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Subject: early tour 5.25.11

Date: Wed, 25 May 2011 10:32:25 +0000

Good Morning ... European Markets mixed (PIIGS outperforming) ... Nikkei Closed -57 bps
(China -91 bps, Vietnam -4.0%)

EUR 1.4051 (-0.34%) JPY 82.01 (-0.06%) AUD 1.0497 (-0.60%) Silver +2.8% Copper +1.5%
10yr 3.11%

Futures: Dow -19, Nasdaq -2, S&P -2 DXY 76.09 (+0.20%) Crude \$99.25 (-33c) Gold
\$1526.10 (+\$2.80)

Ira Sohn Conference begins @ 12:15pm (NYC), Morgan Stanley Retail Conference (Boston)

RL, AEO #'s pre-open / CSC & NTAP earnings after close

Durable Goods @ 8:30am, House Price Index @ 10am

* AIG prices 300M shares @ \$29 (Treasury sold 200M shares vs \$28.72 average cost -
stake now 77%)

* Costco Q3 profit rises as company expands in Mexico but eps misses estimates (Q3
comps +12.0%)

* Toll Brothers Q1 loss wider than estimated (some clients "moving off the fence"
after deferring home buying)

* Collective Brands (PSS) Q1 profit misses estimates on domestic Payless weakness
(trading -13%)

* Take-Two posts smaller Q4 loss & guides revenues higher (GTA team renews contracts)
(trading +1.2%)

* Applied Materials forecasts Q3 profit & sales that misses estimates on delays in
orders (trading -2.1%)

* Suntech Power reports Q1 eps 17c and revenues \$877M (reduces revenue view citing
pricing power)

* Molycorp files 10 million share secondary offering for holders through JP Morgan &
Morgan Stanley

* Focus Media (FMCN) swings to Q1 profit on broad top line growth & wider gross
margins (beats estimates)

* Bullish sentiment decreases to 43.0% from 45.6% in the latest U.S. Investor's
Intelligence poll

* French finance minister Christine Lagarde confirms that she will stand as a
candidate to head the IMF

* Cloud of volcanic ash from Iceland drifts across North Sea to Germany (could ground
600 flights today)

* U.K. Q1 GDP rises 0.5% (matching estimates) as exports offset weak consumption
(exports +3.7%)

* Diageo said to be in talks to buy Jose Cuervo for ~\$2B from family owners (out mid-
day yesterday)

* Sun Hung Kai Properties sells 100 of 117 units in Hong Kong residential development

within hours

* Jim Chanos says still has "dramatic" overweight short on China real estate & may not be bearish enough

* S&P says China tightening may lead to surge in credit losses and hurt bank profits over next few years

Leading European Sectors: Banks +1.16%, Autos/Parts +0.61%, Travel/Leisure +0.56%
Lagging European Sectors: Chemicals -0.58%, Construction -0.23%, Technology -0.15%

DY #'s better, \$20M share buyback - PSUN guides eps down - AVGO #'s better
AMSC ceo transition - TIVO profits on DISH payments - EXPR sees q2 below est
GEDU \$10M share buyback - CPWR posts lower q4 profit - CLX 750k share buyback
HEI record quarter - NPD eps inline, revs beat - GY Air Force contract
KONG revs beat, but swings to loss - CDR appoints cfo - Zynga to file ipo by June

Secondaries (announced/priced): PLUG, EXLP, TWO, KEM, MCP (holders), ORBK, AIG, VELT

IPO's (filed/priced): Latrobe Specialty Metals (LAT) files \$175M through CS, FBR, Jefferies & KeyBanc, Clouardy (1518239) files \$200M through Bofa & GS, Active Network (ACTV) 11M shares priced at \$15

Key Research: Moke adds RFMD to focus list, BGB Securities initiates AJG & BRO (buys), GS downgrades SAPE

Key Research: Cowen initiates ABC/CAH/ESRX/MCK/MDRX/MHS (op's) & QSII/SXCI (neutrals), Auriga downgrades JNPR & NETL

Key Research: MS initiates VMED (ow) & upgrades ANTO.LN, Soleil downgrades PSS, Piper upgrades CECO

Key Research: Bofa upgrades CNW/RMD (buys) & downgrades KNX & reinstates CHA/CHU (buys) / CHL (neutral)

Key Research: Davenport upgrades SCHN (buy), Nomura downgrades VOD.LN, JPM upgrades NTLN, BofA upgrades DMND

Reporting Pre-Open: COST, HRL, RL, AEO, BMO, BWS, CONN, FRO, LTXC, MDCI, NPD, PTNR, SCMR, STP, SYNO, TOL, ZLC

Reporting Post-Close: CSC, NTAP, AFCE, ASNA, GES, GIGM, NDN, PARL, SIGM, SMTG, UPI, VLNC

Economic Data: MBA Mortgage Apps @ 7am, Durable Goods @ 8:30am, House Price Index @ 10am

Obama and U.K. PM hold joint press conference @ 7:30am

DOE crude oil inventories @ 10:30am

Fed's Hoenig speaks @ 9:50am, Fed's Kocherlakota speaks @ 1pm

Conferences: B.Riley Investor (CA), MS Retail (Boston), Wells Consumer (Las Vegas), Think Equity Healthcare (NY), GS Basic Materials

Conferences: Stephens Spring Investmen (NY), UBS Global Specialty Pharma (London), BMO Silicon Valley, Wolfe Transportation (NY)

Conferences: Citi Global Consumer (NY), UBS Oil & Gas (Austin), Barclays Communications/Media & Tech (NY), Macquarie Global Energy

