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U.S. RESEARCH AT A GLANCE

March 20, 2015

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Ratings Revisions

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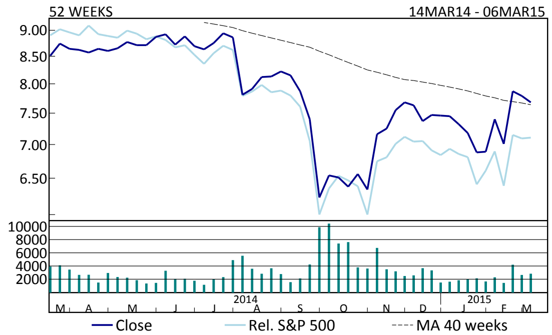

FFO/Sh, Rpt Diluted		Prev.	P/Reported FFO
2014A	0.48↓	0.64	16.4x
2015E	0.42↓	0.68	18.7x
2016E	0.52↓	0.74	15.3x
2017E	0.55		14.4x

All values in USD unless otherwise noted.

Campus Crest Communities, Inc.(NYSE: CCG; 7.87)

Rating: **Underperform (prev: Sector Perform)**
Price Target: **6.50 ▼ 7.50**

Current Valuation Appears Unsustainable Barring Sale with Headwinds Growing

We are lowering our rating on CCG shares to Underperform with a revised 12-month price target of $6.50/share. Barring a premium-valued sale/merger which we believe is unlikely given CCG's restrictive capital/jv structure, we view current valuation as unsustainable. Growing challenges detailed below, including the backfill of executive vacancies, elevated leverage and potential proxy contest, suggest a more protracted/costly turnaround than originally anticipated.

- **Lowering Rating, Target.** We are reducing our rating on CCG shares to Underperform with a $6.50/share target citing unsustainable valuation with a sale/merger unlikely and challenges growing as detailed below:
- **COO Departure, Pace Concerning.** The recent departure of its COO/lack of progress backfilling executive roles leave CCG thin on experience with SS leasing pace for AY15/16 lagging peers despite favorable comps.
- **Leverage High, Maturities Rising.** Leverage is high at >13.0x D+PE/EBITDA and should require significant asset sales/equity issuance to reduce with capacity tight and elevated JV/CB debt maturities ahead.
- **Distractions/Montreal Losses Mounting.** Filing delays and an expected proxy contest should provide added distraction while lack of progress in Montreal could require equity infusion to reduce debt guarantees.
- **Outlook Reduced, Dividend Underfunded.** We have reduced our '15 and '16 "FFOA" estimates to $0.42/share and $0.52/share (-$0.26/-$0.22/share) and expect CCG's '15 dividend to be underfunded by AFFO.

Price Target Revisions

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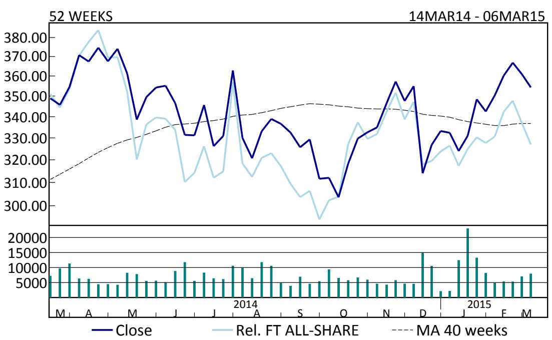

	Revenue	Prev.
2014A	4,072.0↓	4,090.0
2015E	4,427.0↑	4,378.0
2016E	4,559.0↓	4,562.0
2017E	4,721.0	

All market data in GBp; all financial data in GBP; dividends paid in GBp.

Carillion plc(LSE: CLLN; 330)

Rating: **Outperform**
Price Target: **375 ▼ 385**

Forging forwards

We reiterate our Outperform recommendation for Carillion. We believe that the Group is well positioned for 2015 with high levels of earnings visibility, a favourable shift in the business mix and improving cash generation.

