From: Ike Groff <[redacted]>
Subject: Early Tour 5.2.12
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Good Morning … European Markets mixed (CAC +0.80%, Spain -2.3%, Italy -1.5%) … Nikkei Closed +0.31% (HSI +1.02%, China +1.76%, KOSPI +0.86%)

EUR 1.3145 (-0.69%) JPY 80.30 (-0.26%) AUD 1.0329 (-0.05%) CHF 0.9143 (-0.71%)
Copper -1.04% Silver -0.53% US 10yr 1.94%

Futures: Dow -13, Nasdaq -4, S&P -2 DXY $79.22 (+40c) Crude $105.77 (-39c) Gold $1654.40 (-$8.00)

SHCOMP closes +1.78% after the nation's two stock exchanges said they will cut A-share transaction fees by 25% effective June 1 to attract investors. China's HSBC Manufacturing PMI comes in at 49.3 vs the flash reading of 49.1 last Monday. Official PMI readings out in Europe this morning as well and clearly on the weaker side highlighting a widening gap versus the US: France 46.9 (47.3 est), Germany 46.2 (46.3 est), Spain 43.5 (43.6 est), Italy 43.8 (47.1 est), Swiss 46.9 (est 51.5), Greece 40.7 (est 41.3), Norway 53.7 (57.0 est), Sweden 50.2 (est 50.5), Russia 52.9 (50.8 prior). European markets re-opened higher from holiday playing catch-up to the US & UK moves yesterday but rolled over led by the periphery (Spain -2.1%, Italy -1.6%) following the much weaker Italian PMI (new orders component dropped to 39.2 in April from 45.7 in March). Spanish PMI clocked in at its lowest level since June 2009. Spanish 10yr spreads over Germany tightened to 405 bps early this morning but have widened back out to 416 post the PMI's (a break below 400 bps would be seen positively). France's far-right leader Marine le Pen says she will not endorse either Sarkozy or Hollande and will cast a blank ballot on Sunday. EU FinMins meet today to discuss capital requirements. ECB tomorrow. ADP Employment @ 8:15am this morning ahead of labor report Friday. [redacted] futures were higher overnight but have dipped slightly into the red now = 1398.90 last.

Mortgage Apps @ 7am, ADP Employment @ 8:15am, Factory Orders @ 10am
CMCSA, CVS, ICE, MA, TWX #'s pre-open / EXPD, GMCR, HIG, JDSU, V, APKT after close

· Ascena Retail to buy Charming Shoppes for $890M = $7.35/shr (ASNA trading +7.5%) (WSJ reports)

· TripAdvisor surges +20% after reporting Q1sales/profit that beat ests on strong ad/subscription revs

· Broadcom profit falls 61% on higher expenses but beat (sees rev midpoint above ests) (trading -1%)

· OpenTable profit rose slightly but weak yr sales forecast ($158M-$164M vs $168.5M ests) (trading -15%)

· True Religion beat eps/net sales, initiates 20c qtrly div & approved $30M buyback (trading +14%)

· Fiserv Q1 eps beat / profit rose 18% y/y as revs up & margins improved amid expanding client base

· WebMD swung to Q1 loss as ad & sponsorship revs came in weaker (reiterated FY revenue view)

· CBS Corp revs & income rose by double digits y/y beating ests on digital & overseas sales (trading +2%)

· Chesapeake Energy loss narrows but misses (strips CEO McClendon of Chairman & halts incentives)

- Open Text buys EasyLink Services (ESIC) for $310M ($7.25/share = 14% premium to yest close)

- Facebook's IPO roadshow will begin on May 7 and shares should begin trading on May 18 (Reuters)

- UBS investment banking ok on FICC & cost controls, wealth management beats (trading +5.5%)

- Standard Chartered numbers look inline, HSD income growth (less than previous 10% target) (trading -2.9%)

- BSkyB reports solid #'s, operating profit in the first nine months +20% on broadband clients (trading +1.9%)

- Swisscom Q1 profit fell less than analysts expected and it reiterates forecast for the year (trading +2.9%)

- Playtech Q1 trading statement out, strong core casino performance (trading +2.4%)

- TNT Express Q1 results look inline, challenging in Europe, UPS timetable on plan (trading +0.07%)

