**From:** [redacted]
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**Subject:** Early Tour 11.18.14

Good Morning … European Markets up 45-100 bps (Greece +1.59%) … NKY +2.18%, SHCOMP -0.71%, HSI -1.15%, KOSPI +1.20%, TWSE -0.28%, ASX -0.24%

EUR 1.2516 (+0.53%) JPY 116.69 (-0.03%) EUR/JPY 146.07 (+0.58%) RUB +0.83% NZD +0.54% SEK +0.79% US 10yr 2.33%

Futures: **Dow -7, Nasdaq -6, S&P -2** DXY $87.62 (-31c) Crude $76.12 (+48c) Gold $1200.80 (+$17.30) Copper -0.28% Silver +1.70% Nat Gas -1.41%

Asia indices mixed overnight with Japan outperforming after the Nikkei bounced back strongly after yesterday's worse than expected GDP print. The USDJPY remains above 116 and Abe confirmed after the close that he will delay the consumption tax hike by 18 months (and promises that it will not be delayed again) and also dissolve parliament on Friday & call snap election for Dec 14. The KOSPI finished higher as foreigners make the biggest net-buys in cash since October 31 while locals continue to buy for 3 straight sessions. China's SHCOMP finished lower with the market concerned on the slow take-up of quota for the northbound trade as well as on liquidity concerns on the prospect of the next round of 11 IPOs. European markets are bid higher this morning across the board. JPM's equity strategy call out midday yesterday that the Eurozone is due for a period of outperformance vs the US getting some more traction today. Markets also legged higher after a much better than expected German ZEW survey (11.5 vs est 0.5). Merrill's November Fund Manager Survey out and shows cash balances drop to 4.7% (but still high) and expectations for ECB QE in Q1 picking up. Relatively quieter today with volumes tracking ~80% of the 20d average. HD, MDT, TJX report pre-open in the US. SPA's -2 handles = 2037.40 last.

***PPI @ 8:30am, NAHB Housing Market Index @ 10am***

- Urban Outfitters Q3 profits tumbled (higher inventories at Urban brand) outlook light (trading -4%)
- Agilent eps missed & profit off sharply on spinoff costs (plans to return $500M to holders in FY15)
- Jacobs Engineering mixed as eps & net income beat expectations but revs light (trading touch lower)
- GoPro CEO to sell 4.08M shares worth $322M in secondary (total holders 9.07M plus 1.3M GPRO shrs)
- SunEdison and TerraForm Power agreed to buy closely held First Wind Holdings for $2.4B

- AstraZeneca investor day (starts 12pm GMT), headlines out in advance generally inline (trading -0.20%)
- Altice: Carlyle/Cinven sell 5.5 million shares in ABB thru GS (priced at €45/share) (trading -3.9%)
- KPN acquires remaining 40% stake in Reggefiber for €610 million (price inline with exp) (trading +2.2%)
- Marks & Spencer said to name Helen Weir from John Lewis as new CFO today (*Sky*) (trading +0.02%)
- Quindell chairman/founder Rob Terry resigns, CFO to also leave after the 2015 AGM (trading +3.6%)
- Wirecard in pact with Visa to pay $16 million for assets of Visa Processing Service (trading +3.6%)
- Informa buys leading US trade show operator Hanley Wood for £237M, 60M share ABB (trading -6.0%)
- Matas Q2 numbers decent, lowers FY sales forecast, starts DKK 100 million buyback (trading +6.%)
- EasyJet numbers generally inline with ests, revenue per seat slightly better, raises div (trading -0.71%)
- United Internet Q3 revs inline at €737 million, reaffirmed revenue growth, reits targets (trading +0.20%)
- British Land small beat on NAV at 769p, demand in London expected to remain strong (trading +0.95%)
- BBA Aviation update broadly inline with expectations, $15M charge for DOJ case (trading -3.4%)
- Ahold sees online sales rising from €1.4 billion in 2014 to €2.5 billion by end of 2017 (trading +0.32%)
- Prudential Q3 statement good, 9m sales increase +5% led by Asia and US units (trading +0.03%)
- Nokia announces Android-based tablet called the N1 (will be made by Foxconn) (trading +1.7%)
- Ikea makes biggest renewable-energy purchase to date, buys 165mw wind farm in South Texas
- European car sales rise +6.2% in October to 1.11 million for 14th straight gain says ACEA
- UK October CPI +1.3% y/y versus estimate +1.2%, +0.1% m/m versus estimate +0.1%
- Luxury: Hengdeli closed +7.2% (+18.2% in last 4 days) in HK to 6-month highs (no news)
- Retail: Li & Fung -3.5% on UBS note suggesting may cut 3yr targets on poor sales outlook

