From: [redacted]
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Good Morning … European Markets off 15-100 bps … NKY -0.15%, SHCOMP -1.83%, HSI -1.91%, KOSPI -1.60%, TWSE -1.11%, ASX -1.37%

EUR 1.3410 (-0.19%) JPY 99.56 (+0.07%) EUR/JPY 133.54 (-0.25%) AUD 0.9293 (-0.10%) GBP 1.598 (+0.48%) SEK 6.68 (-0.45%)

US 10yr 2.75% Japan 10yr 0.60% Germany 10yr 1.78% Portugal 10yr 5.95% Italy 10yr 4.16% Spain 10yr 4.11%

Futures: **Dow -24, Nasdaq -8, S&P -3** DXY $81.18 (-1c) Crude $93.32 (+28c) Gold $1276.40 (+$5.20) Copper -1.22% Silver +0.25% Nat Gas +0.55%

Asian markets were lower overnight as disappointment on the lack of clarity over China's proposed reforms (particularly with SOEs and land) weighed on the region. The Communist party wrapped up its 3-day Plenum yesterday, pledging a "decisive" role for markets but did not elaborate on any details. In HK, H-shares followed China lower along with TENCENT (-4%) which closed lower ahead of results and following comments from the Chairman who said that valuation of the company is "scarily high." Japan outperformed as the Yen traded around the 99.50 level amid speculation that the combination of Fed tapering and further easing out of the BoJ will set up for a move back above 100. CLSA's Balanco (technical strategist) calling for Yen to hit 110/111 vs USD and for the Nikkei to make a run at the May highs (16k). Emerging markets were also weak, with Indonesia fading some more after yesterday's surprise rate hike. In Korea, the KOSPI was dragged lower mainly by Samsung (-2.5%) as Apple is set for a replay of the 2012 court battle over patent infringements (opening arguments scheduled for later today). The FSC also announced after the close that the short sell ban of South Korean financial stocks (which has been in place for the past five years) is going to be lifted tomorrow. European markets heavier again following the weakness in Asia overnight. Banks and Basic Resources down the most with both the SX7E & SXPP now below their 50dma. BOE inflation report released about 20-30 min ago along with updated economic forecasts and Mark Carney is currently speaking in the Q&A at the press conference. Bernanke speaks later this evening to a town hall of teachers in DC (7pm) but focus will turn to Janet Yellen's testimony tomorrow at her confirmation hearing before the Senate Banking Committee. SPA's -3 handles =1761.90 last.

Mortgage Apps @ 7am, Treasury Budget Statement @ 2pm

M reports pre-open / CSCO, NTAP #'s post close

- Sina solid Q3 #'s (mid/bottom line beat) on good rev growth (Weibo strong) (outlook up) (trading +3%)
- Equinix sees Q4 revenues lower $562M-$566M vs $559M-$563M on October 23 (trading -1%)
- Yum Brands China same store sales -5% but less than estimates (KFC decline slowed) (trading +1%)
- Starbucks to pay Kraft (MDLZ) $2.7B ending 3yr fight over packaged coffee in stores (SBUX trading -2%)
- Johnson & Johnson reached $4B deal to settle hip-implant lawsuits (avg $300k for each) (trading inline)
- Annie's (BNNY) secondary offering of 2.54 million shares by Solera & SCI Partners via UBS
- Prosieben: Lavena sells 35M shares ($1.5B) @ €31.53 via ABB to leave 17% stake (trading -4.8%)
- Carlsberg Q3 EBIT & pretax, inline, sales shade below, Russia drags, keeps 2013 forecasts (trading +2.6%)
- Celesio Q3 EBIT misses, revs inline, maintains 2013 EBIT forecasts (trading -0.25%)
- Israel Chemicals Q3 adj net income beats, revs inline, EBITDA light, cutting div payout (trading -1.9%)
- Stada Q3 sales & adj net misses, EBIT inline, net light, maintains forecasts (trading -6.7%)
- Maersk Q3 net ahead, EBIT inline, EPS slight below, raises FY outlook (trading +1.4%)
- UBI Q3 net income falls, revs good, CT1 12.5%, upbeat outlook despite slow mkt recovery (trading +2.3%)
- ICAP H1 pretax inline, revs fair, FY profit margins ahead, positive outlook (trading +5.0%)
- LSE H1 revs adequate, expenses flat, focused on growth, Swapclear talks on going (trading -1.6%)
- ESURE IMS: on track to meet FY expectations despite challenging market conditions (trading +4.6%)
- Partnership Assurance miss again, investors questioning growth of business, JRG LN IPO weak (trading -24%)
- E.ON Q3 inline, narrows FY guidance range, cost savings offsetting market dynamics (trading +0.30%)
- GDF Suez Q3 sales ahead, net debt down, to begin carrying assessment – will effect FY 13 (trading -1.0%)

