From: [redacted]
Sent: Tue 8/6/2013 9:54:16 AM
Subject: Early Tour 8.6.13

Good Morning … European Markets mixed +/- 40 bps … NKY +1.00%, SHCOMP +0.49%, ASX -0.11%, HSI -1.34%, KOSPI -0.50%, TWSE -1.23%

EUR 1.3281 (+0.17%) JPY 98.13 (+0.18%) EUR/JPY 130.32 (-0.01%) AUD 0.8995 (+0.74%) NZD 0.7878 (+0.69%)

US 10yr 2.65% Japan 10yr 0.78% Germany 10yr 1.70% Portugal 10yr 6.52% Italy 10yr 4.25% Spain 10yr 4.57%

Futures: **Dow -8, Nasdaq +1, S&P -1** DXY $81.73 (-15c) Crude $106.92 (+38c) Gold $1292.50 (-$9.90) Copper +1.01% Silver -0.08%

It was a mixed overnight session in Asia (China & Japan up but the rest of the region generally lower) after a v choppy day in the US yesterday (only 4.6 billion shares traded yesterday in the US which was easily the lightest full trading day of the year). Japan rallied in the PM session to close +1.0% on renewed talk that their $80 billion public fund may rotate more into stocks vs bonds. China built on recent gains with the SHCOMP closing up for the 6th consecutive day (+4.26% since last Monday). Australia closed -0.11% despite the RBA cutting rates 25bps to a record low (as expected). Hong Kong closed -1.34% thanks to HSBC's disappointing earnings yesterday (14.97% weighting in the HSI Index). India currently underperforming -2.18% as the INR hits record lows as it braces for upcoming Fed tapering out of the US. European markets mixed as earnings resume following a quiet news day yesterday. Full recap below but notable highlights include Credit Agricole trading +1.4% after beating estimates and Sky Deutschland breaking out +6.4% to ~ 5yr highs on solid numbers across the board. German factory orders due @ 6am. Obama speaks in Phoenix on housing later and will insist 30yr mortgages be widely available to borrowers in the future partially backed by a new government system that would replace Fannie/Freddie (Washington Post). US 10yr yield ticking up a bit to 2.6536% this morning. SPA's -1 handle = 1701.40 last.

Trade Balance @ 8:30am, Obama housing speech in Phoenix today

ADM, CHTR, CTSH, CVS, EXPD, HCN, HSIC, ICE, TAP, DISH, KORS, STWD, VSI #'s pre-open

CF, CHRW, CSC, DIS, DVA, EOG, FSLR, MRO, NU, PLT, Z earnings after close

- American Eagle Outfitters slashed Q2 outlook on weak sales & margins (trading -14%)

- Macerich posted best same-store noi growth since 2007 & boosted forecast (trading up small)
- Jamba profit up 51% on stronger sales at company owned stores (positive view) (trading +2.5%)
- Vornado Q2 earnings more than quadrupled, ffo/rev beat ests as profit surged on real estate gains (trading up)
- Jeff Bezos buys Washington Post newspaper division for $250M ($582M revs + $53.7M operating loss in 2012)
- PE firms adding debt to fund payouts to themselves at record pace as they fear window is closing (WSJ)
- Credit Agricole Q2 beats estimates, results were released early on website yesterday evening (trading +1.4%)
- Standard Chartered reports PBT slightly ahead of consensus, revenues touch light, dividend only +6% (trading +3.4%)
- Porsche H1 group profit €1.47B, continues to expect lsd billion euro group profit after tax for current fy (trading +0.44%)
- Pirelli Q2 slightly ahead of consensus, guides full-year EBIT to low end (below consensus) (trading -3.1%)
- Sky Deutschland Q2 numbers solid, revs & ebitda inline, net adds well ahead of consensus (trading +6.4%)
- Intercontinental Hotels touch better, special div $350 million, outlook encouraging given HOT/MAR (trading +3.0%)
- Lanxess Q2 beats estimates but cuts forecast for 2013 & 2014 on no sign of recovery in demand (trading -4.0%)
- Deutsche Post net income and ebit beat estimates, express/parcel good, raises fy guidance (trading +2.9%)
- Munich Re Q2 profit falls -35% on disaster claims = big miss, confirms 2013 profit target (trading -3.9%)
- Legal & General positive numbers, H1 pretax up 13% to £592 million, interim dividend +22% (trading +3.3%)
- Greggs cuts FY profit forecast by £3 million after heatwave impact, future focus on food on the go (trading -7.4%)
- DSM numbers look solid, slightly better than estimates driven by nutrition, outlook unchanged (trading +5.5%)
- Merck KGaA ebitda & eps both come in slightly better than consensus, revenues look inline (trading -3.2%)
- UPM (forest products) Q2 pre-tax profit beats estimates, sees H2 cost-cutting benefits (trading +7.0%)

