From: [redacted]
Sent: Wed 1/30/2013 11:00:43 AM
Subject: Early Tour 1.30.13

Good Morning … European Markets off 0-20 bps (Italy -1.93%)… ASX +0.16%, NKY +2.28%, KOSPI +0.43%, TWSE +0.40%, SHCOMP +1.00%, HSI +0.71%

EUR 1.3544 (+0.39%) JPY 91.30 (-0.63%) EUR/JPY 123.65 (+1.00%) AUD 1.0436 (-0.37%) NZD 0.8337 (-0.68%)

Italy 10yr 4.22% Spain 10yr 5.18% US 10yr 2.02% Copper +1.12% Silver +0.85% Nat Gas +1.04%

Futures: **Dow +4, Nasdaq +2, S&P +0** DXY $79.48 (-14c) Crude $97.86 (+27c) Gold $1667.40 (+$4.70)

Asian markets were all higher overnight. Australia's ASX200 posted its 10th gain in a row, which is its longest winning streak since Oct 2003. NKY225 closed above 11k for the first time since Apr 2012 – comments over lunch from potential BoJ governor Iwata that the BoJ "should double assets to achieve 2% inflation" set up the afternoon move. JPY failed to break through 91 during the session but has since weakened > 91.30 vs USD. SHCOMP also extended recent gains, led by brokers, banks and property stocks (closing at an 8-month high on good volume).

European markets refusing to pull back once again. Sources close to ECB say Spanish banks repaid €44B in LTRO1 (out of €137B) according to *El Pais* newspaper. EUR strengthens to 1.35 level for the first time since Dec 2011. Reminder Spanish short-selling ban set to expire tomorrow on the close. Big Macro day in the US with ADP Employment & GDP this morning followed by FOMC later this afternoon. RIM Blackberry 10 launch today as well. SPA's ~ flat = 1505.60 last.

Mortgage Apps @ 7am, ADP Employment @ 8:15am

GDP / Personal Consumption @ 8:30, FOMC Rate Decision @ 2:15pm

BA, HCBK, HES, LLL, MPC, MWV, NOC earnings pre-open

AVB, CTXS, EA, FB, JDSU, LVS, MUR, OI, QCOM #'s post close

- Amazon eps missed & rev outlook light but op margin improved & FCF growth (trading +8%)
- Chesapeake CEO Aubrey McClendon to retire on April 1 (philosophical differences with board)
- Kinder Morgan Energy Partners (KMP) to acquire Copano (CPNO) for ~ $5B including debt
- Thermo Fisher to explore bid for Life Technologies (KKR, Blackstone, Bain, TPG also interested)
- Ace Q4 operating eps beat ests but 2013 operating eps view light ($6.60-$7 vs $7.89 ests)
- Broadcom revenues & eps top estimates but Q1 rev view light (boosts div by 10%) (trading -1.1%)
- Websense guides FY adjusted eps much lower (78c-93c vs $1.54 ests) (trading -5%)
- Ryland Group Q4 closings up 59% & new orders +64% beating estimates (trading +5%)
- Michael Dell seeking majority control in buyout combining 15.7% stake with ~$1B personal funds
- MetLife in talks to buy Chile's largest private pension fund manager AFP Provida S.A from BBVA
- John Kerry easily wins Senate confirmation to become next Secretary of State in 94-3 vote
- Saipem profit warns, cut 2012 net income 10%, reduce EBIT by 50%, net income by 60% (trading -35.5%)
- Phoenix announce debt prepayment & re-terming of Impala debt, placing 50M shs @ £5 (trading +11.35%)
- Luxottica solid Q4, sales inline, +ve FX tailwind, cautious on the near term, sees robust US (trading+4%)
- Roche Holding FY inline, core EBIT better, sees dividend increase in 2013, cautious outlook (trading -1.6%)
- Unicredit sells 9.1% stake in Pekao (23.2M shs), remains majority holder with 50% + 1 (trading -0.13%)
- Scania mixed Q4, orders ahead, Brazil beats, US/Europe steady, cuts div & production by 15% (trading -2%)
- Nordea Bank good Q4 driven by comm, loan loses, NII In line, div better, costs cutting ahead (trading +2.3%)
- Swedbank Q4 beats across the board driven by NII treasury gains, boosting dividend (trading 7.7%)
- H&M Q4 light, January sales weak, gross margin & dividend inline, EPS slight ahead (trading -2.8%)
- United Utilities IMS in line, leakage targets met, net debt in line, maintaining guidance (trading +0.8%)
- Antofagasta solid Q4 production #'s, 2013 guidance weak with higher costs (trading-5%)

