/GSK LN/PGHN SW, Barcap downgrades ALV GR/HNR1 GR/MUV2 GR/PHNX LN & upgrades UNI IM
- Berenberg initiates REE SM (buy) and ENG SM (hold), Cantor initiates ADN LN/ASHM LN/SDR LN/ARP LN (buy) and HGG LN (hold)
- Commerzbank upgrades HEN3 GR/OR FP (buy), CS downgrades MPI LN/EXPN LN/MPI FP & upgrades GFS LN/STHR LN
- DB downgrades TCELL TI & initiates ATO FP (hold) and CAP FP (sell), Equinet downgrades FRA GR
- GS downgrades FLU AV and KNIN SW (sell), Jefferies downgrades AGK LN, JPM downgrades EUR PW, JPM downgrades EUR PW
- KBC upgrades EURN BB (buy), Mediobanca resumes CASS IM, Oddo upgrades RMS FP (buy), Oriel initiates DIA LN (buy)
- Swedbank upgrades SNI NO (buy) & downgrades HPOL.B SS, Numis downgrades RWS LN, HSBC upgrades ERF FP
- Raja downgrades SGO FP, UBS downgrades JMT PL

Reporting Pre-Open: AZO, AEY, BURL, CONN, HDS, HBC CN, JW.A, PTRY, UTIW

Reporting Post-Close: ALOG, HELI, CRDS, ENZ, FRPT, HQY, KFY, KKD, MILL, MIND, NCS, TCL.A CN

Economic Data: NFIB Small Business Optimism @ 7:30am, JOLTS Job Openings / Wholesale Inventories / IBD/TIPP Economic Optimism @ 10am

Treasury auction in 3yr notes @ 1pm ($25B), API weekly oil inventories @ 4:30pm

Conferences: Raja Systems, Semiconductors, Software & Supply Chain (NYC), UBS Media & Communications (NYC)

Conferences: Barcap Tech (SF), BMO Tech & Digital Media (NYC), GS US Fin Services (NYC), Wells Energy Symposium (NYC)

Analyst/Investor Days: NLSN, RBC, HRB, CORE, WY, PHM, BRCM

Non-Deal Roadshows: ACHN, ANGO, BABY, BWLD, BXC, CALD, CBM, CVA, CVCO, CVO, CYBX, DSKY, ECL, ELNK, ERJ, EVLV, FCFS, FIBK, FRSH, GTN, HPTX, HY, IL, INVN, ISTR, JOUT, KOS, LMAT, MAR, MFG, MNK, NNN, OCFC, PAG, PCMI, PNW, SAAS, SLTC, SMED, SNMX, SSNC, STRT, SXT, TROX, TUBE, UPL, UTEK, WWE, XNET, XOXO

Shareholder Meetings: ATK, ORB, ODC, ARL, SGI, WDFC, MR, HTHT

Equity/Mixed Shelfs: AMRI ($50M)

Other Newspaper Articles & Stories

WSJ negative: Abercrombie & Fitch (ANF) WSJ

- Hilsenrath: Fed Aims to Signal Shift on Low Rates WSJ
- Europe vs. U.S. Tech Giants WSJ
- Ex-Madoff Staffer Sentenced to 10 Years WSJ
- Cleveland Family Calls for Charges in Boy's Shooting WSJ
- There's No Sugar-Coating Krispy Kreme Woes WSJ
- Supreme Group Fined $389 Million for Overcharging Pentagon WSJ
- What Happens When Your Drone Escapes WSJ
- Amazon Preps Faster Deliveries by Bike and by Drone WSJ
- West Coast Welcomes China's Web Czar NYT
- White House and G.O.P. Clash Over Torture Report NYT
- Study Says Patients Given Opioids Use Them Longer NYT
- With Bank of America Order, S.E.C. Breaks the Mold NYT
- Tax Battle in Germany Shakes Family Dynasties WSJ
- Greece Takes Gamble on Presidential Vote WSJ
- Chuck Hagel in Baghdad for Talks on Fight Against Islamic State WSJ
- Bank Of Russia Sold $1.93 Billion to Buoy Ruble WSJ
- Why Silicon Valley struggles to conquer Europe FT
- World without water: six solutions to a shortage FT
- Food banks are a blight on modern Britain FT
- European Central Bank loan auction set to miss target FT
- Scottish landowners resist inheritance reform FT
- Fracturing of UK politics complicates general election FT
- PwC sold 'tax avoidance on industrial scale' FT
- Moody's urges slower bank bonus payouts FT

- Spain's lauded transition to democracy under fire FT
- Arrest of 'tiger' Zhou Yongkang sheds light on China graft purge FT
- Songbird: bird in the hand Lex
- Dalian Wanda: big fish Lex
- BHP Billiton: a miner by any other name Lex
- Merck/Cubist: pony up Lex
- Hermitage: imperial splendour, revolutionary symbolism, world-class art The Times
- Portuguese brickies find pot of gold The Times
- An optimist who keeps digging The Times
- Picture is getting blurred as Britain begins to switch off the television The Times
- By the time the oil runs out we won't need it The Times
- Hollande risks wrath of Merkel by rejecting economic reforms The Times
- James Moore: How lopsided can comparison sites get before the watchdogs wake up? Independent
- Sir Ian Cheshire: Seeing the big picture on sustainable growth will rescue our economy, society and environment Independent
- We must unleash the sharing economy to help drive living standards Telegraph
- There is nothing wrong with the 24/7 work culture Telegraph
- China's stock mania decouples from economic reality Telegraph
- Britain really is a nation of shopkeepers: running a shop named as dream career Telegraph
- The vending machine of the future is here, and it knows who you are Telegraph
- TTIP divides a continent as EU negotiators cross the Atlantic Guardian
- Business giants walk off with our billions. No more something for nothing Guardian

Key Events This Week

Wednesday: Treasury's Budget Statement, MBA Mortgage Applications, Bernstein Consumer Summit (NYC), Opco Healthcare Conference (NYC), Earnings (COST, TOL, WTSL)

Thursday: Nov Retail Sales, ECB publishes monthly report, US Continuing Resolution expires, Earnings (ADBE, ZQK, HGR)

Friday: Nov PPI, U. of Michigan Consumer Confidence Dec, China retail sales/IP/FAI Nov

Key Events on the Horizon

Dec 14 – Japan snap election

Dec 15 – BOE publishes UK bank stress test results

Dec 17 – FOMC rate decision / Greece Presidential Election (first round of voting, further polls Dec 23 & Dec 29)

Dec 19 – EuroStoxx 600 & FTSE 100/250 changes on the close

Jan 8 – BOE rate decision

Jan 22 – ECB rate decision

Jan 28 – FOMC rate decision
