From: Ike Groff <[redacted]>
Subject: Early Tour 8.14.12
Date: Tue, 14 Aug 2012 10:02:38 +0000

Good Morning … Europe up 20-65 bps (DAX +0.81%) … Nikkei +0.50%, SHCOMP +0.30%, HSI +1.05%, KOSPI +1.27%, ASX +0.21%

EUR 1.2372 (+0.32%) JPY 78.54 (-0.28%) Italy 10yr 5.92% Spanish 10yr 6.86% US 10yr 1.67% Copper +0.42%

Futures: Dow +22, Nasdaq +4, [redacted] +3 DXY 82.27 (-0.20%) Crude $93.14 (+0.44%) Gold $1616.80 (+0.26%)

Greece auctions €4.06 billion of 3-month bills at average yield of 4.43% to cover refinancing needs, bid-to-cover 1.36x (€3.2 billion Greek state bond held by ECB expires on Monday). Headline on the tape from the German Constitutional Court saying no change to the Sep 12 date on ESM decision. Merrill's August fund manager survey is out this morning (a couple of highlights: cash levels down slightly but still elevated at 4.7%, summer rally has caused only modest re-allocation from cash & bonds to equities, investors aggressively scaled back underweight of Eurozone equities - note this is consistent with recent flows & some of the articles in the press recently). Volumes slightly better today in Europe than yesterday but that's not saying much (of the 107 million shares traded in the DAX yesterday, 48 million were dealt in CBK GY and in general it was the lowest non-holiday trading day in the DAX, FTSE & US for almost a decade - and apparently HFT accounted for ~ 70% of the total in NY yesterday). SPA's +3 handles = 1405.50 last.

EL, HD, TJX, DKS, SKS reporting pre-open
PPI & Retail Sales @ 8:30am, Business Inventories @ 10am

- Groupon shares tumble after hours after reporting Q2 revenues that miss estimates (trading -19.8%)

- Sky Deutschland Q2 beat across the board, strong run rate growth, reits 2012 EBITDA (trading +1.0%)

- Kabel Deutschland Q1 inline, EBITDA slight better, flat dividend, outlook maintained (trading unch)

- RWE Q2 EBITDA better due to Statoil compensation payment, outlook confirmed (trading -0.90%)

- K&S Q2 inline (pre announced July 30th), adopt earning based dividend policy, guides in line (trading +0.80%)

- CRH H1 EBITDA inline, sales below, Americas slowing, cautious on economic growth (trading -5.0%)

- Hochtief Q2 revs better, net income misses, guidance maintained, "difficult environment" (trading -1.5%)

- Norma Group Q2 strong, revs, margins & topline ahead driven by Americas, reiterate outlook (trading +1.9%)

- Forbo H1 top line inline, EBIT below due to impairment charge, outlook cautious (trading +0.84%)

- Oriflame Q2 good, Russia/Baltic business light, falling consultants will weigh on name (trading -4.5%)

- Moller Maersk Q2 EBITDA & revs inline, raising FY guidance, mainly in Maersk line

(trading +1.0%)

· Astrazeneca ups guidance after selling Nexium rights to Pfizer, ups guidance (trading +0.70%)

· Salzgitter Q2 inline (post profit warning June 26th), leaves outlook unchanged (trading +1.5%)

· Merck Q2 good beat across the board helped by FX, raising guidance (trading +4.2%)

· Celesio Q2 inline across the board, maintains full year guidance (trading +4.5%)

· GFK Q2 below consensus, sales and net light, confirms FY guidance (trading -6.2%)

· HF's & PE have amassed an unprecedented $74B to invest in distressed situations in Europe (Bloomberg)

· Eurozone GDP contracted in Q2 on Italy/Spain (GDP -0.2% q/q = inline with median estimates)

· French GDP comes in slightly better than expected (unchanged in Q2 versus estimate -0.1%)

· German growth slowed less than forecast in Q2 (Q2 GDP +0.3% q/q versus estimate +0.2%)

· Sweden June industrial production better +0.4% m/m versus est -1.0% (+1.1% y/y versus est -1.1%)

· UK inflation unexpectedly accelerates on clothes & airfare (CPI +2.6% versus estimate +2.3%)

· Gartner Q2 handset share (vs Q2'11): Samsung 21.6% vs 16.3%, AAPL 6.9% vs 4.6%, NOK 19.9% vs 22.8%

· Morgan Stanley cuts China 2012 GDP growth est to 8% from 8.5% (cuts 2013 to 8.6% from 9.0%)

· BOJ Jul minutes signaled policy members are considering ways to expand stimulus - JPY weakened

