From: Ike Groff <[redacted]>
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Good Morning … European Markets off 50-150 bps (Greece -3.4%) … Nikkei closed for holiday (China -0.40%, HSI -1.36%, Kospi -5.7%)

EUR 1.3476 (+0.09%) JPY 76.24 (+0.01%) Copper -4.6% Silver -7.6% 10yr 1.74% 30yr 2.81%

Futures: Dow -20, Nasdaq -1, [redacted] -2 DXY 78.35 (-0.09%) Crude $79.85 (-66c) Gold $1722.50 (-$19.20)

European markets opened higher after G-20 statement pledging strong global response to crisis but have pared gains and recently turned negative ([redacted] futures now slightly in the red as well after being +1.3% earlier). Asia stocks continue slide overnight. Asia central banks intervene in currency markets as Korea takes action to stabilize Won (KRW reversed losses and closed +1.1% in the final 2 minutes of trading). Chatter that China may undertake various measures also making the rounds: NSSF may invest RMB10 billion to support markets, possible dividend tax cut, potential RRR and or IR cut this weekend. [redacted] futures on lows of morning 1122 last -0.13% ([redacted] 500 held 1119 closing low from Aug 8 yesterday - if breaks next level 1101 intraday low). Volumes heavy yesterday 13.2B = most since Aug 10.

IMF and World Bank 2011 Annual Meeting
Greek debt payment due (€2B Treasury bill matures)
DISH event in SF (expected to launch new streaming video service)

· G-20 FinMin statement pledges "strong and coordinated" response to slowing economy (Statement<[redacted]00144feabdc0.html#axzz1Ylboz1JS>)

· Greek FinMin 3 scenarios: implementing July 21 EFSF, messy default, orderly default (50% haircuts)

· ECB member Luc Coene says may act next month if economic data worse than expected

· French central bank governor Christian Noyer says French banks can handle a default by Greece

· Moody's downgrades long-term debt rating of 8 Greek banks (ratings carry a negative outlook)

· Hewlett-Packard confirms naming Meg Whitman as President & CEO (backs off rev guidance)

· Nike beats estimates across the board and sees "boatload" of price increases (trading +5.5%)

· McDonalds raises quarterly cash dividend by 15% to 70c from 61c (Bloomberg estimate = 68c)

· Raytheon authorized an added $2 billion worth of share buybacks after the close yesterday

· Bank of America in exclusive talks to sell $800M stake in Pizza Hut franchisee NPC International

· Cavium (maker of microprocessors) cuts Q3 revenue guidance 4%-6% from Q2 (trading -11.6%)

· TriQuint (chipmaker) cuts Q3 guidance significantly on weaker demand from largest customer

· Tibco Software beats street and guidance looks better (says forecast conservative) (trading +4.9%)

· U.S. House passes stopgap spending bill & disaster aid plan on second try (passed 219-203)

· RBS now forecasts outright recession for the euro-area (says ECB may cut 50 bps at Oct meeting)

· China & Japan say they can help on the margin but Europe must find its own fix for debt crisis

· Korean Won reverses loss after intervention signal (currency closed +1.1% after being -1.4%)

· Spread b/w Chinese RMB deliverable in HK & mainland spot blows out to record wides (2.4% discount)

· Singapore inflation unexpectedly accelerated to fastest pace since 2008 (CPI +5.7% vs est +5.2%)

Leading European Sectors: Food & Beverage +0.54%, Telecom +0.41%, Retail +0.05%
Lagging European Sectors: Autos/Parts -2.46%, Basic Resources -2.24%, Construction -1.52%

GIII 2M share buyback - QADA 1M shr buyback - FINL strong sales
CBK cuts forecast - ENZN workforce reduction - Tunstall to acquire AMAC $8.55/shr
CVA increases buyback - RDN realigns op structure - TDW guides down
KS acquires US Corrugated - TIE 400k shr buyback - RLRN receives $15.50 bid
MOTR to explore strategic options - RTN additional $2B buyback - ALTI new ceo

Notable Options Activity Yesterday:

CREE ($29.03 -8.8%) a customer bought 4,180 Oct 27.5-22.5 put spreads for $1.30. Shares need to trade down 10% over the next month for the trade to break even.

