

From: [REDACTED] <[REDACTED]>

Subject: Early Tour 7.18.13

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Description:
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Good Morning ... European Markets mixed with positive bias (Estoxx600 +30bps) ... ASX +0.24%, NKY +1.32%, KOSPI -0.64%, TWSE -0.78%, SHCOMP -1.05%, HSI -0.10%

EUR 1.3116 (-0.07%) JPY 100.10 (-0.51%) EUR/JPY 131.27 (+0.44%) AUD 0.9169 (-0.74%) NZD 0.7879 (-0.38%)

Spain 10yr 4.75% Italy 10yr 4.50% Portugal 7.06% Germany 10yr 1.52% Japan 10yr 0.81% US 10yr 2.48%

Futures: **Dow -4, Nasdaq -2, S&P +1** DXY \$82.75 (+4c) Crude \$106.22 (-26c) Gold \$1280.00 (+\$1.20) Copper -0.34% Silver -0.33%

Asia is mixed once again as volumes remain light post Bernanke's testimony. Japan outperforms as the Nikkei strengthened throughout the day, helped by the weaker JPY which regained a 100 handle (100.27 last), as well as positive sentiment for the Upper House election coming up this Sunday. Softbank's (+4%) momentum continued from yesterday following Alibaba numbers and reports of a fuel cell JV with Bloom energy. Taiwan was led lower by tech names with the worries over signs of a pick-up in handset inventory in China. SHCOMP lags after China June new home prices rose in 69 out of 70 cities, which is spurring concerns of more government policies including possibly speeding up the property tax trial. Daiwa is cutting GDP forecasts for Asia ex-Japan in a strategy piece: "We expect Asia's fundamentals to continue weakening amid China's structural economic slowdown ... a confluence of headwinds has prompted us to cut 2014E GDP again, to 5.8% from 6.5% for Asia ex-Japan and to 7.2% from 7.5% for China." European markets are mixed with a positive bias. Very busy earnings calendar last night and today on both sides of the pond. Tech/Telecom underperforming in Europe with SAP, Ericsson, Ziggo all disappointing following weaker revs from Intel, IBM, eBay yesterday afternoon. Chemicals also lower on the heels of Akzo Nobel -8.0% after posting a weaker quarter & outlook with higher restructuring charges and CEO saying its too early to say volumes have stabilized. Food & Beverage generally lower on weak numbers from Orkla & Remy Cointreau. Mixed bag in Capital Goods with Alfa Laval +2.5% & Atlas Copco -2.6% on relatively inline quarters (tomorrow we will get #'s from Assa Abloy, Kone, Sandvik, SSAB). While strong numbers out of Publicis has Media names acting better. Bernanke goes in front of the Senate today @ 10am. SPA's ~ flat = 1676.70 last.

Jobless Claims @ 8:30am, Philly Fed & Leading Indicators @ 10am

BBT, BLK, CHKP, HBAN, JCI, KEY, MS, NUE, PM, SWY, UNH, UNP, VZ #'s pre-open

AMD, CMG, COF, GOOG, ISRG, MSFT earnings post close

Bernanke delivers semi-annual testimony to SBC @ 10am

- IBM lower profit (weak hardware/services sales & restructuring costs) but raised view (trading +2%)
- Intel Q2 inline but profit off 29% & cut full-year revenue outlook on weak PC sales (trading -3.5%)

