From: [redacted]
Sent: Tue 3/26/2013 9:56:30 AM
Subject: Early Tour 3.26.13

Good Morning … European Markets mixed … ASX -0.80%, NKY -0.60%, KOSPI +0.30%, TWSE UNCH, SHCOMP -1.25%, HSI +0.27%

EUR 1.2862 (+0.08%) JPY 94.17 (unch) AUD 1.0473 (+0.07%) Spain 10yr 4.91% Italy 10yr 4.54% US 10yr 1.93%

Futures: **Dow +23, Nasdaq +8, S&P +3** DXY $82.84 (+2c) Crude $95.21 (+40c) Gold $1598.70 (-$7.80) Copper +0.20%

Asian markets ended mixed in a choppy session with volumes well below average levels. News flow was generally light outside of stock specific earnings releases. South Korea outperformed the region and was supported by pension buying with notable strength in tech and autos . Japan began the day weaker after the JPY traded as low as 93.5 overnight. The Nikkei saw a bit of a rally off the lows late in the day on talk of program buying, but the move was short lived on reports of domestic LO selling into fiscal year end. China underperformed on the back of chatter from Beijing of a PBOC rate hike looming to combat speculative property prices. This was compounded by supply concerns on fears of IPO pipeline. Financials led declines ahead of Ping An's CSRC meeting to discuss its RMB26 billion convertible issue.

Europe mixed as well. Volumes remain light and likely only to get thinner heading into the holiday weekend. Senior ECB official Benoit Coeure reiterates that the Cyprus situation is unique as no other country has the same concentration of problems ("Mr. Dijsselbloem was wrong to say what he said"). All banks in Cyprus will remain closed until Thursday and will be subject to strict capital controls in the short-term. Article in the FT by Guntram Wolff discusses the implications of these capital controls, suggesting that the decision endangers the euro-area and the single market. He notes that the Eurogroup says these restrictions should be "temporary, proportionate, and non-discriminatory" but it is unclear exactly how they will be applied and what "temporary" means (the capital controls in Iceland from 2008 are still in place). Plenty of US economic data due out this morning. SPA's +3 handles = 1550 last.

Durable Goods @ 8:30am, S&P/Case-Shiller Home Price Index @ 9am

Richmond Fed Manufacturing Index / Consumer Confidence / New Home Sales @ 10am

PLCE reports pre-open / SAI #'s post close, Italy bill auction @ 10am

- Ingenico positive on outlook, sees EBITDA margin above 20%, to evaluate acquisitions (trading +0.34%)
- Telefonica place remaining treasury stock, 90.1M shares via ABB, EUR 10.80-11 (trading -3.8%)
- Adidas CEO comments in *Le Figaro* company confident of reaching 2015 goals (trading +1.2%)
- Wolseley (building materials/plumbing) H1 weak France US solid, expect trend to continue (trading -2.3%)
- Bellway (UK homebuilder) H1 revs/pretax better, net income ahead, div +50%, good op margin (trading +1.9%)
- Kingfisher (home improvement) FY pretax/div inline, -ve FX effect, challenging conditions (trading +2.2%)
- Cofinimmo (Belgian real estate) sells 5.8% stake in accelerated book build offering (trading -0.40%)
- Celesio (pharma supplier) FY revs/sales inline, EBITDA better, div +20%, good EBITDA guidance (trading +3.6%)
- Stroer (outdoor advertising) FY revs inline, op EBITDA light, sees halting of +ve trends in Q2 (trading +5.7%)
- Resolution (life insurance) FY ok after one-offs stripped out, div increase inline (trading +1.7%)
- Compass (catering) Q2 trading update, solid margins, organic growth inline (trading -2.2%)
- Kazakhmys (copper) #'s all inline with previous update, impairment slight higher (trading -7.4%)
- Intercontinental Hotels to provide free internet access to all its 71M loyalty program members
- Cypriot business analyst Professor Hari Tsoukas says unemployment could double to ~ 30%
- France March consumer confidence indicator 84.0 versus estimate 86.0 (prior 86.0)
- South Korea's Q4 GDP +0.3% q/q versus +0.4% prior (+1.5% y/y versus +1.5% prior)
- Singapore February industrial production -0.7% m/m vs est -0.3% (-16.6% y/y vs est -7.9%)
- Australian PM Gillard's approval rating slumps to 18-month low after leadership turmoil

Leading European Sectors: Fin Services +0.89%, Retail +0.71%, Insurance +0.59%
Lagging European Sectors: Telco -1.15%, Trav/Les -0.71%, Food/Bev -0.26%

GMAN profit down – INTU reiterates FY rev view – SONC revs light

HA guides down – RAVN boosts dividend – FMCN profit up but misses

Secondaries (announced/priced): COA, CLMT, ABIO, TEF SM, COFB BB

IPO's (filed/priced): HellermannTyton (HTY LN) 108M shares priced @ 195p

IPO's (lock-up expires): Qualys (QLYS), Summit Midstream (SMLP)

US Key Research:

