

From: [REDACTED]
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Good Morning ... European Markets off 0-40 bps (Italy +0.67%, Spain +0.28%)... NKY -1.20%, SHCOMP -0.87%, HSI -0.50%, KOSPI -1.43%, TWSE -0.18%, ASX -0.10%

EUR 1.3704 (-0.23%) JPY 98.28 (+0.23%) EUR/JPY 134.67 (-0.47%) NZD 0.8278 (+0.14%)
AUD 0.9509 (+0.26%)

US 10yr 2.51% Japan 10yr 0.59% Germany 10yr 1.69% Portugal 10yr 6.22% Italy 10yr 4.15%
Spain 10yr 4.02%

Futures: Dow -27, Nasdaq -15, S&P -4 DXY \$79/82 (+4c) Crude \$96.77 (unch) Gold \$1335.80 (-\$13.50) Copper -0.60% Silver -2.69%

APAC indices are lower following overnight weakness as the FOMC statement was more hawkish than expected. South Korea underperformed as the KOSPI posted the biggest fall this month as foreigners finally turned net sellers after a record 44 straight days of buying. Japanese equities also struggled amid the biggest reporting day for earnings and month end. Markets were modestly lower for most of the session before an ECB official commented mid-afternoon that liquidity will be provided after the LTRO expiration, which affected FX markets and sent Nikkei sharply lower. The BOJ left policy unchanged and said it will retain plans for JPY60-70 trillion annual rise in monetary base. China and Hong Kong also fell although mainland developers bucked the trend as President Xi said will speed up public housing construction. Australian September building permits came in strong at +14.4% MoM vs. consensus at +2.8% expected. Most European markets pulling back a bit this morning (Italy & Spain outperforms) with continued better than expected earnings from BNP Paribas, Anheuser-Busch InBev, Alcatel-Lucent etc offsetting yesterday's Fed's comments (odds of US central bank starting to taper stimulus in January rose to 45% from 25%). Continued big movers in after-hours yesterday following #'s, led by Facebook initially jumping 10% following the strong release but pullback (currently +2.5%) after warning of declining use by teenagers. Month End today (S&P mtd +4.86% / ytd +23.64%). SPAs -4.5 handles = 1756 last before Jobless Claims release @ 8:30am.

Jobless Claims @ 8:30am, Sept Chicago PMI @ 9:45am

ABC, AVP, CAH, CI, CLX, DISCA, MA, TWC, XOM #'s pre-open

AIG, AIV, FLR, FSLR, NEM, NU, PSA, RSG, SWN reports after close

- Facebook crushed #'s on mobile ads but young teens leaving (now eligible for S&P 500) (trading +2.5% was +10%)
- Expedia Q3 beat across board (ebitda,eps,revs,bookings) (NAmerica drove upside) (trading +20%)
- JDS Uniphase solid Q1 but forecast revenues below estimates (\$420M-\$440M vs \$457.8M) (trading -8%)
- Kraft profit +7.3% bolstered by cost savings but revs fell due to split from MDLZ (raises y reps view) (trading inline)
- Marriott Q3 revpar & fee revs stronger but share buyback light (Q4 guidance touch light) (trading inline)
- Starbucks eps beat & profit up but forecast trailed estimates as Asia sales gains slowed (boosts div) (trading -2.4%)
- Visa eps meets & payments up but posts 28% drop in Q4 profit (new \$5B buyback plan) (trading -3%)
- Avis Budget eps missed & net fell on prior year tax benefit (inline with expectations) (narrows year view)
- Weight Watchers Q3 profit down & suspends 17.5c dividend, says 'challenging year' ahead (trading -15%)
- Boston Red Sox crushed St Louis last night 6-1 to win World Series at Fenway (Ortiz MVP after hitting .688)
- Royal Dutch Shell Q3 adj profit below, big upstream miss, downstream in line, total production in line (trading -4.6%)
- Alcatel Lucent Q3 revs good, EPS in line, op margins +ve, sees strong Q4, exceeding cost expectations (trading +18%)
- AB Inbev Q3 organic rev growth light, EBITDA better, org beer volume ahead, div better, Mexican synergies (trading +1.5%)
- Total Q3 revs better, EBIT & EPS in line, focused on 2015-17 objectives, weak Euro refining margins (trading -1.2%)
- Bayer Q3 revs slight below, EBITDA in line, EPS ahead, confirms guidance, repeats goals, +ve Cropsciences (trading -0.4%)
- Novo Nordisk Q3 net below, revs in line, op profit okay, Victoza sales light, lowers 2013 guidance on FX (trading -3.6%)
- BNP Q3 net income beats, revs light, underlying mixed, CIB pretax in line, CT1 10.8%, other activities beat (trading +2.9%)
- Glencore Xstrata Q3 copper output increases 23%, zinc +9%, gold +13%, profitability in line (trading -1.1%)

