From: [redacted] <[redacted]>
Subject: Early Tour 7.31.13
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Inline-Images: image001.jpg; image002.png

Description:
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Good Morning … European Markets mixed +/- 50bps (periphery underperforming) … ASX +0.09%, NKY -1.45%, KOSPI -0.16%, TWSE -0.68%, SHCOMP +0.19%, HSI -0.32%

EUR 1.3278 (+0.12%) JPY 97.64 (+0.41%) EUR/JPY 129.62 (-0.30%) AUD 0.9036 (-0.29%) NZD 0.7993 (+0.04%)

US 10yr 2.61% Japan 10yr 0.80% Germany 10yr 1.67% Portugal 10yr 6.30% Italy 10yr 4.40% Spain 10yr 4.66%

Futures: **Dow +4, Nasdaq +1, S&P +1** DXY $81.75 (-8c) Crude $103.47 (+39c) Gold $1333.40 (+$8.60) Copper +1.18% Silver +1.30%

Asian markets were mostly down overnight as month-end flows were skewed to the sellside (volumes still fairly light ahead of GDP and the FOMC today). Japan underperformed the region again, as the JPY continues to bounce around the 98 level and earnings remain in focus. This was the biggest reporting day for the Nikkei 225, with 55 companies reporting results. There were some big moves in both directions with KDDI (+6.9%), Tokyo Electron (+3.7%) and Sumitomo Electric (+8.3%) on the winning side and Denso (-4.3%), Fuji Heavy (-6.9%) and Softbank (-0.95%) on the losing end. Softbank posted positive results after yesterday's close but the stock lost -6% intra-day on profit taking into month-end. China property names were in focus on comments out of yesterday's Politburo meeting where leaders pledged to stabilize economic growth as well as promote stability of property development and investment (dampening further curb concerns). H-share property plays squeezed higher off the news, in addition to Macau names which were stronger on chatter that daily run-rates picked up during the last week of the month (July GGR due next week). TENCENT (-3.3%) offset most of the strength in the HSI as it took a break from 6 straight days of gains. SHCOMP managed to end in the green, but gave up early gains to close just off the lows and back below 2,000. Korea saw strength in gaming names (Gamevil +9.9%) after Facebook's announcement of its mobile game publishing program and Taiwan was hit as HTC (-6.7%) closed limit down following yesterday's weak Q3 outlook. Earnings continue tomorrow along with a slew of economic data including Chinese manufacturing PMI (both HSBC and official readings due tonight).

European markets mixed with the periphery underperforming. Full earnings recap for Europe listed below but key highlights include: AB Inbev trading +7% on decent numbers (Diageo reported better as well but only +1.1% as stock has held up well as of late relative to ABI while Jeronimo Martins is trading -4.0% on a v weak quarter), EADS +2.3% breaking out to new all-time highs after beating ests, financials (BBVA -0.75% on inline #'s while BNP puts up a decent quarter and is currently +0.91% - note SocGen reports tomorrow), Peugeot ripping +6.7% after beating estimates and is now +52% in July, and Bayer opened lower due to "increasingly ambitious guidance" but buyers stepped in on the weakness and stock now +3.5% on the session. In M&A, Schneider announces a formal 502p cash & stock bid for Invensys and consensus still does not expect any competing bids to surface (SU FP trading +4.3% and ISYS LN trading 501p last). Busy macro day ahead with the ADP Employment, GDP, Chicago PMI all due out this morning before the Fed later this afternoon. FOMC statement hits at 2pm but there will be no SEP update or press conference along with it. Street still expects tapering to begin at Sep or Dec meetings. SPA's +1 handle = 1685.50 last.