- ThyssenKrupp, Arcleor and Nippon to jointly bid $1.5bn for Thyssen's US plant (trading +1.2%)
- Spanish prelim GDP worse than expected in Q4 (-0.7% q/q vs est -0.6%) (-1.8% y/y vs est -1.7%)
- Nintendo raises FY net forecasts on new JPY assumptions but cuts FY sales forecasts for Wii U
- Hengdeli Holdings trades lower on cautious report in local language *Next Magazine* (closed -7.4%)

Leading European Sectors: Insurance +0.14%, Media +0.11%, Telco +0.06%
Lagging European Sectors: Oil & Gas -1.41%, Chemicals -0.73%, Basic Res -0.60%

SPB declares 25c dividend – PLT earnings better – QNST sees revs lower

DLB beat ests – SLGN penny light – HLIT $75M buyback boost

AZPN boosts forecast – GM powertrain media event – PRXL boosts outlook

RHI mixed earnings – CODE eps missed ests – UIS revs beat

Secondaries (announced/priced): KERX, PNY, NLNK

IPO's: N/A

US Key Research:

- Bernstein downgrades YUM, Citi downgrades AMG, DB downgrades HA, CLSA cuts AMZN/F
- GS downgrades HOG & initiates BWLD (neut), Janney initiates ALGN (buy) & downgrades GGG
- Mizuho initiates ACRX (buy), Opco downgrades OPEN, Telsey initiates DSW w/ $78 pt
- Raja downgrades BBCN/JBLU, Stifel upgrades CHK (buy), Evercore initates LBTYA (ow)
- Wells downgrades PLD, JPM downgrades USB, GS upgrades WDR, MS downgrades PKX

Europe Key Research:

- Cit European Chemicals: (JMAT LN replace SYNNV most pref. NYZMB DC, LXS replace AKZA NA, GIVN VX least pref)

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- Citi upgrade DUFN SW, EDP LN, MS resume BP/ LN (uw), upgrade IMG LN, downgrade SPM IM
- DB downgrade SPM IM, GS Euro Advertising: (remain conv buy HAV FP, +ve WPP LN and PUB FP)
- BofAML downgrade SPM IM, ANTO LN, HSBC downgrade SOW GY, HOLN VX, MT NA, WIE AV, SGO FP, CRH ID
- Nomura downgrade SAZ GY, upgrade SSBA SS, JPM downgrade AMAG AV, initiate LMP LN (ow)
- Hand upgrade NES1V FH, Natixis downgrade SPM IM, MAQ downgrade SPM IM, Medio downgrade SPM IM
- SocGen downgrade SCHP FP, GLO FP, Kepler downgrade JEN GR, CFG SM, SPM IM
- JEFF upgrade WPP LN, Exane downgrade UBSN VX, SAND SS, TALV LN, Danske upgrade AURIB DC
- KBC downgrade GLPG BB, Intermonti downgrade SPM IM, Akros downgrade SPM IM
- Nordea downgrade FOE NO, KLED SS, ABN downgrade CSM NA, upgrade TEC FP

Reporting Pre-Open: ABBV, ADT, AVY, BA, HCBK, HES, LLL, MPC, MWV, NOC, PSX, ROK, SO, WEC, ABFS, BAH, BOH, CEVA, CFR, CVLT, DHX, DSPG, EVR, FCF, FHCO, HAE, HNT, MAN, MGAM, MKTX, MTOR, NYCB, OIIM, PJC, SAIA, SEIC, SLAB, SMED, SPILL, STBZ, TCB, UTL, VLY, WRLD