- Lundbeck (Nordic region drugmaker) profit misses estimates on Lexapro patent expiry (trading -1.2%)

- BAE statement looks inline, sees little sales growth this yr, pays £200 million into pension (trading -0.74%)

- Bolivia seizes unit of Spanish power company Red Electrica (REE SM trading -3.0%)

- Millicom trading -2.7% in sympathy to the Bolivia news above (company gets 9% of EV from Bolivia)

- JD Wetherspoon (UK pub operator) Q3 sales ok but continues to be cautious on outlook (trading -0.07%)

- Vestas Wind Systems (wind turbines) posts lower than forecast sales in Q1 (trading -10.0%)

- Next Q1 trading statement looks inline with forecasts, no change to FY guidance (trading +2.2%)

- Home Retail suspends dividned and says it remains cautious on consumer spending (trading -9.8%)

- Sky Deutschland will not sell German Bundesliga soccer rights according to an article in Die Welt

- Canada's Jim Flaherty blasts Europe for failing to fix its debt crisis (will not give more funds to IMF)

- French April new car registrations -1.6% on the year (UG FP trading +2.1%, RNO FP trading -1.0%)

- German unemployment unexpectedly rose in April as crisis flared (19k versus estimate -10k)

- Italy unemployment rate jumps to 9.8% in March vs consensus of 9.4% (youth unemployment 35.9%)

- Chen Guancheng has left the US embassy (now in Beijing medical facility and re-united with family)

· Wynn Macau (1128 HK) gets land grant approval for casino resort on the Cotai strip

· Macau gaming revenues for April rose 21.9% YoY to 25bln patacas (inline with estimates)

· Taiwan to postpone electricity price increases by about a month (will take effect June 10 vs May 15)

· India manufacturing growth holds near a three-month low (PMI 54.9 versus 54.7 in March)

· April HSBC manufacturing PMI's: South Korea 51.9 versus 52.0 prior, Taiwan 51.2 versus 54.1 prior

· China's big 4 state-run banks issued CNY 101.7 billion in new Yuan loans in first 25 days of April

· Hon Hai opened limit down again but managed to rally on good volume and only closed -3.0%

· ANZ Bank (Australia's 3rd largest bank) H1 profit +10% on higher overseas income (closed -0.79%)

Leading European Sectors: Chemicals +1.05%, Media +0.74%, Construction +0.72%
Lagging European Sectors: Utilities -0.86%, Telco -0.69%, Fin Services -0.41%

PEET eps/profit miss - ANAD loss wider - RGC earnings better
CAVM eps/revs beat - CBOE market shr increase - FLEX lowers view
MMI loss widens - RBCN cuts eps forecast - BGFV earnings light
TWTC stronger internet revs - XCO loss but tops - DOX lowers rev growth
FORM #'s better - KNXA eps/revs better - SIMG initiates $50M buyback
NTRI eps miss - RLOC clean beat & raise - OKE q1 eps miss, profit down
CALX penny better - BEE eps inline - GNW #'s miss, CEO resigns
RATE eps/revs miss view - RPXC #'s mixed - DEST partnership BBBY
OCZ better sales outlook - MHGC revs light - CHMT sales up
PZZA boosts yr forecast - EVER amended S1 - DLPH registers shrs
CRM buys Stypi - EPD profit rises - GGP boosts ffo view midpt

Notable Options Activity Yesterday:

NWSA ($19.79 +0.9%) customer bought 10,000 January 20-14 put spreads for $1.6125 and bought 285,000 shares for $19.72

SE ($31.51 +2.5%) significant amount of call activity as traders are playing a big up in the stock price over the next few weeks. 12,000 of the June 33 calls were purchased from $0.15 up to $0.60 and 4500 June 31 calls traded from $0.65 to $1.30 over the course of an hour and half late in the morning.

GNW ($6.15 +2.3%) 10,000 June 5-4 were purchased for $0.10. Trade implies a 10% chance stock is below $4.50 in the nest 6 weeks.

