

From: Ike Groff <[REDACTED]>

Subject: Early Tour 4.19.13

Date: Fri, 19 Apr 2013 09:39:26 +0000

Inline-Images: image001.jpg; image002.png

Description:
Description:

Good Morning ... European Markets up 25-100 bps (Italy +1.4%, Russia -0.38%) ... ASX +0.15%, NKY +0.73%, KOSPI +0.35%, TWSE +1.79%, SHCOMP +2.14%, HSI +2.32%

EUR 1.3087 (+0.28%) JPY 99.14 (-0.97%) NZD +0.73% GBP +0.49% AUD +0.41% Spain 10yr 4.62% Italy 10yr 4.23% US 10yr +1.7015%

Futures: **Dow +81, Nasdaq +16, [REDACTED] +9** DXY 82.44 (-0.14%) Crude \$88.31 (+0.66%) Gold \$1415.80 (+1.67%)
Copper -1.58% Silver +1.36%

More chaos in Boston overnight and reports suggest that one of the marathon bombing suspects has been apprehended and taken into custody in Watertown while the other remains on the loose. The situation remains fluid and there has been some conflicting reports as the events unfold, but in summary: the FBI released photos of the 2 suspects last evening ([link](#)), then in the early hours of the morning there was a wild series of events that included: a police officer shot to death by 2 males on the MIT campus, a subsequent car-jacking near Kendall Square, followed by a manhunt in Watertown that involved gunshots & explosive devices with suspect # 1 wounded in the chase and taken into custody where he eventually died. The manhunt for suspect #2 (white baseball cap in the marathon photos) is ongoing. Police are telling residents of Watertown to remain indoors with the doors locked as the search continues.

Turning to the markets, China led the AsiaPac region higher overnight on the back of a *Shanghai Securities News* report that the CSRC has had contact with MSCI about possible inclusion of A-shares in the Emerging Market Index. Reports that China is likely to widen the Yuan trading band in the next 72 hours also helped sentiment. Mainland banks were firmer after reports the CBRC is "urging" them to increase lending efforts to non-traditional industries and to help support domestic consumption. The Nikkei reversed earlier losses as Tokyo Electron (+7.1%) led chip- equipment makers higher and exporters rebounded on a weaker JPY as BOJ Governor Haruhiko said global policy makers would not censure Japan for the currency's slide in the G-20 meeting (JPY 99.14 last -0.97%). European markets mostly higher as well into options expiration and the weekend. Basic Resources, Banks, Luxury, Autos/Parts are leading the way higher today. SXPP +1.2% today but still -5.7% on the week. There will be a third vote in Italy today for President and if a 2/3 majority is not reached the next vote will require an absolute majority. It is looking increasingly likely that fresh elections are on the horizon. Earnings continue to be in focus (full recap below). No economic data due out today. SPA's +9 handles =1543.70 last.

BHI,COL,GE,GPC,HON,IPG,KMB,LH,MCD,SLB,STI,STT,UA #'s pre-open

- Google Q1 profit beats, improved ad revs, paid clicks +20% y/y , prices -4% due to mobile (trading +1.5%)

- Microsoft earnings beat est on higher Window 8 sales/cost control, CFO departure (trading +2.7%)
- IBM eps misses ests, revs drop y/y from delay of several software & mainframe deals (trading -4.4%)
- Blackstone abandons its \$25B offer for Dell after weeks of due diligence paid for by the company ([FT](#))
- Chipotle revs/eps beat from new store sales & better comps, lower margins from higher food costs (trading +3.4%)
- Intuitive Surgical revs/eps beat on increased use of Da Vinci surgical system, guides to high end (trading -0.9%)
- E-Trade profit drops y/y but earnings inline, reported \$3.1B in new brokerage assets (trading unch)
- Capital One's net income falls yoy but eps beat estimates on improved lending margins (trading +0.7%)
- AMD reports smaller loss than expected and guides above est with non-PC related revs (trading -4.3%)
- Air Methods guides down citing severe weather & deterioration of privately insured patient base (trading -18.3%)
- SAP Q1 op profit, software rev, total rev below, driven by the Asia-Pacific region, reiterates outlook (trading -2.3%)
- L'Oreal Q1 sales ahead, LfL's in line, solid start to year, confident outlook, upbeat on Chinese luxury (trading +3.8%)
- Schindler Q1 sales slight below, net profit better, EBIT in line, solid order intake, reiterate guidance (trading +2.1%)
- Commerzbank expects after tax Q1 loss due to one-off staff reduction costs, Q1 "started solidly" (trading -1.1%)
- TeliaSonera Q1 sales light, EBITDA margin below, FY to be flat, sees "demanding competition" (trading -1.9%)
- Elisa Q1 sales, EBITDA and EPS miss, net income below, see flat to "slightly below" full year (trading -5.1%)
- William Hill strong Q1 rev driven by solid online and strong mobile gaming, CEO positive on outlook (trading +4.5%)
- Casino Q1 revs in line helped by solid international performance, weak domestic driven by price cutting (trading -0.80%)
- Anglo American Q1 production broadly in line in traditionally light season, nickel weak, iron ore okay (trading +1.4%)
- Statoil makes significant find in Gullfaks, preliminary calcs show 40mn to 150mn recoverable BOE (trading +1.9%)