· HTC (+5.8%) on decent volume, 1.5x 30 day avg - following WSJ article talking up market share increase in China

· Tata Steel (+2.6%) traded higher despite announcing Q1 NI fell to 5.98B rupees from 53.5B y/y vs est 6.17B

· SingTel (-1.6%) Q1 profit and sales missed estimates (NI S$945.3 millions vs est of S$974.3 million)

· Gree (+0.14%) released FY results after close - sales & OP were 8 and 14% below consensus - cut guidance

· Swire Property (-4.2%) parent company to sell 234M shares @ HK$21.53 - 9.7% discount to prior close

· Gartner Q2 mobile phone market share vs Q2'11: Samsung 21.6% (16.3%), Nokia 19.9% (22.8%), Apple 6.9% (4.6%), ZTE 4.3% (3%), LG 3.4% (5.7%), Huawei 2.6% (2.1%), TCL 2.2% (1.9%), HTC 2.2% (2.6%), Motorola 2.2% (2.4%), RIM 1.9% (3%)

Leading European Sectors: Chemicals +1.16%, Insurance +0.82%, Healthcare +0.76%
Lagging European Sectors: Construction -0.43%, Luxury -0.01%, Media +0.15%

SUMR suspends guidance - IFT delays 10-Q - WMC beats eps
ESLT numbers mixed - AGU wont spin off retail - BLDP guides up

Notable Options Activity Yesterday:

RRD ($12.71 -0.3%) A customer bot 4480 Jan 12.5 puts for $2.24 and sold 8000 Jan 10 puts at $0.80.

CPB ($34.30 +3%) A customer bought 6400 Aug $35 calls to sell 6400 November $36 calls. The trade probably takes an over-write and extends the time frame out until November expiration.

Secondaries (announced/priced): DW, TRS, MWE, EDR, CLWR, EROC
IPO's: N/A

Key Research: Barcap initiates SCSS (ow) & ZZ (uw) and PANW (ew), Key downgrades SCSC
Key Research: GS downgrades DPZ/ENVI & resumes TIBX (neut) & initiates PANW (buy)
Key Research: Citi initiates CYOU/GA/PWRD (buy's) & GAME/NTES (neut's) & downgrades GRPN
Key Research: Janney downgrades NWY, CLSA initiates ARW/AVT/TECD (op) & IM (uw)
Key Research: UBS initiates PANW (neut) & upgrades MCRO LN and ELN (buy), Piper initiates KYAK (neut)
Key Research: DB downgrades SGMS & initiates KYAK (buy), Bofa downgrades VALE, GS cuts DOM LN
Key Research: Nomura upgrades ITV LN, Vontobel downgrades BAER VX, Canaccord downgrades AV/ LN
Key Research: Citi upgrades DELB BB, MS downgrades PSON LN, Berenberg upgrades TDC DC,
Key Research: UBS upgrades ELN ID, BofA initiates GENL LN (buy), Commerzbank downgrades EOAN GY

Reporting Pre-Open: EL, HD, TJX, ACRE, ADGE, AG, AMAP, CACH, CLSN, CTFO, DKS, DSCI, ENG, ESLT, FLO, IDSA, KIOR, MIL, NSM, NTS, OFI, PATH, PLUG, RGDX, SBSA, SKS, SORL, TW, VAL, VELT, VSCP, TRIT, NLNK

Reporting Post-Close: JDSU, AEZS, AMCN, AOSL, BOBE, CDII, CIDM, CYCC, DSS, FACE, FFN, FIGI, FLXS, FMD, GALE, JKHY, LOV, KONG, LWAY, MSN, MTDR, MYGN, NLST, PEIX, PLAB, PRKR, SCIL, SHOR, SSRX, ULTR, WYY

Economic Data: NFIB Small Business Optimism @ 7:30am, PPI / Advanced Retail Sales # 8:30am, IBD/TIPP Economic Optimism / Business Inventories @ 10am

Conferences: Pacific Crest Global Technology Leadership Forum (Vail), JPM Auto (NYC), GS Power & Utility (NYC)
Conferences: Raja Bank (Chicago), Wedbush Life Sciences (NYC), Opco Tech, Internet, & Communications (Boston)

Analyst/Investor Days: FLR

Non-Deal Roadshows: ADBE, AGN, ALLT, CCMP, CDNS, CMA, CVD, ESE, EXC, FLIR, G, HBI, HLSS, HME, IP, KSU, MAS, MCP, MRX, NEON, NVE, OCN, OPK, RAX, RTN, TMS, UFCS, WEC, OMER, LXRX

