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Good Morning ... European Markets off 2.0%-4.0% (France -4.1%) ... Nikkei Closed -2.3% (Hang Seng -4.2%, China closed for holiday)

EUR 1.3634 (-0.17%)    JPY 77.02 (+0.77%)    AUD 1.0341 (-1.23%)    EUR/CHF 1.2052 (-0.14%)  
Copper -1.74%    10yr 1.90%

Futures: Dow-173, Nasdaq -30 , S&P -19    DXY 77.23 (+0.03%)    Crude \$86.34 (-90c)  
Gold \$1848.20 (-\$11.30)

S&P futures have been under pressure all night on continued concerns over Greece situation. Der Spiegel article out on Saturday noted that German Finance Minister is preparing for a possible Greek default and what the implications would be for the Eurozone (says he is doubtful Greece can be saved from bankruptcy). French banks are trading lower across the board on talk that Moody's may cut credit ratings as soon as next week (SocGen -10.5%, BNP -12.5%, Credit Agricole -9.5%) . EU Bank Index trading -3.95% this morning (now -38% ytd) while the U.S. 10yr yield hit a record low of 1.8770% overnight.

\*\*\*Barclay Global Financial Services Conference (NYC) begins\*\*\*  
\*\*\*Italian parliament to hold final vote on the €45B austerity today\*\*\*  
\*\*\*July Nevada/Las Vegas Strip revenues out this morning\*\*\*

· Germany reportedly reviewing the impact of a Greek default and abandoning the Euro (Der Spiegel<<http://www.spiegel.de/international/europe/0,1518,785482,00.html>>)

· Greek 2yr note yield rises above 60% for first time (Greece CDS 3500 = 29.9 bps wider this morning)

· Greek Cabinet approves property taxes & state wage cuts to help avert default and stay in the Euro

· France's largest banks may have ratings cut by Moody's as soon as next week (trading -10%) (Reuters<<http://www.reuters.com/article/2011/09/10/frenchbanks-idUSL5E7KA0SS20110910>>)

· ECB's Noyer (also Bank of France governor) says French banks have no liquidity or solvency problems

· U.K. Banks to ring-fence consumer units by 2019 (will cost ~ £7B) says ICB in 360 page report (ICB Report<<http://bankingcommission.s3.amazonaws.com/wp-content/uploads/2010/07/ICB-Final-Report.pdf>>)

· Italy sells €11.5 billion of 1-year bills to yield 4.153% versus 2.959% on August 10 (bid-to-cover 1.53)

· U.S. Treasury considering proposal to eliminate some but not all taxes on overseas profits (WSJ<[http://professional.wsj.com/article/SB10001424053111904103404576561020226498738.html?mod=rss\\_whats\\_news\\_us&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed:+wsj/xml/rss/3\\_7011+\(WSJ.com:+What's+News+US\)&utm\\_content=Google+Reader&mg=reno-secaucus-wsj](http://professional.wsj.com/article/SB10001424053111904103404576561020226498738.html?mod=rss_whats_news_us&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+wsj/xml/rss/3_7011+(WSJ.com:+What's+News+US)&utm_content=Google+Reader&mg=reno-secaucus-wsj)>)

· JPM CEO Jamie Dimon wants U.S. to withdraw from Basel group of regulators (rules "anti-American") (FT<<http://www.ft.com/intl/cms/s/0/905aeb88-dc50-11e0-8654-00144feabdc0.html#axz>>)

· Paul Krugman says Euro could collapse within days (ECB needs to cut rates & extend loans) (NYT<<http://www.nytimes.com/2011/09/12/opinion/an-impeccable-disaster.html>>)

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- Citigroup note out last night cuts U.S. banking eps for Q3 by 45% on average (top pick = JPM)
- Technip (TEC FP) (oil services) to buy Global Industries (GLBL) for \$8/share in cash (55% premium)
- Colfax agrees to buy Charter International (CHTR LN) in a deal valued at £1.53 billion (910p per share)
- SocGen to sell €4B of assets by 2013 to help stabilize balance sheet (funding program for 2011 is complete)
- HSBC's Hong Kong CEO Mark McCombe resigns after 24 years & joins Blackrock (5 HK closed -5.5%)
- Spanish home transactions decline most in 2 yrs as austerity measures & unemployment crimp demand
- Wynn Macau wins approval from the Macau government to build a resort on 51 acres in Cotai
- China's trade surplus narrowed for the first time in 6 months as imports +30.2 y/y (above estimates)
- China's new lending rose to 548.5B yuan in August (M2 growth = slowest pace in at least 6 years)
- India industrial output grows at slowest pace since 2009 (output +3.3% versus estimate +6.2%)
- Toyota debt cut by Fitch to A from A+ with stable outlook (prolonged inherent structural weakness)
- Suzuki to ask Volkswagen to sell its Suzuki shares back (ending 20-month alliance with carmaker)
- Foster's board unanimously rejects SABMiller's A\$4.7675/share ex-dividend offer ("inadequate offer")