- Barcap upgrades TSU, Opco initiates FIO (perform) & upgrades RFMD
- Raja upgrades BSFT/BTU, Stifel cuts COG/SWN/GMAN/HLS, UBS downgrades MWV
- Longbow downgrades ASH, BMO upgrades LHO, Wedbush initiates LMNX
- Piper cuts GMAN & upgrades EA & cuts AAPL pt

Europe Key Research:

- Barc downgrade TIT IM, TITR IM, upgrade TIM IM, DB downgrade RHM GY
- UBS upgrade BVS LN, RDW LN, add ADN LN to key call list
- MS initiate HOT GY (uw), GS +ve TNTE NA, Citi upgrade MRW LN
- BofAML downgrade TIT IM, downgrade VOS GY, Investec downgrade LOND LN
- HSBC downgrade GXI GY, SZG GY, +ve BN FP, initiate GFI SJ (ow)
- KBC downgrade UCB BB, Akros downgrade IF IM, MIRA initiate HEIA NA (acc)
- SocGen upgrade PC IM, Oriel upgrade SDR LN, Danske downgrade TDC DC
- Natixis upgrade MAN GY, initiate RBI AV (n), EBS AV (b), Nordea downgrade FUM1V FH
- SEB downgrade PEABB SS, JEFF assume SDL LN (b), RBS downgrade KBC LN
- Numis upgrade ADN LN, BWY LN, downgrade ABB LN, CPG LN
- BERE upgrade PAL AV, downgrade TDC DC, LIBR –ve PSON LN, +ve REL LN

Reporting Pre-Open: CIS, NEOG, PATH, PLCE, TRQ

Reporting Post-Close: SAI, ALXA, BONE, DGLY, ENVI, ISNS, LNDC, LUNA, MBLX, MFRM, WLDN

Economic Data: Durable & Cap Goods Orders @ 8:30am, S&P/Case-Shiller Home Price Index @ 9am, Richmond Fed Manufacturing Index / Consumer Confidence / New Home Sales @ 10am

Treasury Auction in 2yr notes @ 1pm ($35B), API crude oil inventories @ 4:30pm

Conferences: No major conferences

Analyst/Investor Days: BGC

Non-Deal Roadshows: AB, AEG, AFSI, ALNY, ALV, ATW, CDE, CHS, CLGX, DE, EIX, DECK, EIX, EPAY, FHN, FL, FURX, GPOR, HAE, ITRI, IVR, PAG, QLYS, SSW, TIVO, TRW, TYL, VCI, VLTR, XPL

Shareholder Meetings: CLC, DPZ, LMNR, MEIP, BAP, GRVY

Equity/Mixed Shelfs: N/A

Other Newspaper Articles & Stories

- Dollar Store Stocks Look Like Bargains Barron's
- Cyprus banks to stay closed for days FT
- Cyprus bailout leaves investors queasy FT
- Schroders agrees to buy Cazenove Capital FT

- Capital controls' patchy record FT
- Capital controls will put the euro at risk FT
- Comeback on the cards for global IPOs Lex
- Brics summit faces challenges over growth FT
- Role of Cyprus in a German Europe FT
- Legal debate over Cyprus capital controls FT
- Dell: bidding war Lex
- Cyprus: crossing the green line Lex
- TNT Express: quick delivery needed Lex
- Egypt is a crisis that can be solved FT
- Bailout strains European ties WSJ
- Dell bidding war emerges WSJ
- Cyprus is like a.....WSJ
- Mortimer Zuckerman: The Great Recession Has Been Followed by the Grand Illusion WSJ Opinion
- Fears European savers in wake of Cyprus bailout The Times
- America leaves BlackBerry's next big thing on the shelf The Times
- Bailed out on one hand, sunk on another The Times
- We're ready to take on toxic RBS debts The Times
- Bundesbank blasts plan for Bank of England regulatory powers Telegraph
- Eurozone's bully boys will come to regret penalising tiny Cyprus Telegraph
- A bitter bail-out Telegraph
- Cold weather makes UK triple-dip recession more likely Guardian
- Cyprus bailout: Europe's love just got even tougher Guardian
- Cyprus: it is clear that bondholders are in the firing line Guardian

Key Events This Week

Wednesday: Norway ½ day, MBA Mortgage Applications, US Pending Home Sales, China Industrial Profits, Eurozone CPI & confidence #'s, Bofa New York Auto Summit (NYC), Earnings (PAYX, RHT, VRNT)

Thursday: Cyprus banks to re-open, Sweden ½ day, Norway & Denmark closed, GDP, Chicago PMI, Kansas City Fed Manufacturing, Earnings (CAN, BBRY, GME, FINL, MOS)

Friday: US & Europe Markets closed (Good Friday) – note that Europe will be closed for Easter Monday as well

Sunday: China Manufacturing PMIs, Clocks in Europe spring ahead 1 hour for daylight savings (London back to EST + 5 hours)

Key Events on the Horizon

April 8 – Obama to publish his budget

April 15 – #NoBudgetNoPay deadline for Congress

May 8 – Ira Sohn Conference NYC

May 19 – US debt ceiling limit

May26/27 – Mayoral elections in 720 cities across Italy

July 1 – Mark Carney takes over as BOE Governor

September – German elections

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