From: [redacted]
Sent: Fri 1/4/2013 11:06:45 AM
Subject: Early Tour 1.4.13

Good Morning … European Markets off 0-50 bps… ASX -0.36%, NKY +2.82%, KOSPI -0.37%, TWSE -0.39%, SHCOMP +0.35%, HSI -0.29%

EUR 1.3010 (-0.30%) JPY 88.2 (-1.10%) EUR/JPY 114.76 (+0.80%) AUD 1.0405 (-0.59%) Italy 10yr 4.27% Spain 10yr 5.04% US 10yr 1.96%

Futures: **Dow -2, Nasdaq +3, S&P +0** DXY $80.80 (+42c) Crude $91.60 (-$1.32) Gold $1630.80 (-$43.90) Copper -0.83% Silver -4.69%

In a day of catch up, on its first day open in 2013, Japanese shares surged 2.8%, helped by a weaker Yen and very strong performance from the country's automakers (Suzuki +7.94%, Toyota +6.37%, Mazda +6.32%, Mitsubishi +5.62%, Nissan +5.30%, Honda +3.97%). The Yen dropped to a 2.5 year low against the dollar, extending losses for an 8th straight week, on thoughts that the Bank of Japan will boost its money supply to end deflation (BOJ will hold its first policy meeting January 21-22). On its first trading day of 2013 as well, with weak PMI numbers, China saw most stocks trade lower but the SHCOMP finished with a gain of 0.35% with help from gains in financial and construction names. Shares elsewhere in Asia generally traded lower following the US after minutes from the US Federal Reserve said they may end their $85b monthly bond buying program within the year.

Relatively quiet in Europe this morning as it trades lower also from the hawkish FOMC minutes and ahead of the US jobs report due out this morning. Eurozone CPI came in at 2.2% vs estimates of 2.1% and Eurozone Services PMI were reported in-line at 47.8. Gold leading commodities lower with the dollar's strength over the yen. SPA's +0.4 handles = 1454.00 last.

December Labor Report @ 8:30am (Ests: NFP +153k / PP +150k, 7.7% unemployment)

- Coinstar CEO Davis to retire in March to be replaced by CFO (trading -3.5%)
- Rovi announced to pursue sale of its Rovi Entertainment Store biz (trading +5%)
- Transocean agreed to settle federal claims from 2010 Gulf spill ($1.4B) (trading +2.5%)
- UK Dec services unexpectedly contracted for 1st time in two yrs (PMI = 48.2 from 50.2 Nov)

- Euro-area manufacturing, services contracted more than Dec ests (added recession signs)
- Euro-area consumer prices rose more than ests in Dec (+2.2% vs -2.1% ests)
- German Nov retail sales rose +1.2% vs -1.3% in Oct as unemployment near two-decade low
- China Dec HSBC services PMI = 51.7 vs 52.1 Nov (lowest since August)
- China December home prices rose on year (+0.03% y/y) first time in 9 mos
- Nomura cuts China 4q GDP est to 8% from 8.4% - maintains 2013 GDP est at 7.7%
- Japan Exchange (merger of Japan two biggest exchanges) fell 9.3% in trading debut
- Australian services PMI shrank for 11th month in December (index fell 3.9pts to 43.2)
- Philippine inflation accelerated less (cpi +2.9% vs +3.1% ests) helps rates to stay low
- VOLVO - Dec class 8 truck deliveries 21,900 vs est 20k.
- BAE wins $226mn Doppler GPS navigation contract with US army
- Transocean To pay $1.4b settlement for role in Gulf of Mexico Spill
- Panalpina CEO Gadola leaving to become Straumann CEO
- Balfour Beatty wins £150m contract to maintain Wiltshire highways
- Aviva's lock-up on ~19.4% stake in DELTA LLOYD ends over the weekend
- Switzerland's oldest bank, Wegelin, closes its doors after 271 years, pleading guilty to conspiring to evade US taxes.
- BMW US cars sales surged 39% in December, topping Mercedes for the year.
- BMPS IM: rumors in Italy of a Govt. Buyout (+8%)

Leading European Sectors: Healthcare +0.15%, Oil & Gas +0.11%, Utilities +0.04%

Lagging European Sectors: Basic Res -1.58%, Tech -0.91%, Media -0.57%

MDH cfo to retire – NMFC names new officers – CSTR ceo to retire

Notable Options Activity Yesterday:

TRIP (43.91 -.6%) opening cust aggressively sold feb 41 puts outright over the course of 2 mins sold

10k from 2.00 down to 1.75 earnings expected 2.8 cust wins on sale with stock above 39.25

WMB (33.77 -.8%) opening cust bought 50k aug 40/45 calls spreads for .53 outright stock needs to be 33% higher by aug expiration (8.17) to reach max payout on spread WMB has never traded above $40

