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Subject: Early Tour 5.13.13

Date: Mon, 13 May 2013 09:54:05 +0000

Inline-Images: image001.jpg; image002.png

Description:
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Good Morning ... European Markets off 0-80 bps (Spain -1.4%) ... ASX200 +0.08%, NKY225 +1.20%, KOSPI +0.20%, TWSE -0.39%, SHCOMP -0.40%, HSI -1.50%

EUR 1.2969 (-0.15%) JPY 101.63 (-0.01%) EUR/JPY 131.81 (-0.15%) AUD 0.9960 (-0.64%) NZD 0.8276 (-0.31%) Spain 10yr 4.25% Italy 10yr 3.94% US 10yr 1.89%

Futures: **Dow -50, Nasdaq -14, S&P -6** DXY \$83.22 (+7c) Crude \$94.92 (-\$1.12) Gold \$1427.20 (-\$9.40) Copper +0.10% Silver -0.35%

Asian markets are mixed with Japan once again outperforming, as the JPY continued to decline on back of the G7's tacit endorsement of Abe's policy. After a strong morning session, the Nikkei struggled to trade higher in the PM, following a similar pattern that we have seen for the fourth consecutive day. The sectors that led the market today were all financials with many stocks breaking out to new 52-wk highs. Hong Kong underperforms as talk of delay in IPO resumption in the mainland failed to boost sentiment. Chinese macro data got some attention late in the day as it showed that fixed-asset investment unexpectedly decelerated last month (+20.6% vs est +21.0%) while industrial output trailed estimates (+9.4% vs est +9.5%) and retail sales were generally inline (+12.8% vs est +12.8%), adding to concerns that the economy will fail to show much of a recovery this quarter. European markets generally lower to start the week on average volumes. Periphery underperforming as sovereign spreads widen out some more. Denmark outperforms +0.94% after being closed Thursday & Friday. Turning to the US, WSJ's Jon Hilsenrath article came out Friday evening suggesting that the Fed has mapped out an exit strategy to taper bond purchases in "careful and potentially halting steps" but they will remain flexible and the timing remains uncertain ([WSJ](#)). 5 regional Fed presidents will speak this week. SPA's -6 handles = 1623 last.

Advanced Retail Sales @ 8:30am, Business Inventories @ 10am

Fed's Plosser speaks in Stockholm at 5:30pm CET (11:30am EST)

Eurozone Finance Ministers meeting in Brussels today

- Elan agrees to pay \$1bn for 21% of royalties earned by Theravance on 4 respiratory drugs (trading +0.70%)
- AngloGold Q1 adj headline earnings beat prior quarter, output better, declares 50c div (trading unch)
- Lloyds says Bischoff to retire as chairman by May 2014 after three years (trading -2.0%)
- Betfair is understood to have sounded out investors over a revised approach ([Telegraph](#)) (trading +1.1%)
- Vodafone set to call time on ever increasing dividends as Europe takes its toll ([Times](#)) (trading -0.23%)
- Standard Chartered, Carson Block is short company's debt on "deteriorating" loan quality (trading -4.6%)

- Glencore Q1 production solid across the board, marketing performance in line (trading +0.20%)
- Danone acquires 90% of organic baby food company Happy Family (trading +0.72%)
- Ocado warned by Waitrose head that Morrison tie up would be rejected ([Telegraph](#)) (trading -0.12%)
- ABB's CTO Prith Banerjee to leave for family reasons, following CEO exit last week (trading -0.80%)
- Centrica IMS all in line, downstream looks okay as well, should reassure (trading +0.50%)
- Lonmin raising FY production targets, recovery plan running ahead of schedule (trading +6.0%)
- Commerzbank: *Handelsblatt* say Eur2.5bn cap increase could come tomorrow, 35% discount (trading -4.7%)
- Quindell provides further clarification of recent financial results, strong balance sheet (trading +31%)
- Blinkx FY sales beat, EPS ahead, accelerating growth through integration, positive outlook (trading +5.4%)
- KPN: last day of rights trading today (the subscription period ends tomorrow @ 3pm CET) (trading -0.50%)
- Some of the world's top hedge funds are pouring money into the Greek banking sector ([FT](#))
- German FinMin Schauble warns that EU bank rescue agency needs treaty changes ([FT](#))
- German FinMin says that Slovenia can manage without bailout but needs painful restructuring
- Bank of Italy governor says ECB cutting deposit rates into negative territory would be effective
- Italy sells €8 billion in 3-5-13yr bonds vs max target €8 billion (bid-to-covers come in weaker)
- Bulgaria's former ruling party (Gerb) falls short of a parliamentary majority in early elections
- Nawaz Sharif looks set for third term as prime minister of Pakistan according to unofficial results