- SSE H1 solid, earning 10% ahead, reiterates dividend guidance, political concerns (trading unch)
- ERG Q3 net income just below, revs down y/y, EBITDA beats, confirms guidance (trading -0.10%)
- Agfa Gevaert Q3 net income below, revs light, EBIT below, strong currency effect (trading -6.9%)
- Barratt trading update, reservations good, confident of substantial improvement in performance (trading -1.6%)
- British Land H1 strong, NAV beat driven by capital growth, stable market, structural changes (trading -0.70%)
- Derwent London Q3 IMS, record lettings YTD, good progress on major projects, solid progress (trading -1.0%)
- Wienerberger Q3 revs light, EBITDA ahead, EBIT below, EPS miss, confirms goals (trading -0.80%)
- Hochtief Q3 pretax doubles, y/y, net profit good, reaffirms group guidance (trading +2.6%)
- Sainsbury H1 revs ahead, underlying profit improving, EPS good, positive capex comments (trading +4.0%)
- Tullow IMS: no surprises, capex and production guidance reiterated, no Kenyan well results (trading -1.7%)
- Brunello Cucinelli Q3 net income slight improvement y/y, revs better, EBITDA ahead, sees +ve 2013 (trading -2.6%)
- Portugal Telecom Q3 revs inline, EPS light, EBITDA beat, mobile customers improve y/y (trading +0.90%)
- Medisat Q3 revs beat, raises EBIT forecasts on accelerated savings, net loss narrows (trading -3.0%)
- Johnston Press IMS: total revs down, sees FY at mid-range in the absence of mkt shock (trading -0.90%)
- Bwin.Party IMS net revs poor again y/y (on comparative basis), all products seeing growth (trading +0.50%)
- Corbion repurchased 8.29M shares at €17.50 (of shares tendered at min price 54.68% accepted) (trading -4.3%)
- UK unemployment ticks down to 7.6% from 7.7% as expected (lowest since 2009) (GBP +0.07%)

Leading European Sectors: Food/Bev +0.20%, Utilities +0.18%, Telco +0.11%
Lagging European Sectors: Basic Res -1.43%, Banks -1.29%, Autos/Parts -0.95%

PKY boosts div – CALL #'s mixed (buyback) – WWD guides down

GNMK lowers rev view – CDXS sees FY13 rev down – RLD earnings better

YRCW big loss – MDLZ to buyback shares from SBUX arbitration – CALL founder to exit

Secondaries (announced/priced): SNTA, IBKR, BALT, BNNY, CHTP, BBEP, BAGL, LXFT, SB, XGTI, PSM GY, SLHN VX (convert)

IPO's (lock-up expires): Tableau Software (DATA) 44.9M shares (78.1% of outstanding), Marketo (MKTO) 4.9M shares (12.9% of outstanding)

US IPO's (filed/priced): Dynagas LNG Partners LP 12.5M-units priced at $18 (below range), Extended Stay America (STAY) 28.3M-shares priced at $20, Chegg (CHGG) 15M shares (600K for holders) priced at $12.50 (above), GeNO Healthcare (GNO) files $50M IPO through Jefferies and Stifel