VIX ($41.35 +10.8%) in a play for a real jump in volatility, a customer purchased 10,000 Oct 80 calls for $0.225. The last time the VIX hit those levels was 2008.

HYG (high yield corporate bond etf) (84.98 -1.4%) opening cust buys 5000 oct 82 puts for 1.05

LQD (investment grade corp bond etf) (113.59 +.2%) opening cust buys 2000 dec 112 puts for 1.925 and 3500 march 102 puts for .85

EWH (hong kong etf) (14.95 -4%) opening cust bought 30k dec 16 calls for .55 looked outright

CSTR (39.79 -6.7%) with stock trading $42 rolling cust sells 2500 oct 45 puts at 5.00 to buy 3500 oct 40 puts for 2.60 opening on the 40 strike this has been the most active player in the options over last 2 weeks adjusting position and getting bigger

Secondaries (announced/priced): ETRM

IPO's: Fulcrum BioEnergy (FLCM) files $115M through UBS

Key Research: GS upgrades CPHD (buy) & MYGN & downgrades DGX (sell) & reinstates TMO (buy)
Key Research: FBR initiates EIX (op) & downgrades AHT/DRH, WBlair initiates ALTR/XLNX (op's)
Key Research: Macquarie initiates EXPE (neutral) & PCLN (op), CLSA upgrades SREV (buy)
Key Research: KeyBanc initiates VECO & AIXG (holds), Piper upgrades AMRS, KBW upgrades ASBC
Key Research: Opco initiates ORBK (op), Raja initiates YUM/VRA/MCD (op's), JPM initiates RMBS (ow)
Key Research: Stifel initiates PAG/GPI/FIO (buys) & ABG (hold), Jefferies initiates

IR/KMT/OAS (buys)
Key Research: Citi downgrades ZMH (sell), Barclays downgrades GR/EW & upgrades NUVA
Key Research: GS initiates VIP (sell), Mizuho downgrades STP/TSL & initiates INAP (buy), Ticonderoga initiates FEIC (buy)
Key Research: UBS resumes Retailers & initiates PPG/NLY (neutrals) & AGNC (buy), BNP upgrades BBVA
Key Research: Wells resumes CRL/CVD/PPDI/ICLR/PRXL, Bofa upgrades VFC (buy), Wells initiates WX (op)

Reporting Pre-Open: CADC, KBH

Economic Data: no major releases

Fed's Dudley speaks at Bretton Woods @ 1:30pm, Fed's Williams speaks on unconventional monetary policy at SNB conference @ 2:45pm, ECB's Trichet speaks in Washington @ 4:30pm

Conferences: Bofa Global Consumer & Retail Conference (One on Ones) (London)

Analyst/Investor Days: N/A

Non-Deal Roadshows: AL, FN, HIL, IART, ICUI, IRF, JCOM, JLL, MEDH, TCK, TKAGY, BLTI

Shareholder Meetings: DPL, SFL, SVM, CAG

Equity/Mixed Shelfs: PBI

Other Newspaper Articles & Stories

Barron's positive: Ace Ltd (ACE)
Barron's<[redacted]>
WSJ positive: UTC's purchase of Goodrich (UTX, GR)
WSJ<[redacted]
mg=reno-secaucus-wsj>
WSJ cautious: Hewlett-Packard (HPQ)
WSJ<[redacted]
mg=reno-secaucus-wsj>

· Goldman Jockeyed for a Top Goodrich Billing
WSJ<[redacted]
mod=ITP_marketplace_1&mg=reno-secaucus-wsj>