Secondaries (announced/priced): TRS, IGTE (holders), MX

IPO's: N/A

Key Research: Imperial initiates SAVE/NMM/ALGT (op's), RBC upgrades MAS, Canaccord cuts PLX
Key Research: CRT initiates HII (buy) and MRCY/LLL/RTN/AVAV (fairly valued) and GD/LMT/NOC/IRBT (sell's)
Key Research: Wunderlich downgrades UBNT, Sterne Agee initiates ANF (neut), Jeff upgrades WWW
Key Research: Piper initiates VIPS (ow), Bofa downgrades COP/AIZ & upgrades TRI & initiates PSX (neut)
Key Research: CS upgrades IHG LN (global hotel note), BMO downgrades KSU/PSB, Citi upgrades

STM
Key Research: Macquarie upgrades CKEC, MS downgrades RSH, Wells upgrades EW & downgrades HPY
Key Research: CRT upgrades ACI (buy), DB downgrades AXS, Bernstein downgrades VMED

Reporting Pre-Open: AGN, BEN, CBE, CLX, CMCSA, CVS, DVN, GRMN, ICE, MA, PCG, PEG, RDC, RRD, TWX, MRO, AB, ABX, AGP, ALE, ASCA, AVA, BSY LN, BZH, CBE, CEVA, CKSW, CLH, CLMT, COT, CPK, CPLP, CTB, DWSN, EDGR, EDGW, EE, ENR, EPD, FELE, GTN, GTS, HSC, HSNI, IACI, LDL, MAC, MMP, MSCI, MSO, MTOR, NEWS, NMRX, NVMI, OIIM, OZM, PKD, PNX, RELV, SBGI, SEIC, SKYW, SMED, SPW, SRZ, TRK, UBS, USAT, VC, VG, VICL, VNR, VSH, WXS, BCPC

Reporting Post-Close: ALL, EIX, EXPD, GMCR, HIG, JDSU, KIM, LNC, MUR, NU, PRU, PXD, SUN, TEG, TSO, V, WFM, ABCO, ADEP, AEL, AGNC, AIN, APKT, ARTC, ASI, ATML, ATNI, ATO, AVNW, AWH, AWK, AXTI, BKD, BLDP, BSAC, CACC, CACI, CALD, CBEY, CENT, CLNY, CLR, CNQR, CRL, CSU, CVD, CVGI, CXO, CXW, DCT, DHT, DK, DWA, DX, DXCM, EDMC, ENH, ENSG, EQY, ERII, EROC, ESS, EXBD, EXL, EXLS, EXTR, EXXI, FMD, FRP, G, GERN, GGC, GLF, GLUU, GMXR, GNCMA, GROW, HGR, HNSN, HPOL, HTZ, HXM, ICFI, IPI, IRIS, ISIG, ISNS, JBT, JDSU, KS, LGCY, LGND, LHCG, LMAT, MASI, MDAS, MDCA, MHLD, MIC, MMLP, MOSY, MXL, NATL, NBIX, NC, NCIT, NEWP, NKTR, NRP, NSIT, NVEC, NVTL, OMCL, OME, ONNN, ONXX, OSUR, PGTI, PLNR, PMC, PNNT, PPO, PSE, PVA, REG, RIG, RLH, RNR, RNWK, RRTS, SAM, SCOR, SDBT, SGK, SGMO, SHO, SHS, SKUL, SM, SMSI, SPRT, SSS, STAA, SWM, SXL, SYNM, TCAP, TESS, TFSL, TGI, TPGI, TTEK, UDRL, UNTD, VCLK, VOLC, VVC, WEBM, WES, WGL, WLT, WTW, XNPT, Z

Economic Data: MBA Mortgage Applications @ 7am, ADP Employment Change @ 8:15am, ISM New York @ 9:45am, Factory Orders @ 10am

Treasury quarterly refunding announcement @ 10am, DOE crude oil inventories @ 10:30am

Fed Speakers: Tarullo @ 8am (NYC), Lacker @ 12:30pm (Richmond), Fed's Evans @ 6:30pm (Chicago)

Conferences: RBC Global Financial Institutions (Boston)

Analyst/Investor Days: MKTG

Non-Deal Roadshows: BLDR, CALL, CLD, CODE, CTIC, DFS, DYAX, ECL, ECYT, FXEN, GPN, GTLS, HF, HUM, IPCI, LCC, MSI, PLCM, RF, RTN, SGYP, SILC, SREV, TSEM, TWI, XOMA, XRX, INFY, DOW