- Fresnillo H1 profit -27% as silver price slumps, ebitda and fcf both look worse than expected (trading -6.0%)
- EasyJet July passengers +2.0% to 5.98 million, July load factor slips to 91.6% vs 92.5% (trading +0.21%)
- 888 numbers look good, announces agreement with Caesars to launch B2C casino & poker in NJ (trading +0.88%)
- UK retail: BRC July retail sales better (LFL +2.2% y/y vs est +2.0%) (highest growth in July since 2006)
- Salzgitter pre-announces its Q2 numbers and lowers guidance (full numbers due out August 14) (trading -10.0%)
- UK industrial production rose in June as manufacturing rebounded (June IP +1.1% m/m vs estimate +0.7%)
- Italy June industrial production +0.3% versus estimate +0.3%, Q2 gdp -0.2% q/q versus estimate -0.4%
- Sony rejects Daniel Loeb's push to sell part of its entertainment unit (unanimous decision by board)
- Cochlear net income inline, sales beat estimates, implants sales growth +16% for full-year (closed +1.44%)

Leading European Sectors: Tech +0.90%, Food/Bev +0.60%, Healthcare +0.54%
Lagging European Sectors: Basic Res -1.42%, Utilities -0.69%, Telco -0.31%

HPP sees ffo up – WMGI guides FY13 revs lower – SYKE eps better

RNET mixed #'s – PRA eps light – MDR revs miss, restructuring

HOLX Q4 view light – DSW guides revs down – PKY lowers ffo view

CUTR $10M buyback – PAA ebidta light – EBS beat

SGY eps beat – ININ revs topped ests – VCRA sees revs lower

Secondaries (announced/priced): ALSN, TRW, BAGL, MOVE (convert), NRF, PDCE, MDSO (convert), ADVS, CPLP, GM/WS/C (warrants)

IPO's (lock-up expires): Health Insurance Innovations (HIIQ), New Source (NSLP)

US Key Research:

- Barcap initiates HDS (ow), Compass Point cuts CATM, GS initiates AYI (neut), Multiple brokers initiates CDW
- Roth reinstates ONCS (buy) & downgrades WWWW, William Blair downgrades TITN/DE, Citi cuts KOS/GSK
- DB initiates FSFR (buy), Wells upgrades VCRA & initiates HDS, Barrington downgrades EGOV, BB&T cuts MDR
- RBC cuts CBL & upgrades MIG/ODFL, CS cuts IBM & upgrades MKTG, Johnson Rice downgrades JEC

Europe Key Research:

- DB upgrades UCB BB, UBS downgrades MONY LN, SocGen downgrades FME GY, JPM downgrades UNA NA
- Investec upgrades ULE LN, Westhouse downgrades UBM LN, Mediobanca upgrades PC IM, Citi upgrades IAG LN
- GS upgrades FFP FP, UBS downgrades SGRO LN, BofA upgrades AOIL SS, Berenberg upgrades HNR1 GR
- Berenberg initiates FTON SW (buy), Citi downgrades GSK LN, Commerzbank downgrades SZG GY
- Exane initiates KGX GY (op), GS initiates KGX GY (buy), Numis upgrades IHG LN, Jefferies downgrades SXX LN
- JPM downgrades SZG GY, Kepler initiates TFI IM (hold), MS upgrades GLPR LN & initiates KGX GY (ow)
- Macquarie initiates KCO GY (op), VOE AV (op), SZG GY (up), SSABA SS (up), Mediobanca downgrades LR IM
- Nordea downgrades TLT1V FH & FIXB SS, Investec downgrades HILS LN, Swedbank upgrades GN DC
- Numis downgrades WPP LN, RBC upgrades ITRK LN, SocGen downgrades SZG GY, UBS downgrades SUN SW
- Commerzbank initiates KGX GY (buy), Numis upgrades SMDR LN, Investec downgrades VSVS LN
- HSBC downgrades VIH GR, NYR BB, ARL GR & upgrades DWNI GR, HAB GR