Analyst/Investor Days: ARW, PSSI, SFG, TMO, ARCC, YHOO, CTXS, MSFT

Non-Deal Roadshows: ADPI, AGN, ALLT, ALTH, ALTR, APC, APEI, AUTH, CALL, CAP, CBR, CHRW, DNDN, ECTE, EGOV, ERJ, EW, FPO, GDI, HK, HPQ, IFT, IMGX, IXYS, MAPP, MAR, MEAS, MINI, MWE, NPO, NVMI, NXPI, NXY, OTEX, PANL, PDLI, PWR, RDWR, SFG, SRDX, SUPX, TMK, TRGP, TTC, USPH, WCRX, WM, XRX, ZA, IVAC

Shareholder Meetings: PSTB, DFT, RWC, SAM, BKCC, BOX, CMG, DG, NABI, NFBK, OKE, OKS, SEMG, WCG, WSM, XOM, CIX, CVX, FISV, FLO, HBIO, IPCC, NUVA, TAP, THOR, VGR, TOWN, CLNE, DEI, FPTB, FSLR, OFI, PPBI, VMW, HNRG, ABR, CALX, CBNK, CBU, NECB, SURW, CYBI, SFLY, KAI, HCII, MSL, RCKY, SPRT, NG, SOQ, QBC

Equity/Mixed Shelves: CWTR (\$100M)

S&P 500 change (after close June-1): Alpha Natural Resources (ANR) to replace Massey (MEE)

S&P 400 change (after close May-31): Triumph Group (TGI) to replace Pride International (PDE)

S&P 600 change (after close May-31): Parfums (IPAR) to replace Triumph Group (TGI)

Other Newspaper Articles & Stories

* GE Capital agreed to sell ~A\$5bn (\$5.3B) of Australian, New Zealand mortgages to Pepper Homeloans Bloomberg<<http://www.bloomberg.com/news/2011-05-25/ge-capital-to-sell-about-a-5-billion-australia-n-z-mortgages.html?cmpid=yhoo>>

* U.S. Probes Infosys Over Visas
WSJ<<http://online.wsj.com/article/SB10001424052702304520804576343070058872708.html>>

* Burkle Books Battle With Liberty
WSJ<<http://online.wsj.com/article/SB10001424052702304520804576343602391679500.html>>

* Hungary Buys Stake in Oil Company
WSJ<http://online.wsj.com/article/SB10001424052702303654804576343530886058382.html?mod=WSJ_business_whatsNews>

* VW Evaluates U.S. Audi Plant
WSJ<http://online.wsj.com/article/SB10001424052702304520804576343493058109966.html?mod=WSJ_business_whatsNews>

* Boeing Weighs Options for Planes
WSJ<http://online.wsj.com/article/SB10001424052702303654804576343652786414710.html?mod=WSJ_business_whatsNews>

* NASA to Use Lockheed Vehicle
WSJ<http://online.wsj.com/article/SB10001424052702304520804576343471558729338.html?mod=WSJ_business_whatsNews>

* Big Banks Join Battle for Online Payments
WSJ<http://online.wsj.com/article/SB10001424052702304066504576343870105406768.html?mod=WSJ_business_whatsNews>

* LSE's Solution May Lie South WSJ Heard on the Street<<http://online.wsj.com/article/SB10001424052702304520804576343133605978062.html>>

* Commodities Go Their Separate Ways WSJ Heard on the Street<http://online.wsj.com/article/SB10001424052702304066504576343151024599600.html?mod=ITP_moneyandinvesting_8>

* Banks Face \$17 Billion in Suits Over Foreclosures
WSJ<<http://online.wsj.com/article/SB10001424052702303654804576344052913423390.html>>

* Irish Banks Shed U.S. Loan Holdings
WSJ<<http://online.wsj.com/article/SB10001424052702303654804576343591808184336.html>>

* Yandex's Surge on Debut Stirs More Talk of Tech Bubble NYT DealBook<<http://dealbook.nytimes.com/2011/05/24/yandexs-surge-on-debut-stirs-more-talk-of-tech-bubble/?ref=business>>

* China's Utilities Cut Energy Production, Defying Beijing NYT<<http://www.nytimes.com/2011/05/25/business/energy-environment/25coal.html>>

* Army Seeks Recruits in Social Media NYT<<http://www.nytimes.com/2011/05/25/business/media/25adco.html?ref=todayspaper&gwh=1C6605EBC8E8BE6550988EBA597E2FE5>>

* Court Orders New Jersey to Increase Aid to Schools

NYT<<http://www.nytimes.com/2011/05/25/nyregion/new-jersey-is-ordered-to-increase-aid-to-schools.html?ref=todayspaper&gwh=691306FAC2415E3E76AC13217C298E06>>

* Amazon's publishing push is raising eyebrows NY
Post<http://www.nypost.com/p/news/business/amazon_publishing_push_is_raising_wiJw12c25HG7L9PS t2RVrM>

* Lockheed Martin set to cut more jobs FT<<http://www.ft.com/intl/cms/s/0/39bdbfa4-865a-11e0-9d5c-00144feabdc0.html#axzz1N8KCxTSJ>>

* Key role for Buffett over Energy Future Holdings fate
FT<<http://www.ft.com/intl/cms/s/0/74bclba2-8630-11e0-9e2c-00144feabdc0.html#axzz1NMDPivFB>>

* Giant mainland operator may seek new financing as it pushes special packages and measures to lure 3G subscribers South China Morning
Post<<http://www.scmp.com/portal/site/SCMP/menuitem.2c913216495213d5df646910cba0a0a0/?vgnextoid=59f0d4abae220310VgnVCM100000360a0a0aRCRD&vgnnextfmt=teaser&ss=Companies+%26+Finance&s=Business>>

* RusHydro in talks to sell a 7.9% stake to various parties - Kommersant

* Sony confirms personal data leak for 2K customers of Sony Ericsson Canada unit - Nikkei

Key Events This Week

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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