From: [redacted]>
Subject: Early Tour 2.10.12
Date: Fri, 10 Feb 2012 11:14:43 +0000

Good Morning … European Markets off 30-100 bps (Greece -2.6%) … Nikkei Closed -0.61% (HSI -1.08%, China +0.10%, KOSPI -1.04%)

EUR 1.3253 (-0.25%)   JPY 77.74 (-0.09%)   NZD .8291 (-0.61%)   AUD 1.0688 (-0.91%)
Copper -0.94%   US 10yr 1.983%

Futures: Dow -57, Nasdaq -11, S&P -8   DXY $78.76 (+15c)   Crude $98.61 (-$1.23)   Gold $1721.50 (-$19.70)

No deal for Greece until next Wednesday. Eurozone FinMins withheld approval for the Greek bailout deal last evening and have asked party leaders to identify €325 million of additional cuts to this year's budget, get it thru a Parliament vote on Sunday, and sign a memorandum that will hold them to their commitments. Once this is done, the FinMins will meet again on Wednesday and potentially sign off on the deal although Juncker says there are no guarantees a final decision will be made then. A spokesman for the IIF says he is looking forward to the finalization of the entire package (including PSI which is said to be nearly complete) on Wednesday. Note that EU sources are saying that up to ten EMU governments seemed reluctant to approve the deal, fearing Greece will not honor it and skepticism that it will ultimately make their debt sustainable. Germany's Schaeuble said to tell lawmakers that the Greek plan leaves debt up to 136% of GDP vs the 120% target (note the Bundestag will be voting on the Greece bailout on Feb 27). Meanwhile another 48 hour strike has begun in Athens today.

Trade Balance @ 8:30am, Michigan Confidence @ 9:55am, Treasury Budget @ 2pm
Bernanke speaks on housing @ 12:30pm, China trade data tonight

· China exports -0.5% and imports fell more than expected in January (-15.3% vs est -3.6%)

· China Jan new loans 738.1 billion CNY versus estimates 1 trillion CNY (prior 640.5 billion CNY)

· France & Germany plan for an escrow account for Greece seriously being considered by EC

· Fitch says Portugal faces very serious recession this year (but will not need another bailout)

· Barclays #'s light, cuts bonus pool, pushes out ROE tgt (opened -3.5% but now trading +3.0%)

· Expedia Q4 revenues and EBITDA miss estimates while bookings look inline (trading -5%)

· True Religion Q4 eps/revs fell short & gave disappointing 2012 guidance (trading -22%)

· LinkedIn Q4 sales more than doubled & forecast higher 2012 revenues (trading +9%)

· P&G said to seek termination of Pringles sale to Diamond Foods ($60 million break-up fee)

· Nuance (part of Apple Siri) down 13% after revs/profit lagged (+50% since iPhone 4s launch)

· Activision profit exceeded expectations on "Call of Duty" sales (outlook light) (trading +1%)

- NPD reports January software sales -38% vs -12-22% ests (total video game sales at retail -34%)

- Alibaba plans to take Alibaba.com<http://Alibaba.com> private (most of YHOO's stake would be bought back)

- IEA cuts world oil demand growth forecast for 2012 by 250,000 bpd to 800,000 bpd

- RBA lowered forecasts for growth (+3.5% vs 4%) & inflation this year (allows for rate cuts)

- DBS (SE Asia largest bank) posted q4 profit that beat estimates as loan demand grew

- Michelin beats #'s, sees stable rev in 2012 while confirming 2011-2015 growth (trading -0.60%)

- Alcatel-Lucent Q4 solid beat on FCF due to Genesis sale, high short interest name (trading +16%)

- Total Q4 adjusted net profit in line, dividend flat with capex going up (trading -1.0%)

- Assa Abloy Q4 headlines in line, higher margin expected, 2012 EM growth < 2011 (trading +4.6%)

- SSAB Q4 weak top line, better unadjusted profit, div good, sees 2012 inline w/ 2011 (trading -8.4%)

- Sky Deutschland placement of 70.8M shares at €2.20 yesterday after close (trading +4.0%)

- Phoenix Group Holdings ends talks with CVC Capital regarding possible offer (trading -4.8%)

- De Beers (supplier of 1/3 of world's rough diamonds) sales +27% last year on Asia demand

- UK January factory output prices rose 0.5% versus estimate +0.1% (fastest pace in 9 months)

Leading European Sectors: Tech +1.16%, Trav/Les +0.19%, Food/Bev -0.01%
Lagging European Sectors: Chemicals -1.26%, Insurance -1.25%, Banks -1.04%

