From: [redacted]
Sent: Thur 11/7/2013 10:49:54 AM
Subject: Early Tour 11.7.13

Good Morning … European Markets off 0-60 bps (DAX/PSI/SMI up small, MIB -0.86%) … NKY -0.76%, SHCOMP -0.48%, HSI -0.68%, KOSPI -0.48%, TWSE +0.02%, ASX -0.22%

EUR 1.3519 (+0.05%) JPY 98.69 (-0.07%) EUR/JPY 133.42 (+0.08%) AUD 0.9491 (-0.38%) NZD 0.8377 (unch)

US 10yr 2.63% Japan 10yr 0.59% Germany 10yr 1.73% Portugal 10yr 5.91% Italy 10yr 4.19% Spain 10yr 4.14%

Futures: **Dow -12, Nasdaq -5, S&P -2** DXY $80.48 (unch) Crude $95.13 (+33c) Gold $1315.30 (-$2.50) Copper +0.17% Silver +0.08% Nat Gas +0.89%

Asia markets mostly lower overnight. NKY225 lagged the region and closed on the lows -0.76%. SHCOMP finished -0.48% ahead of this weekend's policy meetings. AUD trading -0.49% after weak Australian employment numbers. Despite yesterday's rally in the US being led by more defensive sectors, it is the EMU Banks that are outperforming in Europe this morning after Commerzbank (+8%), SocGen (+2.2%), Credit Agricole (+3.2%), Natixis (+3.8%) all reported decent numbers before the open. Nevertheless European markets have generally turned for sale since the open and are lower across the board on general profit taking. BOE & ECB rate decisions will be out in the next few hours. No changes are expected but note that Merrill has been making an anti-consensus call in that they believe the ECB will cut its main refi rate by 25bps today (they don't expect a deposit rate cut but do see a rising probability of an LTRO in Q1 2014). MSCI changes announced after the close tonight (effective on the close Nov 26). Retail Comps day in the US and we will get Jobless Claims & GDP @ 8:30am. Twitter priced at $26/share and begins trading this morning. SPA's -2 handles = 1763 last.

BOE @ 7am, ECB @ 7:45am (Draghi press conference @ 8:30am), China October trade data tonight

Retail Comps today, Jobless Claims & GDP @ 8:30am, Consumer Credit @ 3pm

APA,CVC,IGT,SNI,WIN,WEN reports pre-open / CFN,DIS,MNST,NVDA,PCLN,GRPN #'s post close

- Twitter (TWTR) priced 70 million shares at $26/share (above $23-$25 range) ($18 billion valuation)

- Activision beat expectations as digital revenues grew but Q4 outlook fell short (trading -2.4%)
- CBS Corp stronger ad sales and net up on licensing & distribution growth (#'s inline) (trading flattish)
- CenturyLink posts $1.1B loss on impairment charge, data center slowed & lowered view (trading -1.5%)
- Fox underlying eps contracted again & profit declines on new cable channel costs (trading inline)
- Mondelez penny better but organic revs fell short of company & street (5% vs 7% est) (trading -0.05%)
- Toll Brothers to buy California homebuilder Shapell for $1.6B (Q4 revenues +65% in dollars)
- Prudential swung to first profit in 5 quarters on fewer investment losses & strong pension transfer biz
- Qualcomm solid earnings report (strong revs) but forecast for current quarter below ests (trading -4%)
- Transocean adjusted eps topped & revs up 6% q/q, swung to profit with asset sales (trading +2%)
- Whole Foods profit up but cuts year eps & comp sales view as growth slowed (trading -8%)
- McKinsey & Co. says that 20% of the world's biggest banks may shrink or merge (*Bloomberg*)
- SocGen Q3 revs in line, op income better, higher provisions, better capital with CT1 9.9% (trading +2.6%)
- Commerzbank Q3 revs in line, net income beats, NII strong, lower provisions, reit guidance (trading +9.8%)
- Credit Agricole Q3 revs light, net income below, CT1 11.9%, in talks to sell Newedge to GLE FP (trading +2.9%)
- Natixis Q3 revs ahead, net inline, FICC good, buyback, all business lines performing (trading +3.8%)
- Swiss Re Q3 revs in line, EPS beats, solid combined ratio, on track to meet guidance (trading +2.0%)
- Munich Re Q3 net income beats, gross prems light, EPS exceeds, book value firm (trading -2.3%)
- Aegon Q3 revs below y/y, underlying earnings better (ex one-offs in line), net income adequate (trading +2.0%)
- Generali Q3 cross prems in line, solvency ratio 152%, EPS fine, expects improvement in op result (trading -1.5%)
- Nobel Biocare Q3 revs in line, EBIT better, EPS shade ahead, raises guidance (trading +0.30%)
- Arkema Q3 revs & EBITDA in line, EPS slight below, maintains 2016 targets but cuts FY target (trading -0.70%)