- **Well positioned going into the UK general election.** The Group has 85% revenue visibility for 2015E, with 80% revenue visibility at Support Services and 92% at Construction Ex-Middle East. Compared to other Support Services peers we believe that Carillion is relatively well placed, as it is exposed to less politically sensitive blue collar facilities management.
- **A growing exposure to Support Services should drive a re-rating.** Carillion's exposure to Support Services has increased to 58% 2015E of EBITA compared to 47% in 2012. Carillion trades on a PER of 10.3x 2015E and EV/EBITA of 7.9x 2015E. This compares to Mitie on PER 11.4x and EV/EBITA 9.4x 2015E. Our revised PT of GBp375 implies a PER of 12x and an EV/EBITA of 9.3x.
- **Cash backed margins.** We believe that underlying Group margin is stable ex-PPP sales at approximately 5.5% 2015–2017E, with the support services margin reaching 6% 2016E. We forecast that profits will be cash backed 2015–2017E, despite mobilisation cost at large Support Services contracts.

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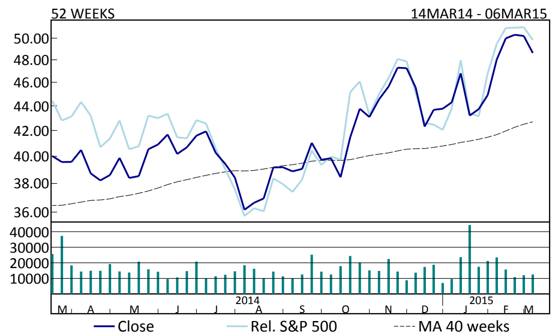

	EPS, Rpt Diluted	Prev.	P/E Reported
2014A	2.79		17.8x
2015E	3.15↑	3.00	15.8x
2016E	3.70↑	3.50	13.4x
2017E	4.20↑	4.00	11.8x

All values in USD unless otherwise noted.

Lennar Corporation(NYSE: LEN; 49.65)

Rating: **Outperform**
Price Target: **59.00 ▲ 57.00**

Best Risk/Reward

We are maintaining our Outperform rating and raising our price target to $59 (implied upside ~19%) from $57. LEN reported 1Q15A Home Building Revenues / Reported EPS of $1.40 BN / $0.50 vs. consensus of $1.33 BN / $0.45 and RBCe of $1.33 BN / $0.42. The EPS beat was driven by a robust increase in home building revenues attributable to a surge in deliveries (+20% y/y vs. consensus and RBCe of +12%), exceptionally strong performance in financial services, and a sizable contribution from land sales. New order growth of 18.1% was also encouraging and comfortably surpassed consensus of 15%. The stock remains one of our favorite investment ideas given management's strong track record of execution and the company's extensive leverage to a national housing recovery.

- **Home building operating performance:** Home building revenues increased by 23.1% y/y to $1.4 BN in response to a 19.6% y/y increase in the number of homes delivered and a 2.9% y/y increase in average selling price. The increase in average selling price was driven by a favorable geographic mix shift biased toward the West region. Home building GM declined by 200 bps y/y to 23.1% (vs. RBCe of 23.5%) in response to cost inflation (materials, labor and land) that more than offset the benefit of favorable operating leverage. 1Q14A GM also reflects the benefit of a $5.5 MM (+50 bps) non-recurring insurance recovery. The SG&A ratio declined by 40 bps y/y to 11.4% (vs. RBCe of 11.6%) in response to lower insurance reserves (-30 bps). As a result, home building operating income declined by 130 bps y/y to 8.6%.
- **Estimates and valuation:** We are now forecasting FY15E EPS of $3.15 (+ $0.15), FY16E EPS of $3.70 (+$0.20), and FY17E EPS of $4.20 (+$0.20) due to our expectations for better ASP performance. LEN is currently trading in-line with the peer group at a FY16E P/E multiple of 13.4x. In our opinion, LEN should trade at a premium to the peer group given management's strong track record of creating shareholder value.
- **Derivatives:** LEN's strong results are a positive indicator for other home builders that stand to benefit from a strong spring selling season

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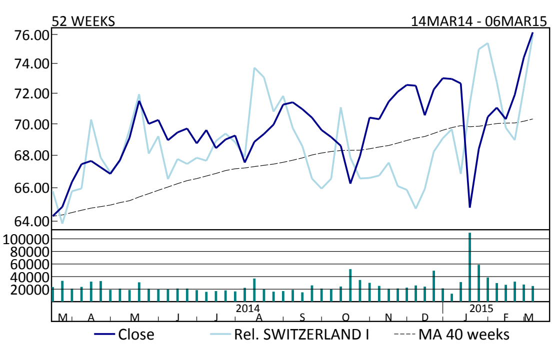

	Revenue	Prev.
2014A	91.6	
2015E	95.2↑	92.6
2016E	100.1↑	96.8
2017E	104.9↑	101.4

Nestlé SA(VX: NESN; 76.40)

Rating: **Outperform**
Price Target: **87.00 ▲ 83.00**

Challenging preconceptions

Nestlé's superior sales growth is underappreciated. Add in the prospect of high, growing and sustainable cash distribution and we believe Nestlé's shares should be amongst the best performers in the sector.

