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Subject: Early Tour 11.21.13

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Inline-Images: image001.jpg; image002.png

Description:
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Good Morning ... European Markets off 0-40 bps (UK +0.07%, Italy +0.28%) ... NKY +1.92%, SHCOMP -0.04%, HSI -0.51%, KOSPI -1.16%, TWSE -1.28%, ASX -0.36%

EUR 1.3434 (-0.03%) JPY 100.88 (-0.84%) EUR/JPY 135.52 (+0.81%) AUD 0.9266 (-0.73%) NZD 0.8211 (-0.74%)

US 10yr 2.786% Japan 10yr 0.63% Germany 10yr 1.76% Portugal 10yr 6.03% Italy 10yr 4.07% Spain 10yr 4.09%

Futures: **Dow +39, Nasdaq +11, [REDACTED] +4** DXY \$81.13 (+2c) Crude \$93.83 (-2c) Gold \$1246.70 (-\$11.10) Copper +0.17% Silver -0.54% Nat Gas +0.24%

Asian markets were mainly lower overnight, following the US as Fed tapering fears resurface. A slightly weaker HSBC China Flash PMI also weighed on sentiment. November PMI might fall to 50.4 from October's final reading of 50.9 on a slowdown in new export orders. That said, this would be the first decline in 4 months and is still above 50. Both the SHCOMP and the HSI sold-off following the release, but rallied in the PM session with the SHCOMP nearly flat on the day. Airlines were strong (led by Air China, +9.7%) on potential airspace reform/yuan appreciation and property names were weak (-0.8%) on reports of higher taxes. Japan bucked the regional trend with the NKY (+1.9%) and TPX (+1%) both closing near the highs. The main drivers were the Yen hitting 2-month lows (JPY currently 100.74) which boosted exporters and telco names were also strong. Softbank (+3.1%) on a broker upgrade and KDDI (+6.3%) after unveiling a plan to expand its shareholder benefits program aimed at boosting retail ownership of the company's stock (target 17% from around 4% currently) both hitting 13yr highs. The BOJ was a non-event, concluding its 2-day policy meeting and leaving policy unchanged ("maintaining" its Y60t-Y70t annual rise in monetary base). In Australia, the ASX200 closed just off the session lows as banks continue to see profit-taking. In Korea, the KOSPI gave up the 2000 level as foreign selling (-\$223mn) hit its highest level in 2-weeks. Emerging markets underperform on general de-risking following yesterday's FOMC minutes. DXY is currently +0.07% this morning and the US 10yr yield ticked as high as 2.81% overnight and is currently settling in around the 2.78% level. European off small but at the best levels of the day. European Flash PMI Manufacturing #'s are out as well: Eurozone 51.5 (est 52), Germany 52.5 (est 52.0), France 47.8 (est 49.5). Jobless claims @ 8:30am in the US and Flash PMI @ 8:58am. We will also get earnings from a bunch of retailers reporting today. Robin Hood Investors Conference in NYC today and tomorrow and the full agenda can be found [here](#). SPA's +4 handle = 1783.50 last.

Jobless Claims / PPI @ 8:30am, Markit US PMI @ 8:58am, Philly Fed @ 10am

ANF, DLTR, GME, PDCO, TGT, SHLD, BKE #'s pre-open / ADSK, GPS, INTU, ROST, ARUN, BERY, P #'s post close

- Green Mountain profit jumped as sales rose from strong demand but outlook weak (trading -2.5%)
- L Brands Q3 eps topped prior forecast & net +25% on good sales but gm's fell (trading -4%)