- SGL Carbon Q3 revs and EBIT miss, net loss worse, FCF improvement, repeats outlook (trading -4.4%)
- Rhoen-Klinikum Q3 sales & adj EBITDA below but sales growth and EBITDA margin better (trading -0.60%)
- Arcelor Mittal Q3 revs inline, EBITDA beats, sees Q4 debt lower, reaffirms outlook (trading +5.1%)
- Adidas Q3 revs below, gross margin ahead, EBIT fair, EPS okay, cautious on FX, guidance fine (trading +2.8%)
- Continental Q3 revs shade below, EBITDA ahead, EBIT okay, raising margin guidance (trading +5.0%)
- SMA Solar Q3 revs & EBITDA miss y/y, confirms sales and earnings guidance (trading +0.70%)
- Siemens Q4 revs beat, cont op EPS light, orders firm, EPS improvement, carry on buyback (€4bn) (trading +3.5%)
- Deutsche Tel Q3 revs ahead, adj EBITDA good, net income exceeds, mobile weak, guidance unch (trading -2.3%)
- Telefonica Deutschland Q3 net income ahead, revs in line, OIBDA miss, weak as expected (trading +2.1%)
- Prosieben Q3 domestic solid, digital improving, content & global sale fine, sees slower Q4 growth (trading -5.0%)
- HeidelbergCement Q3 revs in line, EBIT beats, profit falls on weak EM currencies (trading -4.0%)
- Delhaize Q3 revs in line, EBITDA shade light, net loss better, reaffirms outlook, US weighs (trading +2.5%)
- Barry Callebaut FY revs & EBITDA light, net income ahead, confirms mid-term financial targets (trading +3.5%)
- CapGemini Q3 revs inline, France good, positive performance to continue, confirms outlook (trading +4.1%)
- Legrand Q3 revs shade below, net income ahead, narrows guidance range (trading -1.5%)
- EDF Q3 update, cuts FY French nuclear targets, hydro strong, reaffirms 2013 financial targets (trading -0.70%)
- Repsol Q3 net income below, profit drops on Libya, upstream light, downstream fair (trading -2.3%)
- Veolia Q3 revs light, confirms medium term objectives, nominate Philippe Capron CFO 01/14 (trading +6%)
- Imtech Q3 revs in line, EBITDA poor, net income below, weak German trading (trading -11%)
- OMV Q3 production miss, net income & revs in line, EPS (ex-items) miss, production < 2012 (trading -1.3%)

- Swisscom Q3 revs in line, EBITDA ahead, EPS beats, guidance in line given stable FX (trading +2.4%)

- Fielmann Q3 revs in line, pretax profit beats, net income ahead, optimistic outlook, good run (trading -1.3%)

- Reed Elsevier Q3 trading update, underlying rev growth good, reiterates outlook (trading +0.70%)

- Morrisons Q3 IMS, LfL's miss, financial outlook maintained, low expectations vs peers (trading -0.80%)

- Aviva Q3 IMS, progress in line, new business +14%, still early stage turnaround (trading -0.50%)

- Invensys H1 revs and op profit broadly flat y/y, no interim div, no surprises near term (trading +0.20%)

- Inmarsat Q3 IMS revs light, costs higher on GX launch, sees tough 2014 in US, transition year (trading -5.0%)

- Tate & Lyle H1 revs ahead, op income below, EPS shade better, upbeat outlook (trading +1.0%)