ADP Employment @ 8:15am, US GDP @ 8:30am, Chicago PMI @ 9:45am

FOMC statement @ 2pm, China Official PMI Manufacturing @ 9pm

AB,ADT,AMT,CMCSA,EXC,GRMN,H,IVZ, LVL,MA reporting pre-open

ALL,CBS,DOX,DWA,MAR,MCHP,MET,WFM,YELP reporting after the close

- Amgen revs beat ests & boosts y reps view but profit fell on higher costs (trading -1.8%)
- Buffalo Wild Wings Q3 eps beat (sss weakened in July) & net jumped 41% (trading +1%)
- Intersil better than expected revs (to cut 150 more jobs) & raises sales guidance (trading +5.5%)
- Take-Two beat on smaller loss as lower costs outweighed rev decline & boosted FY view (trading +1.5%)
- IAC Interactive net +35% on higher sales with strong match sub & search growth (trading +1.3%)
- Symantec Q1 profit & revs exceeded (qtr outlook touch light but year view strong) (trading +4%)
- Jones Lang Lasalle second quarter net up as higher fees helped top line but missed ests (trading unch)
- Weatherford International loss narrowed on fewer charges and revs outside NAmerica grew (trading inline)
- Cubist Pharma acquires Trius Therapeutics (TSRX) & Optimer Pharma (OPTR) for up to $1.62B
- BNP Q2 net income beats, retail better, CIB pretax below, overall good (trading +0.9%)
- BBVA Q2 net profit in line, EPS slight ahead, revs in line, trading strong, CT1 okay (trading -1%)
- EADS H1 revs, EBIT & net income ahead, reaffirms FY guidance, increases Airbus orders (trading +2.3%)
- Volkswagen H1 sales & pretax slight better, PBT beat, solid FCF, China growth, confirms guidance (trading +1.2%)
- Diageo FY prelims, revs ahead, op profit & EPS better, solid cash flow, confirms mid-term guidance (trading +1.1%)
- BATS H1 revs shade light, EBIT ahead, EPS inline, Europe fragile, COO leaving, confident outlook (trading +0.6%)
- Grifols H1 revs in line, EBITDA shade better, Europe returns to growth, Canada remains problem (trading +0.8%)
- Taylor Wimpey H1 revs & EBIT better, EPS ex-items light, strong order book, positive outlook (trading +1.6%)
- ABI Q2 revs in line, EPS below, EBITDA ahead, increase capex guidance, low expectations (trading +7%)
- Peugeot H1 revs in line, net income below, automobile light, Faurecia ahead, net debt good (trading +6.7%)
- Vontobel H1 revs & net income ahead driven by wealth & asset management, positive outlook (trading +1.1%)
- Schneider Q2 revs ahead, net income in line, maintains growth outlook, 502 formal ISYS LN offer (trading +4.3%)
- Bayer Q2 revs & EBITDA in line, EBIT light, EPS beats, confirms outlook, forecasts ambitious (trading +3.5%)
- Telenet Q2 (yesterday) mixed, solid financials, FCF surprisingly strong, reiterate guidance (trading -0.4%)

- Smurfit Kappa Q2 revs & EBITDA slight ahead, EPS ex-items below, cost savings on track (trading +4.3%)
- Solvay Q2 revs in line, REBIT beats, net income ahead, CFO departs, confident outlook (trading -1.4%)
- Suez H1 revs in line, EBITDA ahead, net income beats, maintains outlook, positive (trading -1%)
- UCB H1 revs in line, recurring EBIT below, core EPS slight light, guidance unchanged (trading +1.3%)
- Vinci H1 sales in line, EBITDA miss, net income light, order book and guidance below (trading -1.9%)
- Rightmove H1 revs better, op income ahead, EPS good, confident of delivering targets (trading +6.9%)
- Verbund H1 net & EBITDA better, revs in line, still plans Eur1 div, confirms guidance (trading -0.3%)
- Antofagasta H1 gold production solid, increasing energy costs, maintains outlook (trading +2.1%)
- Osram Q3 adj EBITDA beat, raising FY net profit & EBITDA growth outlook (trading +5.3%)
- HeidelbergCement Q2 revs in line, EBIT & EPS beat, maintains FY guidance (trading +3.3%)
- Tullow Oil H1 revs below, EBIT misses, net income ahead, no real surprises (trading 1.6%)
- Hugo Boss Q2 revs light, EBIT in line, EPS ahead, maintains outlook (trading +0.8%)
- Vedanta Q1 production broadly in line, most divisions already reported, no surprises (trading +0.6%)
- Wolters Kluwer H1 revs & EPS bang in line, EBITA slight light, reaffirms guidance (trading -1.6%)
- Eutelsat FY (yesterday) in line, lowers 2014 growth, acquires Satmex for $1.142bn (trading -4.5%)
- Vallourec Q2 (yesterday) revs & net in line, EBITDA slight better, reit guidance (trading +0.5%)
- German retail sales unexpectedly drop in June in sign of slow recovery (-1.5% m/m vs est +0.2%)
- Eurozone June unemployment rate is 12.1%, July consumer prices +1.6% y/y inline with estimates
- ECB President Mario Draghi favors releasing miutes from the ECB meetings says *Sueddeutsche* (MNI)
- Nintendo profit beats estimates helped by weaker JPY (70% revenues from overseas) (after close)
- Honda profit misses estimates as deliveries in Japan shrink, leaves FY forecasts unchanged (after close)
- Mazda Motor Q1 profit beats analyst estimates and keeps FY forecasts unchanged (after close)
- TDK Corp. Q1 operating profit slumps and keeps below consensus FY forecast (after close)
- Toshiba quarterly profit misses ests as sales of televisions and personal computers declined (after close)
- Takeda Pharma Q1 net income -67% y/y to 29.1 billion yen, operating profit drops to 47.7 billion yen
- Panasonic beats estimates after cutting wages, selling assets, and one-time pension accounting gain

