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Subject: Early Tour 2.6.13

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Description:
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Good Morning ... European Markets mixed ... ASX +0.78%, NKY +3.77%, KOSPI -0.10%, TWSE +0.25%, SHCOMP +0.06%, HSI +0.47%

EUR 1.3527 (-0.41%) JPY 93.69 (-0.06%) AUD 1.0309 (-0.78%) NZD 0.8418 (-0.41%) Spain 10yr 5.36% Italy 10yr 4.47% US 10yr 1.98%

Futures: **Dow +12, Nasdaq -2, S&P +0** DXY \$79.74 (+25c) Crude \$96.04 (-60c) Gold \$1670.50 (-\$3.00) Copper -0.81%

Most Asian markets were higher overnight reversing some of yesterday's selloff, especially in Japan where the NKY225 hit its highest level since Sept 2008. Gains in Tokyo were yen-led after the current BOJ governor, Masaaki Shirakawa announced his intention to end his term 3 weeks early, on Mar 19th. This accelerates PM Abe's leadership transition and speculation is that additional easing measures could be announced at the April 4th BOJ meeting, instead of the 26th. The yen hit an intra-day high of 94.06 and the NKY225 had biggest one-day % gain in almost 2yrs - only 8 names in the index closed down on the day. Outside of Japan news flow was light except for Macau names which got slammed in HK (-5%) after a *London Times* article renewed fears of a major junket crackdown following the Chinese New Year ([Times](#)). Overall volumes are likely to dry up through the end of the week as we approach the Lunar New Year. China will be closed all week and other markets will be observing holidays as well. Monday will be very light, with most of Asia closed. Today was Taiwan's last day until the 18th. European markets mixed on a heaving earnings calendar day (Italy lags -0.65%, CAC/DAX/IBEX all down as well). Spanish political corruption scandal still on the front pages as former treasurer of governing People's Party Luis Barcenas will be questioned by prosecutors today. Holland vs Germany spread widening on the back of Fitch revising its outlook on the Dutch AAA to negative from stable. Volumes tracking ~ 110% of 3-month average. ECB & BOE tomorrow along with the beginning of the EU leaders summit. SPA's ~ flat = 1506.80 last.

CVS, GAS, MRO, PLD, RL, TWX, ICE, MPEL earnings pre-open

AKAM, ALL, NWSA, PRU, TSO, V, ATML, GMCR #'s post close

OECD issues latest outlook on UK economy at 3pm GMT

- Liberty Global buys Virgin Media in \$23.3B deal (cash & stock) (24% premium to Monday close)
- Hewlett-Packard board said to be mulling breakup says Quartz (All Things Digital says not true)

- CME penny light (profit -78%) came from interest expense (guides revs lower) (trading -1.5%)
- *El Pais* Chipotle eps/sss inline w preannouncement (tax hurt by ~5c) reiterates guidance (trading +2%)
- Disney Q1 earnings beat as interactive unit posted first profit (theme parks grew) (trading +2.7%)
- Equity Residential profit surged on better real estate sales & rental income grew (trading +1%)
- Expedia eps missed but easily beat Q4 sales forecasts (record inc rooms booked) (trading +4%)
- HBI 3c beat (with innerwear/outerwear better) but cut highend of rev outlook (trading -0.05%)
- Genworth eps beats/revs inline boosted by Canadian change (ceo disappointed in long-term care results)
- Panera profit soared 34% on higher prices & better sales (announced cfo) (trading +4%)
- Shutterfly 50% jump in quarter profit that easily beat ests (guided higher 2013) (trading +13%)
- Zynga loss narrowed as sales beat ests but revenue declines continued (trading +8%)
- Take Two strong Q3 sales growth & higher net on NBA2K (7.5M share buyback) (trading +7%)
- Fiserv results inline following pre-announcement (eps/revs below & reiterates FY eps)
- Volvo Q 4 sales miss, EBIT misses due to destocking, sees difficult Q1, orders improving (trading +5.6%)
- ArcelorMittal FY EBITDA in line helped by one-offs, maintains guidance, sees improving 213 (trading +1.9%)
- Syngenta FY EBITDA light, EPS slight better, revs in line, div better, conf call +ve for Q1 (trading -1.4%)
- Elan: Biogen to Pay Elan \$3.25bn for the full rights to Tysabri (trading +10%)
- Nokian Renkaat Q4 miss buy dividend increase, +ve conf call sees 2013 ENIT slight up (trading +4.0%)
- Lundbeck Q4 net and EBIT light, dividend 25% lower, reiterates 2013 outlook (trading =0.17%)
- Handelsbanken in line Q4, mention shs buyback, div in line, costs worse, weaker vs peers (trading -3.3%)
- Smurfit Kappa FY EBITA in line, EPS slight better, debt worse, div boosted more than exp (trading +1.9%)
- Mobistar Q4 EBITDA worse, dividend disappoint, guiding lower (trading -2.5%)
- Vestas Wind weak Q4, sales, EBIT & margins light, received enquiries from potential partners (trading +5.8%)
- Tieto good Q4, cost reductions ahead, sees solid growth, telco to remain tough, strong into #'s (trading +6.1%)
- Swatch may be ousted from the SMI after changing to Swiss GAAP accounting rules in October (trading -1.5%)
- Aer Lingus FY sales in line, PBT lower, passenger bookings up YoY, further efficiencies (trading +0.80%)
- RBS may settle libor for up to \$780mn, faces major sanctions as a result (trading +1.0%)
- Monte Paschi may disclose as early as today the size of losses masked by derivatives (*Bloomberg*)
- Ireland and Portugal are looking to tap ECB's OMT bond-buying program according to *Die Welt* ([MNI](#))
- Former popular party treasurer Barcenas to appear before anti-corruption prosecutors today (*El Pais*)
- Catalonia chief Mas calls anti-corruption summit for today according to local *El Confidencial*