Reporting Post-Close: AMP, AVB, COP, CTXS, EA, FB, JDSU, MUR, OI, QCOM, AFOP, ALGN, ALGT, AMCC, AOSL, ATW, AVNW, BRKL, BVSN, CACI, CBT, CCK, CDNS, CLB, CMO, CNQR, COHU, CSII, CVTI, DOX, DRE, EDMC, ELY, EVER, EXPO, EXTR, FICO, FIO, FTNT, GFF, HFWA, HWKN, ISIL, ISSI, JBSS, KEX, KNX, KRC, LVS, MEOH, MKSI, MRLN, MX, NOW, NXPI, QTM, RCKB, REG, SGI, SHOR, SLG, SRDX, STM, SWKS, TFSL, TGI, TSCO, TTEK, USLM, VHS, VRTU, WASH

Economic Data: MBA Mortgage Applications @ 7am, ADP Employment Change @ 8:15am, GDP / Personal Consumption @ 8:30, FOMC Rate Decision @ 2:15pm

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

Conferences: No major conferences.

Analyst/Investor Days: VELT, KMI

Non-Deal Roadshows: AHT, CSGP, DLA, EAT, EFC, FDS, GFI, IMAX, MLHR, MTDR, THLD, VAR, VPHM

Shareholder Meetings: EAGL, MWA, SBH, GIB, HTHC, MGAM, SCHN, YDNT, V, LVB, XCO

Equity/Mixed Shelfs: N/A

Other Newspaper Articles & Stories

WSJ cautious: Amazon (AMZN) WSJ

- Brussels softens line on bank ringfences FT
- Wider euro 'Tobin tax' will net €35bn FT
- India sees end to Vodafone tax dispute FT
- China anger at EU telecoms demands FT
- RBS to wind down M&A as sale called off FT
- YouTube to switch on paid-for video FT
- Central bank hot air pumps up bond bubble FT
- A perilous journey to full recovery FT
- The great return FT
- 3i in the crosshairs Lex
- Anglo joins the miner writedowns FT
- China's banks are too big to manage FT
- Europe's car woes damp year's outlook WSJ
- ECB's fall in Assets risks rise in Euro WSJ
- Bank of Italy goes on the defensive WSJ
- Samsung extends its reach to Health Care WSJ

- The State Tax Reformers WSJ Opinion
- Analysts See the Good in Amazon's Poor Results NYT
- Tesco stops the rot at the top of the grocers' big table The Times
- EU exit threatens 'standard of living' Telegraph
- Spain's crisis strategy under fire as economy buckles again Telegraph
- Spanish austerity rethink looms Guardian
- Turnaround specialist buying shares in 3i Guardian
- QE a 'monumental mistake', pensions experts say Guardian
- Japan's coming debt crisis as an ageing population eyes retirement Independent
- 3i mans the barricades once more Independent

Key Events This Week

Thursday: Spain short-selling ban set to expire after the close, Workers at Public Power Corporation in Greece to strike, Chicago PMI, Personal Income & Spending, Challenger Job Cuts, China PMI (10pm), Earnings (AET, AN, BMS, CL, HSY, MA, OXY, UPS, WHR)

Friday: January Employment Report, Construction Spending, Michigan Confidence, Auto Sales, ISM Manufacturing, Eurozone PMI, Earnings (BEAM, CVX, LM, IR, LYB, TSN, XOM)

Key Events on the Horizon

February 10 – Chinese New Year

February 19/20/21/22 – CAGNY Conference in Boca Raton (Consumer Staples)

February 24/25 – Italian elections

February 27 – First repayment for LTRO 2

March 1 – Automatic spending cuts of sequestration set to begin ($1.2 trillion, 50% from defense)

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

March 14 – Fed to release decisions on proposed capital plans of banks

April 15 – #NoBudgetNoPay deadline for Congress

May 19 – US debt ceiling limit

September – German elections

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