From: Ike Groff <[redacted]>
Subject: Early Tour 11.25.13
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Inline-Images: image001.jpg; image002.png

Description: Description:

Good Morning … European Markets up 0-60 bps (Greece +2.5%, Turkey +1.6%, Italy -0.18%) … NKY +1.54%, SHCOMP -0.47%, HSI +0.15%, KOSPI +0.49%, TWSE +0.87%, ASX +0.32%

EUR 1.3510 (-0.36%) JPY 101.72 (-0.44%) EUR/JPY 137.42 (+0.10%) AUD 0.9151 (-0.35%) NZD 0.8203 (+0.11%)

US 10yr 2.75% Japan 10yr 0.64% Germany 10yr 1.72% Portugal 10yr 5.96% Italy 10yr 4.08% Spain 10yr 4.13%

Futures: **Dow +58, Nasdaq +11, S&P +5** DXY $80.93 (+22c) Crude $93.47 (-$1.37) Gold $1231.80 (-$12.80) Copper +0.06% Silver -0.53% Nat Gas +1.51%

The biggest news over the weekend comes out of Geneva as P5+1 (US, China, Russia, France, UK, Germany) reached a deal with Iran under which certain aspects of its nuclear program will be limited and/or rolled back in return for partial easing of economic sanctions. The deal is temporary and reversible and will last for 6-months as a more comprehensive and permanent accord is negotiated. The agreement has faced sharp criticism from Israel, Saudi Arabia, as well as members from both sides of the aisle in Congress (WSJ) – although many others believe it is a first step in the right direction. Asian markets mostly higher overnight with Japan once again in the lead as the Nikkei inches closer to May's high. The BOJ's Kuroda gave another speech and essentially reiterated previous comments to the Diet: expect economy to grow above potential, commitment to +2.0% inflation, readiness to adjust policy as appropriate. But the real driver was Yen weakness, which touched 101.92 intra-day. Softbank also helped (+5.4% and up close to +18% for the month), seeing follow-thorough from Friday's Robin Hood mention as well as CLSA highlighting that interest in Alibaba is "unprecedented" (Softbank owns 38% stake). Insurance names (+1.6%) also stronger after Citi boosted PT's across the group and reiterated BUY ratings. In Korea, the KOSPI opened higher but reversed early gains to close near the lows of the session. Foreign and local institutional buying was offset by profit-taking from retail and pensions. The Iran/US accord had construction names in focus (Daelim Ind +1%, Hyundai E&C +2%, GS E&C +3.7%) on new order hopes, along with Mando (+1.7%) which may see exports renew in 2Q14. The SHCOMP was lower, weighed down by Sinopec (-4%) after this weekend's pipeline explosion left 55 dead and disrupted operations. China's new air defense identification zone has also renewed tensions over disputed islands in the East China sea. European markets are bid higher across the board after the strong US close last week. It is quiet on the news front although Fresenius Medical Group is trading +8.4% following the CMS final decision on dialysis reimbursement which was published on Friday evening (DVA is also indicated +10% pre-open). Crude is trading -1.4% following the Iran deal. SPA's +5 handles to kick off the holiday shortened week = 1806.50 last.

Pending Home Sales @ 10am, Dallas Fed @ 10:30am

- Apple buys PrimeSense (Israeli co. known for motion detection software in MSFT's gaming sensor Kinect)
- US banks warn Fed IOER cut could force them to charge companies & consumers for deposits (FT)

