From: [redacted]
Sent: Wed 2/27/2013 11:09:18 AM
Subject: Early Tour 2.27.13

Good Morning … European Markets mixed (DAX -0.11%)… ASX +0.66%, NKY -1.27%, KOSPI +0.20%, TWSE +0.22%, SHCOMP +0.87%, HSI +0.34%

EUR 1.3097 (+0.27%) JPY 91.66 (+0.35%) AUD 1.0186 (-0.43%) NZD 0.8233 (-0.23%) RUB 30.54 (+0.44%)

Spain 10yr 5.34% Italy 10yr 4.87 US 10yr 1.87%

Futures: **Dow +1, Nasdaq -2, S&P -0** DXY $81.68 (-19c) Crude $92.84 (+21c) Gold $1605.50 (-$10.00) Copper -0.29%

Asian markets followed the US higher overnight, with the exception of Japan which saw another day of consolidation ahead of month-end. The yen strengthened below 92 early in the session and the NKY broke 11,400 to close on the lows (11,253.97). PM Abe officially presents his nominations for the new BOJ governor and his deputies tomorrow, with Kuroda expected to be confirmed. In China, it was a choppy session, but the SHCOMP eventually closed up +0.87% - its best gain in 3 weeks. Financials and resource stocks led the way higher on speculation that the government will do more to support the equity market (China National Radio reported that more state-backed funds may be allowed to invest in equities). Feb mfg PMI is due tomorrow night, along with HSBC's final reading. European markets opened higher on a relief rally but have faded off their highs. Italy 5-10yr bond auction resulted in borrowing costs jumping to 4-month high (10yr bond at 4.83% yield up from 4.17% on Jan 30 & 5yr bond at 3.59% vs 2.94% last month). SPA's ~flat = 1492 last

Mortgage Apps @ 7am, Durable Goods @ 8:30am, Pending Home Sales @ 10am

AES, CNP, DLTR, JOY, NRG, TGT, TJX, LINTA #'s pre-open

JCP, LTD, MNST, MYL, PLL, GRPN earnings after close

Apple Shareholder Meeting today, ECB President Draghi to speak in Munich @ 12:30pm

- Priceline bookings growth accelerated profit beat & higher Q2 view on international (trading +4%)
- First Solar "expected revenue" fell 15% last yr & guidance below estimates (trading -10%)
- Avago eps beats but profit flat & Q2 outlook light (cfo Bettinger steps down) (trading inline)
- DreamWorks reports $165M write-down on failed Guardians (to fire 350 employees) (trading -1%)
- TiVo loss wider but better revs (expects no change in Virgin Media relationship after buyout)
- New Jersey officially becomes the biggest state yet to allow regulated online gambling (WSJ)
- Vodafone puts Kabel Deutschland talks on hold as leaks complicate discussions (KD8 GY -3.42%)
- EADS Q4 sales & EBIT better, strong FCF, EPS beats, Airbus solid, reassuring guidance (trading +6.3%)
- ABI Q4 sales/EBITDA inline, EPS light, div ahead, net debt better, positive outlook for 2013 (trading -0.33%)
- Weir Group FY sales/revs light, EBITDA inline, EPS better, oil & gas weak, strong after-market (trading +2%)
- Temenos Q4 good, EBIT slight better, licenses strong, positive outlook, sees improving margins (trading +9.7%)
- Barratt Developments H1 net income better, EPS ahead, margin in line, solid start to H1, nice run (trading -1.7%)
- DE Masters H1 inline, segment sales okay, lowering FY margin guidance on cost and pricing (trading -2%)
- Bouygues FY op profit/revs ahead, EBITDA stabilization in 2013, telcos solid, div/guidance inline (trading +7.3%)
- Holcim Q4 EBITDA light, div/net debt in line, LATAM in line, N America strong, rising cement vols (trading -1.3%)
- Swiss Life FY op profit /net better, strong gains, solvency ratio okay, div inline, improving margins (trading -0.07%)
- ITV FY good, revs inline, seen growth in all areas, announce special div, positive outlook (trading - 2.2%)
- Telefonica Deutschland FY EBITDA ahead, revs light, wireless inline, guidance uninspiring (trading - 0.6%)
- Petrofac FY revs, net & EPS inline, div and backlog okay, confident outlook, maintain guidance (trading -4.1%)
- Salzgitter FY sales and EBT inline with prelims, no surprises, cautious outlook (as usual) (trading - 0.3%)
- UCB FY good, revs & EBIT ahead, EPS better (helped by tax rate), guides towards lower end

