From: Ike Groff <[redacted]>
Subject: Early Tour 4.7.14
Date: Mon, 07 Apr 2014 09:54:59 +0000
Inline-Images: image001.jpg; image002.png

Description: Description:

Good Morning … European Markets off 25-100 bps … NKY -1.69%, SHCOMP (closed), HSI -0.59%, KOSPI +0.08%, TWSE -0.14%, ASX -0.17%

EUR 1.3717 (+0.09%) JPY 103.25 (+0.05%) RUB -0.73% AUD -0.02% CAD -0.12% US 10yr 2.728%

Futures: **Dow -38, Nasdaq -23, S&P -6** DXY $80.37 (-5c) Crude $100.82 (-32c) Gold $1299.10 (-$4.40) Copper -0.03% Silver -0.56% Nat Gas +1.28%

Asian markets were under pressure overnight following the US move on Friday. Volumes were much lighter than average with China and Thailand closed. Japan underperformed with the Nikkei breaking below 15k as the Yen strengthened to 103 intra-day. Softbank (-4.6%) continued its slide after Friday's Forbes article saying that the company is looking for deals in Europe. The BOJ meeting concludes tomorrow and no material change to policy is expected – likely BOJ will double ETF purchases. Hong Kong struggled on continued weakness in tech (Tencent -4.5%) and Macau names (Sands -4.9%, Galaxy -5.6%). The World Bank lowered China's 2014 GDP growth to 7.6% from 7.7% which also dampened sentiment. South Korea outperformed as it spiked in the final minutes on a foreign MOC program which took the Kospi into positive territory. Pharma names are in focus in India after Sun Pharmaceutical (+1.1% currently) announced an all-stock deal to buy out Ranbaxy (-4.5% currently) worth $4 billion. General elections also began in India today (the world's biggest), with polls showing that Modi's party, the BJP is the favorite to win. The election will take 5weeks with the final result coming on May 16 (eleven things to know about the world's biggest election CNN). M&A the focus in Europe this morning. Holcim & Lafarge have agreed to terms in a merger of equals that will create the world's biggest cement maker with more than $40B in sales which has the whole sector outperforming this morning (HOLN VX +1.0%, LG FP +2.0%). And Vivendi has finally agreed to sell its SFR phone unit to Altice in a deal valued at more than €17 billion (Altice beat out a government-backed offer from Bouygues) (VIV FP +1.5%, NUM FP +13.9%, ATC NA +8.5%, EN FP -5.9%, ILD FP -6.0%, ORA FP -1.3%). But outside of that European markets are getting hit as the rotation out of higher beta growth names into value that led the US lower on Friday was also evident in Asia overnight and into Europe this morning. US futures weaker again. SPA's -6 handles = 1854 last.

Consumer Credit @ 3pm

- Yahoo makes new push into video content, hunts for original web-series programming (WSJ)
- Arthur Gallagher (AJG) to buy Wesfarmers Insurance broking unit for ~$938 million
- Holcim and Lafarge merger of equals (big antitrust concerns) (completion expected H1 2015)
- Vivendi: Altice wins bidding contest for SFR phone unit (deal valued at more than €17B)

- Tag Immobilien may increase its dividend, CEO tells *Euro AM Sonntag* (trading +0.27%)
- Delticom may reach €1 billion in sales in five years, CEO tells *Die Welt* (trading +2.6%)
- Alfa Laval buys Norwegian pump maker Frank Mohn AS for $2.2 billion in cash (trading +3.8%)
- Chairman of SAB Miller South Africa steps down, consolidating SA & Africa into one (trading -0.46%)
- Meda and Valeant terminate joint ventures in Canada, Mexico, Australia (will end in Q2)
- Nestle's Peter Brabeck to step down as Chairman in 2017 according to *Le Temps* (trading -0.51%)
- Sports Direct head Mike Ashley takes 11% House of Fraser Stake (*Sunday Times*) (trading -0.92%)
- Leg Immobilien: €300 million convertible bond launch (pricing expected today) (trading -0.95%)
- Marks & Spencer may miss sales targets laid out 2yrs ago says *Sunday Times* (trading -1.1%)
- Germany Feb industry output expands more than forecast (+0.4% m/m vs est +0.3%)
- Sun Pharma to acquire Ranbaxy in $4B stock transaction (18% premium to 30-day vwap)

Leading European Sectors: Utilities +0.19%, Telco +0.05%, Construction +0.02%
Lagging European Sectors: Tech -1.76%, Autos/Parts -1.02%, Fin Services -1.00%

Secondaries (announced/priced): BWFG, RGDO, LEG GY (convert)

IPO's (filed/priced): Tuniu (TOUR) files $120M IPO through Morgan Stanley, Credit Suisse and China Renaissance, Memorial Resource Development (MRD) files $700M IPO through Citi

IPO's (lock-up expires): Antero Resources (AR), MacroGenics (MGNX) Western Refining (WNRL)

US Key Research:

- Barcap initiates TRLA (ew), DB upgrades AA/NEM & initiates MCHX (buy)
- GS downgrades CNVR (sell) & initiates AAL (buy) & upgrades ADI, BMO cuts MAT
- Opco downgrades ANN, HSBC upgrades C, ISI upgrades EGN (strong buy), MS cuts RDC
- PacCrest upgrades INTC, RBC upgrades KND, GS upgrades JBLU, Wells upgrades LII

