From: [redacted]
Sent: Fri 4/26/2013 9:56:55 AM
Subject: Early Tour 4.26.13

Good Morning … European Markets off 40-120 bps … ASX -0.10%, NKY -0.30%, KOSPI -0.36%, TWSE UNCH, SHCOMP -0.97%, HSI +0.65%

EUR 1.3015 (+0.02%) JPY 98.68 (+0.58%) EUR/JPY 128.44 (-0.55%) AUD 1.0274 (-0.17%) RUB 31.32 (-0.59%)

Spain 10yr 4.27% Italy 10yr 4.09% US 10yr 1.69% Copper -0.65% Silver -0.57%

Futures: **Dow -35, Nasdaq -8, S&P -4** DXY $82.66 (-9c) Crude $93.05 (-59c) Gold $1461.60 (-40c)

Asian markets were mixed to close out the week, with HK leading the region for a change. Japan was still closely watched for the BOJ decision, which was largely a non-event as expected. The announcement came about an hour into the PM session with the statement only containing the pledge to double the monetary base in 2yrs (¥60-70t) and that policy remains the same and is supported unanimously. The JPY hit an intra-day low of 98.23 but settled out around 98.80. Earnings took the focus with Komatsu (+2.6%), Advantest (-7.9%), Anritsu (-3.3%) and Cyberagent (-10.5%) trading off results out yesterday – the latter caused the Mothers Index to close lower for the 1st time in 7 sessions – and a number of companies reported post close, including Nomura, who announced a 47% beat in 4Q NP (82.4b) and Ricoh, TDK, Honda, Mazda and Fanuc were also out. Korea sold off following a slew of earnings as well and some chatter that North Korea has failed to acknowledge the South's demands for negotiations on the Gaesong industrial zone. HK was led higher on strong performance in financials, post results (ABC +1.7%, China Life +1.5%) as well BYD (+12.2%) after raising 1H forecasts. Overall turnover was relatively subdued with a number of holidays coming up next week. European markets backing up a bit on some profit taking into the weekend. Volumes quieter this morning and currently tracking 89% of 3-month average. SPA's -4 handles = 1577.40 last.

GDP @ 8:30am, Michigan Confidence @ 9:55am

CVX, FLIR, LYB, NOV, SPG, TYC, WY, GNC, LAZ #'s pre-open

China Industrial profits out tonight

- Amazon much better earnings but sales fell short (heavy spending) (outlook light) (trading -2.5%)

- Baidu Q1 sales & earnings missed as costs skyrocketed but mobile users jumped (trading -8%)
- Expedia revs +24% but lowered organic growth ests due to Hotwire pressures (trading -5%)
- International Game beat both eps & revenues plus guides year adjusted eps higher (trading +2.5%)
- Starbucks higher profit matched ests & raised FY view but revs slightly below (trading -2.5%)
- Verisign added 1.99M domains in Q1 helping eps & revs to beat estimates (trading +3%)
- Wynn Resorts wide Q1 beat as quarter profit surged 44% on Vegas revs outperforming (trading +1%)
- Altera Q1 net up helped by America sales but Q2 revenue view missed estimates (trading -3%)
- KLA-Tencor Q3 profit fell 19% on double digit revenue declines (forecast below ests) (trading -3%)
- Chubb operating eps beat ($2.14 vs $1.74 ests) record earnings on rate increases & better margins
- Coinstar ups guidance on strong Redbox performance – to change name to Outerwall (trading +8%)
- Archer Daniels agrees to make A$12.20/share cash bid for GrainCorp (GNC AU closed +7.92%)
- PPR Q1 revs light, luxury underperforms, Gucci below, org growth misses (trading -7.0%)
- Hermes: head of watch unit sees Chinese watch sales rebounding in second half of the year (trading -1.6%)
- BASF Q1 revs inline, EBIT ex-items better, repeats earnings forecast, sales to rise 2013 (trading +3.1%)
- Telenor Q1revs & EBITDA slight below, net inline, reducing FY revenues guidance (trading -2.4%)
- Alcatel Q1 sales slight ahead, net loss inline, wider op loss, FCF remains challenging (trading -2.1%)
- Technicolor Q1, "robust" revs rose 2.2% driven by licensing, confirms 2013 objectives (trading -1.0%)
- DNB Q1 net income, EPS ahead, write down and loans slight better, good NII outlook (trading +4.6%)
- SGL Carbon Q1 revs beat & EBITDA slight ahead, net loss better, reiterates FY outlook (trading -1.5%)
- BBVA Q1 net inline, bad loans ratio slight worse, core capital improved (trading -1.3%)
- Total Q1 adj op income better, production in line, div unch, upstream slightly weak on op profit (trading -2.0%)
- WPP Q1 revs inline, strong LFL's in Asia, LATAM, Africa, ME, cautious on outlook (trading -0.75%)
- Outotec Q1 sales better, net income and pretax slight below, maintains guidance (trading +1.9%)

