

From: [REDACTED] <[REDACTED]>

Subject: Not so early early tour 5.24.11

Date: Tue, 24 May 2011 13:08:27 +0000

Sorry had some technical issues.

Good Morning ... European Markets up 15-75 bps (Italy -12 bps, Greece +2.3%) ... Nikkei Closed -31 bps (China -28 bps)

EUR 1.4081 (+0.24%) JPY 81.81 (+0.23%) NZD .7978 (+0.95%) Copper +1.0% Silver +2.1%
10yr 3.13%

Futures: Dow +24, Nasdaq +2, S&P +3 DXY 75.99 (-0.19%) Crude \$98.89 (+\$1.19)
Gold \$1521.50 (+\$6.10)

New Home Sales & Richmond Fed @ 10am, MSFT Windows Phone announcement @ 10am

Wells Fargo Consumer (Las Vegas) & Citi Consumer (NY) conferences begin

AZO & MDT earnings pre-open / AMAT, FMCN, PSS, TIVO, TTWO #'s after close

- Moody's places 14 of the 18 British banks and building societies on review for potential downgrade
- China rating agency Dagong cuts U.K. rating to A+ from AA- (and cuts outlook to negative) (Xinhua)
- ECB's Christian Noyer says Greek restructuring is not a solution (would be unacceptable "horror story")
- Germany business confidence remains unexpectedly unchanged in May (IFO Index 114.2 vs estimate 113.7)
- GS head of commodities research Jeff Currie says "the risk/reward once again favors being long commodities"
- Yandex (owner of Russia's most popular internet search engine) raises \$1.3B in U.S. IPO (above range)
- Tornado in Joplin, Missouri killed 116 people (deadliest single twister in U.S. since 1953) (198 mph winds)
- Securities Times article says that China may suspend sale of 3yr notes this week and raise RRR for banks
- Wal-Mart loses two senior executives in China (CFO & COO in China resign to "explore other opportunities")
- Valeant (VRX) agrees to buy AB Sanitas for €314 million to add dermatology drugs in Eastern & Central Europe
- Marks & Spencer reports broadly inline with expectations but sounds cautious tone on outlook (trading -2.0%)
- U.K. budget deficit widens to \$16.1B as tax receipts fall (largest budget shortfall for any April since at least 1993)
- Iceland ash cloud grounds 250 U.K. flights (Ryanair complains to regulators there is no basis for cancellations)
- The head of Britain's Serious Fraud Office wants to raise salaries by 50% in bid to retain and recruit staff (FT<<http://www.ft.com/intl/cms/s/0/cldb7526-857d-11e0-ae32->

00144feabdc0.html#axzz1NAtRLmxP>)

· Vietnam inflation surges 19.78% in May (highest in Asia) (adding pressure on officials to raise rates further)

· New Zealand company executives raises inflation expectations to the highest in almost 3 years (NZD +0.95%)

Leading European Sectors: Autos/Parts +1.47%, Chemicals +1.46%, Basic Resources +1.15%
Lagging European Sectors: Travel & Leisure -0.75%, Banks -0.66%, Retail -0.33%

HRS ceo succession plan - TWC to name new ceo - HSFT penny light
SOLR positive 2012 margin forecast - SCOK new biz licenses - JMBA sales fall
ODP names interim ceo - LCC & DAL new agreement - GOOG acquires Sparkbuy
CISG earnings mixed - ZBRA 3M share buyback - TEN 400k share buyback
AVP names cfo - PWRD lower ql profit as costs rise - HBCP ~400k share buyback
S&P removes FDO from credit watch neg - UVV eps up y/y - NS equity distribution agreement

Secondaries (announced/priced): TA, INVE, CVI
IPO's (filed/priced): Yandex (YNDX) 52.2M shares priced at \$25

