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Subject: Early Tour 5.8.13

Date: Wed, 08 May 2013 09:56:49 +0000

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Good Morning ... European Markets up 10-80 bps (Greece +4.9%, Ireland -0.82%) ... ASX +1.09%, NKY +0.74%, KOSPI +0.11%, TWSE +1.27%, SHCOMP +0.48%, HSI +0.76%

EUR 1.31 (+0.21%) JPY 98.95 (+0.05%) NZD 0.8384 (-0.86%) Spain 10yr 4.14% Italy 10yr 3.87% US 10yr 1.78%

Futures: **Dow +7, Nasdaq +1, S&P flat** DXY \$95.28 (-34c) Crude \$95.24 (-38c) Gold \$1452.50 (+\$3.70) Copper +0.51% Silver -0.13%

Asia was firmer across the board overnight following strong EU macro data and dovish comments from Draghi. Sentiment was helped after China export and import data for April came in better than expected with exports up 14.7% and imports up 16.8%. Australia closed at the highs with resource names flying after China trade data showed iron-ore imports were the highest in four months on greater steel production. The Nikkei rolled over in the PM session as some short-term profit-taking seems to have pushed markets lower triggered by a sharp 10% fall in the Mothers index. Exporters continued to outperform domestic names on back of the JPY move. The Kospi managed only a modest gain as volumes remained low and local institutions remained sidelined ahead of tomorrow's options expiry and BOK rate decision (no change expected). European markets generally higher to start the day following overnight strength in US/Asia. Greece re-opens after being closed for the last 3 sessions for Holiday and is playing some catch-up +4.3% (Greek banks +15-20% today). Note that it is a ½ day in Sweden today (auction at 11:55am GMT) and several markets will be closed tomorrow for Ascension Day including: Sweden, Denmark, Norway, Finland, Switzerland, Austria, Russia. Ira Sohn today in NYC. SPA's ~ flat = 1620 last.

CTSH, LINTA, AOL, MPEL, WEN report pre-open, Mortgage Apps @ 7am

ATVI, CF, CTL, MSNT, NWSA, GMCR, GRPN, RAX #'s post close

Ira Sohn Conference NYC begins today ([link](#)), China CPI & PPI data out tonight

- Disney beat ests as theme parks & ESPN ad sales drove Q2 profit growth +32% (trading -1%)
- JC Penney Q1 prelim sales drop 16.5% (\$2.64B vs \$2.73B ests) (\$1B spend) (trading +1.6%)
- DaVita Healthcare in pact with Berkshire limiting stake to 25% in company (#'s beat) (trading +3.5%)
- Electronic Arts pledge to keep down operating costs & strong guidance (trading +8%)
- McKesson net off 50% but eps beat & 2014 eps view midpt above estimates (trading +1.4%)

- Mondelez eps beat (profit off on spinoff impacts) but raised yr eps view (CLSA downgrades)
- TripAdvisor Q1 sales & eps beat forecasts & reaffirms year revenue growth (trading -1.4%)
- Whole Foods beat & raised as SSS trends accelerated (announced stock split) (trading +6%)
- Zillow swung to loss as costs jumped but raised 2013 sales forecast range (trading -4.5%)
- Former SC Republican Governor Sanford defeats Democrat Colbert to secure House seat ([WSJ](#))
- Coty may be renewing IPO plans (\$700M offering could come as soon as next month) ([FT](#))
- DE Masters institutional investor selling 13M shs in accelerated book build with UBS (trading -0.12%)
- Standard Chartered IMS income better, indicated rev slowdown, FY guidance unchanged (trading -4.9%)
- HeidelbergCement Q1 revs & EBITDA slight below, sees "significant pretax improvement" (trading +0.66%)
- SAP sees \$10 billion sales boost from banking services software makeover (trading +0.54%)
- Deutsche Telekom Q1 net misses, adj EBITDA inline, sales light, T-Mobile USA ok (trading +3.9%)
- Brenntag Q1 net, EBITDA, rev, income miss, EPS below, well positioned to deal with challenges (trading -4.3%)
- Lanxess Q1 revs inline, EBITDA e- items ahead, sees slight improvement in Q2, reducing capex (trading -0.10%)
- Eutelsat Q3 revs miss when one-offs excluded, maintains growth guidance, broker downgrade (trading -5.1%)
- Intercontinental Hotel Q1 update, confident on FY outlook, challenging environment, ME & Africa strong (trading -3.4%)
- TF1 Q1 revs miss, cutting rev forecasts, lower EPS, cost cutting not offsetting advertising revs (trading -6.1%)
- Kloeckner Q1 sales & EBITDA light, net loss worse, revamp largely complete, warns on 2013 targets (trading +0.25%)
- ING Q1 net better, insurance poor, banking better, CT1 ratio @ 12.3%, CI ratio down to 55.2% (trading +2.1%)
- Holcim Q1 revs light, impacted by early Easter and weak India, outlook unchanged (trading +2.4%)
- Delhaize Q1 trading update, guiding FY op profit to top end, reits FCF target, CEO to leave (trading +2.8%)
- Evonik Q1 sales light, adj EBITDA misses, maintains 2013 sales targets (trading -1.5%)
- Henkel Q1 EBIT better, sales light, adj EPS inline, repeats 2013 sales growth targets (trading +4.5%)
- EON Q1 underlying net income slight ahead, EBITDA inline, confirms guidance (trading -0.15%)
- Tom Tailor Q1 adj EBITDA better, adj net loss worse, maintains rev guidance (trading +4.6%)
- Dialog Semi Q1 sales slight light, sees Q2 sales softening, remains confident of FY outlook (trading +3.6%)
- Aegon Q1 net misses, impacted by equity hedging, keeping L/T commitment to Spain (trading -4.9%)
- Telefonica Q1 revs, EBITDA and EBIT light, Spain inline, reiterate guidance (trading -1.2%)
- Rheinmetall Q1 revs light, EBIT & sales miss, driven by weak defense, maintains FY outlook (trading +0.80%)
- GEA Q1 revs slight light, EBITA miss due to consolidation, large order announcement yday (trading -1.8%)
- Bekaert Q1 revs miss driven by emerging market pricing pressures, increasing debt (trading -3.8%)