Europe IPO's: Constantia Flexibles price range €19.50-€25.50 (pricing 11/26)

US Key Research:

- GS adds QCOM to Conviction Buy List, Jefferies initiates SPLK (hold)
- Piper upgrades RHT, CS upgrades ATK/NS & cuts DF & initiates SJM (neut)
- Raja downgrades DNR, Wells upgrades HTLD, Janney initiates IPXL (buy)
- UBS downgrades AON, MS downgrades NUE & upgrades X, GS cuts PTNR (sell)
- FBR initiates LVS/MGM (op) & WYNN/PENN/BYD (mp) & initiates AET/UNH/CNC (op) & HUM/WLP (mp)

Europe Key Research:

- MS add SSABA SS to best ideas list, upgrade WOS LN, ATO FP, Citi upgrade NHY NO, AKE FP
- Barc downgrade VOLVB SS, CS downgrade AMEC LN, SECUB SS, upgrade WG/ LN
- Exane downgrade MT NA, GS upgrade KMG LN, PZC LN, Nordea upgrade MEO1V FH, KOA NO
- DBK upgrade SDF GY, downgrade CGCBV FH, Natixis downgrade ITRK LN, MELE BB

- Cana upgrade SMDR LN, HSBC downgrade TSCO LN, ING upgrade AGN NA,
- JPM downgrade PSG SM, initiate ETLN LN (ow), KepChev downgrade ARL GY,
- Numis upgrade PFL LN, downgrade TATE LN, CBK upgrade JEN GY, downgrade EVT GY
- Akros downgrade BP IM, Swed upgrade NHY NO, Panmure downgrade AZN LN
- Bryan Garnier downgrade GRF SM, Equinet downgrade LEO GY

Reporting Pre-Open: M, ACRE, ALTI, AMS, APRI, CAAS, CSIQ, DSCI, DWSN, EJ, ELOS, GILT, HPJ, IIKGH, MTOR, NNA, OPHT, PETX, PF, PKOH, SARA, SUTR, SXE, TPH, UBIC

Reporting Post-Close: CSCO, NTAP, ANW, BORN, CGIX, CIDM, DSS, EFOI, EGLE, EVHC, EVOK, FENG, GFF, GIGM, GSAT, JST, LONG, LOV, LXFR, MM, NTES, OINK, PNNT, PRCP, RGLS, RMAX, RWC, SCAI, SEAS, TCX, TTEK, ULTR, WGL, XONE, YUME

Economic Data: MBA Mortgage Applications @ 7am, Monthly Treasury Budget Statement @ 2pm

DOE crude oil inventories @ 10:30am, Treasury Auction of 10-Year Notes @ 1pm ($24B), API weekly oil inventories @ 4:30pm

Fed Speakers: Pianalto @ 8:45am (Philadelphia), Bernanke @ 7pm (town hall meeting in DC)

Conferences: Barcap Auto (NYC), Bofa Banking & Financial Services (NYC), Cowen Metals, Mining, & Materials (NYC)

Conferences: Jefferies Energy (Houston, TX), RBC TMT (NYC), Wells TMT (NYC), CS Healthcare (Phoenix), NAREIT's REITWorld (SF)

Conferences: Stephens Fall Investment Conf. (NYC), JPM Services (NYC), MS Chemicals & Agriculture (Boston)

Analyst/Investor Days: LMAT, GWW, NNA, STRZA

Non-Deal Roadshows: ALKS, AMSF, APP, ARI, ARTX, ATE, BIOS, CEMI, CGEN, COV, CRNCY, CTRL, DNR, EIG, ENS, EXAR, FARM, FLO, GIVN, HBAN, KEY, LLY, LNKD, MDC, MEAS, MLHR, MOSY, MOVE, NVR, NWL, POL, PSEM, RKUS, RUTH, STBA, SUPX, TXT, WD, WMGI, CODE