Key Research: Capstone initiates SAM (hold), KBS initiates CINF (mp), Roth initiates CYTR (buy), UBS initiates TEU (buy)
Key Research: Stifel downgrades CBOE (sell), W Blair upgrades ESI/DV/EDMC & downgrades CPLA/STRA, BofA initiates CLGX (buy)
Key Research: Merriman upgrades KVHI (buy), Jefferies initiates SON (hold), Bofa downgrades HSBA.LN & initiates TMS (buy)
Key Research: BMO downgrades LFT & DEER, CS resumes CYH & THC (op's), GS downgrades Russian Oil sector
Key Research: GS upgrades KBR (conviction buy) & initiates MSI (buy) & downgrades IM, Wells upgrades CRZO, Wunderlich downgrades RIMM
Key Research: Moke initiates LOGM & ZIXI (op's), MS upgrades CRM, Opco initiates AIS (op), Bofa resumes THC (neutral)
Key Research: FBR upgrades GTIV, Barclays downgrades NKA, GS & JPM initiates ZIP, Citi initiates ARCO (buy)

Reporting Pre-Open: AZO, MDT, BPHX, CBRL, CNTF, DSW, EDAP, HSOL, KUTV, OTIV, PRXI, REDF, SAFM
Reporting Post-Close: AMAT, AVGO, BAMB, CPWR, DY, EXPR, FMCN, HEI, KONG, PSS, PSUN, SQM, TIVO, TTWO

Economic Data: ICSC-Goldman Chain Store Sales @ 7:45am, Redbook Chain Store @ 8:55am, New Home Sales & Richmond Fed Index @ 10am

Treasury auctions in 2yr notes @ 1pm (\$35B), API crude oil inventories @ 4:30pm

Fed's Duke speaks on financial education in Boston @ 8:25am, Fed's Hoenig speaks at Drexel University @ 9:50am, Fed's Bullard speaks in Missouri @ 1:20pm

Conferences: Janney Consumer (Boston), Stifel Cleantech (NY), MS Cloud Computing (NY), Wells Consumer (Las Vegas)
Conferences: Stephens Spring Investmen (NY), UBS Global Specialty Pharma (London), BMO Silicon Valley
Conferences: Citi Global Consumer (NY), UBS Oil & Gas (Austin), Barclays Communications/Media & Tech (NY)

Analyst/Investor Days: CKSW, EP, HRC, BA, LLEN

Non-Deal Roadshows: AEGR, ALTR, AMMD, AUDC, BDC, BLC, CBR, CMN, CRDN, DUSA, EW, EZCH, FHCO, FPO, GDI, GPOR, HUM, IFT, IMGN, IPCL, ISIS, IXYS, JKHY, KNL, KNXA, MGRC, MINI, NXPI, PANL, PDLI, PLAB, PWR, RDWR, ROCK, RP, SPSC, SRDX, SREV, SUPX, TROW, TTGT, WCRX, XNPT, IMAX

Shareholder Meetings: AMLN, VSCP, FIG, HEES, ZLCS, ARB, FOLD, MHS, RCL, SVNT, TG, BTC, CWCO, EMIS, PFBC, KFT, QLT, DBLE, DGLY, BRE, KRC, ELON, NTGR, PFBC, CLI, PMD, ANCX, FCLF, VPPG, OMCL, TSRA, EWBC, DL

Equity/Mixed Shelves: APA

Other Newspaper Articles & Stories

· WSJ positive: McDonalds (MCD)
WSJ<<http://online.wsj.com/article/SB10001424052702304520804576341291516236806.html>>

· WSJ positive: Ryanair Holdings (RYA.ID)
WSJ<<http://online.wsj.com/article/SB10001424052702304520804576341540205673486.html>>

· WSJ cautious: Sony (SNE)
WSJ<<http://online.wsj.com/article/SB10001424052702304520804576341822424604038.html>>

· Ambac Financial seeks to block \$116.8M NYC tax claims as illogical
Bloomberg<<http://www.bloomberg.com/news/2011-05-23/ambac-financial-seeks-to-block-116-8-million-new-york-tax-claim.html>>

· Greece speeds up plans to sell off state held assets
WSJ<http://online.wsj.com/article/SB10001424052702304520804576341414080784514.html?mod=WSJ_business_whatsNews>

· Spain moves forward with lottery privatization
WSJ<http://online.wsj.com/article/SB10001424052702304520804576341223574804318.html?mod=WSJ_business_whatsNews>