- Enel Q1 mixed, bottom line better, EBITDA weighed on by demand & pricing, poor FCF (trading -0.90%)
- Tullow IMS, nothing new, no firm Ugandan/European asset sale updates, Jubilee inline (trading +1.5%)
- Fraport revs inline, EBITDA light, EPS better, confirming 2013 EBUTDA guidance (trading -1.7%)
- Wienerberger Q1 revs boosted by pipeline acquisitions, EBITDA and EBIT loss worse (trading -0.10%)
- JD Wetherspoon Q3 IMS all pretty inline, LFL's +6% with slight margin improvement (trading +0.25%)
- Sainsbury FY adj pretax slight ahead, revs inline, to take full ownership of Sainsbury's bank (trading -2.0%)
- CSR Q1 sales, net income and adj EPS slight ahead, maintains Q2 sales targets (trading +5.7%)
- CRH trading update, LFL sales poor driven by weak Europe, positive US trends to offset Europe (trading -3.8%)
- Next Q1 brand sales beat, reiterates FY outlook, cautious on consumer environment (trading +2.8%)
- Sage H1 revs beat, pretax loss better, div ahead, confident on meeting FY goals (trading +2.6%)
- Fraport Q1 revs ahead, adj EPS beats, EBIT misses, confirms EBITDA guidance (trading -1.7%)
- Vestas Q1 sales inline, net loss worse, FCF better, maintains FY outlook (trading +10%)
- *Die Welt* running a story that the ECB may start buying bad bank loans in Southern Europe
- Toyota profit forecast misses analyst estimates amid China slump (numbers out after Japan close)
- Toshiba forecasts higher profit on chip & power equipment demand (numbers out after Japan close)
- Casio FY operating profit more than doubles but view misses estimates (numbers out after Japan close)
- China trade data: export growth unexpectedly accelerates in April (+14.7% versus estimate +9.2%)

Leading European Sectors: Retail +0.71%, Basic Res +0.68%, Construction +0.57%

Lagging European Sectors: Trav/Les -0.18%, Banks -0.16%, Fin Services -0.12%

PSE acquisition proposal PXD – WBMD raises view – OCLR loss wider

RBCN Q1 loss – VCLK outlook light – ARAY cuts view but trading up 15%

DMD #s good – BBX to merge with BFC – NVTL decent numbers

MYGN raises guidance – SYNC solid results – KGC profit beat

LOPE sees 2013 eps above – SYMC profit view light (initiates div) – CA cut view

CHRW eps trailed – JAZZ eps/revs beat – WMB reduced 2013 view below

TWO core eps missed – MRO sees production up – PLT revs beat

Secondaries (announced/priced): VNTV, CFX, WBS, ANR (\$300M convert), DDD, CIE (holders), APO, BIP, FLT, JMI, REN, ISIS, DE NA

IPO's: Armada Hoffer Properties (AHH) 16.5M-shares priced at \$11.50

US Key Research:

- Mizuho upgrades MYGN (buy), Piper initiates CRI/PLCE (CRI), Citi upgrades AME (buy) & cuts IEX
- Barcap upgrades BAX, Opco cuts CA/TWTC, Baird downgrades CMA, CLSA downgrades MDLZ
- BB&T upgrades TREX (buy), Bernstein downgrades EMR & initiates ETN (op)

Europe Key Research:

- Barc d/g ETL FP, ALO FP, NLMK RM, u/g SOLB BB, MAGN RM, AVR LN, CHMF RM, +ve PSM GY, -ve SPR GY
- BofAML downgrade RBS LN, upgrade AQP AU, GS downgrade SAND SS, initiate MSK IM (b)
- CS upgrade EAD FP, Citi resume GLEN LN (b), JP downgrade EUR PW, upgrade HFD LN
- UBS initiate MSK LN (b), upgrade GARAN TI, downgrade IMG LN, CBK resume SW1 GY (h)
- Akros upgrade PC IM, HSBC downgrade ERF FP, downgrade NOEJ GY, ETL FP, CRST LN
- Exane downgrade DIA SM, GFS LN, PP FP, upgrade RMS FP, initiate MSK IM (op), RBC downgrade GFS LN
- SocGen downgrade ARL GY, ENEL IM, Beren downgrade PSM GY, Numis downgrade MARS LN
- Equita downgrade A2A IM, Numis downgrade IHG LN, Kepler Chev downgrade FRA GY, upgrade G1A GY
- MAQ downgrade NEOJ GY, Oriel downgrade HSX LN, Panmure downgrade SBRY LN, upgrade CMS LN

Reporting Pre-Open: CTSH, LINTA, ALE, AOL, ARQL, ATRS, BIOD, BOFI, CASM, CBMX, CECE, CLMT, CSTE, CWH, ESLT, EZCH, FOR, FSYS, FUN, GEO, GILT, GKNT, HII, HYGS, INXN, KELYA, KOPN, LAMR, LIOX, LMCA, LSE, MAG, MEMP, MFB, MPEL, NAVB, NEON, NICE, NSPH, NXST, PCRX, PHMD, POZN, PPP, QRE, SCON, SFUN, SKYW, SODA, SPAR, STWD, SUSP, SUSS, SXE, TM, TPLM, TRMD, TRR, TTI, VITC, VVUS, WD, WEN, WILN

Reporting Post-Close: ATVI, CF, CTL, MSNT, NWSA, ACRX, ADES, AFG, AHT, ALDW, ALJ, AMRN, ARWR, ASI, AT, ATLS, ATSG, AVHI, AVNR, BIOS, CBPO, CENT, CHDX, CLCT, CLNE, CLR, CONE, CTL, CTRP, CUZ, CXW, DBLE, DCTH, DEPO, DK, DRWI, DTSI, EGY, EIG, EOX, EPAM, ERII, ETE, ETM, ETP, EXAM, FLT, FSC, GCOM, GIVN, GMCR, GNMK, GROW, GRPN, GSIG, GSS, GSVC, HALO, HE, HEK, HNSN, HTHT, IL, IMM, INTL, IPAR, IPAS, JCOM, JOW, KERX, LCI, LGND, LHCG, LPSN, LRAD, LVB, MATR, MBI, MBLX, MDR, MED, MHL, MIDD, MLR, MM, MNR, MNTX, MRIN, MTDR, MTRX, MWE, MYRG, NP, OFIX, OILT, OREX, OSUR, PCTI, PIP, PNNT, POWR, PRCP, PRSC, PST, PVA, QTM, RAX, RGP, RIG, RLJ, RMTI, RRMS, RST, RWC, SEMG, SGMO, SGU, SLF, SPRD, SRC, SSRI, SSTK, STAN, STEC, SUPX, SWM, SXL, SZYM, TC, TCAP, TESS, TNH, TRAK, TROX, TSLA, TSPT, TTGT, TUMI, TWGP, ULTR, VRTU, WG, XOMA, XTEX, XTXI

Economic Data: MBA Mortgage Applications @ 7am

DOE crude oil inventories @ 10:30am, Treasury auction in 10y notes @ 1pm (\$24B)

Fed Speakers: Stein @ 8:30am (Chicago Fed Conference)

Conferences: Citi Beyond the Basics Financial Services Forum (Napa), CS Offshore Technology (Houston)

Conferences: Jefferies TMT (NYC), Baird Growth Stock (Chicago), Bofa Smid Cap (Boston)