MPWR tops eps 4c - BRKS rev forecast beats - LF conservative view
CBB loss widens - PBI profit up, revs miss - XL swings to q4 loss
PROJ record product revs - RBCN lowers rev guidance - MOVE new CTO
LEA raises dividend - NXPI revs slide, loss widens - LGF revs below ests
BV amended S1 - IGT hires new CFO - NETL rev forecast light
STMP turns q4 profit - SWIR upbeat guidance - PBR #'s disappointing
FLO sees 2012 eps below ests - OSG suspends div - AAN rev view light

Notable Options Activity Yesterday:

HD ($45.24 +0.2%) Customer sold 14,500 March 44p and 47c, collecting $1.18 for the strangle. Trader believes stock will remain between $42.82 and $48.18 over the next 5 weeks.

GLW (13.79 +0.3%) Jan2014 $17 calls were bought 23,000x for $1.45.

BG ($62.99 +5.4%) Early in the session with BG trading $62.33 a customer bought 5,200 July 67.5-70 call spreads for $0.30. Trade pays 7 to 1 if BG closes above $70 at July expiration.

Secondaries (announced/priced): WNS, IRWD, EXEL, EVEP, HALO

IPO's (filed/priced): Synacor (SYNC) 6.8M shares priced at $5, GSE Holding (GSE) 7M shares priced at $9

Key Research: Barcap intiates GILD (ow) & IDIX (ew), Stifel initiates TIE (hold), SocGen upgrades CS, BB&T initiates MTW (hold)
Key Research: Citi downgrades AKS and MASI (sell) & initiates COH/RKT (buy's) & JEC (neut), Piper initiates CRIS (ow)
Key Research: DB downgrades ORLY/AMRS/MPEL & upgrades COP, Baird downgrades XCO/SLGN/ORLY/TLEO & upgrades ALXN/SEE
Key Research: GS adds ATVI to Conviction Buy list & resumes SYMC (neut) & upgrades EFX (buy) & cuts NCR, Wells upgrades PROJ
Key Research: JPM downgrades NOBN VX, Moke downgrades CHUX, UBS downgrades ING/KIM, MS initiates BEAV (ew) & CELG (ow)
Key Research: MS initiates BIIB/CELG/GILD (ow's) & AMGN/AVEO (ew's) & ONXX (uw), Raja initiates LPSN (op) & SCOR/RLOC (mp's)
Key Research: KBW downgrades ANCB, CS downgrades JDSU, Bofa downgrades FII/SIAL & reinstates LSI (buy), RBC downgrades O

Reporting Pre-Open: FLIR, LH, NYX, PPL, AB, ACI, ALU FP, ASX, BPL, BPO, CPN, FLO, FP FP, IPGP, LNCE, LNT, LYB, MOC, RLOG, RUTH, SYMX, T CN, THS

Reporting Post-Close: N/A

Economic Data: Trade Balance @ 8:30am, U. of Michigan Confidence @ 9:55am, Treasury Budget Statement @ 2pm

Fed Chairman Bernanke speaks on housing @ 12:30pm (Orlando), Fed's Pianalto speaks @ 12:50pm (Cleveland)

Conferences: CS Financial Services Forum (Miami), BMO Infrastructure & Utilities (Toronto), GS Inaugural Social Media Forum (NYC)

Analyst/Investor Days: MU, AEP

Non-Deal Roadshows: AA, ATI, CYCC, GIS, LNVGY, NOK, NVO, PEP, SABA, SQNM

Shareholder Meetings: N/A

Equity/Mixed Shelfs: N/A

S&P 400 change (after close tbd): CBOE Holdings (CBOE) to replace Temple Inland (TIN)
S&P 600 change (after close Feb-13): Akorn (AKRX) to replace Blue Coat Systems (BCSI)
S&P 600 change (after close Feb-15): ViewPoint Financial (VPFG) to replace SonoSite (SONO)

Other Newspaper Articles & Stories

Barron's positive: Universal Health Services (UHS)
Barron's<online.barrons.com/article/SB50001424052748703518604577213172269820492.html>
WSJ positive: PepsiCo (PEP)
WSJ<http://online.wsj.com/article/SB10001424052970204642604577213450376553904.html>
WSJ cautious: Credit Suisse (CS)
WSJ<http://online.wsj.com/article/SB10001424052970204642604577212772586360222.html>

· Don't Look Now: A Car That Tweets
WSJ<http://online.wsj.com/article/SB10001424052970203824904577213041944082370.html?mod=ITP_marketplace_0>

· Ford to Lose Two Executives
WSJ<http://online.wsj.com/article/SB10001424052970203646004577212854217413354.html>

