From: Ike Groff <[redacted]>
Subject: Early Tour 9.25.14
Date: Thu, 25 Sep 2014 09:51:24 +0000
Inline-Images: image001.jpg; image002.png

Description: Description:

Good Morning … European Markets up 20-90 bps (UK -0.13%, Greece +1.42%)… NKY +1.28%, SHCOMP +0.07%, HSI -0.64%, KOSPI -0.08%, TWSE -0.96%, ASX +0.12%

EUR 1.2733 (-0.37%) JPY 109.26 (-0.20%) EUR/JPY 139.12 (-0.17%) AUD -0.87% NZD -1.49% RUB -0.71% US 10yr 2.555%

Futures: **Dow -3, Nasdaq -2, [redacted] -1** DXY $85.33 (+29c) Crude $92.68 (-12c) Gold $1211.00 (-$8.50) Copper -0.64% Silver -0.92% Nat Gas -1.20%

Asia markets mostly higher overnight with Japan leading as the JPY moved back > 109 level. The Nikkei finished at a new six year high as the currency helped give a boost to the exporters. Most of Japan goes ex-dividend tomorrow. Shanghai was firmer (hitting 19 months highs) on combination of the WSJ's PBOC speculation and retail actively buying on back of yesterday's new account opening stats. Both China and Hong Kong sold off mid-morning on reports that SAFE found almost $10 billion of fraudulent exports and said it will severely punish parties involved in the Qingdao fake trade issue. The SHCOMP did bounce slightly to close slightly positive but the HSI closed on the lows. Casinos underperformed on more bearish sell-side commentary. Taiwan underperformed as the TAIEX collapsed and dipped below the psychological 9,000 support to 4-month lows as Apple plays traded lower. European markets are rebounding today up 20-90 bps in general. In retail, [redacted] is trading -3.5% on weaker gross margins. Nike reports today after the close in the US. Rosh Hashanah holiday today and tomorrow. SPA's off small = 1990.30 last.

Jobless Claims / Durable Goods @ 8:30am, Markit US Services & Composite PMIs

SCHL reports before the open, MU & NKE report after the close today

- Jabil Circuit swung to a loss but beat and raised outlook driven by Apple (trading +5%)
- H.B. Fuller Q3 earnings missed (gm's light) & sees Q4 adj eps 60c-70c vs 85c ests (trading -4.5%)
- Worthington penny better & revs beat but profit fell (declared 18c dividend) (trading up small)
- Burger King issues $2.25B of debt to fund Tim Hortons (THI CN) acquisition (Bloomberg)
- [redacted] Q3 ebit margin light, September sales so far +7.0% (mkt at +14.4% for month) (trading -3.5%)
- Telecom Italia: Sol Trujillo said to seek $9.6 billion for Telecom Italia bid (trading +3.6%)
- Telenet says board opts for no shareholder remuneration (trading -4.2%) (MOBB BB +5.8% on [redacted] spec)
- Ryanair raises traffic forecast at AGM, sees profit towards upper end of guidance (trading +1.9%)

- Airbus raised its long-term global industry projection targets yesterday after close (trading +3.0%)
- Gemalto chosen by China Mobile for NFC mass transit services in Beijing (trading +2.1%)
- Unibail-Rodamco agrees to sell 6 shopping centers in France for €931 million (trading -0.39%)
- LVMH: Sephora appeal over store closing hours is rejected in France (*Le Figaro*) (trading +0.19%)
- Hammerson (HMSO LN) placing: 71M shares (9.99% of co.) to buy out shopping mall (trading -2.7%)
- Mitchells & Butler (pubs) 9wk LFL's +0.1%, margins down y/y as co. chases volumes (trading -4.9%)
- Direct Line to sell International unit for €550M, all net proceeds returned to holders (trading +0.53%)
- Sports Direct option agreement with GS on 23M shares of Tesco (SPD LN -0.75%) (TSCO LN -0.74%)
- UK Mail trends in Q2 disappoint, September parcel data weak (UKM LN trading -13.2%) (RMG LN -3.4%)
- AB Inbev strategy chief Jo Van Biesbroeck sells €2.21 million worth of stock (trading +0.30%)
- Cairn Energy announces a reduction of its inters in the Catcher project (30% to 20%) (trading +2.4%)
- GIC pact with Carlyle to be co-investor in RAC (UK roadside assistance) (will jointly own a majority stake)
- Sistema (SSA LI): Moscow court rejects Evtushenkov appeal for release from house arrest (trading -9.5%)
- U.S. issues terror warnings for citizens in Turkey amid IS strikes, no new specific threat (AP)

