

Today At A Glance

Company	Ticker	Rating	PT chg	Curr. Q (e) chg	Curr. Y (e) chg	Next Y (e) chg	Est. Type
AbbVie	ABBV	B	\$80.00 to \$85.00	-	\$4.48 to \$5.15	\$4.96 to \$5.54	EPS
Gilead Sciences	GILD	H	\$82.00 to \$84.00	\$2.35 to \$2.40	\$8.07 to \$8.08	\$9.92 to \$9.30	EPS
Radius Health	RDUS	B	\$26.00 to \$45.00	-	-	-	
Carnival	CCL	U	-	-	\$2.72 to \$2.89	-	EPS
Carnival	CCL LN	U	-	-	-	-	
HCP, Inc.	HCP	H	-	-	-	-	
Owens-Illinois, Inc.	OI	H	-	-	-	-	

Focus Calls

All Research

Consumer - Cruise Lines

Carnival (NYSE: CCL, \$44.79 , UNDERPERFORM; LSE: CCL LN, 2,810.00p , UNDERPERFORM) >>

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Yield Guidance Lower than Market Expectations

Key Takeaway

Q4 results panned out much as we previewed. EPS benefited from a much lower oil price, yield growth was also marginally better than guidance and other cost growth was in-line. However, 2015 guidance for yield growth of 2% is well below market consensus for 3.5%-4%.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est type.	Region
UNDERPERFORM	\$36.00	-	\$2.72 ▲ \$2.89	\$3.37	EPS	Europe
UNDERPERFORM	2,300.00p	-	-	-		Europe

Consumer - Retailing/Hardlines

Retailing/Hardlines>>

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Chart of the Week: EHS Poor Predictor Of Comps In Recent Years

Key Takeaway

Single Family Existing Home Sales for November looked better than the average for the quarter ending October, however we note that the historically strong correlation between EHS and the home improvement retail industry has unraveled in recent years. Home price appreciation, which remains strong, has proven to be a bigger factor in driving the home improvement retailers' sales performance.

Financials - REITs

HCP, Inc. (NYSE: HCP, \$45.09 , HOLD) ►►

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HCR ManorCare Impairment Highlights That Something's Gotta Give

Key Takeaway

HCP filed an 8K highlighting a \$36M (\$0.08/sh) impairment in HCP's 9.4% equity ownership in HCR ManorCare (HCRMC), driven by an expected continued decline in fundamentals in the SNF business. Although HCRMC is expected to remain current on its rent payments to HCP, the risk remains that the master lease with HCRMC may be restructured longer-term.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$45.00	\$0.77	\$3.02	\$3.17	FFO	Americas

Healthcare - Biotechnology

Radius Health, Inc. (NASDAQ: RDUS, \$37.45 , BUY) ►►

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Successful Ph3 for Abaloparatide-SC; Further Upside Potential with RAD1901

Key Takeaway

Ph3 for ABL in osteoporosis hit all endpoints of study for regulatory approval & for potential advantages (vs. Forteo, \$1.25B in 2013 sales). While ABL commercial potential can be debatable, we view current valuation implies below our ~31% increased peak estimate of \$670M. Now with positive Ph3 asset, progress in potentially differentiated breast cancer product RAD1901 (initial Ph1b data in 2015) will likely provide further upside.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲\$26.00 to \$45.00	(\$0.53)	(\$3.17)	(\$1.91)	EPS	Americas

Healthcare - Biotechnology

Gilead Sciences, Inc. (NASDAQ: GILD, \$92.90 , HOLD) ►►

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Too Early to Judge the Impact of ABBV Competition on GILD

Key Takeaway

Express Scripts' decision to exclusively offer its genotype 1 HCV infected patients ABBV's Viekira Pak was in line with our expectations after a year of outspoken anti-GILD protests from ESRX management. Nonetheless, the stock reaction suggests investors see heightened risk of price and market share competition than previously expected, but whether other payors covering the other 95% of U.S. HCV patients will follow suit is uncertain.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲\$82.00 to \$84.00	\$2.35 ▲\$2.40	\$8.07 ▲\$8.08	\$9.92 ▼\$9.30	EPS	Americas

Healthcare - Pharmaceuticals

AbbVie (NYSE: ABBV, \$67.71 , BUY) ►►

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Positive EPS Momentum Looks Set To Drive AbbVie in 2015

Key Takeaway

We have raised our 2015E EPS estimate by 15% to reflect our more positive view on the near to mid term revenue potential for Viekira Pak for HCV. We believe that Viekira's strong label and attractive pricing should enable AbbVie to garner at least c25% of the HCV market in 2015E/16E. As a result we have increased our PT to \$85 and reiterate AbbVie as one of our "Top 5 for 2015" along with Pfizer, Novartis, Bayer and AstraZeneca.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲\$80.00 to \$85.00	-	\$4.48 ▲ \$5.15	\$4.96 ▲ \$5.54	EPS	Global

Industrials - Aerospace & Defense Electronics

Aerospace & Defense Electronics►►

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What's Up with Air Traffic November: Flying Plenty of Packed Birds

Key Takeaway

The November Jefferies Air Traffic survey has a 3.9% increase. So, the IATA report for November could notch growth at 5.5 to 6.0%, slightly ahead of our forecast of 5.6% for 2014. The backdrop continues to be positive, with lower oil prices setting the stage for greater demand from the consumer because of improved disposable income and lower fuel surcharges. This development has not been captured in the share prices of the civil aircraft producers.

Industrials - Paper & Packaging

Owens-Illinois, Inc. (NYSE: OI, \$27.01 , HOLD) ►►

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CEO Succession Plan Announced

Key Takeaway

OI announced the appointment of Andres Lopez as COO, which makes him the heir-apparent for CEO. We believe Mr. Lopez is a strong internal candidate given his strong track record running South America. That said, given the recent operational setbacks, the market was likely looking for an external hire and the recent mgmt departures are concerning. On a positive note, now that the succession plan is determined, it should allow OI to refocus on its operations.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$26.00	-	-	-	EPS	Americas

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Conferences

Title	Dates	Location
Jefferies 2015 Global Data Center REIT Summit	1/13/2015	New York
Jefferies 4th Annual Winter Consumer Summit, January 19 - 21, 2015, Beaver Creek, CO	1/19/2015 - 1/21/2015	Avon
Jefferies Meetings at NATPE	1/20/2015 - 1/21/2015	Miami

Company Marketing

Title	Dates	Location
DCC PLC (DCC LN)	1/5/2015	Toronto
FairPoint Communications Inc (FRP)	1/5/2015 - 1/6/2015	San Francisco
CES - Samsung Electronics Co Ltd (005930 KS) IR Group Meeting	1/5/2015	Las Vegas

CES - Lattice Semiconductor Corp (LSCC) Group Dinner	1/5/2015	Las Vegas
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Analyst Marketing

Title	Dates	Location
Laurence Alexander	12/29/2014	New York
Laurence Alexander	1/5/2015	New York
Sean Darby	1/5/2015 - 1/9/2015	Hong Kong
Christie Ju - China Strategy	1/5/2015 - 1/7/2015	Boston, New York, Toronto

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Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
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UNDERPERFORM	145	7.23%	5	3.45%

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