Shareholder Meetings: VR, PODD, TCAP, TX, CLNY, CPK, GD, PEP, POOL, RGR, RNB, TREX, UFS, ATR, ATRO, BWLD, FRT, INPH, KMPR, LUFK, OAS, SHLD, ZIP, WWWW, AUY, BMTC, CPO, MAN, MTRN, NPO, TE, USAK, WEYS, FDP, AEIS, FTI, UNT, DOVR, FLL, HII, MOH, CIR, CSL, HES, DISH, DLX, PLOW, SASR, TLAB, EOG, STWD, EXPD

Equity/Mixed Shelfs: SLTM ($75M), TEU ($500M), GCI

Other Newspaper Articles & Stories

Barron's positive: Watson Pharmaceutical (WPI)
Barron's<[redacted]
mod=BOL_hpp_highlight_top>
WSJ cautious: Ebay (EBAY)
WSJ<[redacted]>, BP (BP)
WSJ<[redacted]
mod=ITP_moneyandinvesting_6>

· The Big Doubt Over Facebook Advertising
WSJ<[redacted]
mod=ITP_marketplace_0>

· Lockheed's Next CEO Says U.S. Cuts Will Spur Mergers
WSJ<[redacted]
mod=ITP_marketplace_0>

· Pitfalls on Road to IPO Riches

WSJ<[redacted]
mod=ITP_moneyandinvesting_0>

· Debit Fees Flow for Smaller Banks
WSJ<[redacted]
mod=ITP_moneyandinvesting_1>

· RIM Offers Peek at Its Next Phone
WSJ<[redacted]
mod=ITP_marketplace_0>

· China’s Vanishing Trade Imbalance
NYT<[redacted]>

· Mortgage Aid Programs Were Halted, Papers Show
NYT<[redacted]
papers-show.html>

· European Leaders to Weigh New Capital Requirements for Banks
NYT<[redacted]
for-banks.html>

· Furor Over Executive Pay Is Not the Revolt It Appears to Be NYT
DealBook<[redacted]
it-appears-to-be/>

· Former Bank of Canada governor breaks rank with successor over consumer debt Globe
and Mail<[redacted]
rank-with-successor-over-consumer-debt/article2419843/>

· Ford starting third shift at Cleveland plant to keep up with EcoBoost engine demand
Detroit News<[redacted]
starting-third-shift-Cleveland-plant-keep-up-EcoBoost-engine-demand>

· Slump in manufacturing signals deeper recession
Guardian<http://www.guardian.co.uk/business/2012/may/02/eurozone-crisis-canada-europe-greek-elections>

· Iron Maiden singer sets up aircraft firm
Guardian<http://www.guardian.co.uk/business/2012/may/01/iron-maiden-bruce-dickinson-aircraft>

· Rupert Murdoch's Fox broadcast licences targeted by US ethics group
Guardian<http://www.guardian.co.uk/media/2012/may/01/rupert-murdoch-fox-licences-us>

· Home Retail Group rules out 'en-masse' Argos store closures
Telegraph<http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/9240439/Home-Retail-Group-rules-out-en-masse-Argos-store-closures.html>

· Bolivian President Evo Morales seizes assets from Spanish energy company
Telegraph<http://www.telegraph.co.uk/finance/newsbysector/energy/9239793/Bolivian-President-Evo-Morales-seizes-assets-from-Spanish-energy-company-Red-Electrica.html>

· BAE cautious over Saudi deal and defence cutbacks
Telegraph<http://www.telegraph.co.uk/news/uknews/defence/9240458/BAE-cautious-over-Saudi-deal-and-defence-cutbacks.html>

· Google Wins $35 Million U.S. Government Contract Over Microsoft
TechCrunch<[redacted]
over-microsoft/>

· The story behind BrightSource’s ditched IPO GigaOM<[redacted]
story-behind-brightsources-ditched-ipo/>

Key Events This Week

Thursday: Challenger Job Cuts, ECB rate decision, Hillary Clinton & Tim Geithner in China, Earnings (AMT, APA, ARG, BEAM, CI, NRG, PGN, VIAB, AIG, KFT)

Friday: US April Labor Report, Earnings (DUK, AON, POM, WPO, BRK.A)

Sunday: Greek elections, French elections (second round)

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