Leading European Sectors: Food/Bev +1.15%, Chemicals +0.91%, Basic Res +0.37%
Lagging European Sectors: Retail -0.74%, Real Estate -0.59%, Banks -0.34%

BGFV mixed – FICO lowers eps view – JIVE revs missed

CYH rating watch neg Fitch – GDOT boosts rev view – GNW eps missed

QCOR sales gained – RVBD sees eps/revs below – SIMG topped

Secondaries (announced/priced): NLCH, TRS, STNG, BCRX, CUZ, FER SM

IPO's: N/A

US Key Research:

- Atlantic downgrades XYL, Jefferies downgrades OPTR, Wells cuts NVDA/ROK & upgrades TVL
- BMO cuts DCI, RBC upgrades GGP, SunTrust initiates GDP (buy), Evercore upgrades WU
- JPM upgrades BYD, CS upgrades CBST, Raja downgrades SAVE/ADC, Key upgrades PPS
- Needham upgrades ISIL (buy), Gabelli downgrades BLC (sell), Citi downgrades SQM

Europe Key Research:

- UBS downgrade TKA GY, TCY LN, JPM upgrade GKN LN, initiate BPOST BB (ow)
- Nomura initiate BPOST BB (b), upgrade ALU FP, MS initiate BPOST BB (ew)
- Barc downgrade URKA LI, SDF GY, +ve ITV LN, ING FP, ING upgrade VST PW
- SocGen downgrade BARC LN, CGM FP, RCF FP, upgrade KGH PW, ADN LN
- GS downgrade AV/ LN, AGN NA, CS downgrade URKA LI, ICL IT
- Citi downgrade URKA LI, SDF GY, names SSE LN least pref – replace PNN LN
- DBK downgrade NXT LN, upgrade ITV LN, PWTN SW, MAQ downgrade DSV DC, SDF GY
- Mirabaud upgrade ABI BB, RBC downgrade STHR LN, Investec upgrade GKN LN
- HSBC upgrade WCH GY, ETL FP, downgrade SDF GY, TLPR LN, ICL IT, URKA LI
- BofAML upgrade DEC FP, reinstate SGRO LN (b), Nordea upgrade ORNBV FH
- Exane upgrade AAL LN, initiate BPOST BB (n), Equinet downgrade DBK GY
- KepChev downgrade IVG GY, RHM GY, upgrade IT IM, Numis u/g MEC LN, ITV LN
- Cana downgrade MONY LN, DGE LN, upgrade MEC LN, reinstate ABI BB (b)

Reporting Pre-Open: ADT, AGN, AMT, CMCSA, DLPH, EXC, GAS, GRMN, HCBK, KES, HSP, HUM, IVZ, MA, NI, PCG, PSX, SO, WEC, AB, BUD, ACCO, AGCO, ALR, AMED, ATRO, AUO, AVX, BAG, BELFB, BLKB, BOKF, BXC, CETV, CEVA, CLRO, CNH, CPLP, CRWN, CYNO, DXYN, EDGW, EGN, ENR, GOV, GTS, H, HERO, HPY, HSON, HUN, IMN, INGR, JNY, JRN, LFUS, LPLA LVLT, MTOR, NEO, OIIM, PAG, PAR, REV, RXN, SODA, SPW, TASR, TFX, TLM, TRK, TSRA, TX, USAP, VG, VNDA, VTNC, WEX

