



Daily EU Equity Opening News

The following report is compiled by analysing hundreds of sources to get to you all the relevant market moving information ahead of the EU cash equity open.



28th March 2011

ASIA

Nikkei (-0.6%) fell after weekend reports of soaring radiation levels at Fukushima damaged nuclear plant, adding to investors' worries over disrupted supply chains and power cuts already biting into corporate earnings after Japan's earthquake and tsunami. (RTRS)

Japanese Carmakers – Supply disruption may cause the Japanese Carmakers to decrease annual domestic production in Japan by 5%. (Nikkei)

US

Equities finished in positive territory following an increase in risk appetite, with some positive US GDP final revision data coming in above analyst expectations. The Dow and Nasdaq posted their largest weekly advance since July 2010 and the S&P had its best week since early February. We also saw the CBOE VIX index post its second biggest 7-day decline ever, down 39.1% at 17.91. Equities have been lead by the Oil & Gas and Industrial sectors. Among the most actively traded stocks Oracle (+1.12%) and Bristol Meyers (+3.25%) were two of the leading stocks, with Bristol Meyers receiving FDA approval for one of its product lines. At the closing bell, DJIA 12170.56 (0.70%), S&P 500 1309.66 (0.93%), NASDAQ 2312.09 (1.83%). For the week, DJIA (0.41%), S&P500 (2.70%), NASDAQ (3.80%).

Bank of America – China Construction Bank which the Co. owns a 10% stake in has reported a 26.3% increase in net profits in 2010 to CNY134.8bln, however this figure missed the market expectation of CNY 139bln. (Sources)

ConocoPhillips - Co. has ended the USD 1bln auction of North Sea fields following last week's budget which increase the tax on North Sea oil profits. (Sunday Times)

UK

Retail investors were net buyers of UK equities for a third straight three-month period in December through February, according to Capita Registrars. (RTRS)

BP – According to Sunday Times, saving co.'s tie-up with Rosneft could cost the co. up to USD 15bln. (Sunday Times)

Royal Dutch Shell – Co. is in talks with Rosneft about possible exploration agreements in the Arctic. (Mail on Sunday)

GlaxoSmithKline – Co. has sold a manufacturing plant in Morocco to Groupe Saham. (Sources)

Lloyds Banking Group – Co. is trying to secure a GBP 20bln loan so the Co. can sell the 600 branches the EU has ordered it to sell. (Sunday Times) in other news a shareholder activist group has claimed the emergency government aid which was given to HBOS was unlawful and are claiming GBP14.9bln compensation due to the merger of HBOS and Lloyds. (Sunday Telegraph)

Astrazeneca - UK and US reach agreement over tax matters. Co. expects to pay a net amount of USD 1.1bln to resolve all US transfer pricing and related valuation matters, payments arising from these agreements are expected to be made during 2011. Effective tax rate for 2011 is expected to be approximately 6% lower than previous. Co. increased its 2011 target for core earning per share from USD 6.45-6.75 to USD 6.90-7.20 per share. (RTRS)

Tullow Oil – Co. is seeking to buy a further 3.5% stake in Ghana's offshore Jubilee field for USD 300mln. (FT [More](#)) In other news, co. says Teak-2 exploration well discovers hydrocarbons offshore of Ghana. Well has discovered 27 metres of net hydrocarbon bearing Campanian and Turonian reservoirs. (RTRS)

WPP – Co. is close to making acquisitions of small Chinese companies, perhaps as early as this week. (Sunday Telegraph)

International Airlines Group - Co. has hinted it may sell its stake in NATS (National Air Traffic Services) if the UK government exits it 49% stake. (Observer)

TUI Travel – Co. has hinted it may sell its stake in NATS if the UK government exits it 49% stake. (Observer)

OTHER UK COMPANIES

ITV – Co. is considering acquiring production companies. (Sunday Telegraph)

FRANCE

AXA – Co. CEO said the Japanese earthquake and Tsunami will cost the Co. over EUR 100mln (RTRS)

France Telecom /Deutsche Telekom – Companies want to combine their telephone networks in Austria and Romania to reduce costs. (Handelsblatt)

Renault – Co. CEO Carlos Ghosn is suspected of withholding evidence from police investigating the anonymous accusations of industrial espionage. (Les Echos)

Schneider Electric – Co. is looking for potential partners for future investment in the Philippine solar power industry. (Philippine Star)

