



MARKET DATA

Commodity	Future Px	Net Chg
WTI Crude (\$/bbl)	96.16	0.58
Brent Crude (\$/bbl)	105.46	(0.64)
Natural Gas (\$/mmBTU)	4.01	(0.74)
Gold (\$/oz)	1,468.00	0.26
Silver (\$/oz)	23.96	(0.25)
Copper (\$/mt)	6,820.75	6.24
Aluminum (\$/mt)	1,778.50	4.06
Nickel (\$/mt)	15,159.50	3.73
Zinc (\$/mt)	1,853.00	3.80
China Rebar (¥/mt)	3,592.00	0.31
China Hot Roll Coil (¥/mt)	3,685.00	(0.11)
Corn (¢/bushel)	636.50	(3.74)
Soybean (¢/bushel)	1,369.25	(1.30)
Wheat (¢/bushel)	702.75	(2.53)

Index	Price	Net Chg
S&P	1,617.50	0.19
Russell 2000	959.80	0.56
Nasdaq	3,392.97	0.42
FTSE 100	6,521.46	0.35
CAC 40	3,907.04	0.38
DAX	8,112.08	0.50
OBX	447.79	(0.20)
Nikkei	14,180.24	3.55
Shanghai Composite	2,235.57	0.20
Kospi	1,954.35	(0.36)
Bberg Mid Sulfur II	45.15	0.00
Bberg PA Railcar	64.10	0.00
Bberg Sulfur Compliance	67.27	0.00
TED Spread	0.20	(16.58)

Currency	Price	Net Chg
Japanese Yen	99.08	0.25
European Euro	1.31	0.02
British Pound	1.55	0.02
Canadian Dollar	1.01	0.00
Chinese Renminbi	6.15	0.21
Norwegian Kroner	5.84	(0.11)

Treasury	Price	Yield
10 Year	102.15	1.76
2 Year	99.82	0.22

Source: Bloomberg
Prices are as of the prior day's close.
*Currency prices are as of 5am EST

Morning Call

August 19, 2013

TODAY'S HEADLINES

AGIOS PHARMACEUTICALS INC (BIOTECHNOLOGY)

Initiation: A Precise Approach To Metabolic Medicine

Ticker **AGIO** | Rating **Outperform** | Price Target **NA**

Nicholas Bishop, Ph.D. | nicholas.bishop@cowen.com | 1 (646) 562-1378

We are initiating coverage of Agios with an Outperform rating. We believe Agios' targeted approach will enable rapid clinical proof of concept for its lead candidates in cancer metabolism and orphan metabolic disease, driving stock appreciation over the next 12-18 months.

[Link to Report](#)

BAXTER (MEDICAL SUPPLIES & DEVICES)

KOL Consultant Enthusiastic Regarding U.S. Regulatory Outlook For HyQ

Ticker **BAX** | Rating **Outperform** | Price Target **82.00**

Joshua Jennings, M.D. | josh.jennings@cowen.com | 1 (646) 562-1333

We hosted a conference call with a leading physician in the immunoglobulin therapy arena to gain insights into the regulatory outlook for HyQ in the U.S. following the discontinuation of Viropharma's Cinryze program.

[Link to Report](#)

CELLULAR DYNAMICS INTERNATIONAL INC (LIFE SCIENCE TOOLS)

Initiation: Pioneering iPSC Technology with Vast Commercial Potential

Ticker **ICEL** | Rating **Outperform** | Price Target **\$16.00**

Doug Schenkel | doug.schenkel@cowen.com | 1 (617) 946-3918

Cellular Dynamics is a pioneer in iPSC production enabling novel applications in broad end markets. While the revenue trajectory may be hard to predict, with validation from top biopharma customers and a vast runway for growth, we initiate with an Outperform rating.

[Link to Report](#)

ADDITIONAL RESEARCH

SEMICONDUCTOR CAPITAL EQUIPMENT

Cowen Semi Weekly

Timothy Arcuri | timothy.arcuri@cowen.com | 1 (415) 646-7217

Following earnings, we provide an earnings scorecard and inventory update. While CQ2 results were 100bps better than mid-point of guidance, CQ3 guided to sub-seasonal and 100bps light relative to Street estimates. Inventories remain healthy and declined again Y/Y.

[Link to Report](#)

Please see addendum of this report for important disclosures.

**FIRST MAJESTIC SILVER CORP. (PRECIOUS METALS)****Downgrading To Market Perform****Ticker AG | Rating Market Perform | Price Target \$13.61**

Adam P. Graf, CFA | Adam.Graf@cowen.com | 646.562.1344

Shares appear to be trading near our calculated Adjusted NAV – indicating full value. Based on valuation, we are downgrading the company to Market Perform, from Outperform.

[Link to Report](#)**MEDTRONIC (CARDIOVASCULAR)****Medtronic's Momentum Should Continue in 1FQ'14****Ticker MDT | Rating Outperform | Price Target 62.00**

Joshua Jennings, M.D. | josh.jennings@cowen.com | 1 (646) 562-1333

We reiterate our Outperform rating on MDT. We view sustainable 4% to 5% ex-FX growth as achievable through moderation of CRM and Spine unit declines, U.S. pipeline launches (Ardian/ CoreValve/IN.PACT DCB), and continued emerging market penetration.

[Link to Report](#)**TIMMINS GOLD CORP. (PRECIOUS METALS)****Upgrading To Outperform, From Market Perform****Ticker TMM.CN | Rating Outperform | Price Target C\$2.82**

Adam P. Graf, CFA | Adam.Graf@cowen.com | 646.562.1344

We believe that shares have lagged the recent upward move in gold price; operating fundamentals remain the same. We are upgrading to Outperform, from Market Perform, based on valuation.

[Link to Report](#)**WAL-MART STORES (BROADLINES)****WMT - Q214 Review****Ticker WMT | Rating Market Perform | Price Target \$75.00**

Faye Landes | faye.landes@cowen.com | 1 (646) 562-1332

While Q2 certainly had bright spots, notably the improvement in results in U.S. home and apparel, negative traffic and comp in U.S. and challenges in international are all causes for concern, and we suggest that investors stay on the sidelines.

[Link to Report](#)



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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 ALLOCATION

Distribution of Ratings/Investment Banking Services (IB) as of 06/30/13

Rating	Count	Ratings Distribution	Count	IB Services/Past 12 Months
Buy (a)	380	58.37%	48	12.63%
Hold (b)	247	37.94%	2	0.81%
Sell (c)	24	3.68%	1	4.17%

(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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