Reporting Post-Close: ALL, CBS, LNC, LRCX, MAR, MCHP, MET, MUR, PXD, QEP, WFM, WMB, ABCO, ACCL, ACXM, AEL, AFFX, AHT, AIN, AIQ, AMSF, ANIK, ARI, ASI, ATML, ATW, AUY, AXLL, AXTI, BALT, BGC, BJRI, BLMN, BRKR, BSAC, BVSN, CADX, CATM, CAVM, CBEY, CBL, CBT, CHDN, CJES, CNL, CNQR, CNW, CODE, COHU, CRAY, CRL, CTIC, CTRP, CW, CWT, DDR, DOX, DRCO, DWA, DX, ENTR, EPAX, EQY, ERII, EROC, ESS, ETRM, FIX, FOE, FORM, GHDX, GLAD, GNCMA, GNK, GPRE, HGR, HOS, HVT, INT, IPI, ISH, ISIG, ISSC, ISSI, ITRI, KEYW, KGC, KRA, KS, LNDC, LOCK, LPSN, MAA, MANT, MASI, MBIS, MBLX, MDAS, MGRC, MIC, MMSI, MN, MRLN, NAUH, NC, NCIT, NEWP, NOW, NXPI, OFIX, OHI, OTEX, PCTI, PCYC, PGTI, PHH, PL, QLTY, QUIK, REG, RGR, RKUS, RM, ROVI, RRTS, SAM, SBRA, SFLY, SGEN, SGK, SIGI, SJW, SLCA, SLRC, SMSI, SPRT, SPTN, SPWR, SRDX, SSS, STAA, STMP, STNR, STR, SUNS, SWM, THG, THOR, TRLA, TRN, UNTD, VNR, VVC, WAIR, WBMD, WES, WGP, WPZ, WRI, WSTC, WSTL, YELP, ZLTQ

Economic Data: MBA Mortgage Applications @ 7am, ADP Employment Change @ 8:15am, GDP @ 8:30am, ISM Milwaukee @ 9am, Chicago PMI @ 9:45am, FOMC Rate Decision @ 2pm

DOE crude oil inventories @ 10:30am

Conferences: KBW Community Bank Investor (NYC), CS Gaming, Lodging, Leisure, Restaurants (NYC)

Analyst/Investor Days: N/A

Non-Deal Roadshows: ALIOF, AMRN, DTLK, EHTH, ESV, FRC, HBHC, HF, HPTX, KPELY, MX, PBCT, RTN, SSH, STML

Shareholder Meetings: ATK, CA, ENV, MCK, GNMT, EA

Equity/Mixed Shelfs: EQR

Other Newspaper Articles & Stories

Barron's positive: Pfizer (PFE) WSJ

WSJ negative: Outlook for potash WSJ

WSJ positive: Barclays (BARC LN) WSJ

- Manning found not guilty of aiding enemy FT
- Banking duo sing from same hymn sheet FT
- SEC charges former Santander exec and judge with insider trading FT
- Train driver in Spanish death crash was on phone to rail operator FT
- Global fertiliser shake-up after cartel falls apart FT
- Publicis and Omnicom must fight for talent FT
- US biotech stocks ride wave of investor euphoria FT
- Karel De Gucht: Frustrated and outflanked FT
- Mark Carney's risky revolution FT
- Israel and Palestinians agree to start talks within two weeks FT
- BoE helped sell looted Nazi gold FT
- India to usher in its 29th state FT
- Barclays and Deutsche shore up balance sheets FT
- EDF to exit US nuclear power over impact of shale gas FT
- Law firms are biggest users of rogue private detectives FT
- Obama has set a poor test for choosing a new Fed chair FT
- Don't buy the hype about Barclays' capital-raising FT
- The world must learn to deal with the reality of failure FT
- A glimpse int the second golden age of advertising FT
- Fundamentals vs the Fed: which will win? FT
- US shale revolution triggers oil derivatives upheaval FT
- Big Four bean counters down, but they are hardly out FT
- Japan leads rush into southeast Asia FT
- Pacific Rim trade talks on track for 2013 deal, says US FT
- Milder than expected final terms for Cyprus bail-in unveiled FT
- Potash: Uralkali defection Lex
- Deutsche Bank: shrink to fit Lex
- BP: getting acquainted Lex
- SoftBank: grand ambitions Lex
- Summers Hedges His Doubts on Fed's Bond Buying WSJ
- Home Prices Jump, but Headwinds Build WSJ