- OMV Q1 trading statement positive, production rises on Yemen & Libyan stability (trading -2.1%)

- Pearson Q1 trading update inline, adj EPS ok, sees H1 op profits lower on restructuring (trading unch)

- MAN SE Q1 pretax loss improves, revs & order intake inline, "marked decline" in FY op profit (trading -0.50%)

- Saint Gobain Q1 sales inline, vols drop on European woes/weather effect, challenging mkt (trading -0.40%)

- Ferrovial Q1 broadly inline, revs & EBITDA fall due to lack of +ve one offs, net debt widens (trading +0.25%)

- Honda misses estimates for profit forecasts, raises dividend (#'s came out after the close in Japan)

- Nomura profitt more than triples to the highest level in 7 years (beating estimates) (after the close)

- Samsung posts record earnings (beats estimates) as flagship S4 hits stores (closed -0.54%)

Leading European Sectors: Chemicals +0.51%, Healthcare -0.32%, Real Estate -0.34%
Lagging European Sectors: Basic Res -1.74%, Oil & Gas -1.24%, Insurance -1.2%

BJRI penny better – MCRS profit up view worse – COLM outlook challenging

WOOF $125M buyback – JCP Soros stake – DECK earnings mixed

CRUS eps beat revs off – PMCS missed – SCSC eps beat but view below

CTCT boosts yr forecast – QLIK raises guidance – ECHO lowers forecast

Secondaries (announced/priced): RESI, SPNC, ANAC, NURO, JOE (Fairholme), EAD FP, ZIGGO NA, COFB BB

IPO's: Multi-client Geophysical books close today (MCG NO)

US Key Research:

- Jeff upgrades CMC/RF (buys) & initiates TXMD (buy), ISI downgrades PKI

- Citi downgrades PDH/RJF, KBW upgrades PMT, Baird downgrades ABC

- BB&T upgrades BA (buy) & cuts INGR, JPM cuts CRS/NATI, SunTrust initiates ETN (buy)

➢ FBR downgrades FFIV, Raja downgrades HBHC, RBC upgrades PHM & downgrades USG

➢ Compass Point cuts ESI (sell), Canaccord initiates CWEI (hold), Janney upgrades BEBE (buy)

Europe Key Research:

➢ UBS upgrade PNN LN, downgrade UU/ LN, BofAML downgrade VIV FP

➢ DB downgrade UL FP, upgrade NOEJ GY, DAI GY, SFQ GY, MS upgrade DRX LN, SPM IM

➢ JPM downgrade RI FP, upgrade MAIL LI, HSBC upgrade NXI FP

➢ Barc upgrade SCHP FP, downgrade AMS SJ, LMI LN, AQP AU

➢ Nomura downgrade SSABA SS, Citi upgrade BET LN, VIV FP, add PNN LN to most pref list

➢ GS downgrade NVTK LI, remove ROCKB DC from conv buy list, add ABI BB to conv sell list

➢ SocGen upgrade ULVR LN, GTO FP, downgrade UL FP, CBK upgrade KCO GY, SZG GY

➢ RBS downgrade ENRC LN, MAQ upgrade KPN NA, Natixis downgrade CABK SM, PP FP

➢ Nordea upgrade TLT1V FH, UPM1V FH, KNOW SS, OUT1V FH, NETB SS

➢ ING downgrade FUR NA, BEREN initiate ADS GY (b), PUM GY (h), LIBR downgrade to ICL IT

➢ Nordea upgrade OUT1V FH, Espirito upgrade KPN NA, Swedbank downgrade TGS NO

➢ Peel downgrade BRW LN, SEB upgrade CCORB SS, ENEA SS, NRE1V FH

Reporting Pre-Open: ABBV, AEP, AON, COV, CVX, DHI, FLIR, GT, LYB, NOV, SPG, TYC, VFC, VTR, WY, ACCO, ACO, AHGP, AIMC, ALV, ARLP, B, BKW, BPO, CPF, CX, DLR, DTE, FET, FSRV, GDI, GNC, HMSY, IMGN, ITRI, LAZ, LPNT, MOG.A, MPW, OFC, PFS, SAIA, SCBT, STL, TMP, TRP, VVI, WTF, WLB