Shareholder Meetings: MXIM, SPA, CBRL, CSII, LFVN, CRDC, JDSU, JKHY, COCO, ROCM, AVNW, RMD

Equity/Mixed Shelfs: POR, AGNC

Other Newspaper Articles & Stories

Barron's cautious: Netflix (NDLX) Barron's

WSJ cautious: Apple (AAPL) WSJ, Video game publishers (EA, ATVI) WSJ

WSJ positive: T-Mobile (TMUS) WSJ

- Investors pitch to take over much of Fannie and Freddie FT
- World Trade Center tower opens with high vacancy levels FT
- South Korea and Russia launch $500m fund to boost economic ties FT
- China's pledge of big reforms cements era of market forces FT
- Mark Carney brings luck of the Irish to BoE FT
- Settlement unlocks US Airways-AMR $11bn deal FT
- EU overrides objections to agree €135.5bn budget for 2014 FT
- Brazil going too far on internet security FT
- Public outsourcing could soon lose public support FT
- France has played its cards right on Iran FT
- Why Draghi was right to cut rates FT
- The design flaws that lead to financial explosions FT
- America's oil finds will not sideline Saudi Arabia FT
- Vodafone: spending power Lex
- Springleaf: season in the sun Lex

- Rusal: Helter smelter Lex
- France: Les misérables Lex
- NYSE's New Chief Puts Focus on Individual Investors WSJ
- Storage Sector Primps for Uptown Approval WSJ
- Starbucks Fined $2.8 Billion in Grocery Dispute WSJ
- Mondelez a Win for Famed Attorney WSJ
- As Ireland Exits Bailout, a Life Vest or Just Lifeguard? WSJ
- Will Shanghai Luxury Rides Rival U.S.? WSJ
- White House Looks to Convince Senators to Hold Off on Sanctions WSJ
- A Recharging Industry Rises NYT
- Yellen's Challenge at the Fed: Speaking Persuasively to Investors NYT
- Recovery's Great If You Were Already Rich (or Even Modestly Well Off) Bloomberg
- A quarter of Brits have no savings at all The Times
- Don't ignore the bankers The Times
- Nearly a million under-25s still unemployed despite growth Independent
- Satyajit Das: The weakness of the European Central Bank's policies will be revealed all too soon Independent
- James Moore: City's 'shark' would do well to navigate the bureaucracy Independent
- Companies could improve our schools - and drive the bad ones out of business Telegraph
- Are we facing deflation? Let's not get carried away Telegraph
- George Osborne: Britain is on the path to prosperity Telegraph
- Bill Clinton heaps pressure on Obama in row over healthcare Guardian
- Detroit's decision to fend off bankruptcy: pay pensions or banks? Guardian
- Maybe, just maybe, we have learnt some lessons from the crisis CityAM
- How institutional capital could keep the lights on and lower energy bills CityAM
- Why it's no time to be complacent about the UK's inflation problem CityAM

Key Events This Week

Thursday: US Sept Trade Balance, Non-Farm Productivity & Unit Labor Costs, Eurogroup meeting, SBC hearing on Yellen nomination (10am), ECB monthly report, France/Germany/Italy/Europe GDP, GS US Emerging / SMID Cap Growth Conference (NYC), William Blair Commercial Insurance Conference (NYC), Earnings (HP, KSS, MANU, TYC, VIAB, A, AMAT, JWN, YOKU)

Friday: Empire Manufacturing, Import Price Index, October CPI & IP, Wholesale Inventories, Earnings (MMS, IMNP)

Sunday: China Oct property prices

Key Events on the Horizon

Nov 26 – MSCI changes effective on the close

Nov 27 – Italy Senate to vote on expelling Berlusconi from Parliament

Nov 28 – US Thanksgiving (market closed)

Dec 5 – BOE & ECB rate decisions

Dec 18 – FOMC rate decision

Jan 15 – Current CR runs out

Feb 7 – Debt ceiling deadline (Treasury can use extraordinary measures for ~ 1 month past this date) [redacted] | ✉

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