Reporting Pre-Open: ADM, CHTR, CTSH, CVS, D, DNR, EMR, EXPD, FE, FOSL, HAR, HCN, HSIC, ICE, IFF, LINTA, PH, RDC, REGN, SE, SRE, TAP, THC, ZTS, ACM, AER, AFSI, AKRX, ALLT, AMRI, ARCC, ARCO, AYR, BBEP, BCRX, BIP, BLRX, BPI, CCC, CGEN, CKP, CNK, CRTX, CTCH, CTCM, CTSH, DBD, DGIT, DISH, DW, DWRE, DWSN, EE, ENDP, EXH, EXLP, FBN, FSTR, GGS, GSJK, HPT, HWCC, IDN, IFMI, IHG, INSM, ISIS, KOPN, KORS, KWK, LIOX, LNCE, LOJN, LPDX, MGM, NHI, NNBR, NRGM, NRGY, NSM, OAK, ONTY, OXF, PCMI, PCRX, POZN, PQ, PTRY, RBA, RDA, RHP, ROLL, RTX, SATS, SEP, SGNT, SMG, SOHO, SPB, SPR, SRE, STWD, SYPR, TA, TAST, TDG, TDW, TECH, TGH, TICC, TLP, TREX, TRGT, UFCS, VIAS, VITC, VPG, VSI, WILC, WMC, WPC

Reporting Post-Close: CF, CHRW, CSC, DIS, DVA, EOG, FSLR, MRO, NUAN, ACAD, AFAM, AGII, ALCO, ALDW, ALJ, AMRE, AMTG, ARC, ATEC, ATO, AVNR, BID, BIO, BKEP, BMR, BONE, BRP, CAR, CBPO, CCRN, CDR, CHUY, CIA, CLMS, CLNY, COKE, CPIX, CSGS, CSOD, DCTH, DEI, DGI, DHT, DKL, DPM, EMKR, ENOC, ENPH, EOG, EOX, ESIO, EXEL, EXK, FANG, FOXA, FST, FURX, G, GBLI, GCA, GDP, GEOS, GEVO, GFF, GIVN, GLUU, GPOR, GSIG, HCKT, HRZN, III, IL, INN, JAZZ, JBT, KCAP, KW, KYTH, LRAD, LTRE, LUNA, LVB, LYV, MCEP, MCHX, MED, MNTG, MPWR, MRCY, NSPH, NSTG, NYMT, OAS, OME, OMX, OPAY, ORA, OREX, OXGN, PLT, PLUS, POWL, PRGN, PRI, PRTS, PSEM, PULS, PXLW, REXX, RLJ, RLOC, ROSE, RSO, SALM, SAPE, SD, SLTM, SMCI, SNTS, SPRD, STAN, STRT, SYNC, SYX, TACT, TCRD, TESO, TISI, TRNX, TTGT, TWO, UIL, URS, UVV, VSAT, VTSS, XNPT, XOXO, Z, ZIPR

Economic Data: Trade Balance @ 8:30am, JOLTs Job Openings / IBD/TIPP Economic Optimism @ 10am

Treasury Auction of 3-Year Notes @ 1pm ($32B), API crude oil inventories @ 4:30pm

Conferences: Needham Software & Services (NYC), Bofa Housing Summit (Boston) , Stifel Retail Summer School (NYC)

Analyst/Investor Days: VPRT, NATI

Non-Deal Roadshows: ADS, BAGL, BSAC, CBG, COV, CRI, CRL, DFS, DGX, FB, HPY, INAP, INCY, INTC, INVN, JAH, LSCC, LXRX, NLNK, OUTR, PBCT, PWR, TRNO, TWI, ULTI

Shareholder Meetings: BBOX, DLIA, AINV, ACXM, MNRO, EPCT, FSCI, UVV

Equity/Mixed Shelfs: USG

Other Newspaper Articles & Stories

WSJ positive: Tyson Foods (TSN) WSJ

WSJ cautious: Zillow (Z) WSJ

- Washington Post sale shocks US capital FT
- China Resources arm faces theft accusations FT
- HSBC faces $1.6bn payout to US over bad mortgages FT
- UK weighs legal action against Spain over Gibraltar border delays FT
- Merkel will do what she has to get the vote FT
- Singular behaviour FT
- Turkish ex-military chief jailed for life in divisive trial FT
- Demand for luxury residences goes sky-high in New York FT
- Seoul hits at Obama's Apple veto in patent dispute FT
- Bangladesh: Pinned back by politics FT
- Zero hours: act with caution FT
- Germans' fear of American spying surges FT
- Erdogan is eroding the freedom of the media FT
- Even great political strategists barely affect elections FT
- Al-Qaeda's new tactic: prison breaks FT
- The problem with Italian politics is bigger than Berlusconi FT
- Dip in US bankruptcy rate aids investors FT
- Investors in US homes eye sales options FT
- London property sales hit by higher rates of stamp duty FT
- Indian industrial equipment makers hurt by slowdown FT
- Australia cuts rates to record low FT

