

**From:** [REDACTED]  
**Sent:** Mon 10/28/2013 9:53:32 AM  
**Subject:** Early Tour 10.28.13

Good Morning ... European Markets up 0-55 bps (PSI +1.0%, CAC -0.24%, IBEX -0.12%) ... NKY +2.19%, SHCOMP +0.04%, HSI +0.48%, KOSPI +0.68%, TWSE +0.73%, ASX +1.02%

EUR 1.3813 (+0.08%) JPY 97.68 (-0.26%) EUR/JPY 134.91 (+0.33%) NZD 0.8322 (+0.51%)  
AUD 0.9618 (+0.36%)

US 10yr 2.52% Japan 10yr 0.62% Germany 10yr 1.76% Portugal 10yr 6.17% Italy 10yr 4.22%  
Spain 10yr 4.14%

Futures: Dow +44, Nasdaq +12, S&P +4 DXY \$79.19 (-1c) Crude \$97.95 (+10c) Gold \$1352.70  
(+20c) Copper +0.44% Silver +0.14%

Asian markets were mainly higher overnight, following the US on Friday. Japan led the region as the Nikkei made up almost all of Friday's losses as a weaker Yen helped exporters. Volumes were light ahead of an onslaught of earnings due this week which began after the close. In Australia, the ASX200 broke through 5,400 and hit new highs for the year as the banks drove gains ahead of results this week. In China, the SHCOMP managed to close in the green, rebounding off the lows as energy and insurance names drove gains following results. Expectations of a reverse repo tomorrow also helped 2<sup>nd</sup> tier bank names. Earnings releases will continue to pick up this week. European markets opened higher across the board but have faded off the morning highs with the UK now only up small on the day and France & Spain in negative territory. Cash volumes tracking around 85% of 3m average. IHG the worst performer in the FTSE100 after Q3 US RevPar growth comes in below expectations. Autos also underperforming after JPM cut the sector to neutral from overweight. Note that clocks in Europe fell back one hour over the weekend so London is only EST+4 this week until US clocks adjust this Saturday night. AAPL earnings out after the close today. SPA's +4 handles = 1758 last.

\*\*\*Industrial Production @ 9:15am, Pending Home Sales @ 10am, Dallas Fed @ 10:30am\*\*\*

\*\*\*BIIB, EW, L, MRK reporting pre-open / AAPL, STX, HLF, LINE reporting after close\*\*\*

- JPM agrees to pay \$5.1 billion to settle mortgage claims with FHFA over Fannie & Freddie

- Intercontinental Hotels Q3 US RevPar growth +3.5% = touch light (Sep weak at +1.6%) (trading -2.1%)
- Assa Abloy Q3 net income inline, revs & EBIT slight ahead, solid outlook, restructuring program (trading +4.0%)
- Aggreko Q3 IMS, underlying revs & trading margins slightly ahead, maintains profit outlook (trading +2.9%)
- TNT Express Q3 revs inline, EBIT better, net income drops, economy remains uncertain (trading +3.9%)
- DIA Q3 net income beats, EBITDA ahead, on track to meet 2012-15 EPS growth targets (trading +2.2%)
- Ferrovial: *Expansion* reports company will bid for Brazilian airports: Rio & Belo Horizonte (trading +0.25%)
- Banco Espirito Q3 asset quality & profitability better, funding worse, bottom line concerns (trading +5.3%)
- Galp Q3 net misses due to tax rate & charges, inline with preannouncement, Q4 on track (trading -1.4%)
- Bankia Q3 revs down year on year, NII below, net income better y/y bad loan ratio weakens (trading -1.4%)
- G4S rejects non-binding offer of £1.55B for cash solutions business from Charterhouse (trading +0.85%)
- Fidessa IMS inline, H2 to be similar to H1, continued attrition and pricing pressure (trading +1.3%)
- SAP: *Sonntag* reports CFO Brandt is not interested in buying Blackberry assets (trading +0.90%)
- K+S: *Reuters* reports company mulling annual cost cuts in the hundreds of millions of euros (trading +0.60%)
- RBS: Osbourne may favor internal bad bank rather than full split or legal structure change (trading +1.4%)
- Axel Springer to open US retail shopping application, broker downgrade (trading -0.11%)
- EADS CEO tells *Sueddeutsche* company plans further significant cuts (Defense Unit) (trading +0.42%)
- Mediobanca Q1 net income better, revs inline, CT1 ratio 11.5% (flat), PBT improvement (trading +2.8%)
- Italy October business confidence 97.3 versus estimate 96.0 (previous 96.6 was revised to 96.8)