- Skanska Q3 sales in line, EBIT miss, pretax below, no guidance, backlog flat, US concerns (trading -2.3%)

- Securitas Q3 net light, sales in line, fragile recovery not reflected in security market growth (trading -7.4%)

- Hermes Q3 total sales light, leather goods miss, on track to meet previous guidance (trading -0.80%)

- Bollore Q3 revs shade below, LfL's below due to macro effects, nothing standout (trading +0.10%)

- Spain Industrial Output rises in September for the first time since 2011 +1.4% y/y vs est -1.4%)

- Australia employers cut full-time jobs in October (number of full-time jobs declined by 27,900)

Leading European Sectors: Autos/Parts +0.81%, Basic Res +0.42%, Banks +0.16%
Lagging European Sectors: Telco -0.73%, Utilities -0.71%, Construction -0.59%

DXCM revs beat – WSTL topped – AEO sales trailed

TPX good quarter – NBY weak study results – INWK cuts forecast

LPSN loss/shr better – AWAY boosts outlook – SCTY sees loss worse

CECO loss wider – ZIXI buyback – SAPE solid results

EVC revs down – PMT fell short – AMTG $50M buyback

COST comps up – NVTL rev forecast light – ION loss worse

MOR GY Q3 EPS inline – P1Z Q3 EBIT inline – EBC1V FH Q3 revs inline

BON FP Q1 revs light – CWC GR Q3 EBIT light – PEN NO Q3 EBITDA better

ADD GR Q3 revs inline – MEKO SS Q3 EPS below – TEG GR Q3 EPS miss

VSC GY Q3 EPS better – EDL FP Q3 EBITDA light – LO24 GR Q3 EBIT inline

ROVI SS Q3 net income inline – MMO1V FH EPS beats – DEZ GY Q3 EPS in line

TTI GR Q3 EPS miss – AMS SW Q3 EPS in line – BWG NO Q3 EBIT light

SDR LN Q3 profit rises – CWC LN H1 sales miss – CCH LN Q3 EPS beats

CGG FP net income miss – RMV LN keeps outlook – SAP SJ Q4 EBIT beats

DEX GR Q3 pretax miss – HFD LN H1 PBT beats – SGP LN Q2 slight beat

TALN LN Q3 EPS ok – DCG LN H1 EPS in line – LOND LN Q3 production good

PRS NO Q3 EPS inline – ACTI SS EPS improvement – GRI LN FY EPS beats

SYNT LN IMS in line – MEL SM Q3 sees y/y improvement

Secondaries (announced/priced): INCY (convert), IART, KAR, FANG, AWI, FET, MRC, RPT, BME SM, TPK LN, AOX GY, GLEN LN (convert)

IPO's (filed/priced): Twitter (TWTR) priced @ $26/share, Norcraft Company (NCFT) 6.4M shares priced at $16 (low-end), Midcoast Energy Partners, L.P. (MEP) 18.5M units priced at $18 (below range), LGI Homes (LGIH) 9M shares priced at $11, Mavenir (MVNR) 4.8M shares priced at $10, Merlin Entertainment books close 5pm today

US Key Research:

- Jefferies upgrades PH (buy), Roth initiates RSOL (buy) & cuts IAG
- Stifel downgrades NTAP, W, Blair downgrades INWK, Brean upgrades AEO (buy)
- RBC initiates TWTR (buy) & downgrades AIV, Wells downgrades GEL
- CS cuts DVN, JPM initiates KMT (neut) & upgrades SYNA, Sterne Agee initiates SHW (neut)
- Raja downgrades SKYW, Compass Point downgrades MIG

Europe Key Research:

- Berenberg upgrade PFG LN, DBK downgrade WEIR LN, SPR GY
- HSBC downgrade MLP GY, SCR FO, NRG FP, HAV FP, upgrade RSL2 GY
- Investec downgrade DCG LN, upgrade SPX LN, UBS downgrade DUE GY
- JPM upgrade QED LN, AOIL SS, downgrade FLS DC, ELE FP
- Liberum initiate LRD LN (b), upgrade NBPO LN, MAQ downgrade DUE GY
- Numis initiate FOXT LN (add), upgrade MONY LN, HFD LN, BEZ LN
- Oddo downgrade HAV FP, Lampe downgrade NDA GY, GS initiate ODL NO (b)
- DNB upgrade EKTAB SS, Natixis downgrade ALTA FP, ADEN SW
- Investec initiate DIA LN (b), Ensk downgrade VWS DC, SocGen d/g PMI IM, HAV FP
- Equine upgrade SY1 GY, Akros upgrade PC IM, CBK downgrade ANDR AV

Reporting Pre-Open: AEE, AES, APA, CVC, IGT, ROK, SNI, WIN, WPX, AAWW, ACIW, ADHD, AGIO, AGYS, AIRT, AMCX, AMRX, AMSC, ANDE, ANIP, ANSS, APO, ARQL, ARX, ATK, AVIV, BITA, BOTA, BR, BZH, CAMT, CBB, CBRX, CCO, CECE, CEQP, CLINE, CMLP, CNK, CNSL, COMM, COWN, CPW, CPK, CPN, CQB, CRTX, CSUN, CTCM, CYN, EMCI, FCN, FLL, FLO, FLY, FNP, FSYS, FUN, FUR, FWLT, FWM, FXCM, GLP, GTN, HDNG, HII, HIMX, HNT, HSC, HTWR, IPCC, IRC, IT, JRCC, KIOR, KIPS, KLIC, LOP, LCUT, LNCE, LNT, LPI, LRN, MACK, MEMP, MLM, MONT, MWIV, MWW, NEON, NGPC, NGS, NSM, NWN, NXTM, ONE, ORBC, ORBT, PHB, PRFT, RDN, RGDX, RGEN, RGLD, RLOG, ROIAK, ROLL, ROSE, RSTI, RTI, SFUN, SMG, SSYS, STON, STWD, SXI, TAM, TCPC, THR, THS, TICC, TK, TLF, TNK, TREE, TTI, TW, TWTC, UAM, UHAL, USAC, USCR, USPH, VC, VNDA, VRS, VTG, WD, WEN, WLK, WPX, WWAV

Reporting Post-Close: CFN, DIS, MNST, NVDA, PCLN, AAOI, AAON, ABTL, ACET, ADEP, ADUS, AIRM, AL, ALEX, ALG, ALJ, AMBI, AMH, AMRN, ANAC, ARAY, AREX, ARNA, ARP, ATAI, ATEC, ATLS, ATW, AVG, BAP, BCEI, BEBE, BIO, BIOA, BKCC, BNFT, BNNY, BONE, BRS, CCIX, CCXI, CDR, CEMI, CHKR, CLNY, CORT, CPST, CUBE, CYTX, DAR, DCIN, DMD, DVCR, EAC, EBS, ECPG, EGOV, ELON, ENOC, ENSG, EPAM, EZPW, FARM, FC, FDUS, FEYE, FF, FUEL, FXXEN, GAIA, GERN, GLPW, GPRN, GSVC, GXP, HASI, HE, HTGC, IDSY, III, IL, INFI, INVE, JJSF, JOE, KCAP, KTOS, LCI, LGP, LOCM, LUNA, MAIN, MBII, MCP, MDRX, MFLX, MITK, MNTX, MSCC, MTD, MTRX, NAVG, NES, NFG, NKTR, NNI, NOG, NVAX, OCLR, OGXI, OLED, PCYC, PFMT, PLUS, PODD, PRGN, PTIX, PXLW, RENT, RNDY, RNF, RNIN, RP, RPTP, RTK, SF, SFM, SGMS, SMLP, SMSI, SMT, SNTS, SQNM, SRT, SSTK, SYNM, TACT, TEP, TEU, TGP, TOO, TRMR, TSPT, TSRE, TSRO, TST, TTGT, TUMI, UBNT, UEIC, UEPS, UMH, UNXL, VVC, WAVX, WIFI, WLDN, WR, XNPT, XOMA, XOXO, YRCW, ZIGO

Economic Data: Jobless Claims / GDP @ 8:30am, Bloomberg Consumer Comfort @ 9:45am, MBA