Leading European Sectors: Food & Beverage -1.46%, Telecom -1.62%, Travel & Leisure -1.69%  
Lagging European Sectors: Insurance -4.12%, Banks -3.95%, Construction -3.75%

BODY cfo departs - H secures extended credit facility - VPHM \$200M credit facility  
TIE 400k share buyback - HPT \$750M credit facility - DTG extends offer to Novl  
MHLD holder files 13D - NKTR positive phase 2 results - CTCM lowers rev growth forecast

#### Notable Options Activity Yesterday:

HYG (high yield corporate bond etf) (85.88 -.9%) opening cust buys 4000 oct 86/83 put spreads up to 1.10 also saw an opening buyer of 1000 oct 82/76 put spreads for .75 although the etf has avg 2.3 million shares traded per day over the last month options do not trade often in any kind of size

SD (6.78 -6.4%) opening cust bought 10k sep 6 puts paying up to .15 with the stock around 6.90 these expire next Friday and nothing is apparent to look for one week protection ~15% lower

XME (metals/mining etf) (55.66 -2.9%) opening cust bought some serious crash protection with 37000 jan 30 puts for .54

FXF (swiss france etf) (111.90 - 1%) smart cust that bought 10k mar 110 puts last Friday before the peg news closed the position locking in 1.67

Secondaries (announced/priced): BGCP

IPO's: Restoration Hardware (1528849) files \$150M IPO through Bofa & GS, Wellesley Bancorp (WEBK) files 2.76M shares through Sandler

Key Research: MS initiates ALGN (uw) & XRAY/TFX (ew) & HRC/SIRO (ow), Baird upgrades IRET  
Key Research: Roth downgrades CYCC/SPPI/CLDX/DNDN/REGN, Canaccord initiates ZLCS (buy)  
Key Research: Auriga upgrades MYGN (buy), Bankhaus upgrades PAH3.GR & downgrades HEI.GR  
Key Research: Citi cuts Bank estimates & downgrades Energy Sector & upgrades Telecom Sector  
Key Research: Citi downgrades AJG/BRO/WSH & reiterates MMC/AON (buys), JPM upgrades CLH  
Key Research: Citi initiates ADS.GR (buy) & upgrades Transports & Household Personal Products, Piper downgrades DGIT  
Key Research: GS adds ORCL to conviction buy list & downgrades IPI (sell) / DAR & upgrades AGU/MOS/SAFM  
Key Research: HSBC upgrades VIP, Jefferies downgrades CALP, Merriman upgrades GCOM (buy)  
Key Research: MM Warburg downgrades PUM.GR & PAH3.GR, SocGen upgrades KGF.LN, Piper initiates IPHI (ow)

Reporting Pre-Open: BRC, NSSC, SSL

Reporting Post-Close: KOOL, PSDV, STRM

Economic Data: Treasury Auction of 3-yr notes @ 1pm

Fed's Fisher speaks on "Rebooting the US Economy" @ 4pm, Fed's Bullard speaks @ 8pm

Conferences: Rodman & Renshaw Healthcare (NYC), Barcap Global Financial Services (NYC), DB Aircraft Finance & Leasing (NYC)

Conferences: Rodman & Renshaw Global Investment (NYC), KeyBanc Basic Materials and Packaging (NYC)

Analyst/Investor Days: CCE, AONE, TLEO

Non-Deal Roadshows: AERL, AMNB, BBT, ENS, ESV, HHS, IPXL, JOSB, LAVA, LGF, LXP, MGM, MKTG, PVH, ST, TSEM, TSON, UNTD, WM, XEL

Shareholder Meetings: ARTX, DPW, PDCO, IDI, TSL

Equity/Mixed Shelves: MAC, QTWW (\$75M)