· Muddy Picture May Clear on Chinese Stocks WSJ Heard on the Street<http://online.wsj.com/article/SB10001424052970203824904577212983084660006.html>

· 'Big' Was Diamond CEO's Style WSJ<http://online.wsj.com/article/SB10001424052970204642604577213513713315158.html>

· FTC Decision On Medco-Express Scripts Deal Isn't Imminent WSJ<http://online.wsj.com/article/SB10001424052970203824904577213703206212994.html>

· Gov. Sean Parnell: What's the Hold-Up on Alaskan Oil? WSJ Opinion<http://online.wsj.com/article/SB10001424052970204136404577211622066731382.html?mod=ITP_opinion_0>

· Federal Regulators Approve Two Nuclear Reactors in Georgia NYT<http://www.nytimes.com/2012/02/10/business/energy-environment/2-new-reactors-approved-in-georgia.html>

· Add Retailers to the List of Those Who Never Saw Lin Coming NYT<http://www.nytimes.com/2012/02/10/nyregion/jeremy-lins-emergence-ignites-scramble-to-retail-his-jersey.html>

· Paul Krugman: Money and Morals NYT Op-Ed<http://www.nytimes.com/2012/02/10/opinion/krugman-money-and-morals.html>

· Gannett offers buyouts to 665 NY Post<http://www.nypost.com/p/news/business/gannett_offers_buyouts_to_5iQwNlAiJUUxNGtq9rtgNJ>

· Average movie-ticket price edges up to a record $7.93 for 2011 LA Times<http://latimesblogs.latimes.com/entertainmentnewsbuzz/2012/02/average-movie-ticket-price-2011.html>

· Chinese ‘frustrated’ by Northern Gateway regulatory delays Globe and Mail<http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/chinese-frustrated-by-northern-gateway-regulatory-delays/article2331921/>

· Telus seeks national standards for wireless contracts Globe and Mail<http://www.theglobeandmail.com/news/technology/mobile-technology/telus-seeks-national-standards-for-wireless-contracts/article2332323/>

· Oxford Instruments climbs on nano hopes Telegraph<http://www.telegraph.co.uk/finance/markets/marketreport/9073009/Oxford-Instruments-climbs-on-nano-hopes.html>

· Greeks approve 'tombstone' austerity deal with troika Telegraph<http://www.telegraph.co.uk/finance/financialcrisis/9073002/Greeks-approve-tombstone-austerity-deal-with-troika.html>

· Xstrata 'needs to sell merger' with Glencore to investors Telegraph<http://www.telegraph.co.uk/finance/newsbysector/industry/mining/9072968/Xstrata-needs-to-sell-merger-with-Glencore-to-investors.html>

· Chinese trade figures raise the alarm for global economy Guardian<http://www.guardian.co.uk/business/2012/feb/10/chinese-trade-figures-alarm-global-economy>

· Bank of England pumps another £50bn into UK economy Guardian<http://www.guardian.co.uk/business/2012/feb/09/bank-of-england-announces-more-quantitative-easing>

· State pays too much to build PFI schools and hospitals, NAO says Telegraph<http://www.telegraph.co.uk/finance/economics/9072574/State-pays-too-much-to-build-PFI-schools-and-hospitals-NAO-says.html>

· Nokia, Motorola and Sony likely to increase handset orders to Taiwan ODMs DigiTimes<http://www.digitimes.com/news/a20120209PD215.html>

Key Events Next Week

Monday: White House to publish F13 budget, Earnings (FIS, MAS, RAX)
Tuesday: Retail Sales, Import Prices, Eurozone Industrial Production, ZEW Survey, Stifel Transportation Conference (Key Biscayne), GS Tech & Internet Conference (SF), Earnings (AVP, BWA, GT, HSP, MMC, OMC, WPI, MET, ZNGA)

Wednesday: Eurozone FinMin meeting (may sign off on Greek bailout), FOMC Meeting Minutes, Empire Manufacturing, Bofa Insurance Conference (NYC), Leerink Swann Global Healthcare Conference (NYC), Earnings (ANF, CMCSA, DE, DPS, DVN, TEVA, A, CBS, CF, CLF, MAR, NTAP, NVDA, VMC, Z)

Thursday: PPI, Housing Starts, Philadelphia Fed Index, KBW Cards/Payments/Financial Tech Symposium (NYC), Earnings (APA, DISCA, DTE, DTV, DUK, PCG, PGN, SJM, TAP, VFC, WM, BIDU, DVA, FTR, JWN)

Friday: Options Expiration, CPI, Leading Indicators, Earnings (CPB, HNZ, VTR)

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