**Leading European Sectors:** Telco +0.60%, Healthcare +0.55%, Tech +0.46%  
**Lagging European Sectors:** Autos/Parts -1.03%, Trav/Les -0.19%, Oil & Gas -0.15%

CKH earnings better – SOHU loss on div payment – CYOU revs +10% y/y

**Secondaries (announced/priced):** ALRS RX

**IPO's:** Numericable IPO price range €20.30-€24.80 (pricing Nov 7)

**US Key Research:**

- DB downgrades LEA, GS upgrades GNRC, RBC initiates PKY (op)
- Wells Fargo downgrades HST, Citi initiates BYI (neut), Piper cuts CROX
- Sterne cuts SCVL, Key cuts OC

**Europe Key Research:**

- CS downgrades VIE FP & GTO NA, DBK downgrades UCG IM
- JPM upgrades IBE SM, Utilities and downgrades Autos, BRE PW, EUR PW
- Numis upgrades PTEC LN & ADM LN, BofAML upgrades AZN LN & SEBA SS
- MS upgrades HNR1 GY, RBC downgrades SMDR LN & PGS NO
- HSBC downgrades FII FP, CGCBV FH, CAP FP and upgrades REC NO
- Lampe downgrades SPR GY, JEFF upgrades SGE LN, Investec d/g LLOY LN,
- KepChev d/g PHIA NA, initiate OSR GY (r) Swedbank u/g KVAER NO, NCCB SS

**Reporting Pre-Open:** BIIB, EW, L, MRK, ROP, AHGP, ARLP, AWI, BOH, BWP, CHFC, CAN, CYOU, DCOM, EDR, HAE, IART, KEX, MCY, ONB, SBCF, SOHU, STNG, TEN, TGE, TRS

**Reporting Post-Close:** AAPL, FMC, MAC, MAS, PCL, STX, ACGL, ADC, ADVS, AGNC, AI, ALSN, AMKR, APAM, ARE, BHLB, CEB, CGI, CGNX, CHE, CMP, CNO, CR, CTS, DATA, DCO, DENN,

ECOL, ECOM, EPIQ, EXR, FDEF, GGP, HLF, HLIT, HLS, HMST, HTLF, ICAD, IDTI, IPHS, IVAC, JBSS, JLL, KAMN, KRC, LINE, MIC, MRH, NCLH, NEU, NTRI, OFG, OII, OLN, PEI, PMCS, PPS, PRE, PRGX, PRK, PSB, PSMI, RBC, RGA, RVBD, TWGP, TWI, TXRH, WPP, WSTC

**Economic Data:** Industrial Production & Capacity Utilization @ 9:15am, Pending Home Sales @ 10am, Dallas Fed Manufacturing Activity @ 10:30am

**Conferences:** No major conferences

**Analyst/Investor Days:** N/A

**Non-Deal Roadshows:** ABMD, CUB, FDX, HBAN, ITMN, KERX, PSDV, SCS, SQNS, STT, TXI, UTX

**Shareholder Meetings:** YOKU, BTX, QNST

**Equity/Mixed Shelves:** GMLP

#### ***Other Newspaper Articles & Stories***

Barron's cover: Explores political gridlock and slowing economic growth could lead to [Barron's](#)

Barron's positive: Kohl's (KSS) [Barron's](#), Walgreen (WAG) [Barron's](#), Furmanite (FRM) [Barron's](#)

- Big Six face challenge over power bills [FT](#)
- Barack Obama mounts big push to bolster FDI in US [FT](#)
- Merkel's phone tapped by US since 2002, leaked documents claim [FT](#)
- George Osborne prepares to relaunch Royal Bank of Scotland [FT](#)
- Christian Noyer urges French government to step up reform [FT](#)
- Fed probes banks' exposure to mortgage vehicles [FT](#)