- Biggest U.S. Firms Park $1.2 Trillion in Profits Offshore, Study Finds WSJ
- Accenture in Talks to Buy Booz & Co. WSJ
- Ackman's Pershing Square to Announce Largest-Ever Investment WSJ
- Ex-Mining Chiefs Plot Comebacks WSJ
- Economy May Be Getting Its Wings Clipped WSJ
- Google's Data-Trove Dance WSJ
- Review & Outlook: The NHS's Conscience WSJ
- Britain's Nasty Immigration Debate WSJ
- The Stock Market Beats GDP as an Economic Bellwether WSJ
- IRS Stall Tactics WSJ
- Warrantless Cellphone Tracking Is Upheld NYT
- Inquiry into conduct of SFO's former management was 'deliberately misled' The Times
- Get tough and make global companies pay their dues, peers urge the taxman The Times
- Spotlight on Apple amid new exploitation claims The Times
- US cities nail down record increase in property prices as confidence grows The Times
- Passing the hat around this way The Times
- The message is clear: don't touch interest rates yet The Times
- The Big Society lives on in Welby's Wonga plan The Times
- Barclays fights FCA over Qatar fundraising Independent
- Traditional three-year university is not only path to top, CBI tells teenagers Independent
- Ben Chu: The capital Taliban still have unfinished business at Barclays Independent
- Satyajit Das: China sets out on long march back to self-reliance as trade gets rough Independent
- Ben Chu: Mutual benefits at Nationwide Independent
- Britain is playing catch-up to the US manufacturing boom Telegraph
- Business demand return of powers from Brussels Telegraph
- UK economy close to 'escape velocity', say top economists Telegraph
- Barack Obama open to tax amnesty Telegraph
- Monetarists see recovery danger from 'Summers Fed' Telegraph
- They're coming to get you, Ed, and it won't be the usual suspects Telegraph
- Syria lies in pieces and it will not be fixed Telegraph
- Lords say Amazon-style tax avoidance schemes must end Guardian

- Renewed consumer confidence is more than a one-day wonder Guardian
- OFT forces payday lenders out of market Guardian
- NHS privatisation: land grab Guardian
- Barclays: no way to run a banking system Guardian
- Workers play a big role in these global 'middle-class' revolutions Guardian
- FAO Lord Howell – five top tips from the 'desolate' north Guardian
- Group financial reporting manager: 'We need to allow people to work in banks without being made to feel like villains' Guardian
- Bankers as trapeze artists, central planners and markets City AM
- Hamstringing banks with higher capital requirements will not stop the next crisis City AM
- Against the Grain: It's time we were more optimistic about our brewing economic recovery City AM
- Why UK charities rarely benefit from the rise in corporate volunteering City AM
- How can London's Tech City become a true rival for Silicon Valley ? HITC

Key Events This Week

Thursday: US Markit PMI, Auto Sales July, Challenger Job Cuts, Construction Spending, GOOG Moto X launch, BOE & ECB rate decision, Eurozone manufacturing PMI July, Earnings (ADP, AVP, BZH, CAH, CHK, CI, CLX, CME, COP, DTV, FLR, ITG, K, MWW, NILE, NYT, PG, TDC, TWC, WWE, XOM, AIG, KRFT, LNKD, ONNN, ONXX, OPEN, SBAC, SYNA, VCLK, WTW)

Friday: July Employment Report, Personal Income & Spending, Factory Orders, Dell shareholder meeting, Eurozone June PPI, China non-manufacturing PMI July, Earnings (ANR, CBOE, CVC, CVX, EAT, RBS, TXU, OZM, VIA)

Sunday: HSBC services China PMI (Sunday night)

Key Events on the Horizon

August 21 – Fed Minutes from July30/31 FOMC meeting

August 22-24 – Jackson Hole Annual Economic Policy Symposium (Bernanke not attending)

September 5 – BOE/ECB rate decisions

September 18 – FOMC rate decision

September 22 – German elections

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