

December 10, 2013

Today's Research Highlights

Price: \$28.88 (12/9/2013)

Price Target: \$31.00

OUTPERFORM (1)

Key Data

Symbol NYSE: DAL
Market Cap (MM) \$24,708.2

Helane Becker

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Price: \$127.43 (12/9/2013)

Price Target: \$155.00

OUTPERFORM (1)

Key Data

Symbol NYSE: PVH
Market Cap (MM) \$10,394.8

John Kernan, CFA

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Price: \$19.99 (12/9/2013)

Price Target: NA

OUTPERFORM (1)

Key Data

Symbol NASDAQ: RLYP
Market Cap (MM) \$630.0

Eric Schmidt, Ph.D.

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Delta Air Lines, Inc.

[FULL NOTE](#)

Expectations for Upcoming Investor Day

The Cowen Insight

Delta Air Lines will host an investor day tomorrow in New York City. We believe the investor day will be a catalyst for the shares, with the company focusing on three main points 1) 4Q guidance update, 2) 2014 initial guidance, 3) capital allocation and 4) domestic growth. We would own these shares into the investor day.

PVH Corp.

[FULL NOTE](#)

Strong Results In A Tough Environment

The Cowen Insight

PVH reiterated EPS guidance for FY13 of \$7.00, which implies Q4 guidance that is below Street expectations following upside to guidance and consensus expectations for Q3. We view the guidance as prudently conservative, and see no change to the company's mid-teen EPS CAGR potential beyond 2013.

Relypsa, Inc

[FULL NOTE](#)

Initiation: Potassium Too High? Patisomer Is Nigh

The Cowen Insight

We are initiating coverage on Relypsa with an Outperform rating. We believe patisomer for the treatment of hyperkalemia associated with chronic kidney disease (CKD) has U.S. sales potential of \$500MM - \$1B. We expect RLYP shares to outperform as the drug advances toward an NDA filing in 2014 and potential FDA approval in 2015.

Earnings Per Share \$	2012A	2013E	2014E
Cowen	\$(11.94)	\$(3.15)	\$(2.10)

Price: \$111.18 (12/9/2013)

Price Target: \$120.00

OUTPERFORM (1)

Key Data

Symbol NYSE: UTX
Market Cap (MM) \$102,016.8

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United Technologies

[FULL NOTE](#)

Investor Day Guide Likely On Track

The Cowen Insight

Following cautionary 2014 comments at their Carrier plant visit on 10-1, UTX reset 2014 expectations to what we think is a realistic level. Thus, we expect initial 2014 guide at its upcoming investor meeting on December 12 (after market close) to encompass "consensus" of \$6.84 versus last year when consensus going in was at the top of guide, causing the stock to sell off the next day.

Earnings Per Share \$	2013E	2014E
Cowen	\$6.15	\$6.85
Consensus	\$6.15	\$6.85

Other Research Today

Video Games

[FULL NOTE](#)

NPD Preview: Despite Console Launch, Expect Down Month

The Cowen Insight

We expect November console/handheld software sales to be down 15% y/y on a tough new release software comp. The next-gen hardware installed base is still small relative to the size of the overall market. Data will be released by NPD Funworld after the close on Thursday, December 12.

Video Games

[FULL NOTE](#)

CDGM November: C'est La Meme Chose

The Cowen Insight

Our Casual Digital Gaming Monthly ("CDGM") survey measures the audience reach and monetization of top titles and publishers in the mobile and social gaming segments. November's data offers further evidence that hit mobile titles are delivering strong, sustained revenue generation.

Price: C\$1.68 (12/6/2013)

Price Target: C\$4.67

OUTPERFORM (1)

Key Data

Symbol TSX: GUY.CN
Market Cap (MM) C\$229.3

Adam P. Graf, CFA

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Price: \$57.64 (12/9/2013)

Price Target: \$51.00

MARKET PERFORM (2)

Key Data

Symbol NASDAQ: IACI
Market Cap (MM) \$4,801.1

John Blackledge

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Price: \$24.18 (12/9/2013)

Price Target: \$45.00

OUTPERFORM (1)

Key Data

Symbol NASDAQ: PTLA
Market Cap (MM) \$960.2

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Guyana Goldfields Inc.

[FULL NOTE](#)

Board Approves \$238MM Spend; To Commence Upon Closing Of \$165MM Financing

The Cowen Insight

The company laid out its capital spending projections for the Aurora Gold Project. In total, \$238MM remains to be spent. The company currently sits on \$109MM in cash; an additional \$190MM is planned to be funded through debt, to cover construction, as well as SG&A and exploration costs. Should the proposed funding arrangements be completed, the project remains on track for a mid-2015 start date.

IAC/InterActiveCorp

[FULL NOTE](#)

IAC Acquires the O&O Websites Biz from VCLK

The Cowen Insight

Post close, IACI acquired the Owned & Operated (O&O) Websites business from ValueClick, which comprises several content and eCommerce websites, namely Investopedia and PriceRunner. IACI reportedly paid \$80MM or < 1x TTM revenue and ~3x TTM EV/EBITDA. The deal is expected to close in Jan '14. The deal is a content-oriented acq. similar to the About.com, though on a smaller scale, in our view.