Leading European Sectors: Luxury +1.72%, Banks +1.68%, Basic Resources +1.30%

Lagging European Sectors: Tech -0.97%, Media -0.07%, Healthcare +0.08%

WERN #'s light – AIRM guides below est – THM names new pres

RH earnings better – TWTC increases revolver – AES chairman retires

HCBK holders approve merger – COBZ eps penny better – KNL cfo to retire

Secondaries (announced/priced): PRGN,

IPO's: SeaWorld Entertainment (SEAS) prices 26M shares at \$27M, Blackhawk Network (HAWK) prices 10M shares at \$23.00

US Key Research:

- BMO upgrades NOK, Compass Point downgrades PAY, Wells initiates CHDN/COF (op's)
- GS upgrades VRTX, Jefferies upgrades EE (buy) & initiates WCG (hold) and GASS (buy)
- RBC initiates MITL (sp), Jeff initiates WCG (hold) and GASS (buy)b. Riley initiates ADBE (buy)
- Citi initiates AMP (buy), KBW upgrades AF/ETFC/TOL, DB upgrades AN, CS cuts WWW
- Baird downgrades COH, JPM downgrades FCS, Raja downgrades TXNm DB upgrades UBS (buy)
-

Europe Key Research:

- UBS add LG FP to most pref - HOLN VX removed, upgrade TCELL TI, TRMK RM, PHOR RM, SZG GY, downgrade TAVHL TI, SHI LN
- Barc initiate KYG ID (ow), Citi upgrade TNET BB, CS downgrade SW FP, BofAML remove SOLB BB from Europe 1 list
- DB upgrade UBSN VX, BNP FP, GS add MC FP, BRBY LN, REE SM, ITX SM to conv buy list – SFER IM removed
- HSBC upgrade SBS GY, JPM downgrade MLP GY, RAL FP, CO FP, RBC upgrade FRES LN
- MS upgrade FUM1V FH, FI IM, downgrade SEV FP, VOLVB SS, resume MAN GY (ew), Oriol u/g RCP LN, d/g REX LN
- SocGen upgrade GLEN LN, POM FP, Investec upgrade MONY LN, SEB upgrade IFSB SS, ORNBV FH
- Exane downgrade ES IM, ELE FP, Chev restart SKFB SS (up), SAND SS (up), ALFA SS (up), ATCOA SS (op)
- Bern upgrade TEF SM, Beren initiate LO24 GY (b), Equinet upgrade RHM GY, KBC upgrade AKZA NA
- Nordea downgrade NOK1V FH, AFB SS, initiate ALGETA NO (b), upgrade NZYMB DC, VAC1V FH

Reporting Pre-Open: BHI, COL, FHN, GE, GPC, HON, IPG, KMB, LH, MCD, SLB, STI, STT, ACU, BGG, FNFG, KSU, MAN, MOSY, TAYC, TCB, TNP, UA

Reporting Post-Close: FUBC, PRK

Economic Data: No major releases

Fed Speakers: Stein @ 12pm (Charlotte, NC)