· Ebay ceo continues to seek acquisitions
WSJ<http://online.wsj.com/article/SB10001424052702304520804576341460685486584.html?mod=WSJ_business_whatsNews>

· SEC looking at whether Bank of New York Mellon (BK), State Street (STT) overcharged investment firms for currency trades
WSJ<http://online.wsj.com/article/SB10001424052702303654804576341782867546062.html?mod=WSJ_business_whatsNews>

· Carlos Tavares tipped to be new Renault COO
WSJ<http://online.wsj.com/article/SB10001424052702304520804576341373454163158.html?mod=WSJ_business_whatsNews>

· Toyota advisers urge revamping
WSJ<http://online.wsj.com/article/SB10001424052702304520804576341272437080958.html?mod=WSJ_business_whatsNews>

· Carin to spend \$600M on Greenland oil drilling
WSJ<http://online.wsj.com/article/SB10001424052702304066504576342721700858628.html?mod=rss_whats_news_us_business>

· The Housing headache felt all over
WSJ<http://online.wsj.com/article/SB10001424052702303654804576341603462686900.html?mod=ITP_moneyandinvesting_0>

· Prada, retailers seek Billions from Hong Kong
WSJ<http://online.wsj.com/article/SB10001424052702304066504576340882752701952.html?mod=ITP_moneyandinvesting_2>

· Philanthropy is given focus by brain cancer
NYT<<http://dealbook.nytimes.com/2011/05/23/philanthropy-is-given-focus-by-brain-cancer/?ref=todayspaper>> (Sorkin Dealbook)

· Union effort turns its focus to Target
NYT<http://www.nytimes.com/2011/05/24/business/economy/24target.html?_r=2&ref=business>

· Banking on national economic suicide Washington Times<<http://www.washingtontimes.com/news/2011/may/23/banking-on-national-economic-suicide/>> (Opinion Rahn)

· Treasury set to make small profit in sale of AIG stock (AIG plans to issue shares at \$29-\$29.30/share) FT<<http://www.ft.com/intl/cms/s/0/5a07ffac-8594-11e0-ae32-00144feabdc0.html#axzz1N8KCxTSJ>>

· Health records contract 'holds taxpayer to ransom' FT<<http://www.ft.com/intl/cms/s/0/29cbd372-8580-11e0-ae32-00144feabdc0.html#axzz1N8KCxTSJ>>

· UK builders see value of orders collapse FT<<http://www.ft.com/intl/cms/s/0/c51d4426-8573-11e0-ae32-00144feabdc0.html#axzz1N8KCxTSJ>>

· Royal Bank of Scotland added to mortgage probe FT<<http://www.ft.com/intl/cms/s/0/e2193f32-8576-11e0-ae32-00144feabdc0,s01=1.html#axzz1N8KCxTSJ>>

· Entertainment One near "major toy licensing agreement" in US Daily Mail<<http://www.dailymail.co.uk/money/article-1390161/Entertainment-Ones-US-cash-cow.html>>

· Toshiba removes Windows 7-based tablets, Chromebooks from product roadmap DigiTimes<<http://www.digitimes.com/news/a20110523PD216.html>>

· Diageo looking to eliminate jobs in Ireland Irisih Times<<http://www.irishtimes.com/newspaper/finance/2011/0524/1224297637346.html>>

· Bank Hapoalim (POLI.IT) takes legal action over "problem debt" of company controlling Elbit Medical Imaging Globes<<http://www.globes.co.il/serveen/globes/docview.asp?did=1000648292>>

· Toshiba setting up ¥700B war chest for green investments over three years - Nikkei

Key Events This Week

Wednesday: Durable Goods Orders, FHFA House Price Index, U.K. GDP, Ira Sohn Conference, MS Retail Conference (Boston), Earnings (COST, RL, AEO, CSC, NTAP, TOL, STP)

Thursday: GDP, G8 heads of state and government summit (Deauville, France), Sterne Agee Consumer Conference (NYC), Earnings (BIG, HNZ, PDCO, TIF, MRVL)

Friday: Personal Income & Consumption, Pending Home Sales, Earnings (SDRL, MENT, RY)

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