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Subject: Early Tour 12.3.12

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Inline-Images: image001.jpg; image002.png

 Description:
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Good Morning ... Europe up 0-70 bps (Italy +0.94%, Greece +1.3%) ... ASX +0.57%, NKY +0.13%, KOSPI +0.37%, SHCOMP -1.03%, HSI -0.81%

EUR 1.3036 (+0.38%) JPY 82.11 (+0.45%) GBP 1.6064 (+0.32%) Spain 10yr 5.22% Italy 10yr 4.42% US 10yr 1.616%

Futures: **Dow +27, Nasdaq +11, S&P +3** DXY \$79.95 (-20c) Crude \$88.83 (-8c) Gold \$1719.10 (+\$6.40) Copper -0.03% Silver +1.03%

China's official PMI Manufacturing out over the weekend comes in at 50.6 versus est 50.8 (50.2 prior). HSBC China PMI out overnight comes in at 50.5 versus est 50.4 (prior 49.5). But SHCOMP fails to rally and closes -1.03%. EU PMI Manufacturing #'s out today as well: Eurozone 46.2 (est 46.2), Germany 46.8 (est 46.8), France 44.5 (est 44.7), Italy 45.1 (est 46.0), Spain 45.3 (est 43.9), UK 49.1 (est 48.0), Sweden 43.2 (est 44.0), Denmark 56.7 (55.6 prior), Ireland 52.4 (52.1 prior), Greece 41.8 (41.0 prior), Russia 52.2 (52.9 prior). Greece announces debt buyback for up to €10 billion (offer to run until 5pm GMT on Dec 7, Dutch Auction for each series of designated bonds, subject to financing agreement with EFSF, etc) ([details](#)). Greek 10yrs have rallied to ~ 40c on the dollar and the rest of the periphery is seeing yields heading lower as well. EUR continues to tick up and currently 1.3037 last. Eurozone finance ministers meeting again today to further discuss Greece, Cyprus, Spain. No major updates on fiscal cliff talks with Geithner/Boehner making the rounds on the Sunday talk shows and both indicating very little willingness to compromise thus far ([Politico](#)). SPA's +3 handles = 1417.50 last.

US Markit PMI @ 8:58am, ISM Manufacturing & Construction Spending @ 10am, Auto Sales @ 5pm

UBS Media & Communications Conference begins in NYC

- UBS near deal to pay \$450M to settle accusations over manipulating interest rates ([NYT](#))
- LDK Solar net narrowed q/q but cut sales forecast to \$950-\$1B from \$1.1B-\$1.5B
- Martin Marietta Materials to explore friendly offer this time for Vulcan Materials ([WSJ](#))
- California port strike could cost economy \$1B per day (NRF calling on Obama to intervene)
- Moody's downgrades ESM to Aa1 from Aaa to reflect France downgrade (Friday after close)
- EADS confirms that key shareholders are discussing changes in shareholder structure (trading +2.2%)
- Chief executive of Rupert Murdoch's UK newspaper arm resigns unexpectedly ([FT](#))
- French central bank governor says London should be deposed as Euro financial center ([FT](#))

- Aryzta (Swiss bakery) Q1 sales rise +9.0% to €1.1 billion (confirms outlook) (trading -0.96%)
- Reed Elsevier breaking out on decent volume (no news out that we see) (trading +2.9%)
- ASOS: report out in *Telegraph* about AMZN launching premium fashion offering in the UK ([link](#))
- Colruyt shares under pressure as H1 profit & margins miss estimates (COLR BB trading -2.3%)
- Lufthansa aims to cut long-haul unit costs by 10% by 2015 & 20% by 2025 (*Bloomberg*)
- Bahrain Telecom (Batelco) to buy Cable & Wireless Monaco business for \$680 million
- French car registrations for November weaker at -22.9% (Renault -33.5%, Peugeot -23%)
- Spain's Rajoy says it may be "very complicated" to achieve 6.3% deficit to GDP target in 2012
- Merkel suggests may be willing to consider Greek debt write-off once they reach budget surplus (*Bild*)
- EU ministers may reach ECB oversight deal on December 4, officials say (*Bloomberg*)
- Macau casino revenue +7.9% y/y in November versus median analyst estimates +8.0%
- Australia near ytd highs ahead of RBA decision tomorrow (swaps show 84% chance of 25bps cut)

Leading European Sectors: Media +1.24%, Tech +0.85%, Construction +0.82%

Lagging European Sectors: Retail -0.15%, Autos/Parts -0.10%, Telco +0.04%

SCMP fda approval – HOT new credit facility – PEOB 25c dividend

HFF special \$1.52 div – DAL talks to buy Singapore Air Virgin stake – TESS cfo leaves

Secondaries (announced/priced): KIPS, TEG GY

IPO's: N/A

Key Research: Barcap upgrades DUK/NI/OFS & initiates BSMX (ew), Evercore initiates T (ew), Piper cuts CF & upgrades CF,

Key Research: GS upgrades EV and DELL (buy) & downgrades JNS/ELX/QLGC (sell's), DB upgrades IGT/TOT (buys), MS upgrades WSM

Key Research: Stifel upgrades WWAV, Bernsein downgrades EIX, JMP upgrades BSX, UBS downgrades TEVA, Nomuta cuts VZ

Key Research: ISI upgrades DLR/EDD/KRC (buy's) & downgrades UDR, BofA upgrades SDR LN, Baird upgrades CUBE

Key Research: MS downgrades KNIN VX & upgrades PWTN SW, Santander downgrades EOAN GR, BofA downgrades SLHN VX

Key Research: Santander upgrades ENEL IM, Swedbank downgrades YAR NO, DB upgrades FP FP, HSBC upgrades TLW LN

Key Research: RBC upgrades ERICB SS, DB upgrades ETI FP, Berenberg initiates JAZ SM, Investec downgrades UBM LN

Key Research: Raja initiates Prada (1913 HK) (mp), CS initiates ITX SM (up), Exane upgrades ARM LN, DB downgrades RDSA LN

Key Research: Berenberg downgrades SAN FP, Berenberg downgrades RBI AV & EBS AV, Berenberg initiates KBC BB (buy)

Reporting Pre-Open: CONN, LDK

Reporting Post-Close: CWST, PBY

Economic Data: Markit US PMI @ 8:58am, ISM Manufacturing PMI / Construction Spending @ 10am, Vehicle Sales @ 5pm

Fed Speakers: Rosengren @ 12:15pm (New York Fed Conference), Bullard @ 1:40pm (Little Rock, AR)

Conferences: UBS Media & Communications (NYC), DB BioFEST (NYC), Dahlman Oil Services & E&P (NYC), Bofa Leveraged Finance (Boca Raton, FL)

Analyst/Investor Days: AH, KCG, HA, SLG, NRGY, DOW

Non-Deal Roadshows: ACI, AMRE, BIOS, CKSW, CLX, CYOU, ECL, GRMN, KNL, OFG, PVTB, SOHU, STI, SWKS, SXL, TECD, TOT, WRLS, OGE

Shareholder Meetings: DQ, CXDC, KNXA, GEOY, FMAR, FNSR, AIRM,

Equity/Mixed Shelves: OILT (\$600M), NTAP, TBBK (\$100M)

Other Newspaper Articles & Stories

Barron's cover: Discusses philanthropy in America [Barron's](#)

Barron's positive: Liberty Media (LMCA) [Barron's](#), Transocean (RIG) [Barron's](#), HomeTrust Bancshares (HTBI) [Barron's](#)

WSJ cautious: Netflix (NFLX) [WSJ](#)

- Global Gas Push Stalls [WSJ](#)
- Rain May Spoil Spain's Parade [WSJ](#)
- SEC Chief Delayed Rule Over Legacy Concerns [WSJ](#)
- Lender Risks High Interest From Regulators [WSJ Heard on the Street](#)
- Banks Push Harder to Trim the Fat [WSJ](#)
- Rival Likely to Explore Friendly Vulcan Bid [WSJ](#)
- Greece Offers to Buy Back Debt [WSJ](#)
- Morgan Stanley Trader Faces Inquiry on Possible Manipulation [NYT](#)
- UBS Is Reported to Be Near a Deal on Rate Rigging [NYT](#)
- Some Analysts Doubt Dire Predictions on Tax Increase Fallout [NYT](#)
- DVR Use One Factor in Networks' Low Ratings [NYT](#)
- Rochdale rivals courting star analyst Bove [NY Post](#)
- Productivity in mining a disaster [The Australian](#)
- HSBC to start selling £25bn of toxic US debt [Telegraph](#)
- French bank governor calls for London to be sidelined as Europe's financial hub [Telegraph](#)
- Starbucks first to cave in over tax row [Telegraph](#)
- Obama warns of 'Scrooge Christmas' if Congress fails to act on fiscal cliff [Guardian](#)
- Ukraine signs \$1bn gas deal with mystery Spanish executive [Guardian](#)
- LED chip technology to enter plateau period [DigiTimes](#)

Key Events This Week

Tuesday: ISM New York, EU FinMin meeting, Bank of Canada rates, China HSBC Services PMI, Wells Pipeline, MLP, and Energy Conference (NYC), Earnings (AZO, BIG, MTN, BMO CN)

Wednesday: ADP Employment Change, US non-manufacturing ISM & factory orders, Ireland Budget 2013, Wells Real Estate Securities Conference (NYC), Earnings (BF.B, SAI)

Thursday: ECB & BOE rate decisions, Spanish bond auction 2-7-10yr, Challenger Job Cuts, RBC Consumer & Retail Investor Day (NYC), Earnings (HRB, LULU, TD CN, PANW)

Friday: November Employment Report, Michigan Confidence, Earnings (BNS CN)

Saturday: China CPI & PPI

Sunday: China retail sales/industrial production/FAI

Key Events on the Horizon

December 12 – FOMC rate decision

December 22-January 20 – US Congress scheduled to adjourn

January 30 – Launch date for RIM's Blackberry 10

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