Leading European Sectors: Trav/Les +1.20%, Autos/Parts +1.06%, Telco +0.97%
Lagging European Sectors: Basic Res -1.13%, Retail -0.40%, Real Estate -0.27%

Secondaries (announced/priced): SCTY (convert), WPC, CNNX, NYR BB rump placement, HMSO LN

IPO's (priced): Cone Midstream (CNNX) 17.5m shares at $22 (above range), Travelport Worldwide (TVPT) 30m shares at $16 (high-end), Vitae Pharmaceuticals (VTAE) 6.88m shares at $8 (below range)

IPO's (filed): Exmar Energy Partners (XMLP) files $125M IPO through [redacted] Morgan, BofA, and Citi

US Key Research:

- ➢ BMO initiates BGCP (mp), Key downgrades CHMT, Stifel assumes CELP (buy), Capital One upgrades BXP
- ➢ Piper initiates ASGN/TW/MAN (ow) and KFY/RHI (neut), RBC downgrades KBH

Europe Key Research:

- ➢ RBC downgrades HL/ LN, Berenberg upgrades IT IM, JPM downgrades BN FP & upgrades BSPB RU & NVTK LI

- SocGen upgrades DCG LN, UBS upgrades AMEC LN, Barclays upgrades G1A GY, HSBC downgrades REC NO
- Numis downgrades VSVS LN & initiates ULS LN (buy), Bankhaus Lampe initiates KGX GY (buy)
- HSBC upgrades MBTN SW, Mirabaud upgrades DUFN SW, SocGen upgrades ELE SM & ENEL IM
- Exane UK capital goods note (downgrade SXS LN & ROR LN), Citi upgrades TLSN SS & TDC DC
- JPM resumes TIT IM (ow), SocGen initiates PKP PW (buy), Citi upgrades RBP SJ, BofA downgrades PEO PW
- Danske upgrades NOBI SS, Kepler downgrades GXI GY & upgrades HEIJM NA, Investec downgrades UKM LN
- BofA upgrades NRE1V FH, JPM downgrades ENG PW, Barclays downgrades ATL IM, Citi upgrades PNL NA
- Liberum upgrades LMI LNM, Raja upgrades WOS LN, BofA downgrades ULE LN, KBC downgrades TNET BB
- Bernstein initiates STJ LN (mp) & HL/ LN (up), Canaccord upgrades FLG LN and initiates DJI LN (h)
- Carnegie downgrades STL NO & TGS NO, Handelsbanken upgrades NOBI SS, KBC upgrades COLR BB
- Macquarie initiates COP LN (op), Swedbank upgrades DNO NO

Reporting Pre-Open: OMN, SCHL

Reporting Post-Close: MU, NKE, ADES, KOOL, PRGS, THO, THST

Economic Data: Jobless Claims / Durable & Capital Goods Orders @ 8:30am, Markit US Services & Composite PMIs / Bloomberg Consumer Comfort @ 9:45am, Kansas City Fed Manufacturing Activity Index @ 11am

EIA natural gas storage change @ 10:30am, Treasury auction in 7yr notes @ 1pm ($29B)

Fed Speakers: Lockhart @ 1:20pm (Miss)

Conferences: CS Global Steel & Mining (London), Baader Investment Conference (Munich)