- Sandisk posted higher sales as net bounced back & raised FY rev outlook (trading +6.5%)
- eBay roughly inline but 2H outlook weak on overseas growth concerns (trading -6%)
- American Express record profit & eps beat but weak Q2 revs guidance (trading -1.8%)
- Xilinx Q1 eps & revs beat estimates as margin strengthened plus Q2 rev outlook better (trading +3.5%)
- Noble stronger revenues & logged smaller tax provision helping profits (trading inline)
- Sallie Mae asset sale gain helped profit jump (delinquencies drop) & sees eps view higher
- SAP Q2 software license sales below (due to China), op profit & margin inline, reit guidance (trading -1.9%)
- Akzo Nobel Q2 sales, op profit below, sales miss, EBITDA light, performance program on track (trading -7.9%)
- Atlas Copco Q2 net inline, revs slight ahead, order intake light, mining equipment demand soft (trading -2.6%)
- Alfa Laval Q2 pretax profit & net miss, order intake ok, -ve FX impact, Q3 demand same as Q2 (trading +2.5%)
- Ziggo Q2 revs inline, increasing capex by investing more to combat churn, cuts guidance (trading -3.8%)
- Nokia numbers scheduled to be released at 6am EST (currently trading €3.07 last -0.77%)
- Ericsson Q2 sales/net/EPS/gross margins miss, SEK900mn divestment one off charge ((trading -3.8%)
- Tele2 Q2 sales & EBITDA inline, margin light, mobile in line, fixed soft, cutting FY capex (trading -0.40%)
- London Stock Exchange Q1 IMS good, LCH beats, all segments ahead, positive start (trading +4.1%)
- Remy Cointreau Q1 total revs ahead, organic growth below, cognac sales weaker (trading -0.30%)
- Carrefour Q2 revs inline, International sales ok, domestic lags, LATAM good, H1 due 08/29 (trading +2.4%)
- Hermes Q2 rev ahead, sales +16%, upbeat outlook with potential to exceed depending on FX (trading +2.7%)
- +0.60%Swiss watch exports -3.0%, 200-500 CHF only segment better = benefits Swatch (UHR +0.60%, CFR -0.20%)
- Ladbrokes: Guardian article on potential delay to new gaming machine regulation (trading +0.10%)
- Anglo American Q2 production mixed, Iron Ore & coal fall, copper & platinum rises (trading -0.20%)
- Orkla Q2 pre-tax misses, net loss better, June sales weak, Russia challenging, tough mkt (trading -8.8%)
- Actelion Q2 revs & EPS ahead, buyback on track, raises FY forecasts (trading +1.0%)
- Norsk Skog Q2 revs & EBITDA miss on lower selling prices & volumes, sees improving H2 (trading +6.3%)
- Clariant signs long term ethylene supply contract with PMV (trading -0.20%)
- Publicis H1 revs inline, net better, good Q2 growth means positive for FY, digital good (trading +3.8%)
- Swedish Orphan Q2 revs slight ahead, gross margins beat, maintains outlook (trading -0.20%)
- Laurent-Perrier Q1 sales below, sees improvement in coming quarters, limited visibility (trading unch)
- Sligro Food H1 sales inline, net profit okay, LFL's flat, sees "fierce" competition (trading +0.70%)
- Biomerieux H1 sales improve y/y, confirms 2013 organic sales growth forecasts (trading +4.3%)
- Renewable Energy Q2 sales ahead, EBIT loss better, EBITDA beats, to spin off solar unit (trading +3.8%)

- Wartsila Q2 net income below, sales inline, EPS miss, poor orders, maintains outlook (trading -3.8%)
- Skanska Q2 pretax beats, sales & op income ahead, sees construction stable overall (trading +1.6%)
- Norsk Hydro Q2 sales light, EBIT misses, underlying EBITDA ahead, maintains outlook (trading -0.30%)
- Tomra Q2 net income ahead, revs slight better, EBIT miss, sorting solutions visibility poor (trading +1.5%)
- Sports Direct FY underlying pretax misses, underlying EBITDA ahead, no div in FY13 (trading +4.7%)
- 3i trading statement good, NAV inline, on course to meet FY, good run into numbers (trading -2.2%)
- Spain: Prosecutors to request PM Rajoy be called as a witness in case vs ex-treasurer Barceñas
- UK retail sales rise for 2nd month as discounts spur demand (+0.2% m/m in June vs est +0.3%)

Leading European Sectors: Media +0.99%, Trav/Les +0.96%, Banks +0.77%

Lagging European Sectors: Tech -0.70%, Construction -0.31%, Chemicals -0.20%

SCSS eps/revs missed – HRC cfo resigns – CVA eps/revs beat

GHL penny light but profit up 7x – LHO 40% div boost – CNS eps light

KMI declares dividend – UMPQ eps topped – JAKK lowers sales view

Secondaries (announced/priced): ACRX, TGTX, JAKK (convert), WWAV, SNTI

IPO's (filed/priced): UCP (UCP) 7.75M-shares priced at \$15 (low-end), OncoMed Pharmaceuticals(OMED) 4.8M shares priced at \$17 (above range)

US Key Research:

- Stifel initiates Shippers – STNG/NNA/CPLP/TNP/ANW (buys) & DSX/NMM/CMRE (holds) & SSW (sell)
- Wedbush initiates UA (op), Bernstein initiates FOXA (op), B. Riley initiates GUID (buy)
- Raja downgrades CTXS, RBC initiates VTG, DB upgrades LNC/MET (buy), Citi initiates HCN (neut)
- Wells initiates CHUY (mp) & FRGI (op) & cuts XLNX, Piper cuts ASML, KBW initiates SFST (op) & cuts RNST
- Citi reinstates PBF (neut), JPM cuts NTRS, Rafferty cuts PNC, MS downgrades SNDK, BB&T cuts WNC

Europe Key Research:

- GS downgrade MTELEKOM HB, upgrade KGH PW, Nordea downgrade TTM1V FH
- UBS remove VOD LN from global top 40 pick, SUBC NO added to least pref, Espirito u/g BT/A LN,
- JPM u/g EZJ LN, RYA ID, PC IM, TRU SJ, CLS SJ - d/g LHA GY, SMIN LN, UMI BB, SHP SJ
- Citi upgrade ACA FP, add GAZP RM to focus list - remove DGO ID, SocGen d/g TATE LN
- BofAML initiate PA/ LN (n), HSBC upgrade UG FP, BOL SS, downgrade RHI GY
- SEB d/g HUH1V FH, u/g UFLXB SS, Goodbody u/g CRH ID, d/g HWDN LN, RAYJ d/g FUM1V FH
- KepChev reinstate RHI GY (b), Equinet downgrade MTX GY, RBC u/g SDR LN, d/g EMG LN

Reporting Pre-Open: AN, APH, BAX, BBT, BLK, CHKP, DGX, DHR, DOV, FITB, GPC, HBAN, JCI, KEY, MS, NUE, OMC, PM, PPG, SHW, SNA, SWY, UNH, UNP, VZ, AMRB, BLX, BPOP, BX, CY, FCS, GMT, HAWK, HLSS, HOMB, IIN, MYE, NOK, NTCT, ORB, OSTK, POOL, PVTB, SASR, SCHL, SEIC, SFNC, SIFY, SON, SVU, SYNT, TZPP, UTEK, VAC, VMI, WSO

Reporting Post-Close: AMD, CMG, COF, GOOG, ISRG, MSFT, PBCT, SYK, ACTG, AEHR, ALGN, ASBC, ATHN, BGS, CBST, CE, COBZ, CPHD, CYN, CYT, EFII, EGP, ELY, FWRD, GRT, HUBG, ICUI, MATW, OCFC, PGI, SWKS, WAL, WHG

Economic Data: Jobless Claims @ 8:30am, Bloomberg Consumer Comfort & Economic Expectations @ 9:45am, Philadelphia Fed / Leading Indicators @ 10am

EIA natural gas storage @ 10:30am, Treasury auction in 10yr TIPS @ 1pm (\$15B)

Conferences: No major conferences

Analyst/Investor Days: PGNX

Non-Deal Roadshows: AMRN, CHTP, DRH, SJM

Shareholder Meetings: AMCN, DELL, FINL, TGI, CCEL, GPOR, MOD, SILU, CAW

Equity/Mixed Shelves: ONVO (\$100M)

Other Newspaper Articles & Stories

WSJ positive: Capital One (COF) [WSJ](#), Alibaba [WSJ](#)

- Hilsenrath: what Bernanke means [WSJ](#)
- Bernanke vows no retreat on easing policy [FT](#)
- Bank of England signals retreat from QE [FT](#)
- NSA swooping far wider than known [FT](#)
- Fifa questions Brazil as choice for 2014 World Cup host [FT](#)
- Bank experts back Carney's QE stance as recovery takes hold [Guardian](#)
- Apple's iPhone range "is stalling" [Telegraph](#)
- Cadbury could change hands once again [Telegraph](#)
- Back to Muirfield's venerable links [NY Times](#)
- In Tourre trial, SEC wages battle against its own witness [NY Times](#)
- Dems pin immigration hopes on GOP's Ryan [Boston.com](#)
- J.P. Morgan Staring at Record Fine Over Energy [WSJ](#)
- U.S. Seen Losing to China as World Leader [WSJ](#)
- Regulatory Rift Develops Globally Over Financial System [WSJ](#)
- Law, Bernanke Seek More Action in Fight Against 'Too Big to Fail' [WSJ](#)
- How Trulia's CEO built the business [WSJ](#)
- ObamaCare's coalition begins to fracture: Karl Rove op-ed [WSJ](#)
- Homebuilding remains solid despite blip [WSJ](#)
- Deal to cut student-loan rates near [WSJ](#)
- Witness in Tourre trial says he thought SEC tried to "trick" him [WSJ](#)
- Micro-Cap Stocks Leading the Market Higher [Barron's](#)
- Draghi to Carney face test backing guidance on rates [Bloomberg](#)
- Israel's deepest well targets 1.5 billion barrels of oil [Bloomberg](#)
- Greek Parliament approves austerity measures to release funds [Bloomberg](#)
- Spain to challenge German doctrine on ECB funding governments [Bloomberg](#)

Key Events This Week

Friday: Earnings (BHI, COL, GE, HON, IR, SLB, VFC, STT, KSU, STI)

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