· H-P Defends Hasty Whitman Hire
WSJ<[redacted]
mg=reno-secaucus-wsj>

· Chrysler Talks Stall Over Pay
WSJ<[redacted]
mg=reno-secaucus-wsj>

· For Stocks, and Obama, Three Isn't a Charm
WSJ<[redacted]
mod=ITP_moneyandinvesting_0&mg=reno-secaucus-wsj>

· For Boeing, It's Been a Long, Strange Trip
WSJ<[redacted]
mod=ITP_marketplace_0&mg=reno-secaucus-wsj>

· Facebook Flexes for Rivals
WSJ<[redacted]
mod=ITP_marketplace_2&mg=reno-secaucus-wsj>

· First Solar Says It Won't Meet U.S. Loan Guarantee Deadline
NYT<[redacted]>

· A Gold Rush Wanes as Hedge Funds Sell NYT<[redacted]
sell.html>

· The Social Contract NYT Op-Ed Paul Krugman<[redacted]>

· More Offices Let Workers Choose Their Own Devices NYT<[redacted]
role-at-the-office.html>

· Europe Looks for Ways to Prod Growth in Greece NYT<[redacted]
stimulate-growth-in-greece.html>

· Tiffany Engagement Worth $12B as Alliance Ends Bloomberg<[redacted]
a.html>

· No Sign of Recession With Rail Shipments Showing Growth Trend Bloomberg<[redacted]
shipments-showing-trend-to-expansion.html>

· Shell targets North American 'tight oil' FT<[redacted]>

· Bulk offers miners some relief FT<[redacted]
11e0-8e99-00144feabdc0.html#axzz1YaPUBPP3>

· New HP boss may face hostile Oracle bid NY Post<[redacted]>

· Parker & Burkle in tune on bid for EMI NY Post<[redacted]
IZNzM>

· NFL in cable huddle NY Post<[redacted]>

· Gov. Jerry Brown expected to sign Amazon sales tax collection bill LA Times<[redacted]
brown.html>

· UAW wants richer Ford deal Detroit News<[redacted]
Ford-deal>

· Crude price nears 'tipping point' for new oil sands projects Globe and Mail<[redacted]
resources/crude-price-nears-tipping-point-for-new-oil-sands-projects/article2176658/>

· State department e-mails trigger allegations of bias in Keystone review Globe and Mail<[redacted]
allegations-of-bias-in-keystone-review/article2176835/>

· Legendary speculator George Soros insists US is already in a double-dip recession Daily Mail<http://www.dailymail.co.uk/money/news/article-2040759/George-Soros-insists-US-double-dip-recession.html>

· Private sector pay rising at half the rate of inflation - and the picture is even grimmer if you live outside London Daily Mail<http://www.dailymail.co.uk/money/markets/article-2040915/Private-sector-pay-rising-half-rate-inflation--picture-grimmer-live-outside-London.html>

· HP likely to cancel plans to spin off PC unit
DigiTimes<[redacted]>

Key Events Next Week

Monday: Chicago Fed National Activity Index, Dallas Fed Manufacturing Index, New Home Sales, Telsey Fall Consumer Conference (NYC), Earnings (CALM)

Tuesday: Consumer Confidence, Richmond Fed Manufacturing Index, Merkel hosts Greek PM for talks in Berlin, Jefferies Global Healthcare Conference (London), Earnings (WAG, CAN, JBL, PAYX)

Wednesday: Rosh Hashanah holiday, Durable Goods Orders, Earnings (DRI, FDO, MKC, MOS)

Thursday: German vote on July 21 EFSF, GDP, Kansas City Fed Manufacturing Activity, China HSBC Manufacturing PMI, Japan CPI & Industrial Production, Earnings (MU)

Friday: Month/Quarter End, Personal Income & Consumption, Chicago PMI, Michigan Confidence, China PMI, US gas tax expires, Deadline for Bank of Spain announcement on Spanish bank recapitalization

Saturday: China's National Day holiday begins

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