We highlight two areas where we believe that Nestlé's attractions are under-estimated. First, it has delivered organic revenue growth amongst the highest in the consumer staples sector in recent years. In part this is a function of robust execution, in part of Nestlé's exposure to relatively high growth markets in our view; (see our report 'The theory of everything', 5 February 2015). Secondly, the focus on capital efficiency is yielding meaningful reductions in both fixed and working capital investment and consequently improvements in cash conversion. Management's commitment to improving ROIC seems to preclude major M&A which leaves significant and sustained cash distribution as the most likely alternative in our view. These two factors combine to underpin our Outperform recommendation.

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All values in CHF unless otherwise noted.

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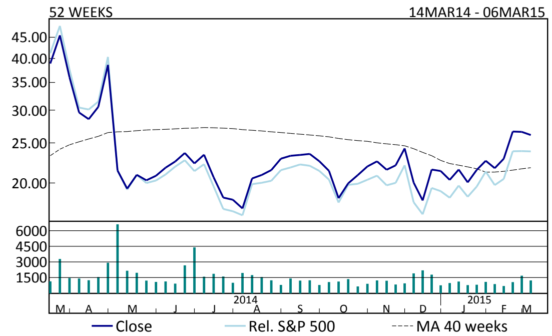

	Revenue
2013A	0.7
2014A	50.9
2015E	7.8
2016E	55.9

All values in USD unless otherwise noted.

Prothena Corporation plc (NASDAQ: PRTA; 29.23)

Rating: **Outperform**
Risk Qualifier: **Speculative Risk**
Price Target: **50.00 ▲ 40.00**

Solid Parkinson's data supports our call: thesis is shifting to 2nd new drug - OP

PRTA is shifting to a "two-drug" company with a very interesting amyloidosis drug now in Phase III pivotal studies - and now an exciting 2nd drug for Parkinson's, which showed Phase I with up to 96% knockdown of alpha-synuclein, a key toxic agent in Parkinson's. PT to $50 from $40 on higher probability of Parkinson's (only 21% still) and still 50% only on amyloidosis.

- **We continue to think Prothena represents a very interesting, and compelling small cap biotech idea, with multiple novel antibodies in the clinic for blockbuster market opportunities.** The interesting part is these drugs have very unique science and work completely differently than other drugs for amyloidosis and Parkinson's, have minimal to no competition, and very exciting early data. PRTA remains fairly off-the-radar and under-owned because there was never an IPO (was a spin-out of ELN) and there have always been a lot of skeptics around the first drug for amyloidosis. So now that a 2nd drug looks pretty interesting - and has a partnership with Roche - we think there could be a renewed interest in PRTA and there is lots of room to go as it is still only a $1.3B market cap (not to mention there is a 3rd antibody for psoriasis that is starting Phase I shortly in H1:15 but we'll save that discussion for a future note...). *There is more commentary on this drug possible at the AD/PD conference this week at a Roche/ PRTA joint symposium on 3/21.*
- **New drug PRX-002 reported positive Phase I data in 40 healthy subjects** (5 escalating doses, up to 30mg/ kg). The drug showed: 1) it met the primary endpoint of good safety with no dose-limiting toxicity, mild adverse events, no hypersensitivity and no SAE's, 2) rapid, robust, dose-dependant knockdown of up to 96% of alpha-synuclein (p<0.00001) after just a single dose.

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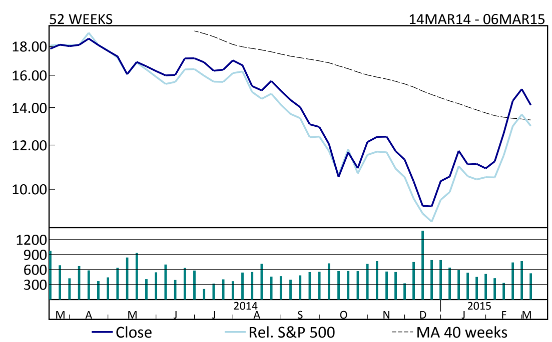

	DCF/unit	Prev.	P/DCF per unit
2013A	1.67		9.2x
2014A	0.56↓	0.61	27.6x
2015E	1.56↑	1.40	9.9x
2016E	1.39		11.1x

All values in USD unless otherwise noted.