Other Newspaper Articles & Stories

Barron's cover: Discusses Airline stocks

Barron's<[http://online.barrons.com/article/SB50001424052702304605504576554951607575210.html?mod=BOL\\_twm\\_ls#articleTabs\\_panel\\_article=1](http://online.barrons.com/article/SB50001424052702304605504576554951607575210.html?mod=BOL_twm_ls#articleTabs_panel_article=1)>

Barron's feature: Discusses Pretium Resources' company gold mine tour

Barron's<[http://online.barrons.com/article/SB50001424052702304251404576556972309396458.html?mod=BOL\\_twm\\_fs](http://online.barrons.com/article/SB50001424052702304251404576556972309396458.html?mod=BOL_twm_fs)>

Barron's cautious: Yahoo! Inc (YHOO)

Barron's<[http://online.barrons.com/article/SB50001424052702304715104576558493282462876.html?mod=BOL\\_twm\\_fs](http://online.barrons.com/article/SB50001424052702304715104576558493282462876.html?mod=BOL_twm_fs)>

Barron's positive: Jarden (JAH)

Barron's<[http://online.barrons.com/article/SB50001424052702304605504576554922938665218.html?mod=BOL\\_twm\\_fs](http://online.barrons.com/article/SB50001424052702304605504576554922938665218.html?mod=BOL_twm_fs)>

WSJ cautious: Media Stocks

WSJ<<http://professional.wsj.com/article/SB10001424053111904103404576561030763821752.html?mg=reno-secaucus-wsj>>

. The allure of being in the chips

Barron's<[http://online.barrons.com/article/SB50001424052702304605504576554891788029686.html?mod=BOL\\_twm\\_col](http://online.barrons.com/article/SB50001424052702304605504576554891788029686.html?mod=BOL_twm_col)>

. Keep an eye on Microsoft  
Barron's<[http://online.barrons.com/article/SB50001424052702304605504576554890276367956.html?mod=BOL\\_twm\\_col](http://online.barrons.com/article/SB50001424052702304605504576554890276367956.html?mod=BOL_twm_col)>

. RIM rally may fizzle Barron's<[http://online.barrons.com/article/barrons\\_take.html?mod=BOL\\_hpp\\_tnav\\_analysis](http://online.barrons.com/article/barrons_take.html?mod=BOL_hpp_tnav_analysis)>

. Amazon Seeks Tablet Content  
WSJ<<http://professional.wsj.com/article/SB10001424053111904265504576565231271740362.html?mg=reno-secaucus-wsj>>

. Revamp Is Yahoo Board's Priority  
WSJ<[http://professional.wsj.com/article/SB10001424053111904103404576560962931544804.html?mod=WSJ\\_business\\_whatsNews&mg=reno-secaucus-wsj](http://professional.wsj.com/article/SB10001424053111904103404576560962931544804.html?mod=WSJ_business_whatsNews&mg=reno-secaucus-wsj)>

. Venture Expands Retail Portfolio  
WSJ<<http://professional.wsj.com/article/SB10001424053111904103404576563534249799882.html?mg=reno-secaucus-wsj>>

. BlackBerry Finds Fertile Ground in Asia  
WSJ<[http://professional.wsj.com/article/SB10001424053111904103404576557703316562230.html?mod=ITP\\_marketplace\\_0&mg=reno-secaucus-wsj](http://professional.wsj.com/article/SB10001424053111904103404576557703316562230.html?mod=ITP_marketplace_0&mg=reno-secaucus-wsj)>

. Porsche, Auto-Industry Peers Buck Fears of Downturn  
WSJ<[http://professional.wsj.com/article/SB10001424053111904353504576564404032195860.html?mod=ITP\\_marketplace\\_1&mg=reno-secaucus-wsj](http://professional.wsj.com/article/SB10001424053111904353504576564404032195860.html?mod=ITP_marketplace_1&mg=reno-secaucus-wsj)>

. Bank Chief Has Big Job to Reassure Stockholders  
NYT<<http://www.nytimes.com/2011/09/12/business/bank-chief-has-big-job-to-reassure-investors.html>>

. Campaign Trains Viewers for 'TV Everywhere'  
NYT<<http://www.nytimes.com/2011/09/12/business/media/campaign-trains-viewers-for-tv-everywhere.html>>

. Hacker Rattles Security Circles  
NYT<<http://www.nytimes.com/2011/09/12/technology/hacker-rattles-internet-security-circles.html>>