- Britain needs strong, independent cities to boost growth [FT](#)
- Cristina Fernández suffers Argentine electoral setback [FT](#)
- China nuclear subs 'gallop to depths of ocean' [FT](#)
- Forget China and switch to Zimbabwe, Mexico or Egypt [FT](#)
- White House glitches go beyond Obamacare [FT](#)
- Optimism about an end to the euro crisis is wrong [FT](#)
- Politicians must weigh the cost of tapping allies' phones [FT](#)
- NQ: Counting the cash [Lex](#)
- Japan: when profits are not enough [Lex](#)
- PIPEs: check the plumbing [Lex](#)
- Spanish banks: winter sun [Lex](#)
- Obama Unaware as U.S. Spied on World Leaders: Officials [WSJ](#)
- Sandy's Legacy: Higher Home Prices [WSJ](#)
- U.S. Cities Grapple With Finances [WSJ](#)
- J.P. Morgan's Mortgage Troubles Ran Deep [WSJ](#)
- J.P. Morgan Settlement Puts Government in Tight Spot [WSJ](#)
- China Is Back in Vogue With Investors [WSJ](#)
- Saying Icahn't to Buybacks [WSJ](#) [Heard on the Street](#)
- Silicon Valley: Feel the Froth [WSJ](#)
- Greek Government Bonds Pay Off Big for Fund Managers [WSJ](#)
- Draghi Risks Having Worst of All Worlds in Banking Union [WSJ](#)
- China Is Back in Vogue With Investors [WSJ](#)
- Clinton Draws Notice for Her Policy Stands [WSJ](#)
- Too Big to Sail? Cruise Ships Face Scrutiny [NYT](#)
- In Fed and out, many now think inflation helps [NYT](#)
- Tesla eyes annual sales of 10,000 cars in Germany [Reuters](#)
- Hedge fund chief set on selling NY-based satellite company [NY Post](#)

- Britain makes play for Islamic finance to fund big projects [The Times](#)
- Chinese banks 'will flood into the City' under branch deal [The Times](#)
- Bombay mix: royal feud settled over £3 billion inheritance [The Times](#)
- Hitachi targets UK in challenge to Europe's big train builders [Independent](#)
- City's female high-flyer total doubles in a year [Independent](#)
- Ben Chu: Our housing problems are worse than a bubble [Independent](#)
- Anthony Hilton: Insurance sector's survival strategy so different to banks' lack of leadership [Independent](#)
- 'Financial repression' may stave off default, but the cost to savers will be high [Telegraph](#)
- Carney's new mood damaged by bank split threat [Telegraph](#)
- Better figures should not mask battles ahead [Telegraph](#)
- HMRC chiefs face grilling by MPs over lost tax [Guardian](#)
- Economics students need to be taught more than neoclassical theory [Guardian](#)
- We can thank Britain's services industries for powering the recovery [CityAM](#)
- Defective regulations are pushing up energy prices as competition suffers [CityAM](#)

### ***Key Events This Week***

Tuesday: Sept PPI & Retail Sales, S&P/CaseShiller Home Price Index, Consumer Confidence, Earnings (ADM, AGN, AME, APD, BP, ECL, ETR, FIS, PFE, WM, X, XRAY, AFL, AMP, BIDU, CBG, EA, WU, PPC)

Wednesday: FOMC Rate Decision (no press conference), Sept CPI, Oct ADP Employment Change, House/Senate conference expected to meet for the first time, Earnings (CMCSA, GLW, GM, GRMN, HES, PCG, PEG, SEE, WEC, ALL, CSC, EQR, EXPE, FB, KRFT, LNC, MAR, MET, MUR, SBUX, V)

Thursday: Month End, Jobless Claims, Chicago PMI, ISM Milwaukee, China HSBC/NBSD Markit PMI Oct, BOJ rate decision, BOJ Semiannual outlook report, Earnings (ABC, AVP, BEAM, CAH, EL, HAR, IRM, MA, PPL, PWR, TWC, XOM, AIG, FSLR, RSG, SWN)

Friday: Markit US PMI, US Manufacturing ISM Oct, Construction Spending, Global Vehicle Sales,

Earnings (CVX, NEE, WPO, BLT)

Saturday: China NBS non-manufacturing PMI

***Key Events on the Horizon***

Nov 7 – BOE & ECB rate decisions

Nov 28 – US Thanksgiving (market closed)

Dec 5 – BOE & ECB rate decisions

Dec 18 – FOMC rate decision

Jan 15 – Current CR runs out

Feb 7 – Debt ceiling deadline (Treasury can use extraordinary measures for ~ 1 month past this date)

██████████ | 680 Washington Blvd | Stamford, CT 06901 | ☎ ██████████ | ✉  
████████████████████

---

This e-mail and any files transmitted with it are confidential and intended only for the person or entity to which it is addressed. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this e-mail and any attachment(s) is strictly prohibited. If you have received this e-mail in error please immediately notify the sender at 203-302-7300 or by replying to this e-mail and delete the e-mail and any attachment(s) from your system. Nothing herein shall be construed as a financial promotion to any person or persons, or a solicitation or recommendation to buy or sell any security or other investment or to engage in any trading strategy. Information presented is from sources believed to be reliable, but is not guaranteed to be accurate or complete. This information should not be taken as an offer nor as a solicitation of an offer to buy or sell securities or other financial instruments. Email transmission cannot be guaranteed to be secure, timely or error free. Tourmaline Partners, LLC may review and store both incoming and outgoing messages. Use by other than the intended recipients is prohibited.