- Ingenico Q3 revs okay, raising 2013 organic rev and EBITDA guidance, big short base (trading +6.7%)
- BG Q3 adj profit beats, production down 10% in the US, Egyptian business remains difficult (trading +1.9%)
- Astrazeneca Q3 revs below, core EPS miss, higher costs, Marc Dunoyer Named CF), reit rev guidance (trading -1.6%)
- BT Q2 revs & EBITDA in line, EPS ahead, reaffirms outlook, good underlying trends, BT Sport +2mn subs (trading -0.7%)
- Telenor Q3 revs in line, EBITDA better, EPS miss, lowers organic rev growth, reaffirms EBITDA margin (trading -3.8%)
- Danske Bank Q3 total income, net miss, trading big miss, cuts FY net income forecast range (trading +1.5%)
- Technip Q3 revs in line, EBITDA light, EPS miss, increased backlog, lowering guidance (trading -7%)
- Polarcus Q3 revs light, EBITDA in line, EPS shade ahead, mixed outlook (trading -2.8%)
- Jeronimo Martins Q3 revs in line, EBITDA light, EPS shade below, sees double digit sales growth (trading -3.1%)
- Geberit Q3 sales & EBITDA better, sees solid FY results, construction industry remains challenging (trading +4.5%)
- Randstad Q3 EBITA better, growth per working day ahead, CEO leaving after 11 years, guidance okay (trading +2.4%)
- Lufthansa Q3 (headlines last week), yields in line, cost savings ahead, solid cash, FY profit at low end (trading -1.9%)
- Hugo Boss Q3 revs below, adj EBITDA & EPS light, more favourable mix, retail comp sales okay (trading +0.8%)
- GEA Q3 revs in line, op EBIT better, net income miss, orders solid, repeats 2013 forecasts (trading +0.4%)
- Rexel Q3 sales in line, Europe weak, Latam strong, maintain FY organic sales target (trading +2.9%)
- Nokian Renkaat Q3 net sales light, net income in line, pretax below, maintains 2013 guidance (trading +5.4%)
- Croda Q3 weak, PBT & margins below, sees Q4 profit flat, currency weakness, subdued market (trading -7.7%)
- Wacker Chemie Q3 sales & EBITDA miss, retained payments miss, repeats sales & earnings forecasts (trading -4.8%)

- Lonza Q3 business update, reiterates 2013 core EBIT growth, performance remains on track (trading +1.1%)
- Acerinox Q3 revs & EBITDA light, EBIT better, net income ahead, cautiously optimistic outlook (trading -0.2%)
- Air France Q3 revs & op earnings in line, sees 2014 EBITDA at bottom of range, H2 improvement (trading -1.2%)
- Straumann Q3 revs in line, sees continues European weakness, upbeat for N America (trading +3.1%)

Leading European Sectors: Autos/Parts +1.23%, Banks +0.81%, Tech +0.68%
Lagging European Sectors: Chemicals -0.67%, Oil & Gas -0.66%, Healthcare -0.41%

ALL profit slides – CSC eps beat – LNC \$4B reinsurance deal with Wells Fargo

OI inline Q3 – EQR ffo meets – MET eps trailed estimates

ATML boosts buyback – CAVM gm expansion – DRIV loss narrower, guide down

ELX Q2 outlook topped – ISIL eps beat – MCHP revs stronger

MERU revs missed – ROVI big eps miss – SHOR #'s better

SWKS rev outlook solid – MLNX ceo/cfo 10b5-1 stock plan – SPRT new cfo/coo

ISIL sees eps above – ITMN boosts low end – UNTD revs better

SGI suspends guidance – PPC wider margins – JIVE #'s topped

RATE eps missed – ARRS eps beat – PRAA revs ahead of ests

SPWR Q4 view midpt trailed – QUIK solid – PFPT raises yr rev view

Secondaries (announced/priced): ICLD, EGAS, WDC, DSCO, YELP

IPO's (filed/priced): Marcus & Millichap (MMI) 6M shares priced at \$12, Essent Group (ESNT) priced 19.7m shrs at \$17