Shareholder Meetings: NAVB, SPEX, ARG, CRWS, KID, AMCC, CAAS

Equity/Mixed Shelfs: OKS, CLSN, CHSP

Other Newspaper Articles & Stories

· Trans-Atlantic Tensions Increase
WSJ<[redacted]>

· In Europe, a Taste Grows for Craft Beer
WSJ<[redacted]>

· Pain Deepens for Greece's Economy
WSJ<[redacted]>

· Chocolate Makers Watch the Weather
WSJ<[redacted]
mod=ITP_moneyandinvesting_0>

· Goldman and KKR: Banking on Your Money
WSJ<[redacted]
mod=ITP_moneyandinvesting_0>

· Buyers Beware: The Goodwill Games
WSJ<[redacted]
mod=ITP_marketplace_0>

· New Medical Devices Get Smart
WSJ<[redacted]
mod=ITP_marketplace_0>

· Google Plans to Buy Frommer's Travel Guides
NYT<[redacted]
publishing/>

· Bonds rally in parts of Europe periphery FT<[redacted]
e529-11e1-8ac0-00144feab49a.html#axzz23OyOKplv>

· Spain's bond yields jump to euro-era high FT<[redacted]
d49e-11e1-bb88-00144feabdc0.html#axzz23OyOKplv>

· German lawsuit challenges rescue fund FT<[redacted]
11e1-9a2f-00144feab49a.html#axzz23OyOKplv>

· Swiss central bank keeps critics at bay FT<[redacted]
11e1-bf02-00144feab49a.html#axzz23OyOKplv>

· Euro climbs on hopes of ECB action FT<[redacted]
8ac0-00144feab49a.html#axzz23OyOKplv>

· High-yield munis – dangerous allure FT lex<[redacted]
11e1-8ac0-00144feab49a.html#axzz23OyOKplv>

· Egypt's delicate balancing act FT ed<[redacted]
8ac0-00144feab49a.html#axzz23OyOKplv>

· Time to stop the EU navel-gazing
Telegraph<http://www.telegraph.co.uk/finance/comment/9473828/Time-to-stop-the-EU-navel-gazing.html>

· Sir Mervyn King urged to widen scope of stimulus
Telegraph<http://www.telegraph.co.uk/finance/economics/9473278/Sir-Mervyn-King-urged-to-widen-scope-of-stimulus.html>

· Greek economy shrank 6.2pc in second quarter
Telegraph<http://www.telegraph.co.uk/finance/financialcrisis/9472141/Greek-economy-shrank-6.2pc-in-second-quarter.html>

· World shipping crisis threatens German dominance
Telegraph<http://www.telegraph.co.uk/finance/newsbysector/transport/9473476/World-shipping-crisis-threatens-German-dominance-as-Greeks-win-long-game.html>

· Global economy to remain weak in 2013, CEBR says
Guardian<http://www.guardian.co.uk/business/2012/aug/14/world-economy-weak-cebr-global-prospects>

· Facebook investors brace for further losses
Guardian<http://www.guardian.co.uk/business/2012/aug/13/facebook-investors-shares-ban-early-backers>

· If Man United shares get any lower, expect Glazers to grab first chance of an exit Independent<http://www.independent.co.uk/news/business/comment/simon-english-if-man-united-shares-get-any-lower-expect-glazers-to-grab-first-chance-of-an-exit-8038685.html>

· The MPC didn't have a clue and still doesn't Independent<http://www.independent.co.uk/news/business/comment/david-blanchflower/david-blanchflower-the-mpc-didnt-have-a-clue-and-still-doesnt-8037040.html>

Key Events This Week

Wednesday: Empire Manufacturing, CPI, Earnings (ANF, DE, SPLS, TGT, A, CSCO, LTD, NTAP)

Thursday: Housing Starts & Building Permits, Earnings (DLTR, GME, ROST, SHLD, GPS, MRVL)

Friday: Options Expiry, U. of Michigan Confidence, Leading Indicators, Earnings (SJM)

Key Events on the Horizon

August 20 - €3.2 billion Greek state bond held by ECB expires

August 27-30 - Republican National Convention begins (Tampa, FL)

August 31-Sep 1 - Fed's Annual Economic Policy Symposium in Jackson Hole, WY (Bernanke speaks Aug 31 @ 10am, Lagarde speaks Aug 31 @ 2:30pm, Draghi speaks Sep 1 @ 12:25pm)

September 3-6 - Democrat National Convention (Charlotte, NC)

September 6 - BOE/ECB rate announcements

September 7 - Xstrata EGM to vote on Glencore deal

September 12 - Germany's Constitutional Court ruling on ESM & Fiscal Pact

September 13 - FOMC rate decision (economic & fed funds projections with Bernanke press conference to follow)

November 6 - US Presidential Election

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