(trading +4.6%)

- Jeronimo Martins FY EPS and revs inline, EBITDA slight light, guidance maintained (trading -5.6%)
- Red Electrica FY EBITDA and EBIT inline, net income better on lower tax rate, div unch (trading +1.6%)
- Arcadis Q4 rev inline, net & gross revenues slightly ahead, dividend inline (trading +3.2%)
- Bakeart FY light, EBIT below, cost cutting on track, damp guidance (trading -1.8%)
- UK GDP shrank in Q4 (off 0.3%) as exports & company spending fell (supported by govt spending)
- Germany GfK consumer confidence 5.9 vs est 5.9, import price index +0.1% m/m vs est +0.5%
- France February consumer confidence 86.0 versus estimate 86.0 and prior 86.0 in January
- Portugal: Italy election uncertainty may delay Portugal's return to the bond market (*Economico*)

Leading European Sectors: Telco +0.80%, Oil & Gas +0.30%, Autos/Parts +0.21%
Lagging European Sectors: Basic Res -0.63%, Food/Bev -0.38%, Retail -0.38%

DGI guides revs up – BGFV eps outlook higher – QCOR 25% div inc

LYV revs beat ests – GWRE eps big beat – ZAGG sales view tops

NUVA guidance better – KAI guidance light – MAKO earnings out

Secondaries (announced/priced): PCG, MERU, BRKR, IM NA rights issue, INTU LN

IPO's: esure Group plc (£50 million) thru JPM & DB (pricing in March)

US Key Research:

- Multiple brokers initiates NCLH, CS downgrades VRSN & upgrades MDRX, Jeff downgrades FCFS
- KBW upgrades AZ, JPM downgrades SSP, BB&T downgrades FDX, JPM & GS cut GTI
- Longbow upgrades IP/RKT (buy's), Raja upgrades RSH

Europe Key Research:

- Citi upgrade BPTY LN, PGE PW, remove ENEL IM from focus, resume BVIC (b)
- UBS downgrade SRG IM, TALK LN, upgrade TRN IM, remove SOLB BB from UBS key call
- JPM downgrade GKN LN, GS add SQZ LN to conviction buy, downgrade CNP FP, AOIL SS
- MS assume VER AV (uw), DB upgrade WIE AV, HSBC downgrade SRP LN, PFG SJ
- Espirito downgrade HSV LN, ABN upgrade WES NA, Chev upgrade ABBN VX
- Danske downgrade NOBI SS, RBREW DC, upgrade WDH NA, Equinet downgrade BAS GY
- Natixis downgrade banks sector, upgrade IPN FP, Cantor initiate ITX SM (h), HMB SS (s)
- Numis upgrade BARC LN, Bere upgrade RWA LN, Swedbank downgrade GN DC
- Investec upgrade THT LN, Nordea upgrade LSG NO, Inter downgrade FNC IM

Reporting Pre-Open: AES, CNP, DLTR, JOY, NRG, TGT, TJX, LINTA, AFAM, AH, AMAP, ARCC, BWEN, CBB, CETV, CLRO, CRI, CYD, DIN, EDGW, FDML, FIG, GKNT, GLOG, HII, HTWR, ICA, INXN, ITT, LAMR, LTXC, MVIS, OGE, PACT, PDCE, SRT, STWD, SUSS, SWC, VPHM, XIN

Reporting Post-Close: JCP, LTD, MNST, MYL, PLL, ADC, AFCE, AGO, AHT, AMSF, AMSWA, ANIK, ANW, ARI, ATSG, BEE, BOOM, BSFT, BWC, CBEY, CBI, CDXS, CECO, CFI, CHDN, CLR, CSGP, CWT, DAR, DEL, DPM, DVR, DXPE, EIG, ELGX, EPAM, EVC, EXAM, EXE, EXL, FARO, GEF, GMED, GRPN, HNSN, ICFI, IILG, IOC, ISIG, ITC, KRA, LEDR, LTD, MBI, MCHX, MMLP, MTSN, MWE, NED, PANL, PODD, RGR, RJET, RLJ, RM SBRA, SRC, STAA, STNR, TSPT, UAN, UIHC, VALE, VCRA, VSEC, WEBM, WES, WLL, XPO