- Jack in the Box net income almost 2X on lower costs but revs fell (good yr eps view) (trading +4%)
- William Sonoma Q3 beat ests as sss increased across board & solid year outlook (trading +4.5%)
- Post Holdings net sales topped estimates but eps missed & swung to Q4 loss on weaker margins
- Probe of how US Medicare moved reached investors on April 1 (Height Securities report) hits a wall ([WSJ](#))
- Swiss Watch data: October exports +1.1% vs +8.5% in September but comps were 15% tougher
- SAB Miller H1 revs ahead, EBITDA good, margins shade better, trading conditions unchanged (trading +0.80%)
- Royal Unibrew Q3 revs shade better, EBITDA beats, EBIT exceeds, raising guidance (trading +4.6%)
- Daily Mail FY revs inline, op income flat, EPS better, positive outlook, upbeat comments (trading +2.8%)
- National Grid H1 slight beat, EPS ahead, net debt lower, overall performance consistent (trading -0.10%)
- Alliance Oil Q3 revs better, EBITDA below, EPS miss, mixed guidance (trading -0.25%)
- ThyssenKrupp: *Handelsblatt* reports company will try and sell CSA again in 2-3 years (trading -2.5%)
- Investec H1 adj op profit below, net asset value miss, EPS light, -ve ZAR effects (trading -1.0%)
- Johnson Matthey H1 strong on sales, Anglo Platinum tie up to expire 12/31 & impact Q4 (trading +3.2%)
- OPAP Q3 sales beat, EBITDA strong, net good, Kino & Stihima better, focus on strategy (trading -0.30%)
- Close Brothers Group IMS: solid loan book growth, positive start, confident outlook (trading +2.0%)
- Qinetiq H1 better in difficult market, considering sale of US unit, reiterates forecasts (trading +7.3%)
- Mothercare H1 revs improving, EPS better, international good, consumer remains subdued (trading -2.2%)
- Medivir Q3 revs strong y/y, EBITDA better, EPS okay, lack of guidance (trading -0.90%)
- Paypoint H1 revs beat, EBIT ahead, interim div improves y/y, trading in line (trading +1.9%)
- Intermediate Capital H1 adjusted EPS good y/y, NII worse, interim dividend ok (trading -3.8%)
- Singapore Q3 GDP +1.3% q/q vs est -0.3%, +5.8% y/y vs est +5.3%, raises its growth forecast for 2013
- Hong Kong October consumer prices +4.3% from a year earlier versus estimate +4.5% and +4.6% prior

Leading European Sectors: Healthcare +0.25%, Banks +0.20%, Utilities +0.20%

Lagging European Sectors: Basic Res -0.92%, Tech -0.53%, Retail -0.52%

JCI raised buyback & dividend – BV ceo to step down – FFHL earnings light

RT to take charge cut jobs – VVTV revs missed ests – RE boosts dividend

Secondaries (announced/priced): CRNT, CSII, AL, FOR, GCAP (convert), WBMD (convert), SQNS, ATTU, TESO

IPO's (filed/priced): Navigator Holdings (NVGS) 12M shares priced at \$19 (top-end)

US Key Research:

- Barcap initiates EVER/CHKP/IMPV (ow's) and FTNT (ew), CS upgrades AAP
- DB initiates MCK/RAD/WAG (buy's) & ABC/CAH/CTRX/CVS/ESRX (hold's), UBS upgrades WAG (buy)
- DB initiates MDSO/CERN/ATHN/MDAS/MDRX (buy's) & CRL/CVD/PRXL/CPSI/QSI (hold's)
- DB downgrades Q, GS downgrades PM, Imperial initiates RAD/RDWR (op), Jefferies cuts ED
- Citi upgrades MTL (buy), Raja cuts GBX/QCOM/TRN, BMO upgrades HSH, JPM cuts SJM
- FBR initiates MWW (op), Longbow initiates NAV (neut), Opco downgrades PXD

Europe Key Research:

- JEFF +ve AC FP, Berenberg reit buy ZONO PL, Panmure +ve ITV LN
- KepChev upgrade MEO GY, SRN IM, Oddo downgrade ITRK LN, upgrade MEO GY, MF downgrade SZG GY
- BofAML downgrade RSL LN, upgrade LGEN LN, Citi downgrade SW FP, ALV GY
- Danske upgrade ROCKB DC, DBK upgrade EBS AV, RBI AV, MAQ downgrade SVT LN
- GS upgrade European Banks, Telecoms, UK Homebuilders, downgrade European Media, Industrials, Chemicals
- HSBC downgrade ML FP, SIX2 GY, initiate ARM LN (ow), upgrade PC IM,
- Nordea upgrade ROCKB DC, Numis downgrade ICP LN, MS upgrade SGC LN
- UBS downgrade ANTO LN, initiate MUV2 GY (b), SREN VX (n), Liberum initiate APR LN (s)

Reporting Pre-Open: ANF, DLTR, GME, PDCO, TGT, BKE, BONT, BRC, CATO, CRRC, CYBX, DCI, DEST, EDAP, KIRK, LQDT, PACT, PERY, RAVN, SMRT, SPB, SSI, TAOM, TWMC

Reporting Post-Close: ADSK, GPS, INTU, ROST, ARUN, BERY, CERE, CHRM, CISG, DLIA, GEOS, HAYN, LRAD, MENT, MRVL, NGVC, P, SFXE, SOFO, SPLK, TFM, VMEM, WAIR