Leading European Sectors: Fin Services +1.43%, Trav/Les +1.03%, Basic Res +0.75%
Lagging European Sectors: Telco -0.68%, Banks -0.66%, Utilities -0.43%

HAIN guidance bit light – CERN bookings top – CALX eps beats

ULTI #'s mixed – THOR sales topped – MYGN boosts forecast

CHRW eps miss, revs beat – CBL #'s beat – LLL div inc + \$1.5B buyback

SIMG loss narrowed – SLM div inc + \$400M buyback – AFL broad rev growth

DDD 3-for-2 stock split – MMM \$7.5B buyback – HOG boosts dividend

Secondaries (announced/priced): CLDX, MX, MU (\$440M convert), TICC, WNS

IPO's (filed/priced): Boise Cascade (BCC) 11.8M shares priced at \$21

IPO's (lock-up expires): Manchester United (MANU)

US Key Research:

- JMP upgrades AGN, JPM downgrades TRMB/ACI, Citi upgrades CG/GCI & downgrades SLGN/CNC/MNI
- CLSA downgrades DELL & upgrades CHD, Raja downgrades CCOI, Baird initiates FINL (neut)
- Nomura initiates CMA/FITB/HBAN/KEY (neuts) & WFC/USB/PNC/RF (buys), Janney initiates INTU (buy)
- Evercore downgrades GGP, BB&T downgrades KNL, BMO initiates THO (op)

Europe Key Research:

- BofAML +ve INGA NA, downgrade KPN NA, remove UCG IM remove focus list, upgrade GIVN VX
- DB upgrade LMI LN, GIWN VX, JPM upgrade IPN LN, Cana upgrade HG/ LN
- Citi initiate SUN VX (b), ELE SM most pref, IBE SM least pref, HSBA initiate SDO GR (uw)
- Barc downgrade SPRT LN, upgrade ETI LN, CS downgrade CSGN VX, BKIR ID
- MS downgrade ASHM LN, upgrade SDR LN, RAYJ downgrade MUV2 GY
- UBS downgrade MGGT LN, EMG LN, RAYJ downgrade MUV2 GY
- SDR LN added most pref, Bere initiate EGPW IM, SEV FP (b), VIE FP (b), VER AV (s)
- reinstate TRN IM (h), SRG IM (h), RWE GY (s), NG/ LN (h), IBE SM (h), GAS SM (s), FUM1V FH (h),
- ENEL IM (h), ENEL IM (b), ELE SM (b), EDPL PL (b), EDP PL (b), EOAN GY (s), d/g CNA LN

- ING downgrade IM NA, RBS downgrade UBSN VX, Jeff downgrade LAF SJ, upgrade TCY LN
- Medio upgrade AGL IM, Nordea upgrade AFB SS, downgrade NOD NO
- Swedbank downgrade BILIA SS, upgrade TEL2B SS, Cana upgrade HG/ LN
- Shore downgrade IPF LN, Vontobel upgrade WMN SW, ABN upgrade MHG NO

Reporting Pre-Open: CMI, CVH, CVS, GAS, MRO, PLD, RL, TWX, ICE, MPEL, ABMD, AINV, ARX, ATMI, BIOC, CFX, CGX, CMP, CSTE, DFT, ELN, FBRC, GRA, GTS, IVR, LPLA, MAC, MGI, MSG, MT, NUS, PAG, RTI, SBGI, SMG, SPP, STE, SYMX, SYT, TBI, TRR, USG, VICL, WXS, BOFI, PHH

Reporting Post-Close: AIZ, AKAM, ALL, CBG, CINF, EFX, FMC, NWSA, ORLY, PRU, SRCL, TSO, V, ABCO, ADEP, AGII, AIN, ALCO, ANDE, ARAY, ARRS, ATML, ATO, BDN, CBM, CEB, CNW, CPA, CVA, CYS, DRIV, EPAX, EXP, FEIC, FORM, FSC, GCOM, GEOS, GHDX, GIL, GMCR, GPRE, GROW, HOS, HPOL, IACI, INTL, IRBT, ISH, KEYW, LF, LRAD, MAA, MPWR, MTD, MTRX, MUSA, NTES, OSUR, PAA, PDH, PL, PLNR, PLUS PNG, PNNT, PRE, PSDV, PSMI, PTP, QBAK, QUIK, RE, RLD, RLOG, RNR, RNWK, RRTS, SGMO, SGU, SMT, SPB, SPSC, SREV, SWIR, SWM, SWS, THG, TIS, TQNT, TRLG, TWO, TYL, UHAL, VSAT, WGL, WMS, XIDE, XXIA, YELP

Economic Data: MBA Mortgage Applications @ 7am

DOE crude oil inventories @ 10:30am

Conferences: CS Energy Summit (Vail, CO), Stifel Tech (SF), RBC International E&P (Toronto), Cowen Aerospace & Defence (NYC)

Analyst/Investor Days: PBMD

Non-Deal Roadshows: AET, APP, ASH, CGEN, DVN, NBN, NEOG, NOK, NVO, NVS, PGRX, QGEN, RDWR, SO, TWC, VRTU

Shareholder Meetings: CYBI, PATR, BSDM

Equity/Mixed Shelves: NLY

Other Newspaper Articles & Stories

Barron's positive: Gilead (GILD) [Barron's](#)

WSJ positive: UBS (UBS) [WSJ](#)

- Debt Rise Colors Budget Talks [WSJ](#)
- Hollande Calls for Policy on Foreign Exchange [WSJ](#)
- Troubled European Assets Come to Market [WSJ](#)
- Hollande and the Euro [WSJ](#)
- The Superpower take a breather [WSJ](#)
- U.S., S&P Settle In for Bitter Combat [WSJ](#)
- Apple's New Normal [WSJ Opinion](#)
- The Stock Rally That Isn't [WSJ Opinion](#)
- Barclays Vows Culture Shift [WSJ](#)
- A Tougher Stand on CEOs With Bad Returns [WSJ](#)
- As Pinterest Grows, Startup Seeks \$2.5 Billion Valuation [WSJ](#)
- Zynga at a Crossroads in Mobile Quest [NYT](#)
- SEC may fine Nasdaq \$5M for Facebook flop [NY Post](#)
- Penney's Johnson seen slashing jobs [NY Post](#)
- Print money to fund spending – Turner [FT](#)
- Daring \$24bn deal to make Dell relevant [FT](#)
- Hollande calls for managed exchange rate [FT](#)
- Eurozone shows further signs of recovery [FT](#)
- Bribery is no way to reform Europe [FT](#)
- Virgin Media / Liberty [Lex](#)
- Dell: power to do more of what? [Lex](#)
- UBS: cracking the egg [Lex](#)
- KPN: Slim pickings [Lex](#)
- Japan can put people before profits [FT](#)
- Be afraid, very afraid, of the tech crisis [FT](#)
- Tesco's convenient truth – revealed [The Times](#)
- Barclays' mis-selling bill to top £3.4bn [The Times](#)
- Jim O'Neill to leave Goldman [Telegraph](#)
- How this recovery from recession compares with those of the past [Telegraph](#)

- Germany is still the eurozone outlier [Guardian](#)
- Formerly wealthy UBS shows poverty of ideas [Independent](#)

Key Events This Week

Thursday: Jan Retail Comps, BoE & ECB interest rate decisions, Spanish bond auction, EU Leaders 2-day Summit begins (Brussels), Consumer Credit, Non-Farm Productivity & Unit Labor Costs, BMO Infrastructure & Utilities Conference (Toronto), Earnings (CCE, HOT, IFF, LAZ, S, PM, ATVI, HAS, RSG),

Friday: Trade Balance, Wholesale Inventories, Earnings (ETR, MCO, LH, BPL)

Sunday: Chinese New Year (closed for a week starting Feb 11)

Key Events on the Horizon

February 10 – Chinese New Year

February 12 - Obama delivers State of the Union

February 19/20/21/22 – CAGNY Conference in Boca Raton (Consumer Staples)

February 24/25 – Italian elections

February 27 – First repayment for LTRO 2

March 1 – Automatic spending cuts of sequestration set to begin (\$1.2 trillion, 50% from defense)

March 7 – Fed to release stress test results for big banks

March 14 – Fed to release decisions on proposed capital plans of banks

April 15 – #NoBudgetNoPay deadline for Congress

May 19 – US debt ceiling limit

September – German elections

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 Description:
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