- Sears is investigating sale of Sears Canada but there has been no interest so far (NY Post)
- Boeing warns operators of GE-powered Dreamliners/747s to avoid high altitude thunderstorms (WSJ)
- Lions Gate's "Hunger Games" opens with $161.1M at the domestic weekend box-office ($307.7M global)
- GS top trade recommendation #1: Long S&P 500 / Short AUD (reflects key macro themes for 2014)
- Barclays said to plan "role-based pay" for some employees to counter EU bonus caps (Bloomberg) (trading +0.54%)
- Fresenius: US scraps medicare cuts, keeps 2014/15 dialysis bundles flat & allow for inflation adjusters (trading +8.4%)
- Babcock & Avincis Mission (helicopters) in exclusive talks about setting up a JV (trading -1.96%)
- Swatch takes control of Rivoli stores in the Middle East (previous held 40% stake) (trading +0.69%)
- Reckitt Benckiser hires Morgan Stanley to advise on Pharma business options (trading +1.3%)
- AB Inbev in talks to buy back Oriental Brewery from KKR & AEP (trading +0.33%)
- Peugeot looking at Tavares as new CEO, benefit from easing of Iran sanctions, CMD tomorrow (trading +3.9%)
- Lloyds: *The Times* reports company is set to sell 12% of St James's Place in December (trading +0.77%)
- Aryzta Q1 revs shade below, reiterates FY guidance, to grow underlying EPS by double digits (trading +0.37%)
- Essar H1 group revs improve, op EBITDA ahead, higher interest & depreciation costs (trading -6.1%)
- Sevan Drilling Q3 EBITDA misses, net loss vs net income y/y, market remains strong (trading -6.6%)
- Seadrill Q3 revs good, EBITDA fine, EPS slight, raises quarterly dividend (trading -0.22%)
- Chemring post close statement, FY revs light, net debt lower, broker upgrade (trading +11.1%)
- GSW Immobilien (GIB GY) to be replaced by SGL Carbon (SGL GY) in the MDAX tomorrow on the close
- ECB's Hansson says they stand ready to cut rates further and technically prepared for negative deposit rate

Leading European Sectors: Trav/Les +1.71%, Tech +0.92%, Autos/Parts +0.92%
Lagging European Sectors: Oil & Gas -0.32%, Telco +0.10%, Utilities +0.16%

QIHU revs beat – MNTG no longer in buyout talks – YHOO news anchor deal with Katie Couric

Secondaries (announced/priced):

IPO's: Damac books close tomorrow 4:30pm GMT, Energa price range PLN 15-20

US Key Research:

- Barcap initiates LEAF/PAGP/SCAI/ESNT/EGHT (ow's) & AMSG (ew) & upgrades CDW
- DB initiates EGHT (buy), GS initiates SCAI/ENR (neut) & BKW/PAGP/PAA/CHD (buys)
- GS downgrades CPB & CLX (sell) & upgrades AA (buy), Imperial initiates NVGS (op)
- ISI downgrades BRCD, JPM initiates CRZO (ow), Stifel initiates CRTO (buy)
- Wells initiates UMBF (mp), Citi initiates LEAF (buy), KBW initiates LEAF/ESNT (op)
- RBC downgrades AOL & upgrades HTLD, Raja upgrades BLMN/JBLU, UBS initiates PX (neut)
- Jefferies downgrades SCHN, Bernstein upgrades SYK, Wells initiates UMBF (mp)

Europe Key Research:

- DNB downgrade MEO1V FH, Berenberg initiate LNZ AV (h)
- Citi cut SDR LN from most pref, cut EMG LN from least pref, upgrade TALK LN
- CBK upgrade FME GY, CS assume LISN SW (n), Exane upgrade ULVR LN
- GS upgrade FRES LN, downgrade INVEB SS, Investec upgrade ULE LN, CHG LN
- JEFF upgrade EZJ LN, KepChev upgrade FME GY, downgrade GBF GY
- MS upgrade SAB LN, Natixis upgrade NOVN VX, Numsi downgrade BAB LN
- Lampe upgrade CON GY, B5A GY, Akros upgrade GEO IM, UBS upgrade NPK SJ

Reporting Pre-Open: CIS, CNTF, ENTA, HAST, KNOP, NJR, NM, QIHU,

Reporting Post-Close: NUAN, CFI, CPRT, DY, FSC, HI, NTZ, PANW, PWRD, VCYT, VNET, WDAY

Economic Data: Pending Home Sales @ 10am, Dallas Fed Manufacturing Activity @ 10:30am

Conferences: Brean Capital 2013 Life Sciences Summit (NYC)

Analyst/Investor Days: NM

Non-Deal Roadshows: ALEX, C, DEST, F, FENG, IMN, MITK, ONTX, PHM, PZN, SSW, UBIC, WSH

Shareholder Meetings: DYNT, XUE, HTBI

Equity/Mixed Shelfs: BANC ($1B), PRGN ($250M)