**Leading European Sectors:** Oil & Gas +1.22%, Chemicals +1.17%, Construction +1.02%
**Lagging European Sectors:** Trav/Les -0.25%, Basic Res +0.02%, Telco +0.21%

XLNX $800M buyback – OME missed ests – IPAR forecast light

IM NA numbers inline – KBC LN names CEO – PWL ID update solid

GRN ID statement inline – ETI LN results inline – SIX2 GY strong results

SCHP VX contract win – UKM LN forecast unchanged – HLMA LN revs better

**Secondaries (announced/priced):** GPRO, RMTI, RCPT, PF, CORR, ESNT, SGGH, MC, FOLD, CBPX, LGIH (convert), ATC NA, INF LN, ZO1 GY

**IPO's (announced/updates):** Advanced Accelerator Applications (AAAP) files $100M IPO through Citi and Jefferies, Thule books open and already covered (price range SEK 64-74) (trading Nov 26)

**IPO's (lock-up expired):** SunEdison Semi (SEMI) 33.2M shares (82.2% of outstanding)

**US Key Research:**

- Barcap initiates EA (ow) and GIB/OTEX (ow) and CSU CN (ew) & upgrades WMGI, Evercore downgrades WAC
- BMO initiates NOR/CENX/CNX/STLD/SWC (op) and X/WFC/FCX/NUE/BTU/AK/AA (mp) and ANR/ACI (up)
- DB initiates ECC (buy), GS initiates DK/TES (buy) and VLO (neut) and ALJ (sell), Key upgrades SPN (buy)
- Jefferies upgrades PBH and TEX/MTW (buy), Northland initiates ISIL (op), Wells, Citi, RBC, KBW initiates OMAM
- Roth initiates NGD (neut), W. Blair downgrades AGN/URBN, SunTrust initiates HLX (buy) and HP/PTEN (neut)

**Europe Key Research:**

- Banca IMI upgrades CE IM (buy), Barcap upgrades REP SM & upgrades Euro Telecom Services industry, DB cuts PNN LN
- Citi initiates ANH LN (buy) and NMC LN (neut), CS initiates BA LN/HO FP/SAF FP (op) and AIR

FP/MGGT LN/RR LN (up)

- Evli downgrades SHBA SS, Exane downgrades ML FP, GS reinstates TDC DC (buy), HSBC upgrades IPF LN
- Imperial initiates AXIS SS (in-line), Investec upgrades VEC LN (buy), JPM upgrades REP SM & downgrades GALP PL/STL NO
- Kepler upgrades RF FP (buy), Macquarie cuts ENQ LN, Mainfirst initiates RR LN/SAF FP (op), Commerzbank upgrades EBS AV
- Numis inititates SCH LN (buy), Pareto downgrades DNB NO, Enskilda downgrades SALM NO, UBS downgrades SAF FP
- SocGen upgrades TATN RU (buy)