Mortgage Foreclosures / Mortgage Delinquencies @ 10am, Consumer Credit @ 3pm

EIA natural gas storage @ 10:30am

Fed Speakers: Stein @ 9:10am (Chicago), Dudley @ 1:30pm (NYC)

Conferences: Raja Airline/Transportation (NYC), Bernstein Digital Marketing (NYC), Citi Financial Tech (Boston)

Analyst/Investor Days: OII, BRFS, LBY, SWI, AA, CCC, MJN, MON, NTGR, AEGR

Non-Deal Roadshows: ALLT, ATRS, AZO, CATM, CLGX, CLX, CODE, COP, DFS, ELLI, ETRM, FBHS, GHR, HIS, LXK, MSFT, NDAQ, NEWP, NICE, NSPR, OSK, PSMI, REIS, RYL, SNTA, STBZ, STI, STML, TCRD, TYPE, URG, URI, VRTU, ZINC

Shareholder Meetings: COH, MSN, DLA, EAT, MEG, LRCX, VPRT, ULGX, KUTV

Equity/Mixed Shelfs: CSG, AMAG ($250M), BCOV ($100M), CSU ($150M)

Other Newspaper Articles & Stories

WSJ positive: Toyota Motor (7203 JP) WSJ

WSJ cautious: Tesla (TSLA) WSJ

- Twitter $2.1bn IPO pricing back to where it all began FT
- De Blasio brings change of tone to New York FT
- The Palestinian economy's hard road out of isolation FT
- Israel set to become major gas exporter FT

- UK population projected to reach 73m by 2037 FT
- Government pays for the fall of Pompey FT
- Tumbling US oil price transforms trading FT
- BoE approach risks sharp and sudden rate rise FT
- Tbilisi nervously eyes Russia's borderisation of South Ossetia FT
- The forex market is designed to encourage crime FT
- Twitter's IPO price: out of the nest Lex
- Chesapeake: liquid diet Lex
- US floating rate debt: take note Lex
- Vestas: second wind? Lex
- Worried Senators Press Obama on Health Law WSJ
- Carl Schramm: How ObamaCare Rips Off the 'Young Healthies' WSJ
- Mike Gonzalez: ObamaCare Goes Hollywood for Hispanics WSJ
- Return of Cash Sparks Emerging-Market Rallies WSJ
- Small Lenders Cautiously Ramp Up Fees WSJ
- Dish Network to Close Its Remaining U.S. Blockbuster Stores WSJ
- Here's Why You Shouldn't Invest in Twitter WSJ
- U.S.-Iran Thaw Grew From Years Of Behind-the-Scenes Talks WSJ
- Investors Rushing Back Into Europe Need to Mind Pitfalls WSJ
- China Grants U.S. Investors Indirect Access to Its Stock Market WSJ
- Spain's Banks Boost Books by Refinancing Loans to Homeowners WSJ
- An Offer From Amazon to Its Most Bitter Rivals NYT
- Twitter's Market Valuation Suggests Wall St. Sees Huge Growth Potential NYT
- Cut the cost of living by cutting our taxes The Times
- Austerity 'hangover' until 2030 after decades of spending on credit The Times
- Britons work shorter week than most other nations The Times
- Either we get huge EU reform – or we leave The Times

- Britain must invest more in Africa to compete with China, minister says The Times
- Crowdfunding sites are the smart new way to raise finance but how do you work out which projects will succeed? Independent
- Britons pay the highest property taxes in the developed world Telegraph
- China's Communists want unattainable goal of affluence without freedom Telegraph
- 'Unburnable' carbon fuels investment concerns Guardian
- Job losses: shipping out Guardian
- Is economics a science? Guardian
- London must learn from New York's woes and build more homes CityAM
- Nationalisation of development land is hindering home building in Britain CityAM

Key Events This Week

Friday: October Employment Report, IMF Conference, U. of Michigan Confidence, China CPI/PPI, Bernanke speaks, Earnings (COV, BPZ, DRH, LEAP)

Saturday: China October Retail Sales/FAI/IP, China's Communist Party Central Committee Plenary Session (Nov 9-12)

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]