HAS (36.12 +.8%) opening cust bought feb 37.5 calls 8000 total traded on day paying up to 1.05 (altho most traded .70) vs open interest of 105 earnings expected 2.7

MAT (36.72 -.2%) unlike HAS above opening cust bought 6000 feb 37 puts for 1.375 earnings expected 2.1

Secondaries (announced/priced): AGRO, PODD

IPO's: Synageva BioPharma (GEVA) prices 2.15M shares $47.53/shares

Key Research: B. Riley inititates CTGX/SPRT (neut's), BMO upgrades NUVA, DB initiates CLR/WHF (buy's)

Key Research: Baird resumes ACHN/GILD/ITMN (op's) & CBST (neut), Stifel upgrades APKT/ARUN (buy's)

Key Research: Barcap initiates PSEC/WHF (ow's) & MCC/TICC/ABBV (ew's), DB cuts ABT/RUTH & upgrades TXRH

Key Research: Citi cuts BK, GS cuts BBT/SKT/WFC & adds C to Conviction Buy list & removes JPM (buy) & upgrades STI (buy)

Key Research: Raja upgrades FST & cuts KEY, CLSA upgrades HRL, Barcap reinstates HUM (ow), DB upgrades JNJ (buy)

Key Research: JMP initiates EW (mp), Longbow initiates KKD (buy), KBW cuts BXS, CS upgrades TXT, Bofa cuts AEC

Key Research: CS downgrades LULU & upgrades UA/URBN, GS cuts SKT & Retail REITs & upgrades ZQK (buy)

Key Research: Macquarie initiates NOV/CAM (op's) & LUFK (neut), MS upgrades PKI & cuts WAT, Baird upgrades ESE

Key Research: Piper initiates AVNR/CORT/CYTK/OREX/SGMO/TSPT (ow's) & ACAD/ALXA/BDSI/HZNP/ZLCS (neut's)

Key Research: BofAML downgrades GETIB SS, BofAML downgrades AMP IM, CS downgrades

HMSO LN

Key Research: UBS downgrades FRES LN, Bere upgrades CORA NA, BofAML upgrades SOON VX

Key Research: KBC downgrades SAP BB, Mainfirst downgrades MRK GY

Reporting Pre-Open: FINL, MOS

Economic Data: December Labor Report @ 8:30am, Factory Orders @ 10am, ISM non-manufacturing @ 10am

EIA natural gas storage @ 10:30am, DOE crude oil inventories @ 11am

Fed Speakers: Plosser @ 1:15pm (San Diego), Yellen @ 3:30pm (San Diego), Bullard @ 5:30pm

Conferences: no major conferences

Analyst/Investor Days: N/A

Non-Deal Roadshows: ATRS, MTZ, NLNK

Shareholder Meetings: AYI

Equity/Mixed Shelfs: N/A

Other Newspaper Articles & Stories

WSJ cautious: Hewlett-Packard (HPQ) WSJ

- Investors Sour on Pro Stock Pickers WSJ
- Spain digs into pension fund WSJ
- Google Dodges Antitrust Hit WSJ
- Europe jobs data paints mixed picture WSJ
- In Turkey, Bank bonds lure foreign investors WSJ
- Paris promises flurry of economic reforms FT
- Branson warns against quitting EU FT
- US debt ceiling – brinkmanship resumes Lex
- Healthcare stocks – volatile but attractive Lex
- Solar power – question of subsidies Lex
- Container shipping – a long journey Lex
- Fed split over when to halt QE3 FT
- Monti attacks 'extremist' rivals FT
- Banks regain appetite to lend The Times
- The fiscal cliff averted, Geithner prepares for exit The Times
- Construction fall dampens hopes of pick-up in economy The Times
- UK banks 'significantly' increase lending Telegraph
- Europe's dream of toppling dollar fades as Asian Tigers dump euro Telegraph
- Appetite for EU-US trade deal grows as economies stagnate Telegraph
- IMF warning over US strategy dampens global stock markets Guardian
- Twitter could be worth $11bn as it prepares to go public in 2014 Guardian
- Greece's only certainty in 2013? Predictions are futile Guardian

Key Events Next Week

Monday: US banks need to submit stress tests, Consumer Electronics Show (CES), JPM Healthcare Conf, Citi Global Internet, Media, Telecom Conf

Tuesday: AA kicks off earnings season, US Consumer credit, NFIB Small business index, Treasury auctions in 3-yr notes, Eurozone unemployment rate

Wednesday: Mortgage Apps, Treasury auctions in 10-yr notes, German Industrial Production, UK Trade balance

Thursday: ECB & BOE rate announcements, Jobless Claims, Wholesale Inventories, Treasury auctions in 30-yr bonds, China CPI/PPI

Friday: Import Price Index, Trade Balance

Key Events on the Horizon

January 21 – Obama inauguration ceremony

January 30 – Launch date for RIM's Blackberry 10

February – US Debt limit likely to be reached

February 10 – Chinese New Year

[redacted]