Conferences: BMO Government Finance (Toronto), DA Davidson Financial Services (Seattle), Wells Industrial & Construction (NYC)

Analyst/Investor Days: WNC, SNDK

Non-Deal Roadshows: ABT, AKRX, APD, AXP, CPRX, CRAY, DEST, DLA, FCH, FNP, FSL, GE, GMED, HOT, INVN, MEOH, MFLX, NLSN, NOAH, NVO, NXPI, OMN, PPC, RNST, RTIX, SEAC, SPG, WLP, WYN, EXAR

Shareholder Meetings: CBI, CNO, DNB, OPTR, KWR, RGC, TCAP, WTR, CNS, EDR, HSP, IMN, LH, OCN, PM, CNOB, HY, AEC, ATR, BAC, BHE, CNX, CTGX, ENTG, ESI, FISI, FTR, GLDD, HYGS, IDXX, KGC, MHK, OCFC, PSX, SWFT, TPI, USG, AEZS, XLS, BID, BRKL, CBR, CSX, DRH, KDN, KRO, NVE, ADTN, FCS, CWEI, NATR, CBU, CSL, MCY, ALSN, SPF, CRDB, HE, HSNI, MFSF, RCKY, SIX, ENB, PJC, SLF, CPA, ETRM, LPLA, PHM, PDS, DECK, RIO

Equity/Mixed Shelves: N/A

Other Newspaper Articles & Stories

Barron's positive: Lazard (LAZ) [Barron's](#)

WSJ cautious: Tesla (TSLA) [WSJ](#)

- Alex Ferguson retires as Manchester United manager [Telegraph](#)
- Brazilian diplomat Roberto Azevêdo wins WTO leadership battle [FT](#)
- China trade growth accelerates in April [FT](#)
- Proxy firm Glass Lewis calls on Jamie Dimon to drop chairman role [FT](#)
- Tips from Wall St hedge fund gurus fail to reward faithful [FT](#)
- Russia and US agree to Syria conference after Moscow talks [FT](#)

- Lisbon enjoys strong investor demand for bond issue [FT](#)
- First Bitcoin, now 3D-printed handguns – why tech has regulators on the run [FT](#)
- Kenya: another unexpected hefty cut [FT](#)
- Britain to look at forcing open Europe services market [FT](#)
- Qatar eyes Bankia stake in parent of British Airways and Iberia [FT](#)
- Cameron plans trip to China despite stand-off over Dalai Lama [FT](#)
- Differences put aside as Berlin and Paris seek common ground [FT](#)
- Crestwood/Inergy: masterclass [Lex](#)
- Diageo: beverage plans [Lex](#)
- Solvay / Ineos: chemical reaction [Lex](#)
- The German model is not for export [FT Comment](#)
- Sinister or silly, protest politicians are united in grievance [FT Comment](#)
- China Trade Swings to Surplus, but Draws Doubts [WSJ](#)
- Samsung's 'Good' Problem: A Growing Cash Pile [WSJ](#)
- Microsoft Concedes Windows 8 Misses Expectations [WSJ](#)
- How Much Is That Jobless Dane in the Window? [WSJ](#)
- Apparel Retailers Confront Tough Options [WSJ](#)
- How to Avoid Another FAA Fiasco [WSJ](#)
- China Publicly Cuts Off North Korean Bank [WSJ](#)
- Europe's Job Seekers Flock to Germany [WSJ](#)
- Voters tell Cameron to cut Europe down to size [The Times](#)
- Recession is a price worth paying for French on their long weekend [The Times](#)
- Assad - 'We are capable of facing Israel' [The Times](#)
- The EU has pushed Britain 'out' already [The Times](#)
- King rumours overshadow Sainsbury's results [The Times](#)
- George Osborne braced for IMF challenge over austerity plans [Independent](#)
- Government needs to be clear on its tax message, says CBI [Telegraph](#)
- British savers could face losses in eurozone bank stress tests [Telegraph](#)
- The west and its allies cynically bleed Syria to weaken Iran [Guardian](#)
- Watch out, George Osborne: Smith, Marx and even the IMF are after you [Guardian](#)

Key Events This Week

Thursday: Some European markets closed for Ascension Day, (Sweden, Denmark, Norway, Finland, Switzerland, Austria, Russia), Wholesale Inventories, Retail Sales, BOE rate decision, Earnings (AES, APA, CVC, DF, PCP, WIN, XRAY, CFN, NVDA)

Friday: Denmark closed, Treasury Budget Statement, G8 Fin Min / central bank meeting (UK), Bernanke speaks at Chicago Fed conference, Earnings (BECN, TRLG, ADEP)

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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