Portola Pharmaceuticals Inc

[FULL NOTE](#)

Andexanet Continues To Look Promising In New ASH Data

The Cowen Insight

Portola presented new data from a Ph. II trial of andexanet alfa at ASH in which it produced dose-dependent decreases in both anti-Factor Xa activity and unbound Xarelto. We continue to think that andexanet represents a very promising \$500MM+ opportunity, and that Portola is undervalued based on the promise of andexanet and betrixaban. We consider PTLA a top small cap pick.

Price: \$43.58 (12/9/2013)

Price Target: \$44.00

MARKET PERFORM (2)

Key Data

Symbol NYSE: TXN
Market Cap (MM) \$47,701.1

Timothy Arcuri

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Price: \$37.74 (12/9/2013)

Price Target: \$41.00

OUTPERFORM (1)

Key Data

Symbol NYSE: TYC
Market Cap (MM) \$17,560.5

Gautam Khanna

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Price: \$98.49 (12/9/2013)

Price Target: \$100.30

MARKET PERFORM (2)

Key Data

Symbol NYSE: WAT
Market Cap (MM) \$8,384.5

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Texas Instruments

[FULL NOTE](#)

Narrows to Mid-Point; As Expected

The Cowen Insight

Guidance at the mid-point and commentary suggests end markets continue to perform inline with expectations given in October. While early to call CQ1, we are modeling normal seasonal but Street is ~200bps above normal. We see risk reward fairly balanced and reiterate our Market Perform rating.

Earnings Per Share \$	2012A	2013E	2014E
Cowen	1.50	1.92	2.05
Consensus	-	\$1.93	\$2.16

Tyco International

[FULL NOTE](#)

Busy Times for "Stealthy" Cyclical

The Cowen Insight

The speculated sale of TYC's South Korean guarding business appears modestly accretive, assuming sales proceeds are used to retire stock. We continue to favor TYC for its demand-agnostic 13-15% EPS gains in F14-15E, with "stealthy" cyclical leverage to an eventual, non-resi upturn.

Earnings Per Share \$	2013E	2014E
Cowen	\$1.84A	\$2.08
Consensus	\$1.84	\$2.14

Waters

[FULL NOTE](#)

CFO Departure Not Shocking, But Timing A Bit Earlier Than Expected

The Cowen Insight

John Ornell will resign as CFO effective 2/1/2014. The announcement is not a shock given recent developments and the CEO transition plan announcement in August. However, the timing is earlier than expected. We view this as another sign that a strategic sale is not imminent and, as noted in our report last week, we view the risk/reward as fairly balanced at current levels.

Upcoming Conferences

Trend Spotting³ Technology Summit

Tuesday, December 17, 2013

The Westin St. Francis Union Square, San Francisco, California

35th Annual Aerospace/Defense Conference & Transportation Forum

Wednesday, February 5 and Thursday, February 6, 2014

The InterContinental New York Barclay, New York, New York

34th Annual Health Care Conference

Monday, March 3 through Wednesday, March 5, 2014

The Boston Marriott Copley Place, Boston, Massachusetts

42nd Annual Technology, Media & Telecom Conference

Wednesday, May 28 and Thursday, May 29, 2014

The Palace Hotel, New York, New York

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Addendum

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Cowen and Company Rating System effective May 25, 2013

Outperform (1): The stock is expected to achieve a total positive return of at least 15% over the next 12 months

Market Perform (2): The stock is expected to have a total return that falls between the parameters of an Outperform and Underperform over the next 12 months

Underperform (3): Stock is expected to achieve a total negative return of at least 10% over the next 12 months

Assumption: The expected total return calculation includes anticipated dividend yield

Cowen and Company Rating System until May 25, 2013

Outperform (1): Stock expected to outperform the S&P 500

Neutral (2): Stock expected to perform in line with the S&P 500

Underperform (3): Stock expected to underperform the S&P 500

Assumptions: Time horizon is 12 months; S&P 500 is flat over forecast period

Cowen Securities, formerly known as Dahlman Rose & Company, Rating System until May 25, 2013

Buy – The fundamentals/valuations of the subject company are improving and the investment return is expected to be 5 to 15 percentage points higher than the general market return

Sell – The fundamentals/valuations of the subject company are deteriorating and the investment return is expected to be 5 to 15 percentage points lower than the general market return

Hold – The fundamentals/valuations of the subject company are neither improving nor deteriorating and the investment return is expected to be in line with the general market return

Cowen And Company Rating Definitions

Distribution of Ratings/Investment Banking Services (IB) as of 09/30/13

Rating	Count	Ratings Distribution	Count	IB Services/Past 12 Months
Buy (a)	394	58.72%	54	13.71%
Hold (b)	255	38.00%	5	1.96%
Sell (c)	22	3.28%	1	4.55%

(a) Corresponds to "Outperform" rated stocks as defined in Cowen and Company, LLC's rating definitions. (b) Corresponds to "Market Perform" as defined in Cowen and Company, LLC's ratings definitions. (c) Corresponds to "Underperform" as defined in Cowen and Company, LLC's ratings definitions.

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