Economic Data: Jobless Claims / PPI @ 8:30am, Markit US PMI @ 8:58am, Bloomberg Economic Expectations & Consumer Comfort @ 9:45am, Philadelphia Fed @ 10am

EIA natural gas storage @ 10:30am, Treasury auction in 10yr TIPS @ 1pm (\$13B)

Fed Speakers: Powell @ 9:45am (NYC), Lacker @ 12:30pm (Asheboro, NC), Bullard @ 1pm (Rogers, AR)

Conferences: UBS Tech (Sausalito), Bofa Energy (Miami), RBC MLP (Dallas), Robin Hood Investor Conference (NYC)

Analyst/Investor Days: CTRX, MDCA, BRS, MDSO, RIG, BLRX, NUS, FHN, SNE, INTC, CSH, SREV

Non-Deal Roadshows: AAOI, ANFI, ATRC, BK, BMY, CARB, CERS, CIT, COHR, CPHD, CTRL, CYTK, DIOD, DXCM, FLS, FUEL, HOT, OMN, INWK, MAS, MMM, MYGN, NJ, NXPI, OMCL, OZM, PLT, PNR, RCPT, SIMG, SPDC, SPHS, SPNC, SSREY, SWI, TAC, TNC, TRN, UBIC, UMBF, UPI, VFC, WWWWW, XLS, XXIA, ZAGG

Shareholder Meetings: LIME, LYTS, MSG, NBN, SMED, GBR, ARAY, ELX, UNIS, BSPM

Equity/Mixed Shelves: ADT, AJG, THS

Other Newspaper Articles & Stories

WSJ cautious: JC Penney (JCP) [WSJ](#)

- US budget talks generate cautious optimism [FT](#)
- White House snubs Fannie-Freddie plan [FT](#)
- Gold slides after Fed minutes [FT](#)
- Investment banks warned over "inefficiency" [FT](#)
- BOJ extends ultra-loose monetary policy [FT](#)
- French private sector contracts sharply [FT](#)
- Fed casts about for end-game on easy-money policy [WSJ](#)
- US Fed to taper QE in "coming months" [Telegraph](#)
- GOP maps out waves of attacks over health law [NYT](#)
- Probe of How U.S. Agency's Medicare Move Reached Investors Hits Wall [WSJ](#)
- Fed Casts About for Endgame on Easy-Money Policy [WSJ](#)
- Drop in Traffic Takes Toll on Investors in Private Roads [WSJ](#)
- Virtual-Currency Craze Spawns Bitcoin Wannabes [WSJ](#)
- Sears Appears to Be a Stuffed Turkey [WSJ](#)

- Say Goodbye to the Car Salesman [WSJ](#)
- FBI tries new tactic in currency probe [WSJ](#)
- Goldman trading slump tied in part to faulty currency trade [WSJ](#)
- Currency craze mints Bitcoin wannabes [WSJ](#)
- Sears appears to be a stuffed turkey [WSJ](#)
- House Democrats get the yips: Karl Rove op-ed [WSJ](#)
- The Gipper's guide to negotiation: George Schultz op-ed [WSJ](#)
- Fed Looks for Other Ways to Aid Economy [NYT](#)
- Toyota Shows Off Fuel-Cell Automobile [NYT](#)
- Traders have time for IPOs even as they wait for the Fed's minutes [The Times](#)
- Tourism is just the job for economic revival [The Times](#)
- Bitcoin's crash delivers reality check in China [The Times](#)
- Rate-setters unconvinced of rally's staying power [Independent](#)
- £1,430,000,000,000 (that's £1.43 trillion): Britain's personal debt timebomb [Independent](#)
- Saviour is needed urgently as Co-op Bank faces being stripped of its name [Independent](#)
- The rise of money trading has made our economy all mud and no brick [Guardian](#)
- MPC must not be blinded by the wrong data and raise rates too soon [Guardian](#)

Key Events This Week

Friday: JOLTs Job Openings, Kansas City Fed Manufacturing Activity Index, Earnings (PETM, FL)

Key Events on the Horizon

Nov 26 – MSCI changes effective on the close

Nov 27 – Italy Senate to vote on expelling Berlusconi from Parliament

Nov 28 – US Thanksgiving (market closed)

Dec 5 – BOE & ECB rate decisions

Dec 18 – FOMC rate decision

Jan 15 – Current CR runs out

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

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