Other Newspaper Articles & Stories

Barron's cover: positive Sirius XM (SIRI) Barron's

Barron's positive: Rockville Financial (RCKB)/United Financial Bancorp (UBNK) Barron's, Qualcomm (QCOM) Barron's

WSJ positive: Lorillard (LO) WSJ

- Relief sweeps Tehran as nuclear deal raises hopes on economy FT
- Rival contenders for Honduras presidency claim poll victory FT
- US spying fuels popularity of secure messaging app Wickr FT
- Maude criticizes Whitehall officials over welfare reform snags FT
- US banks warn Fed interest cut could force them to charge depositors FT
- US shale boom causing slowdown in LNG industry FT
- Swiss voters reject wage caps in referendum FT
- Aiming higher FT
- 'Chocfinger' ambitions soured by tough cocoa market FT
- Thousands take to streets in Kiev after EU deal delayed FT
- Samsung: Too big for its bourse Lex
- Truckmakers: Long haul Lex
- Chile: Just deserts Lex
- Stock hedging: blowing bubbles Lex
- Europe's Easy-Money Policy Snubs German Savers WSJ
- Private Equity Returns to Spain, Italy WSJ
- Is Italy Facing the Stability of the Graveyard? WSJ
- In-Flight Phone Etiquette: Experts Offer Suggestions WSJ
- Naples's Garbage Crisis Piles Up on City Outskirts WSJ
- Strikes Planned Monday at Two Amazon Sites in Germany WSJ
- Iran Pact Faces Stiff Opposition WSJ
- Companies Prepare to Pass More Health Costs to Workers WSJ

- Burned Short Sellers Adjust as Stocks Keep Rising WSJ
- Inside a Twitter Robot Factory WSJ
- Snowden and His Fellow Fantasists WSJ
- The Weinstein Company, Seeking Hits, Shift to TV NYT
- Drones Offer Journalists a Wider View NYT
- High cost of payday loans to be curbed The Times
- Government sells off 250,000 student loans The Times
- Tax advantages for landlords 'unfair' The Times
- RBS accused of exploiting struggling companies The Times
- Countries are now addicted to stimulus, warns Robert Zoellick The Times
- Exclusive: The dark side of the Magic Kingdom? Fairytale may be over for Disneyland Paris Independent
- Manufacturers bring back production to the UK as overseas production costs escalate Independent
- Anthony Hilton: Private banks have lots to shout about, but they're far too private for that Independent
- A divorce from Scotland would be stupid, wretched and painful Telegraph
- Carbon in atmosphere 'could warm planet for centuries' Telegraph
- No one wants Russia to implode but optimists have their work cut out Telegraph
- We're giving Mr Osborne the best Christmas present - a solution to business rates Telegraph
- The US dollar's status has fallen – but not uniformly Guardian
- Afghanistan considers reintroduction of public stoning for adulterers Guardian
- How can banking still be a source of scandal so long after the crash? Guardian
- We must never forget John F Kennedy's legacy as a tax cutter CityAM

Key Events This Week

Tuesday: MSCI changes effective on the close, Housing Starts & Building Permits, House Price Index, Consumer Confidence, [redacted]/Case-Shiller Home Price Index, Richmond Fed Manufacturing Index, Earnings (HRL, PLL, TIF, ADI, HPQ, ZLC)

Wednesday: Italy Senate to vote on expelling Berlusconi from Parliament, New Home Sales, Mortgage Applications, U. of Michigan Confidence, Leading Indicators, China October Industrial Profits, Earnings (ATV, RENN)

Thursday: Thanksgiving (US market closed), BOE Financial Stability Report, Germany CPI, Eurozone confidence

Friday: US markets close early 1pm, ISM Milwaukee, JCP removed from SP500, EU banks face 11/29 deadline to submit data to ECB for current risk assessments, Earnings (FRO)

Saturday: China November manufacturing PMI

Sunday: China November HSBC manufacturing PMI

Key Events on the Horizon

Dec 4 – OPEC meets in Vienna

Dec 5 – BOE & ECB rate decisions

Dec 13 – Congress budget deal deadline

Dec 18 – FOMC rate decision

Jan 15 – Current CR runs out

Jan 21 – State of the Union Address

Feb 7 – Debt ceiling deadline (Treasury can use extraordinary measures for ~ 1 month past this date)

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