From: [redacted]
Sent: Fri 10/4/2013 9:51:06 AM
Subject: Early Tour 10.4.13

Good Morning … European Markets +10-40 bps NKY -0.94%, KOSPI -0.12%, HSI -0.41%, TWSE +0.07%, ASX -0.51%

EUR 1.3610 (+0.08%) JPY 97.17 (+0.53%) EUR/JPY 132.26 (-0.45%) AUD 0.9438 (+0.61%) NZD 0.8304 (+0.24%)

US 10yr 2.62% Japan 10yr 0.65% Germany 10yr 1.82% Portugal 10yr 6.49% Italy 10yr 4.32% Spain 10yr 4.22%

Futures: **Dow +19, Nasdaq +10, S&P +4** DXY $79.83 (+8c) Crude $103.56 (+25c) Gold $1315.60 (-$2.00) Copper +0.05% Silver -0.65%

Most major indices ended lower following the overnight lead as the deadlock in the US continues and the S&P saw its biggest one day decline since late August. Volumes continue to track light as China remains closed for Golden Week. Japan underperforms as the yen strength continues to weigh. The Bank of Japan left interest rates unchanged today and refrained from adding to unprecedented monetary stimulus after business confidence surged and Prime Minister Shinzo Abe decided the economy was strong enough to weather a sales-tax increase. The Kospi managed to erase most of early losses after dipping below 1990 in early session although the index failed to recover 2k levels. Samsung Electronics ended flat after being marked down in the closing auction despite positive preliminary results. In Hong Kong, Macau names saw some profit taking after September GGR came out in line with expectations. European stocks opened flat but have traded up with the SX5E trading +44 bps. Euro volumes are tracking below average but liquidity feels even thinner than that. US futures are pointed modestly higher as US investors continue to weigh the consequences of the shutdown lasting longer than all originally expected. With the Department of Labor delaying the September Employment report to a later date, no major eco releases are scheduled, nor are there any earnings releases, leaving the market in a news vacuum which will most likely lead to choppy trading and moves around any headlines out of Washington. The S&P is down 77 bps wtd, SPAs are trading up 4 handles = 1674.10 last.

- Twitter filed to raise up to $1B in an IPO despite growing losses, S-1 implying a $12.8B value Bloomberg
- Forest Oil announces sale of TX panhandle area assets to Templar Energry for $1B (trading +10%)
- Xyratex reports 3Q revs 21% lower mostly related to the continued reduction in revenue from NTAP (trading 7.7%)

- Wood Group IMS solid, continued good growth, confident for FY (trading -0.6%)
- Tate & Lyle H1 trading statement, broadly in line, US soft due to cold spring (trading +2.2%)
- Carpetright trading update, continued Dutch weakness, lowering guidance (trading -9.5%)
- Dragon Oil reits FY13 guidance for growth rate to be at lower end of range (trading +0.1%)
- Air France; Les Echos reports company looking to cut 1800 ground staff (trading +0.9%)
- ACS launches €700M convertible bonds in Iberdrola shares, Books are covered (trading +0.6%)
- Telecom Italia COO Patuano assumes CEO responsibilities after Bernabe departure (trading -0.9%)
- Nokian Tyres lowers FY13 sales & op profit guidance, sees 2014 return to growth (trading -7.7%)
- Finmeccanica board set to meet today to discuss Ansaldo Energia stake sale (trading +1.6%)
- Autogrill wins food & beverage contract at Helsinki Airport, revs of €200mn over 10 yrs (trading +1.1%)
- Polarcus announced settlement of WesternGeco lawsuit for a total of USD 40m (trading +5.8%)
- Barclays receives 94.6% acceptances for rights issue, leaves rump of 173m (trading +0.15%)
- Royal Mail price guidance is now 300-330p, with some pointing toward a 340p price

Leading European Sectors: Banks +0.68%, Insurance +0.35%, +0.15%
Lagging European Sectors: Healthcare -0.63%, Retail -0.45%, Basic Res -0.43%

FB's Instagram to have advertising – DRL names CFO – Lone Pine reports 5.3% stake in P

Secondaries (announced/priced): LCI, NBS

IPO's: Twitter (TWTR) files $1B IPO through GS

IPO's (priced): OCI Partners (OCIP) prices 17.5M shares at $18/share, Cherry Hill Mortgage (CHMI) prices 6.5M shares at $20/share, Potbelly (PBPB) prices 7.5m shares at $14/shares

US Key Research:

- Opco initiates LFUS (perf), DB cuts FUL & upgrades VAL, Evercore initiates JDSU (ew)
- Barcap initiates TRNX (ow) & IART/WMGI (ew) & VALE (uw), KBW upgrades NMFC
- ISI upgrades PRXL (buy) & downgrades CPHD (sell), RBC initiates TRW/DLPH (op) & ALV (sp)
- SunTrust initiates Cruise Lines (neut): NCLH (buy) & RCL (neut) & CCL (reduce)
- Wells downgrades CHS & initiates ST (op), Nomura downgrades IGTE, CS downgrade WYNN
- Key initiates OCR (buy) , JPM initiates ISIS (neut) & FOXA (ow)

Europe Key Research:

- UBS upgrade FORN SW, FDSA LN, DXNS LN, HOME LN, DTE GY
- Nomura upgrade SAN SM, downgrade BBVA SM, GS downgrade VOLVB SS
- Citi downgrade European Steel (downgrade VOE AV, SZG GY), PTC PL
- BofAML initiate WDF IM (n), Berenberg upgrade PTC PL
- MS initiate RMV LN (ow), +ve RR/ LN, upgrade SBMO NA
- CS downgrade RI FP, Exane downgrade QIA GY, upgrade BIM FP
- DNB downgrade SKAB SS, AFG NO, NCCB SS, initiate YTY1V FH (sell),
- Swedbank upgrade TEL2B SS, Natixis downgrade MPI LN, upgrade PSM GY
- ABN downgrade SLIGR NA, Panm upgrade KFX LN, Cana downgrade ESUR

Reporting Pre-Open: N/A

Economic Data: No major releases (September Employment Report not released due to government shutdown)

Fed Speakers: Stein @ 9:30am (NYC), Lacker @ 12:30pm (Baltimore), Kocherlakota @ 1:45pm (Bloomington MN)

Conferences: No major conferences.

Analyst/Investor Days: TS

Non-Deal Roadshows: AERL, BCC, BDN, CHUY, DVN, FMER, GWW, HGR, PNW, PWR, XONE

Shareholder Meetings: CALM, AVAV, SMIT

Equity/Mixed Shelfs: N/A

Other Newspaper Articles & Stories

Barron's positive: Hertz (HTZ) Barron's

- Twitter launches countdown to $1bn IPO FT
- Adobe says 3m accounts hit in cyber breach FT
- China to invest in £650m Manchester project FT
- France targets Amazon to protect bookshops FT
- Hedge funds step into the shadows FT
- Russian credit card provider TCS plans $750m London IPO FT
- Payday lenders face fresh curbs as regulator clamps down FT
- Spain: Seeds of recovery FT
- Crucial China support for gold may fade FT
- US banks fearing default stock up on cash FT
- Citigroup fined $30m for selectively releasing research FT
- Boehner future in balance as stalemate decision time nears FT
- Economics is an argument about two numbers FT
- The Republicans have a Tea Party problem FT

- Twitter: missing links Lex
- US shutdown: all for one and one for all Lex
- Sotheby's: hammer time Lex
- UniCredit: gone shopping Lex
- GOP Begins Search for Broad Deal on Budget WSJ
- J.P. Morgan's Dimon No Longer Chairman at Bank Unit WSJ
- Twitter Reveals $1 Billion IPO Plan WSJ
- One Big Doubt Hanging Over Twitter's IPO: Fake Accounts WSJ
- Dave Girouard: How the Market Can Rein in Tuition Costs WSJ
- Stock Investors Get a Little Less Defensive WSJ
- D.C. Rolls the Debt-Ceiling Dice WSJ Heard on the Street
- U.K. Insurance Fiasco Leads to Windfalls, Jobs WSJ
- More Than 5,000 Stockbrokers From Expelled Firms Still Selling Securities WSJ
- Airlines Ask European Governments to Block Air-Controllers Strike WSJ
- Undermining Freer Pacific Trade WSJ
- The Reform Abenomics Needs WSJ
- Rattled Congress Seeks Way Out of Its Standoff NYT
- Jobs Report Becomes a Casualty of Shutdown NYT
- No one party can unite this divided nation The Times
- Young people head queue as one million seek Help to Buy The Times
- It is 'mission critical' that US sort out problems now, says Lagarde The Times
- More to it than a missing stapler The Times
- Passengers at Heathrow 'face £1bn fares hike' Independent
- JP Morgan rainmaker 'faced criminal probe' Independent
- Jim Armitage: A nuke deal is in the offing - don't blow it this time Independent
- UK economy growing at fastest rate in the developed world Telegraph
- UK to seal nuclear power deal within weeks, says energy minister Michael Fallon Telegraph

- Is Silicon Valley working on sinister plans for designer babies? Telegraph
- New car sales hit five-year high Guardian
- Inside Track: King's New York flotation will be a Saga worth watching City AM
- The Long View: Why brief can be beautiful when you're trying to make your first billion City AM
- Energy innovation is stagnating and the implications for growth are stark City AM

Key Events Next Week

Monday: Consumer Credit, Earnings (TWGP)

Tuesday: NFIB Small Business Optimism, JOLTs Job Openings, Earnings (AA, YUM, WWW)

Wednesday: Fed Minutes, MBA Mortgage Applications, Earnings (COST, FAST, FDO, PGR, RT)

Thursday: G20 Fin Min/CB meeting begins (DC), Treasury Monthly Budget Statement, Earnings (MU, SWY, VAC)

Friday: PPI, U. of Michigan Confidence, Earnings (JPM, WFC, WBS)

Key Events on the Horizon

Oct 13 – China CPI and PPI for Sept

Oct 14 – Eurozone fin min meeting. 10/14-15.

Oct 15 – ZEW expectations for Oct

October 17 – US Treasury debt ceiling to be hit in mid-October

Oct 22 – Nokia to hold product launch event

Nov 14 – ECB publishes its monthly report

[redacted]