IPO's (lock-up expires): Tableau Software (DATA)

US Key Research:

- Brean upgrades ITRI, BTIG initiates ESNT (buy), ISI downgrades MDAS
- Jefferies downgrades SEE, RBC downgrades PRTA, Canaccord cuts FLR
- Bofa downgrades UMC, Piper initiates WNC (ow), Opco initiates FEYE (perform)
- Evercore reinstates CPWR (ow), Raja cuts SAIA/CVD, BMO downgrades FB
- CS upgrades HES, UBS downgrades MX, Mizuho upgrades MCHP, Barcap cuts NICE
- Dougherty downgrades SODA, Wells downgrades SO, Bofa downgrades UMC
- Piper initiates WNC, Compass Point upgrades HTS (buy), Citi cuts SEE/MBT
- FBR initiates OMCL/CERN (op) & CPSI/MDRX/ATHN/VCRA (mp) QSII (up)

Europe Key Research:

- UBS initiate ACA FP (b), DBK reinstate FNC IM (s), Oddo upgrade MAP SM
- Berenberg upgrade GFTU LN, TPK LN, downgrade RIA FP, SEB downgrade STL NO, upgrade POH1S FH
- SocGen downgrade IBE SM, upgrade CLN VX, GS downgrade LOND LN
- Maq remove ENI IM from conv buy, JEFF downgrade OR FP, upgrade HNE3 GY
- Norea downgrade STL NO, Lampe upgrade BAS GY, downgrade FRA GY
- Natixis upgrade SAN FP, ENI IM, Akros downgrade F IM, upgrade IND IM
- CBK downgrade SIE GY, KepChev downgrade DB1 GY, VOE AV

Reporting Pre-Open: ABC, AVP, BEAM, CAH, CI, CLX, COP, DISCA, EL, HAR, IRM, IVZ, MA, MPC, MYL, NI, PNW, PPL, PRGO, PWR, SCG, TDC, TE, TWC, XOM, AAP, ALKS, ANR, AYR, BGCP, BLC, BWEN, BWINB, BYD, CIR, CNHI, COR, CPLP, CRR, DGI, DRII, DSPG, EPD, EPL, EVER, FCH, FIG, FLML, GCAP, GENT, GPX, GTI, GTLS, HBIO, HHS, HSH, HSON, I, ICGE, IDCC, IFMI, INCY, INOD, IQNT, IRDM, ITC, ITG, ITT, IVZ, JRN, KEM, KOPN, LANC, LECO, LIOX, LIQD, LKQ, LMOS, LOJN, MD, MDCI, MEG, MGM, MMP, MMYT, MOD, MPLX, MSCI, NIHD, NKA, NMM, NYT, OCN, ORBK, ORN, OSK, PBF, PCRX, PDCE, PRLB, Q, RAS, REIS, RFP, RNO, ROCK, ROIC, SFY, SHOO, SIR, SMA, SMP, SRI, STFC, STRA, THRM, TUC, TYPE, ULBI, VIOL, VPHM, WNR, WST, WWE, ZEUS,

O, SNAK

Reporting Post-Close: AIG, AIV, FLR, FSLR, NEM, NU, PSA, RSG, SWN, ADNC, AMRS, AMSF, ANH, ARRY, ARSD, AVD, BAGL, BBG, BODY, CALD, CEC, CHEF, CLVS, CODE, CPSI, CPT, CTRL, CVCO, CDT, DGII, DRC, EDE, ELLI, EPAY, ERIE, ESIO, ETRM, FFG, FLR, FNHC, FRT, GDOT, GSIT, HME, HTCH, HTSI, IMMR, KMPR, KOG, KRG, LRE, LTRX, MERC, MHK, MRC, MTX, MTZ, NATI, NILE, OEH, OMCL, ONNN, OPLK, PDM, RCKY, REG, SEM, SPF, SSNC, TLAB, TRMB, UPIP, WRI

Economic Data: RBC Consumer Outlook Index @ 7:30am, Jobless Claims @ 8:30am, ISM Milwaukee @ 9am, Chicago PMI / Bloomberg Consumer Comfort @ 9:45am