Leading European Sectors: Food/Bev +0.37%, Tech +0.18%, Media +0.07%

Lagging European Sectors: Banks -1.77%, Insurance -0.93%, Trav/Les -0.72%

YUM Apr China sales worse – SLW penny light – EDMC subpoena by SEC

Secondaries (announced/priced): ARP (atm)

IPO's (filed/priced): Frank's International (FI) files \$500M through Barclays, Credit Suisse and Simmons

US Key Research:

➤ Citi upgrades BEN (buy), FWM initiates FWM (op), DB cuts AZ, Barcap upgrades HIG & cuts MLNX

- GS cuts CTRIP (neut), Jeff upgrades ESRX/DFT (buys), KBW upgrades APO & cuts AB
- RBC downgrades HIW & upgrades PCYC/CDNS, Barcap upgrades AIG, Key upgrades OC
- UBS assumes BEN (buy) & IVZ/CG (neut's) & downgrades CHRW, MS & Barcap upgrades GLW
- CS upgrades SQNM, Brean downgrades SWX

Europe Key Research:

- UBS remove LMI LN from least pref, downgrade, CS upgrade VWS DC, JPM upgrade ADEN VX
- BofAML upgrade ACL SJ, add GLEN LN to Europe 1 list, Barc downgrade NES1V FH, EZCH IT
- GS initiate TBS SJ (b), AVI SJ (b), PFG SJ (s), NPK SJ (n), upgrade ENKAI TI, SIBN RM, downgrade RDGZ KZ
- SocGen upgrade JSW PW, SEB downgrade TEL2B SS, HSBC upgrade RGS LN, MBTN SW
- Jeff top pharma pick SAN FP, Cana upgrade CGL IM, Equinet downgrade IVG GY, Espirito downgrade GRG LN
- Beren downgrade NRX FP, Nordea downgrade BOCONB DC, upgrade SWMA SS, Investec upgrade TET LN
- Equita upgrade DIA IM, ATL IM, Danske upgrade NOK1V FH

Reporting Pre-Open: CGA, CMRX, CRME, CTC, CYD, EDG, HPJ, ITRN, MACK, MOBI, NAT, NSSC, PERI, POST, SARA, SSYS, SUTR, TLF

Reporting Post-Close: AFH, AMCN, ANTH, ARTX, AUGT, CCXI, CPA, CYCC, EGL, FRF, HIIQ, HMIN, HTM, III, IOC, LGP, LONG, NTI, PDII, PSDV, RENN, RMKR, SANW, SBY, SCTY, SMLP, STXS, SUMR, SUPN, SVN, TEAR, TRQ, TTWO, VECO, VELT, WX

Economic Data: Advanced Retail Sales @ 8:30am, Business Inventories @ 10am

Conferences: Bofa Global Energy and Power Leveraged Finance Conference (NYC), FBR Industrial 1x1's (Boston)

Conferences: Imperial Capital Consumer Summit (Santa Monica), JMP Research Conference (SF)

Analyst/Investor Days: TGH, SODA, NOW

Non-Deal Roadshows: BEAV, BKD, CAH, DIOD, FCH, GRPN, HBHC, INVN, JOUT, OHI, RTEC, SHOO, TBBK, VC, WSO, XEL, BBG

Shareholder Meetings: PACD, PBI, AUQ, AWK, NEPH, SNCR, IP, PL, STAA, BPI, KFS, SFG, TILE, CBL

Equity/Mixed Shelves: CASH (\$40M), ADM, MTG, GRT

Other Newspaper Articles & Stories

Barron's cover: Reiterates their view the market is going higher [Barron's](#)

Barron's positive: Western Union (WU) [Barron's](#)

Barron's cautious: Uni-Pixel (UNXL) [Barron's](#)