Rentech Nitrogen Partners LP (NYSE: RNF; 15.44)

Rating: **Sector Perform**
Price Target: **16.00 ▲ 14.00**

Making Progress at Pasadena

RNF's 4Q14 results missed our expectations but were in line with its recently revised guidance. Importantly, we believe the restructuring at Pasadena should help the plant generate positive EBITDA in 2015. In addition, RNF continues to explore strategic alternatives. We maintain our Sector Perform rating. We update our estimates and our price target moves to $16.

- **Pasadena restructuring yielding benefits:** Recall RNF reduced Pasadena's workforce by 20% and annual production of Ammonium Sulfate (AS) by 25%. The restructuring drove a narrower EBITDA loss of $1.1MM in 4Q14 vs an EBITDA loss of $7.5MM in 4Q13. Importantly, RNF noted that Pasadena generated positive EBITDA in the first two months of 2015 and should generate positive EBITDA in 2015 (we forecast ~$5MM).
- **4Q14 results below expectations, but in line with recently revised guidance:** RNF reported 4Q14 EBITDA of $13.4MM vs. our and the consensus expectation of $23MM. However, RNF's 2014 Adjusted EBITDA of $64.7MM was in line with its 02/12/15 revised guidance of $65MM. 4Q14 DCF was $11.7MM vs. our $13.7MM forecast.

- **Guidance for 2015 deliveries ahead of our expectations:** RNF expects deliveries (in thousand tons) of 200 for ammonia (vs our 138), 300 for UAN (vs our 310), 60 for Urea (vs our 49), 10 for nitric acid (vs our 12), 520 for AS (vs our 484), 210 for sulfuric acid (vs our 91) and 80 for Ammonium Thiosulfate (vs our 39). RNF locked in 43% of its Ammonia deliveries at $566/ton, 25% of its UAN deliveries at $279/ton and 36% of its AS deliveries at $237/ton.
- **Updating estimates; PT moves to $16:** We now forecast 2015 EBITDA of $101MM (was $91 MM), DCF of $61MM (was $55MM) and distribution/unit of $1.56 (was $1.40). We derive our price target by applying an EV/EBITDA multiple of 10x to our 2015 EBITDA estimate.

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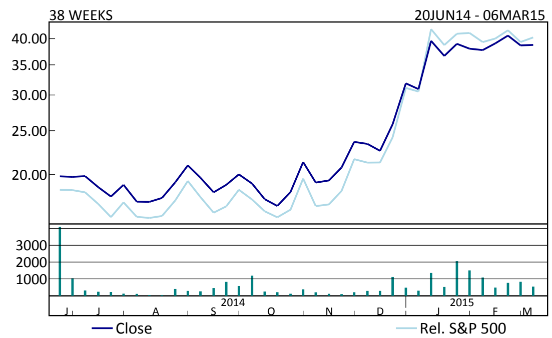

	Revenue
2014A	0.0
2015E	0.0
2016E	0.0

All values in USD unless otherwise noted.

Zafgen, Inc.(NASDAQ: ZFGN; 51.34)

Rating: **Outperform**
Risk Qualifier: **Speculative Risk**
Price Target: **58.00 ▲ 53.00**

PWS Phase III data pushed out a bit; Obesity, PWS data expected YE15, 2Q16

On its 4Q14 call, ZFGN announced that topline data from the bestPWS Phase III trial are now expected "early 2Q16" (vs. prior YE15) due to slightly slower enrollment. A DSMB in the trial cleared the 2.4mg dose of beloranib to be used, and Zafgen decided to make it the only dose used in the ZAF-312 PWS EU trial expected to start mid-2015.