Reporting Post-Close: DHIL, WSTC

Economic Data: GDP @ 8:30am, U. of Michigan Confidence @ 9:55am

Conferences: No major conferences

Analyst/Investor Days: N/A

Non-Deal Roadshows: AIXG, LSI, ORCL

Shareholder Meetings: RDC, CS, XL, ACAS, BLIN, GTS, MYE, NE, OXBT, BMI, OII, ABT, ASTC, CNL, GMT, LFUS, OMI, PRSS, WWE, AEM, KSWS, T, CVG, LAD, SMA, TRP, SMA, FLIR, K, GGG, BOH, CPF

Equity/Mixed Shelfs: ZEUS ($200M)

Other Newspaper Articles & Stories

Barron's positive: Exxon (XOM) Barron's

WSJ cautious: AstraZeneca (AZN LN) WSJ

- Merkel speech highlights European divide FT
- Amazon boosts margins even as profit falls FT
- US regulators urge quick Libor replacement FT
- Samsung results highlight mobile reliance FT
- BoJ maintains pace of monetary easing FT
- Latin America leads in fight to run WTO FT
- Google search proves to be new word in stock market prediction FT
- Unemployment in Spain and France climbs to record levels FT
- US economy sees broad growth FT
- The New Deal for Europe: more reform, less austerity FT (Comment)
- Qualcomm: victim of its own success Lex
- Caesars Entertainment: smart money takes a punt Lex

- Amazon: unlimited runway hasn't taken off Lex
- Apple's iBonds: cash-heavy credit Lex
- Still Sputtering, Spain Turns Away From Cuts WSJ
- U.S. Believes Syria Used Gas WSJ
- Senate Passes Bill to Ease Air-Travel Delays WSJ
- Drop in Borrowing Squeezes Banks WSJ
- Europe Is Warming to Depositor Bail-In WSJ (Opinion)
- Let a Billion Consumers Bloom WSJ (Opinion)
- The Presidential Wheel Turns WSJ (Opinion)
- 'Alarm over Big Four conflict of interest on tax laws' The Times
- ENRC to be investigated for fraud and corruption The Times
- Santander predicts the worst is over, at least in Britain The Times
- Venezuelan devaluation wipes smile off Colgate's face The Times
- Black America has slipped off Obama's agenda The Times (Opinion)
- Tax avoidance: HMRC 'too cosy' with accountancy giants Independent
- MPs warn fracking may not bring down gas prices Independent
- James Moore: George Osborne dodges this bullet but trouble looms on the southern horizon Independent (Comment)
- Greed is no longer good, study finds Telegraph
- Bank of Japan maintains pace of aggressive easing Telegraph
- Will Angela Merkel be the Abraham Lincoln of her age? Telegraph
- Liam Fox calls for Tory return to Thatcherism Guardian
- Was your T-shirt made in the Dhaka garment factory? You have no idea Guardian (Comment)
- Surely Obama is not a lame-duck president already? Guardian (Comment)

Key Events Next Week

Monday: Pending Home Sales, Dallas Fed Manufacturing Activity, Personal Income & Spending, China HSBC manufacturing PMI, Earnings (ETN, ROP, ESRX, HIG, JEC, NEM, SBAC, BWLD)

Tuesday: FOMC Meeting, Chicago PMI, S&P/CaseShiller Home Price Index, Sweden ½ day, China NBS manufacturing PMI, Needham Healthcare Conference (NYC), Barcap Retail Conference (NYC), Earnings (ADM, AET, AVP, BEN, BP, HOT, MHP, MPC, LM, PFE, X, AVB, BXP, WU)

Wednesday: May Day (Europe closed except for UK, Ireland, Israel , Denmark), FOMC Rate Decision, ADP Employment Change, April Auto Sales, Construction Spending, Earnings (ADT, CLX, CHK, HCP, CVS, DVN, MA, SEE, TWX, VIAB, CBS, FB, LNC, MET, MUR)

Thursday: ECB rate announcement (25bps cut expected), Challenger Job Cuts, Trade Balance, Nonfarm Productiity & Unit Labor Costs, Euro manufacturing PMI, China NBS non-manufacturing PMI, Earnings (ARG, BEAM, CI, GOLD, IP, K, PCG, AIG, KRFT, TYL, UIL, XL)

Friday: April Employment Report, US non-manufacturing ISM, Factory Orders, Earnings (ADP, DUK, HST, NWL, WPO, REGN, SE)

Key Events on the Horizon

May 7-10 – SALT conference in Las Vegas (link)

May 8 – Ira Sohn Conference NYC (link)

May 9 – BOE rate announcement

May26/27 – Mayoral elections in 720 cities across Italy

July 1 – Mark Carney takes over as BOE Governor

September – German elections

[redacted]