- Bloomberg scrambles to reassure users [FT](#)
- Dual-track Libor replacement lined up [FT](#)
- Bischoff to take his leave from Lloyds [FT](#)
- Nawaz Sharif prepares for third term as Pakistan prime minister [FT](#)
- Sticking to the script on Europe [FT](#)
- Mittal urges EU to protect itself against China imports [FT](#)
- Heathrow ready for U-turn over more flights [FT](#)
- Top hedge funds bet on Greek banks [FT](#)
- Malaysia to unleash up to \$2.6bn in IPOs [FT](#)
- Rivals brace for Alibaba push into overseas markets [FT](#)
- Sennheiser fights fake electronic goods [FT](#)
- Stuck in the mud: beyond America's fiscal trench lines [FT](#)
- Why Americans and Europeans can't agree [FT](#)
- Winkler apology over Bloomberg privacy [FT](#)
- Schäuble warns EU bank rescue agency needs treaty changes [FT](#)
- Currencies: bazookas v peashooters [Lex](#)
- Dillard's: not just window-dressing [Lex](#)
- Greek banks: bearing gifts? [Lex](#)
- Turkey Blames Syria for Deadly Car Bombs [WSJ](#)
- Wider Problems Found at IRS [WSJ](#)
- American Taste for Cheap Clothes Fed Bangladesh Boom [WSJ](#)

- Pakistan's Next Leader Vows Better U.S. Ties [WSJ](#)
- A Top Contender at the Fed Faces Test Over Easy Money [WSJ](#)
- Australia Targets Tax Evaders With Swiss Accounts [WSJ](#)
- David Cameron: A British-American Tax and Trade Agenda [WSJ](#)
- Mark Zuckerberg's quid pro quo angers liberals [The Times](#)
- HP wanted to sell Autonomy, says SAP [The Times](#)
- The Bible Belt is becoming a force for good [The Times \(Opinion\)](#)
- Co-op asks Bank to back rescue plan [The Sunday Times](#)
- Taxpayers to bail out stricken coal giant [The Sunday Times](#)
- So tell us, prime minister, what would make you quit Europe? [The Sunday Times](#)
- Quitting the EU won't solve our problems, says Boris Johnson [Telegraph](#)
- Windows 8 woes spark questions over Microsoft chief's future [Telegraph](#)
- Look east and learn from the inventors of QE what will happen next [Telegraph](#)
- Will Japan's stock market stay in bloom? [Telegraph](#)
- Staying in the EU could benefit Britain by £10bn annually, says David Cameron [Independent](#)
- New signs the economy has stopped flat-lining [Independent](#)
- Postal union seeks unholy alliance of left and right to block Royal Mail sale [The Observer](#)
- It's not the deficit that will haunt our children: it's unemployment [The Observer](#)

Key Events This Week

Tuesday: German ZEW, NFIB Small Business Optimism, Import Price Index, Eurozone IP & ZEW survey, BofA Global Metals & Mining Conf, BofA Health Care Conf, Citi Energy/Utilities Conf, JPM Global TMT, UBS Global Financials, Earnings (A, XONE, CACH)

Wednesday: European Q1 GDP's, MBA Mortgage Applications, US PPI & IP, NAHB Housing Index, Empire Manufacturing, TIC Flows, BofA Global Transports Conf, BofA Global Metals/Mining/Steel Conference begins (Barcelona), Earnings (CSC, DE, ACAT, WAG, M, CSCO, WYY)

Thursday: Japan GDP, CPI, Philadelphia Fed, Housing Starts, RBC Capital Markets Aerospace & Defense Conference (NYC), Earnings (KSS, WMT, ADSK, AMAT, ARUN, JCP, JWN, SINA)

Friday: U. of Michigan Consumer Confidence, Leading Indicators, China April Property Prices, Earnings (BH)

Saturday: Bernanke speech at Bard College at Simon's Rock Commencement "Economic Prospects for the Long Run" (11am)

Key Events on the Horizon

May26/27 – Mayoral elections in 720 cities across Italy

June 10-14 – Apple's Worldwide Developer Conference (WWDC) in SF

June 14 – Preliminary adds/deletes to the Russell indexes published after 6pm EST

June 21 – Updates to the lists of adds/deletes for the Russell Rebalance

June 28 – Russell Rebalance on the close of trading

July 1 – Mark Carney takes over as BOE Governor

September – German elections

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