- On its earnings call, ZFGN updated timelines and provided financial guidance for 2015. The key updates are:
- **1) Topline Phase III data for beloranib use in PWS now expected "(probably early) 2Q16" vs. prior YE15**, pushed out due to slower than expected recruitment.
- **2) The 102-patient trial enrolling in 15 US sites is now 2/3 enrolled.** ZFGN will add CAN sites, and will lower the BMI inclusion criteria to 27 from 30 to speed up enrollment. Mgmt also reiterated the recently disclosed decision to go back to change in body weight (used to be change in body fat mass) and hyperphagia as co-primary endpoints in the trial.
- **3) Higher dose cleared to use in Phase III; EU trial will use just this dose (2.4mg).** A DSMB safety look into the early part of the bestPWS trial has cleared the 2.4mg dose to be used in the trial. ZFGN has also decided to use just the 2.4mg dose in the second Phase III trial, ZAF-312, which will be conducted in the EU and is still expected to start in mid-2015.
- **Adjusting our price target post full HIAO data.** Given the positive news on the 2.4mg dose getting the DSMB green light from a safety standpoint, and the recently presented full HIAO dataset, we are adjusting our probability of success in the PWS and HIAO trials to 65% and 60%, from 60% and 50%, respectively, resulting in our $58 price target (raised from $53).

First Glance Notes

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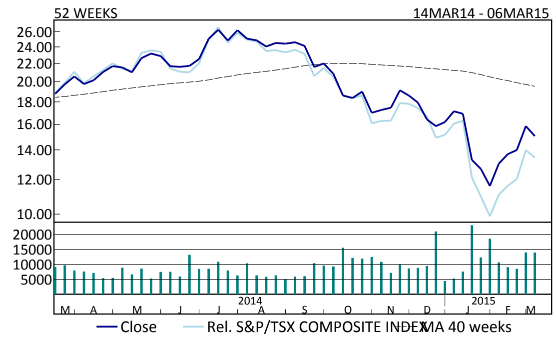
First Quantum Minerals Ltd.(TSX: FM; 13.57; LSE: FQM)

Rating: **Sector Perform**

Covenant relief obtained

- **Net debt/EBITDA covenant changed:** First Quantum announced today that the required threshold of syndicate banks have agreed to the changes requested by the company to the net debt/EBITDA covenant under its $3.0 billion credit facility and $350 million Kansanshi facility. The changes are effective at the end of the period. With the tax change in Zambia and the drop in commodity prices, First Quantum had indicated with its Q4/14 results that it would breach its net debt/EBITDA covenant and had been seeking covenant relief from its lenders, which



All market data in CAD; all financial data in USD; dividends paid in CAD.

it expected by March. First Quantum remains compliant with all existing finance covenants currently and expects to remain compliant with the new covenants at the next covenant test date of March 31, 2015.

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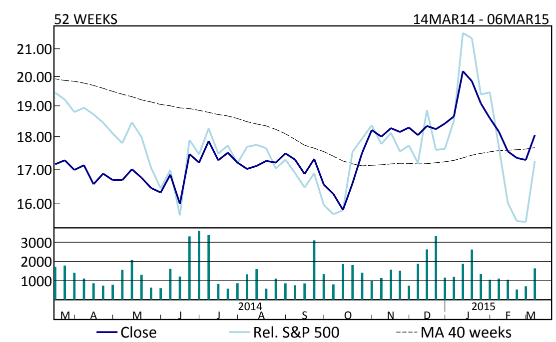

All values in USD unless otherwise noted.

Rouse Properties Inc.(NYSE: RSE; 19.30)

Rating: **Outperform**

Recent NDR suggests that the value creation machine keeps humming

We recently hosted Rouse management on a two day NDR to New York and Boston. Our key takeaways from the meetings with investors include the following:

- Management looks for redevelopment to add $350-$400 million to NAV over the next three years.
- Acquisition activity could be robust for Rouse in 2015 as the company is reviewing a substantial amount of product.
- Tenant sales in January and February were likely sound despite some cold weather.
- A new Sears REIT could be beneficial to Rouse as the company looks for ways to access the Sears real estate in its portfolio.
- Additional dispositions could be contemplated over time.

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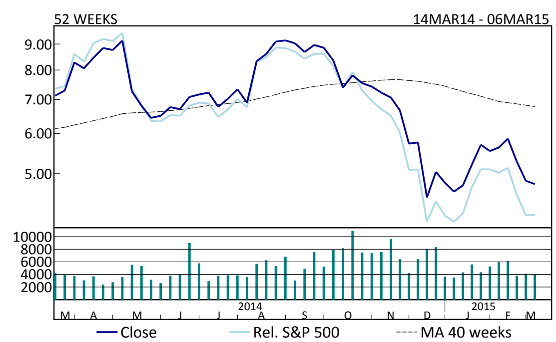

All values in USD unless otherwise noted.