Economic Data: MBA Mortgage Applications @ 7am, Durable Goods Orders @ 8:30am, Pending Home Sales @ 10am

DOE crude oil inventories @ 10:30am, Treasury Auction of 7-yr Notes @ 1pm ($29B)

Fed Speakers: Fisher @ 4:30pm (NYC)

Conferences: Citi Healthcare (NYC), JPM High Yield & Leveraged Finance (Miami), MS TMT (SF)

Conferences: Baird Business Solutions (NYC), Wells Real Estate Securities (NYC), Bofa Global Agriculture (Miami)

Conferences: KBW Boston Banks (Boston), Key Consumer (NYC), RBC Healthcare (NYC)

Analyst/Investor Days: CR, EAT, CSTR

Non-Deal Roadshows: AFFX, ALK, ALTR, AOS, CSRE, DOV, EFC, EMKR, ESV, FEIC, GGG, GHM, IO, KMT, PEP, RPRX, SNPS, SQNM, WWD, BAX

Shareholder Meetings: ADAT, HI, DE

Equity/Mixed Shelfs: N/A

Other Newspaper Articles & Stories

- Market Signal: More Downside Likely Barron's
- taly seeks way out of political chaos FT
- Fears ECB bond scheme has its weakness FT
- The sad record of fiscal austerity FT
- Rome deadlock exposes Europe's debt delusion FT
- South African economy stays sluggish FT
- Italy rejected a lot more than austerity FT
- LBOs and bonds: animal antidote Lex
- Risk-weighted assets: faith and clarity Lex
- Vivendi: unrewarded patience Lex
- Italy: joke backfires Lex

- Italy is in need of political reform FT
- Regulators hope for Libor pact WSJ
- Denmark to cut corporation tax WSJ
- Bernanke Affirms Bond Buying WSJ
- Two Sides to the Coin for J.C. Penney Shares WSJ
- A Guide to New Euro Crisis WSJ Heard on the Street
- New Attack on TV 'Bundles' WSJ
- Europe urges Italy to continue reform WSJ
- Internet Gambling Scores Its Biggest Win WSJ
- Dimon Pledges to Change JPMorgan's Practices on Payday Loans NYT
- Post-Fukushima, Arguments for Nuclear Safety Bog Down NYT
- Co-op Bank rejects fears over Lloyds deal The Times
- Bank of England mulls negative interest rates Telegraph
- ECB bond plan in jeopardy over Italy Telegraph
- Music's health is good news for other industries Telegraph
- Olli Rehn backs George Osborne's austerity drive Telegraph
- New eurozone's rollercoaster as Italy tires of austerity Telegraph
- Italy halts austerity plan leaving EU in turmoil Guardian
- Jamie Dimon tells investors: 'the company will be fine' Guardian
- Founder closes the door on taking Redrow private Independent

Key Events This Week

Thursday: GDP, China PMIs (both NBS & HSBC), Chicago PMI, Kansas City Fed, Eurozone CPI, Earnings (BBY, CVC, KSS, SHLD, CRM, GPS, TEG)

Friday: Automatic spending cuts of sequestration set to begin ($1.2 trillion over 10 years, 50% from defense), Personal Income & Spending, U. of Michigan Confidence, US Manufacturing PMI, Bernanke speech ("Low Long-Term Interest Rates") @ 10pm, Earnings (POM, XLS)

Key Events on the Horizon

March 7 – Fed to release stress test results for big banks

March 14 – Fed to release decisions on proposed capital plans of banks, Samsung launch event in NYC (Galaxy S4)

March 19 – BOJ governor Masaaki Shirakawa stepping down (successor likely to be named by end of Feb)

April 15 – #NoBudgetNoPay deadline for Congress

May 19 – US debt ceiling limit

July 1 – Mark Carney takes over as BOE Governor

September – German elections

[redacted]