- Britain begins to emerge from years in doldrums FT
- Sony: Clinging to the family silver Lex
- Social media: not clicking Lex
- Tyson Foods: still tasty Lex
- HSBC: home truths Lex
- Bezos Buys Washington Post for $250 Million WSJ
- FBI Finds Holes in System Protecting Economic Data WSJ
- U.S. Terror Alert Prompted by High-Level al Qaeda Communications WSJ
- Crédit Agricole Profit Rises After Greek Exit WSJ
- Private-Equity Payout Debt Surges WSJ
- Volt Falls to Electric-Car Price War WSJ
- Euro Bears Should Weigh Pound Instead WSJ Heard on the Street
- IMF Warns of Risk Unless Japan Reins In Its Debt WSJ
- Rift Stalls U.S.-EU Aviation Discussions WSJ
- Buyers are hit hard by 'punitive' stamp duty The Times
- Cameron must not let Osborne run the show The Times
- Sharing the Proceeds of Growth The Times
- It's store wars as robots replace shopworkers The Times
- Economy at escape velocity after five years in the mire The Times
- Fannie Mae and Freddie Mac to be wound up in US mortgage system change The Times
- Long-suffering commuters face fare rises of up to 9% The Times
- Customs seize and destroy €1bn fake goods The Times
- China in numbers: Figures that conceal the enormity of true crimes The Times
- Green policy failures are choking off billions in private investment Independent
- HSBC in pay rise threat to beat EU's bonus cap Independent
- Satyajit Das: Nations need to abandon old ties to succeed in the new Great Game Independent
- James Moore: Why Flint needs to take the hint and put a block on bloated bank salaries

Independent

- Bezos' Washington Post acquisition is a bet on a long future for news media Telegraph
- Someone stop Larry Summers from bagging the Fed before it's too late Telegraph
- Lack of strategy means the high street's future is descending into farce Telegraph
- David Cameron must force George Osborne to play fair with Britain's families Telegraph
- US embassy closures sparked by Ayman al-Zawahiri message Telegraph
- McDonald's ties nine out of 10 workers to zero-hours contracts Guardian
- Seabed mining could earn Cook Islands 'tens of billions of dollars' Guardian
- Sub-prime mortgages re-emerge in wake of Funding for Lending scheme Guardian
- The US Federal Reserve is set for a dovish replacement for Ben Bernanke Guardian
- Disaster in Egypt has been delayed, not averted Guardian
- White House warns some US embassies could remain closed for another month Guardian
- Children given lifelong ban on talking about fracking Guardian
- US plays catch up in Africa China Daily
- Huawei expands in London China Daily
- Mild inflation pressure may pose policy constraint China Daily
- All hail the boffin burger: The next step in human nutrition City AM
- Michael Gove's illiteracy crusade will have huge benefits for our economy City AM
- Technology has the power to transform – but it won't render jobs obsolete City AM

Key Events This Week

Wednesday: Consumer Credit, MBA Mortgage Applications, Earnings (DUK, DVN, GOLD, MMC, RL, TWX, CTL, FTR, MDLZ, PRU, TSLA,

Thursday: July retail sales, Jobless Claims, Obama meets Greek PM, China CPI/PPI, BOJ decision, ECB monthly report, GS Power and Utility Conference (NYC), Earnings (AES, BEAM, DF, SNI, WIN, CFN, NVDA, PCLN, UNXL)

Friday: Wholesale Inventories, China IP/retail sales/FAI, Earnings (NRG, WWAV, ABFS)

Key Events on the Horizon

August 21 – Fed Minutes from July30/31 FOMC meeting

August 22-24 – Jackson Hole Annual Economic Policy Symposium (Bernanke not attending)

September 5 – BOE/ECB rate decisions

September 7 – Australian election

September 18 – FOMC rate decision

September 22 – German elections

[redacted]