GERMANY

Siemens – Co. may exit its planned nuclear plant joint venture with Rosatom Corp after the crisis at the Fukushima nuclear reactor in Japan, which may lead to the Co. forfeiting 'sizeable revenue'. (WirtschaftsWoche) Meanwhile the Co. may float its unit lighting unit 'Osram' in the autumn of 2011, possibly valuing the unit at up to EUR 5bln. (Sueddeutsche Zeitung)

Allianz – Co. may be interested in acquiring Nationale Suisse. (Finanz und Wirtschaft)

Deutsche Telekom/France Telecom – Companies want to combine their telephone networks in Austria and Romania to reduce costs. (Handelsblatt)

Deutsche Telekom – Co. has agreed to effectively give a 2.25% wage increase two German units of the Co. The Co. also agreed with the Verdi union not to fire any workers at these units before the end of 2012. (Sources)

Salzgitter - Co. has over EUR 1bln for acquisitions. (Financial Times Deutschland)

OTHER GERMAN COMPANIES

Porsche – Co. has approved approximately EUR 5bln capital increase, clearing the way for a merger with Volkswagen. (Sources)



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PAN-EUROPEAN

Irish Banks - Ireland's Agriculture minister says the Irish government want to impose losses on some senior bond holder in Irish lenders to reduce the burden on the taxpayer. Meanwhile the Sunday Business Post is reporting that Irish lenders will require an additional EUR 20bln in capital. (RTRS/ RTE / Sunday Business Post)

Greek Banks - The ECB has pressured to sell their foreign subsidiaries, citing unidentified sources. (Isotimia)

Small-cap Spanish Stocks – Norway's deputy central bank governor has said the country's sovereign wealth fund is interested in investing in small Spanish companies including the Cajas. (El Pais)

Spanish Savings Banks (Cajas) – Co's will provide the Bank of Spain today with plans on how they plan to raise capital to meet the new solvency rules. (Efe)

Iberdrola - Investors in Co.'s Renovables division, including Blackrock Inc. and Generation Investment Management LLP, have written to the Spanish utility provider to protest against its plan to buy back the 20% of shares held by outside investors at almost half the price they were listed for. (FT [More](#))

Generali – Italian regulators have asked the Co. to provide further information on the terms of the Co's deal with PPF Group before the market opens on today. (Il Sole 24 Ore)

Fiat – Co. is considering floating its Ferrari unit which may be worth up to EUR 5bln. (Il Sole 24 Ore)

Phillips – The Co's CEO has said the Co. has recovered from the 2008 economic crisis but warned sales in Japan may be hurt temporarily. (De Telegraaf) In other news, according to co.'s India vice chairman and managing director, co. aims to grow approximately 20% in India over the next five years. (Sources)

SMI

Roche – Andre Hoffman who is the spokesman for a Hoffman and Oeri families who own around half the Co, has said the Co. is not for sale and a merger with Novartis which already has a 33% stake in the Co. makes less sense than it did 5-10 years ago. (SonntagsZeitung / RANsquawk) In other news, co. said that the second of two Phase 3 trials evaluating Lucentis in patients with diabetic macular edema (DME) met its primary endpoint. (Sources)

Zurich Financial Services – Co. may be interested in acquiring Nationale Suisse. (Finanz und Wirtschaft)

Julius Baer – Co. is interested in acquisitions in the Swiss market. (SonntagsZeitung)

Swatch – Co. CEO has said the strong CHF is very catastrophic for the Co, far more than the impact on earnings from the earthquake and tsunami in Japan. (Neue Zuercher Zeitung)

BROKER MOVES

EXPERIAN: BOFA-ML ADDS TO EUROPE 1 FOCUS LIST

C&W WORLDWIDE: RBS DOWNGRADES TO HOLD FROM BUY

WPP: BOFA-ML REMOVES FROM MEDIA MOST PREFERRED LIST

VEOLIA ENVIRONNEMENT: BOFA-ML DOWNGRADES TO NEUTRAL FROM BUY

ALCATEL-LUCENT: GOLDMAN UPGRADES TO BUY FROM NEUTRAL

NOKIA: GOLDMAN UPGRADES TO BUY FROM NEUTRAL

AT&T RAISED TO 'OUTPERFORM' AT ROBERT BAIRD

VERIZON RAISED TO 'OUTPERFORM' AT ROBERT BAIRD

Liffe have announced an extension of their New Market Participants Scheme for selected futures contracts (Euribor, Short Sterling, Euroswiss, EONIA, Gilt, Euro Swapnote and FTSE) for a further 12 months from 1 April 2011 until 30 March 2012. This is for traders who are new to trading these contracts and is subject to a monthly cap.

If you require any further information, please contact your LIFFE account manager.

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