Europe Key Research:

- Banca IMI upgrades TFI IM, Banco Santander upgrades CABK SM, Barcap upgrades GRT SJ
- Berenberg downgrades OSR GR/ZAG AV/BRBY LN/MONI LN, CS reinstates FP FP (op)

- Citi downgrades ADP FP/FHZN SW & initiates ELPE GA (neut), Natixis upgrades HOLN SW (buy)
- DB upgrades LRE LN (buy) & cuts CPR LN (sell), Warburg upgrades SWVK GR (buy)
- DnB upgrades TRYG DC, Exane BNP upgrades HOLN SW/LG FP, Equita upgrades LG FP
- Fidentiis upgrades BZU IM (buy), GS upgrades TRYG DC and VIG AV (buy) & cuts STL NO
- HSBC downgrades VTBR LI, Jefferies upgrades O1BC GR and IMI LN (buy) & initiates AO LN (buy)
- JPM initiates AO LN (ow), Kepler upgrades VIS SM and VOS GY/PSG SM/BDL SM (buy)
- Nordea downgrades OTE1V FH (sell), UBS downgrades PC IM, CM-CIC downgrades EN FP (sell)
- Kepler upgrades ZOT SM & cuts ROVI SM & reinstates SCYR SM (buy) and FCC SM (reduce)
- Canaccord cuts SYR LN (sell) & upgrades ABC LN & initiates GMS LN (buy), Berenberg upgrades LEI GR (buy)

Reporting Post-Close: MY, SHLM, TISI, ZEP

Economic Data: Consumer Credit @ 3pm

Fed Speakers: Bullard @ 11:45am (LA)

Conferences: No major conferences

Analyst/Investor Days: N/A

Non-Deal Roadshows: ACAD, AGII, BCRX, CBS, CPT, FLML, FMI, GDP, GIII, IMRS, MHR, MU, PRGN, SLXP, TWX, WRES

Shareholder Meetings: JNY, AOS

Equity/Mixed Shelfs: SEE, ONE ($250M), ORBC ($100M), TCRD ($300M), GOOG

Other Newspaper Articles & Stories

Barron' cover: A look at a state of the indexing industry Barron's

Barron's positive: Hewlett-Packard (HPQ) Barron's, B/E Aerospace (BEAV) Barron's, Bravo Brio Restaurant Group (BBRG) Barron's

WSJ cautious: Goldman Sachs (GS) WSJ

- Sears Slices Off Assets for Shareholders WSJ
- Search for Flight 370 Picks Up Signals WSJ
- Yahoo Makes New Push Into Video WSJ
- GM Mulls Over Victim Payouts WSJ
- U.S. Investment Firms Fill Lending Gap in Europe WSJ
- The Case for High-Information Trading WSJ
- Investors Are Drawn to Dividends WSJ
- Fallout From Speedy-Trading Flap Hits Brokers WSJ
- BlackRock Reshuffles Management WSJ
- Missing-Persons Search Group Fights Order to Stop Using Drones WSJ
- For Alcoa, Aluminum Cars Are a Pickup WSJ
- Search Crews Detect Signals That May Be From Missing Jet NYT
- U.S. Attempts Candor to Assure China on Cyberattacks NYT
- Jeb Bush Outlines Campaign Strategy, Should He Run NYT
- Credit Suisse Is Said to Be Facing Double-Barreled Inquiries NYT
- Cities Are Fighting Income Inequality NYT
- Gravity Hits Highflying Tech Stocks NYT
- BlackRock lays ground for life after Fink FT
- Cement merger tries to head off regulators FT
- Chinese developers beef up bank stakes FT
- Global recovery 'hinges on reforms' FT
- Obama's hope of reshaping Supreme court fades FT
- Nasdaq setbacks test shareholder patience FT
- Bicycle component makers ride sales boom FT
- UK dividends set to hit £91bn FT
- Foreign investors put off London property Telegraph
- Boris turns to Denver to revive airport plans Telegraph
- A view from the top: inside union negotiations at Southwest Airlines Guardian

Key Events This Week

Tuesday: JOLTs Job Openings, NFIB Small Business Optimism, BOJ rate decision, Needham Healthcare Conference (NYC), Earnings (AA, MG, ISCA)

Wednesday: Fed Minutes, China trade balance, ISI Macro Conference (NYC), Earnings (BBBY, STZ, RT)

Thursday: Retail SSS, Treasury's Monthly Budget Statement, BOE rate decision, ECB monthly report, BOJ minutes, China CPI/PPI March, Citi Diamond & Jewelry Conference (NYC), Earnings (FDO, PIR)

Friday: PPI, Michigan Confidence, Earnings (JPM, FAST, WFC)

Key Events on the Horizon

Apr 16 – Yellen speaks at Economic Club of NY @ 12:15pm

Apr 18 – US & European markets closed for Good Friday

Apr 21 – European markets closed for Easter Monday

May 5 – Ira Sohn Conference NYC 9 (link)

May 17 – Portugal exits bailout program

Ike Groff | 680 Washington Blvd | Stamford, CT 06901 | ☎ [redacted] ✉ [redacted]

Description:
Description:
