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Subject: Early Tour 11.12.12

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Inline-Images: image001.jpg; image002.png

Description:
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Good Morning ... European Markets mixed (Spain -0.82%) ... ASX -0.31%, NKY -0.93%, KOSPI -0.19%, SHCOMP +0.49%, HSI +0.21%

EUR 1.2713 (-0.01%) JPY 79.42 (+0.09%) AUD 1.0435 (+0.46%) Copper +0.07% Spain 10yr 5.87% Italy 10yr 5.00%

Futures: **Dow +10, Nasdaq +6, [REDACTED] +2** DXY \$81.00 (-2c) Crude \$85.91 (-16c) Gold \$1736.10 (+\$5.20)

Asian markets end the day mixed on light volume (-25% from 10day avg). China macro data over the weekend shows exports stronger but imports & new loans come in weaker (exports +11.6% vs est +10.0%, imports +2.4% vs est +3.4%, new loans CNY 505.2 billion vs est CNY 590.0 billion). Japan Q3 GDP -3.5% annualized vs estimate -3.4% = biggest contraction since earthquake & tsunami in early 2011. Greece approved its 2013 budget in Parliament last evening with a 167-128 vote. Eurogroup meeting later today in Brussels (5pm CET) with Greece the main focus but no final decisions on releasing the next tranche of aid are expected. Most of the weekend talk shows in the US centered around the looming fiscal cliff with both sides projecting a willingness to compromise and agree on a resolution ([Bloomberg](#)). European markets mixed in very light volume today ~ 75% of 20day average. US bond market & banks closed for Veteran's Day. SPA's +2 handles = 1378 last.

****Merkel meeting with Portuguese PM in Lisbon today****

- Precision Castparts to buy Titanium Metals for \$16.50/share = \$2.9 billion (42.6% premium)
- Lockheed Martin incoming CEO Christopher Kubasik resigns after relationship with subordinate
- [REDACTED] lowers JC Penney ratings to B- from B+ on weak results (stable outlook) (Fri after close)
- Citigroup says Pandit to get \$6.65 million incentive award, Havens to get \$6.79 million
- Best Buy to hire former Williams-Sonoma CFO Sharon McCollam as new CFO ([WSJ](#))
- Senate Intelligence Committee will probe the FBI's handling of Petraeus e-mail affair
- Israel fires warning shot into Syria and warns them against additional cross-border fire
- Julius Baer announces acquisition of 19.9% stake in Kairos to cement Italian presence (trading +0.89%)
- Astrazeneca announces +ve Phase III results for 2 drugs & safety extension for Neloxegol (trading -0.28%)
- Bovis Homes IMS inline, confirms guidance & remains on track to deliver strong revenues (trading +0.29%)

- Taylor Wimpey IMS inline, market stable, cancellation rates better, sales on par with 2011 (trading -0.42%)
- Redrow IMS looks ok, continues to make progress in tough & stable environment (trading -1.5%)
- Publicis (unusually) reports very strong October organic growth, no Nov/Dec comment (trading +2.8%)
- JC Decaux: *Le Figaro* reports that the digital business has grown 48% from a year (trading +0.98%)
- ACS 9 month update looks inline, EBITDA and sales increase, net debt falls (trading -0.88%)
- FCC 9 month update looks inline, sales down from 2011, net debt drops 11% (trading +0.16%)
- Swatch considers FY sales guidance of CHF 8 billion feasible according to *Sonntag* (trading +1.0%)
- Mercedes-Benz Jan-Oct sales +8.0% on year at 169,070 units (DAI GY trading -0.33%)
- Italy prosecutors seek trial for 5 █████ and 2 Fitch employees (drop probe on 2 Moody's workers) (*DJ*)
- Global business confidence falls to lowest level in 3 years (Markit Business Outlook Survey)
- India industrial production unexpectedly fell in September (-0.4% y/y versus estimate +2.8%)
- Japan machine tool orders -6.7% y/y in October versus -2.8% in September
- Samsung raised price of the mobile processor supplied to Apple by 20% recently (*Chosun Ilbo*)
- HTC & Apple announce a global patent settlement and 10-year licensing deal (HTC +6.9%)

Leading European Sectors: Luxury +1.11%, Telco +0.56%, Real Estate +0.47%

Lagging European Sectors: Construction -0.51%, Healthcare -0.36%, Basic Res -0.27%

GBL \$2.20/shr dividend – MYRX liquidation – FSIN guidance light

EXPE amends credit facility – SAR \$4.25/shr dividend – SFUN revs better

Secondaries (announced/priced): ISH

IPO's (lock-up expires): Proofpoint (PFPT)

Key Research: Bofa upgrades HIW/SLG and BBT (buy) & cuts ARE/KRC/VNO, JPM upgrades DTSL & cuts CAT

Key Research: Barcap upgrades ORA, Jeff cuts JNJ/NKTR & upgrades SQNM (buy) MS upgrades TRIP & cuts IQNT

Key Research: CS downgrades JCP/VRTX, Baird upgrades NAV, JPM and Stifel downgrade STRA, Citi upgrades CMA

Key Research: Exane upgrades IHG LN, Citi downgrades RYA LN, Barclays initiates Russian Oil & Gas sector

Key Research: GS reits conviction buy CFR VX, Investec downgrades ISYS LN, Nordea upgrades RATOB SS

Key Research: Barclays lowers pt F IM, Oddo upgrades IAG LN

Reporting Pre-Open: DHI, BZH, CLSN, CYD, DSCI, EVK, MSN, MTDR, NSSC, PATH, RRST, SFUN

Reporting Post-Close: JEC, BAGL, CSOD, ESE, GLAD, HOLX, PEIX, SCIL, SDIX, TSPT, WFT, WX

Economic Data: No major releases

Conferences: W. Blair Healthcare (NYC)

Analyst/Investor Days: CZZ, CAH, RAI, MDSO, DNR

Non-Deal Roadshows: AEZS, BWC, CEC, CTSH, F, HSH, LPS, LSCC, MDVN, MINI, MSA, NVDA, TRNX, ZAGG

Shareholder Meetings: PVSU

Equity/Mixed Shelves: AVT, TNGN, VGR

Other Newspaper Articles & Stories

Barron's cover: Barron's provides a detailed discussion on the fiscal cliff [Barron's](#)

Barron's feature: Profile of Thomas Peterffy, CEO of Interactive Brokers (IBKR) [Barron's](#)

Barron's positive: Berkshire Hathaway (BRK.A) [Barron's](#), FXCM (FXCM) [Barron's](#)

WSJ cautious: AOL (AOL) [WSJ](#)

- Opportunity Is Lurking Next to the Cliff [WSJ](#)
- Housing: The View From Up on the Roof [WSJ](#)
- U.K. Fashion Retailers Brace for U.S. Invasion [WSJ](#)
- Greece Passes 2013 Austerity Budget [WSJ](#)
- The EU Vs IMF On Austerity [WSJ](#)
- FBI Scrutinized on Petraeus [WSJ](#)

- Advice From a Lonely College Republican [WSJ Opinion](#)
- Business Chiefs Step Gingerly Into a Thorny Budget Fight [NYT](#)
- Greece battles to avert €5bn default [FT](#)
- Greece backs tough austerity budget [FT](#)
- Economic Outlook: eurozone move awaited [FT](#)
- Haven currencies rise amid US concerns [FT](#)
- Germany agrees to cut spending [FT](#)
- Election trading – loaded predictions [FT](#)
- Fraser and Neave – cents and sensibilities [FT](#)
- Competitiveness will not save the euro [FT](#)
- US plays chicken on edge of fiscal cliff [FT](#)
- Greece approves 'last spending cuts' in 2013 austerity budget [Telegraph](#)
- Recession looms as Japanese economy shrinks [Telegraph](#)
- Hong Kong set to overtake shrinking City [Telegraph](#)
- World cannot afford second Fiscal Cliff after Europe's failed attempt [Telegraph](#)
- More wobbles on Wall St, but US is better bet than Europe [Telegraph](#)
- China numbers are just what leaders wanted to hear [The Times](#)
- Will Britain's post-recession economy be resurgent, stagnant or greener? [Guardian](#)
- The IMF has been cut adrift [Guardian](#)
- Four ways US can grasp deficit nettle [Independent](#)

Key Events This Week

Tuesday: NFIB Small Business Optimism Index, Bofa Banking & Fin Services Conference (NYC), Barcap Auto Conference (NYC), MS Global Consumer (NYC), Earnings (HD, TJX, SKS, CSCO)

Wednesday: FOMC Minutes, PPI, Retail Sales, Eurozone Industrial Production, GS Industrials Conference (Boston), UBS Global Tech Conference (NYC), MS TMT Conference (Barcelona), Earnings (ANF, SPLS, TYC, LTD, NTAP)

Thursday: China's 18th Party Congress concludes, Empire Manufacturing, CPI, Philadelphia Fed Survey, US Bank Stress Tests, RBC MLP Conference (Dallas), Earnings (DLTR, GME, HP, ROST, TGT, VIAB, WMT, ADSK, DELL, GPS, SHLD)

Friday: US Industrial Production, TIC Flows, Earnings (SJM, NTZ)

Key Events on the Horizon

November 19 – Eurozone FinMin meeting

November 22/23 – EU Leaders Summit

November 25 – Catalonia regional election in Spain

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