EIA natural gas storage @ 10:30am

Conferences: No major conferences

Analyst/Investor Days: TQNT, EW, NMM

Non-Deal Roadshows: ASC, BABY, CTXS, CVLT, GSVG, LPTN, REX, SLH, SNN, TSI, USG, XOOM

Shareholder Meetings: CMRE, DRYG, ORIG, PIKE, WBMD, CEMI, ORCL, TECH

Equity/Mixed Shelves: CELG, FUBC (\$150M), MHO (\$400M), AVGO, TTMI (\$250M)

Other Newspaper Articles & Stories

WSJ cautious: Facebook (FB) [WSJ](#), Barclays (BARC LN) [WSJ](#)

- Red Sox cap season with World Series title [Boston Globe](#)
- Google 'outraged' by latest surveillance claims [FT](#)

- Qatar fund quietly builds \$1bn Bank of America stake [FT](#)
- Queen adds royal consent to press regulation charter [FT](#)
- Olympics and Abenomics boost Japan [FT](#)
- US budget deficit falls below \$700bn [FT](#)
- Fed stays the course on bond buying [FT](#)
- End western deference to Saudi petrodollars [FT](#)
- High profits to keep equity bubble at bay [FT](#)
- Russia and shale can solve Europe's energy problem [FT](#)
- Taiwan growth stalls as exports falter [FT](#)
- Barack Obama: I hear what you say, Angela [FT](#)
- Health check and rates creep leave ECB in a dilemma [FT](#)
- US car sales motor again as demand rescues world's auto industry [FT](#)
- Nintendo: When bad news is good [Lex](#)
- Facebook: mobile ad revolution [Lex](#)
- Barclays: There's a hole in my bucket [Lex](#)
- Teva: a mess, but priced right [Lex](#)
- Export Prowess Lifts Spain From Recession [WSJ](#)
- U.S. Blasts Germany's Economic Policies [WSJ](#)
- BOJ Keeps Bullish Inflation Forecast [WSJ](#)
- Fed Opts to Stay Course, for Now [WSJ](#)
- Eike Batista's Empire Soared, Then Melted Into Bankruptcy [WSJ](#)
- Progressive Government Fails [WSJ](#)
- Banks Seek Bonus Alternatives [WSJ](#)
- Earlier Nasdaq Glitch Cued Talk, No Action [WSJ](#)
- Exxon: A Tiger That Doesn't Change Its Stripes [WSJ](#)
- Facebook Status: Big Gains, but Worries Ahead [WSJ](#)
- High Tech's Secret Weapon: The Whiteboard [WSJ](#)

- Retailers Brace for Reduction in Food Stamps [WSJ](#)
- Canada Approves ConocoPhillips Test Oil Drilling in Arctic North [WSJ](#)
- Looking for a Way Around Keystone XL, Canadian Oil Hits the Rails [NYT](#)
- Bitcoin Pursues the Mainstream [NYT](#)
- C.F.T.C. Approves Tighter Commodity Trading Rules [NYT](#)
- House Votes to Repeal Dodd-Frank Provision [NYT](#)
- A Difficult Peace [The Times](#)
- The Lone Star state is America's rising star [The Times](#)
- Fed keeps US guessing over taper [The Times](#)
- Industry warning over cap on workplace pension fees [Independent](#)
- Consumer confidence slips back, suggesting fragility [Independent](#)
- Nick Goodway: Why does 'sorry' seem to be such a hard word for all these bankers? [Independent](#)
- Three-piece suite falls victim to online revolution, says John Lewis [Telegraph](#)
- Putin beats Obama to top of Forbes list – a sign of how far and fast the US president's star has waned [Telegraph](#)
- Mediobanca hints at Italian euro exit unless Germany shifts on EMU policy [Telegraph](#)
- All Syrian chemical weapons factories destroyed, says watchdog [Guardian](#)
- What poppies, Prince George and the NSA tell us about freedom [Guardian](#)
- The government's plan to regulate the press is deeply flawed [CityAM](#)
- Debate over Big Brother snooping is being stifled as our freedom suffers [CityAM](#)
- We need more competition – not a full frontal assault on the pensions industry [CityAM](#)

Key Events This Week

Friday: Markit US PMI, US Manufacturing ISM Oct, Construction Spending, Global Vehicle Sales, Earnings (CVX, NEE, WPO, BLT)

Saturday: China NBS non-manufacturing PMI

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