. An Impeccable Disaster NYT Op-Ed Paul  
Krugman<<http://www.nytimes.com/2011/09/12/opinion/an-impeccable-disaster.html>>

. An olive branch to Obama: I will share the pain FT Opinion Steve  
Schwarzman<<http://www.ft.com/intl/cms/s/0/d5a798f8-dbl0-11e0-bbf4-00144feabdc0.html#axzz1XjNm7ZwT>>

. Yell to ask HSBC to help reshape debt FT<<http://www.ft.com/intl/cms/s/0/383970cc-db02-11e0-bbf4-00144feabdc0.html#axzz1Xh5Re0lc>>

. Verizon Wireless dividend hopes dashed FT<<http://www.ft.com/intl/cms/s/0/1c440fb4-db0f-11e0-bbf4-00144feabdc0.html#axzz1Xh5Re0lc>>

. TransCanada ordered to cut gas flow in Quebec Globe and  
Mail<[http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/transcanada-ordered-to-cut-back-flow-of-natural-gas-in-quebec/article2161643/?utm\\_medium=feed&utm\\_source=feedburner&utm\\_campaign=Feed:%20TheGlobeAndMail-Business%20%28The%20Globe%20and%20Mail%20-%20Business%20News%29](http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/transcanada-ordered-to-cut-back-flow-of-natural-gas-in-quebec/article2161643/?utm_medium=feed&utm_source=feedburner&utm_campaign=Feed:%20TheGlobeAndMail-Business%20%28The%20Globe%20and%20Mail%20-%20Business%20News%29)>

. Bombardier offered fresh hope with £120m CrossCountry deal  
Guardian<<http://www.guardian.co.uk/business/2011/sep/11/bombardier-120m-crosscountry-trains-deal>>

. Wikileaks details U.S. help for Big 3 Detroit  
News<<http://www.detnews.com/article/20110912/AUTO01/109120352/1148/auto01/Wikileaks-details-U.S.-help-for-Big-3>>

· Jones Group Inks Deal With Marchon Women's Wear  
Daily<<http://www.wwd.com/accessories-news/eyewear/jones-group-inks-deal-with-marchon-5141421?src=rss/recentstories/20110912>>

· BA ready to bid for BMI to expand at Heathrow  
Telegraph<<http://www.telegraph.co.uk/finance/newsbysector/transport/8756145/BA-ready-to-bid-for-BMI-to-expand-at-Heathrow.html>>

· Fears for UK economy with business confidence at two-year low  
Telegraph<<http://www.telegraph.co.uk/finance/economics/8756120/Fears-for-UK-economy-with-business-confidence-at-two-year-low.html>>

· HP Makes Enterprise Security Push All things  
Digital<<http://allthingsd.com/20110912/hp-makes-enterprise-security-push/>>

· Groupon Grew Its Revenues 13% In August, Gained 2% Market share  
TechCrunch<[http://techcrunch.com/2011/09/11/report-groupon-grew-its-revenues-13-in-august-gained-2-marketshare/?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed:%20Techcrunch%20%28TechCrunch%29](http://techcrunch.com/2011/09/11/report-groupon-grew-its-revenues-13-in-august-gained-2-marketshare/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:%20Techcrunch%20%28TechCrunch%29)>

#### Key Events This Week

Tuesday: Treasury Budget, NFIB Small Business Index, Import Price Index, MSFT software-developer conference "Build", Aviation & Transport Conference (NYC), GS Financial Tech Conference (NYC), Earnings (BBY)

Wednesday: Troika returns to Greece, Fitch to unveil a new US RMBS model (10am), PPI, Retail Sales, Mortgage Apps, MSFT analyst day, Japan Industrial Production, RBNZ Official Cash Rate, CS Capital Goods /Aerospace & Defense Conference (London), Earnings (PLL)

Thursday: Boehner delivers speech about the economy, CPI, Empire Manufacturing, Philadelphia Fed Index, EU Commission will publish its interim economic forecasts, Earnings (RIMM)

Friday: S&P annual IWF review and quarterly share rebalance for the S&P 500/400/600 indices (after close), Options Expiration, Eurogroup meeting (euro zone finance ministers, central bank and EU commissioner) in Poland, TIC Flows, Michigan Confidence, CS Chemical and Ag Science Conference (NYC)

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