Fed Speakers: Lockhart @ 1:20pm (Jackson, MS)

Analyst/Investor Days: GHM

Non-Deal Roadshows: ACI, BBG, BRCD, BRKR, CONE, CRNCY, CSCO, CYBX, DIOD, DLX, DVN, EARS, ENDP, FCFS, GK, GWRE, HAE, IPCM, IVR, LKQ, MOVE, OSUR, PFIE, PTCT, SPPI, SSNC, TRS, TXN, VVTV, WYY, ZSPH, CCRN, RWT

Shareholder Meetings: DTV, LGIH, CLRX, LEXG, OVTI, WOR, RENN

Equity/Mixed Shelfs: CORR ($300M)

Other Newspaper Articles & Stories

Barron's positive: Yahoo! (YHOO) Barron's

WSJ positive: Royal Bank of Scotland (RBS LN) WSJ

- U.S. Presses World to Act Against Extremism WSJ
- China Weighs Replacing PBOC Chief WSJ
- Junk-Bond Investors See Warning Signs WSJ
- Goldman-Led Group Near Deal to Buy Messaging Startup WSJ
- Hedge Funds Jostled by Inversions' Jiggles WSJ
- Nike Pays to Play WSJ
- Loosened Rules for Startups Benefit Older Firms WSJ
- Uber Open to 'Debate' Over Ride-Sharing Rules WSJ
- Cliff Asness: Risk Parity: Why We Fight Lever [redacted]
- Michael Lewis: Occupational Hazards of Working on Wall Street Bloomberg
- With China Set to Open Stock Trading, Investors Lay Groundwork NYT
- Miss a Payment? Good Luck Moving That Car NYT
- Exposing Hidden Bias at Google NYT
- Tech Firms and Lobbyists: Now Intertwined, but Not Eager to Reveal It NYT
- Covert Terror Cell Emerges as Leading Target of the U.S. NYT
- Euro weakness strengthens policy makers FT
- KPMG offers mortgage help to employees FT
- Property will become a bigger pensions play FT
- 'Supranationals' borrow at record levels FT
- Britain stays cautious partner in Isis war FT
- Tube to run 24-hour service in 2015 FT

- US builders' shares show foundations FT
- US financial sector to tackle cyber risks FT
- Mike Ashley's Sports Direct makes £43m bet on Tesco Telegraph
- Austria to launch legal challenge if EU approves British nuclear plan Telegraph
- Ferrari recalls £200,000 cars because people can get trapped in boot Telegraph
- Twitter UK's accounts point to sales heading offshore Independent
- RBS chairman Sir Philip Hampton leaves for GSK Independent
- Embattled Tesco admits no one has been in charge of finance for five months Telegraph
- Bank deputy warns of eurozone risk Guardian
- University graduates see biggest drop in unemployment for 15 years Guardian
- It's official: RBS' Sir Philip Hampton is GSK's new chairman City AM
- Are we going to war over IS? David Cameron says UK “ready to play its part” City AM
- Euro drops to 22-month low against the dollar City AM

Key Events This Week

Friday: US Q2 GDP, Michigan Consumer Confidence, Ryder Cup begins at Gleneagles (Scotland), (China Industrial Profits August, Earnings (FINL)

Key Events on the Horizon

Oct 2 – ECB publishing details of ABS purchases

Oct 5 – Brazil presidential election

Oct 6 – T+2 settlement across EEA countries (plus Switzerland) is implemented (trades on Oct 6 settle on Oct 8) (note Spain will not convert until ~ Q4 2015)

Oct – ECB “Comprehensive Assessment” results for European Banks (mid-October)

Oct 29 – FOMC rate announcement (expected to officially announce the end of monthly bond purchases at this meeting)

Nov 4 – US mid-term elections

Nov 9 – Potential referendum on independence in Catalonia (Spanish PM Rajoy will likely try to block vote from happening)

Ike Groff | [redacted] | ☎ [redacted] | ✉ [redacted]

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