Conferences: No major events

Analyst/Investor Days: TOD IM

Non-Deal Roadshows: ACRX, CORE, EVC, VNO

Shareholder Meetings: TNXP, BYKF

Equity/Mixed Shelves: ITC

Other Newspaper Articles & Stories

Barron's positive: Hercules Offshore (HERO) [Barron's](#)

WSJ cautious: Diageo (DGE LN) [WSJ](#), Nokia [Barron's](#)

- Suspect Dead, Another at Large After Police Chase [Boston Globe](#)
- UK and IMF face dust-up on austerity [FT](#)
- Barclays retires last two from old regime [FT](#)
- Germany should face the German question [FT](#)
- Consolidation trumps push for growth [FT](#)
- Austerians stand their ground over deficit [FT](#)
- Renminbi rides out weaker China growth [FT](#)
- Tech earnings: feeling flat [Lex](#)
- Morgan Stanley: happily married [Lex](#)
- Nokia: a new stream of bad news [Lex](#)
- Japan is fighting back at stagnation [FT](#)
- Thatcher was right – there is no 'society' [FT](#)
- Portugal moves to keep bailout on track [WSJ](#)
- Dire Dutch economy raises austerity stakes [WSJ](#)
- Nokia's turnaround under time pressure [WSJ](#)

- No winner yet in Italian elections [WSJ](#)
- IPO Investors Conquer Fear of Debt [WSJ](#)
- Beijing's paranoid worldview [WSJ](#)
- Gold plunge is cause for optimism [WSJ](#)
- IBM Finds Itself Singing the Growth Blues [WSJ Heard on the Street](#)
- Optimism of Vodafone deal as buyer sees tax light [The Times](#)
- Carney warns Britain is a "crisis economy" [Telegraph](#)
- Financial transaction tax contravenes G20 agreements [Telegraph](#)
- The IMF is flunking the financial crisis [Telegraph](#)
- Vedanta £1bn mine plan knocked back by India [Independent](#)
- Why big is no longer beautiful for Tesco [Independent](#)
- Debenhams plans 70 new stores as profits fall [Guardian](#)
- George Osborne told by IMF chief: rethink your austerity plan [Guardian](#)

Key Events Next Week

Monday: Chicago Fed National Activity Index, New Homes Sales, Earnings (CAT, HAL, TXN, NFLX)

Tuesday: Richmond Fed, Earnings (AAPL, COH, DD, FRX, IR, LMT, XRX, WAT, JNPR, OI, RHI, YUM)

Wednesday: MBA Mortgage Applications, Earnings (BA, ATI, DPS, GD, LO, MSI, S, WM, AFL, CLF, FFIV, QCOM, SYMM, XLNX)

Thursday: Kansas City Fed Manufacturing Activity, Earnings (ABC, BIIB, BMY, CL, HOG, HSY, MMM, LUV, RTN, SWY, TWC, UPS, BIDU, CB, SBUX, VRSN)

Friday: GDP, U. of Michigan Consumer Confidence, Earnings (ABBV, CVX, VFC, TYC, WY)

Key Events on the Horizon

May 1 – FOMC rate announcement

May 2 – ECB rate announcement

May 8 – Ira Sohn Conference NYC

May 9 – BOE rate announcement

May26/27 – Mayoral elections in 720 cities across Italy

July 1 – Mark Carney takes over as BOE Governor

September – German elections

Ike Groff | 680 Washington Blvd | Stamford, CT 06901 | 📞 (203) 302-7300 | ✉️ 

 Description:
Description:

This e-mail and any files transmitted with it are confidential and intended only for the person or entity to which it is addressed. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this e-mail and any attachment(s) is strictly prohibited. If you have received this e-mail in error please immediately notify the sender at 203-302-7300 or by replying to this e-mail and delete the e-mail and any attachment(s) from your system. Nothing herein shall be construed as a financial promotion to any person or persons, or a solicitation or recommendation to buy or sell any security or other investment or to engage in any trading strategy. Information presented is from sources believed to be reliable, but is not guaranteed to be accurate or complete. This information should not be taken as an offer nor as a solicitation of an offer to buy or sell securities or other financial instruments. Email transmission cannot be guaranteed to be secure, timely or error free. Tourmaline Partners, LLC may review and store both incoming and outgoing messages. Use by other than the intended recipients is prohibited.