**Reporting Pre-Open:** HD, MDT, TJX, AFMD, CYRN, DKS, ETAK, EMIS, GILT, CTC, JASO, MANU, VVTV

**Reporting Post-Close:** PETM, STV, DL, JACK, LZB, MTSI, VIPS, XUE

**Economic Data:** PPI @ 8:30am, NAHB Housing Market Index @ 10am, TIC Flows @ 4pm

API weekly oil inventories @ 4:30pm

**Fed Speakers:** Kocherlakota @ 1:30pm (Minn)

**Conferences:** JPM TMT (HK), GS China CEO Summit (HK), Suntrust E&P Utica Shale (Pittsburgh)

**Conferences:** MS Insurance (NYC), Bernstein Energy Efficiency (NYC), MS Consumer (NYC)

**Conferences:** Stifel Healthcare (NYC), UBS Tech (Sausalito)

**Analyst/Investor Days:** AZN, EFX, PFE, DNR, INGR, LGND, UTEK, TPH, SYNA, MAC, SGI, ZTS, BEL, NOV, CY

**Non-Deal Roadshows:** ABM, ACCO, EEFT, EGL, INWK, ISIS, SEIC, SHI, AKRX, AMCX, ATRS, AVD, AWAY, CAH, CARB, CPHD, CSGP, CSII, CTCT, BRII, ELLI, EVOL, EXAR, FXCB, G, GIMO, GLW, HELE, HGR, HLSS, HSIC, HSN, IEX, INWK, ISIS, KAR, LIOX, MODN, MTLS, MUR, MYCC,

NSTG, ORPN, OSUR, OZM, PRGS, QSII, RVNC, SATS, SCOR, SHI, SHW, SPSC, SYRG, TCPI, WMO, TSRA, TTGT, TWOU, TXT, USG, VEC, VJET, ZAGG

**Shareholder Meetings:** BYI, MAYS, BPHX, TNAV, QRE, THTI

**Equity/Mixed Shelfs:** WAVE ($15M), TYC

***Other Newspaper Articles & Stories***

WSJ negative: Tiffany & Co (TIF) WSJ

- Deal Boom Feeds on Surging Stocks WSJ
- President Orders Review of U.S. Hostage Policies WSJ
- Japan Scrambles to Rescue Economy WSJ
- Small Towns Go to Bat for Wall Street Banks WSJ
- Money Surges Into Shanghai Stocks WSJ
- The Fed Needs Governors Who Aren't Wall Street Insiders WSJ
- Deutsche Bank Ends Most CDS Trade WSJ
- Fed Faces an Inflation Conundrum WSJ
- Warby Parker's Second Act: Storefronts WSJ
- Reynolds's New Cigarette Heats Tobacco WSJ
- Mega-Mergers Are Booming as Executives Bet on Growth NYT
- Setting Caution Aside, Merkel Issues Rebuke to Russia NYT
- Hong Kong Begins to Clear Protest Site NYT
- Obstacle to Obama's Immigration Plan: His Own Statements NYT
- Ackman Has Luck of a Loser, to the Tune of $2.2 Billion NYT
- Mega-Mergers Popular Again on Wall Street NYT

- Draghi lifts stocks after Japan setback FT
- Struggle to understand Quindell speak FT
- Space junk or Russian satellite killer? FT
- Serco chairman takes blame for crises FT
- Snapchat and Square to launch Snapcash FT
- Quindell bosses quit after share deals Telegraph
- Mark Carney pay plan comes under attack Telegraph
- Supermarket groups must close one in five stores says Goldman Sachs Telegraph
- Japanese recession figures prompt talk of snap election Guardian
- Cameron warns of new global crash Guardian
- How to destroy Islamic State: What Obama could learn from Wall Street City AM
- Supermarkets told they must shrink to survive City AM

***Key Events This Week***

Wednesday: Fed Minutes, Housing Starts & Building Permits, BOE Minutes, BOJ policy decision, Citi Fin Tech Conference (NYC), GS Metals & Mining Conference (NYC), Earnings (SJM, LOW, MNK, SPLS, TGT, LB, GMCR, CRM)

Thursday: CPI, Existing Home Sales, Philly Fed Nov, Flash PMIs (US,China,Europe), Japan imports/exports, RBC MLP Conference (Dallas), GS US Emerging / SMID Cap Growth Conference (NYC), Earnings (BBY, DLTR, PDCO, GME, GPS, INTU, ROST)

Friday: Options Expiry, Kansas City Fed Manufacturing Activity, Earnings (ANN, BERY, HIBB, FL)

***Key Events on the Horizon***

Nov 25 – MSCI rebalance on close

Nov 27 – Thanksgiving (US Markets Closed)

Dec 4 – BOE/ECB rate decision

Dec 14 – Japan snap election

Dec 15 – BOE publishes UK bank stress test results

Dec 17 – FOMC rate decision

Jan 8 – BOE rate decision

Jan 22 – ECB rate decision