Vaalco Energy, Inc.(NYSE: EGY; 3.03)

Rating: **Outperform**
Risk Qualifier: **Speculative Risk**

Highlights From Meetings On The Road

- Steve Guidry (Chairman & CEO) and Al Petrie (IR) were in attendance from the Company.
- EGY indicated that its 2015 production guidance would be biased toward the high end of guidance (3,900-4,600 Bopd) if no production interruptions occur and offshore Gabon wells in the SEENT area exhibit a high degree of success. EGY noted that 2 of these SEENT area wells are tapping a previously unproduced zone so Company guidance is not factoring in much contribution here. Success from these wells would also result in a nice addition to reserves.
- EGY also indicated that 2016 production is likely to be higher than 2015 production.
- EGY is still in the middle of drilling its first Angolan exploration well with results expected in the next several weeks. Earlier this week, EGY indicated it was at 3,100' with a planned total depth of 7,400' and expected to encounter the primary target of the Mucanzo sands next week. The post-salt Kindele prospect is thought to contain 20–50 MMBbl of gross resource potential (EGY = 50% WI) and EGY believes there is a high probability of success.

- Angola Success Would Be A Game Changer. If EGY were to make a 50 MMBbl discovery in Angola with the Kindele prospect, we estimate that it would be worth $2.00–$2.50 per share. Additionally, a discovery would open up the pre-salt prospectivity of Block 5, which could pave the way for much larger finds down the road.

Company Comments

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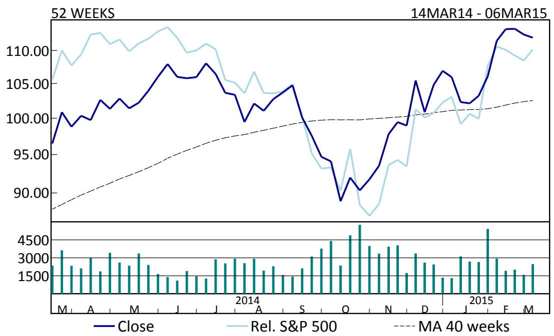

	Revenue
2014A	9,240.5
2015E	9,058.9
2016E	9,629.8
2017E	10,117.1

All values in USD unless otherwise noted.

Autoliv Inc. (NYSE: ALV; 113.76)

Rating: **Underperform**
Price Target: **99.00**

Takeaways from Hosted Management Meetings

ALV looks to benefit in passive safety from Takata but we continue to believe elevated active safety R&D spend will weigh on margins over mid-term. Company one of the few to actually benefit from FX, providing a near-term lift. Still, we see better value elsewhere.

- We recently hosted management meetings with ALV's Ray Pekar, VP Investor Relations and Business Development. While company is investing for the future which we like and applaud, we see better value else where.
- **Takata benefit.** ALV could add ~$560mm in revenue from replacement business. There is the possibility for further upside given the exact scope of the recalls not yet clear, but believe market is already pricing in some further upside.
- **Active Safety.** Underperformance market growth partially due to behind in vision which is faster growing. ALV investing to catch-up but weighs on margins.
- **An FX beneficiary.** Prior guidance used EUR/USD 1.18, so clear translation risk but FX transaction helps. Thus, we see upside to current 2015 ~9.5% margin target.
- **European outlook.** Don't see a V-shaped recovery. Western Europe good off low base, Eastern Europe challenged. Premium/luxury mix holding in.

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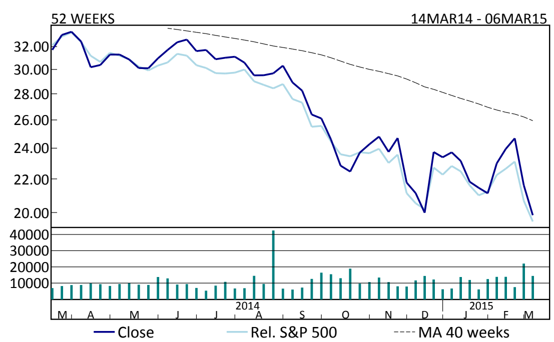

	EPS, Ops Diluted	Prev.	P/E
2013A	1.95		9.7x
2014A	2.13		8.9x
2015E	2.23↓	2.25	8.5x
2016E	1.96↓	2.21	9.7x

All values in USD unless otherwise noted.

Rowan Companies plc (NYSE: RDC; 18.92)

Rating: **Sector Perform**
Price Target: **25.00**

Jackup Rates Continue to Fall

The March Fleet Status Report featured two contracts ending sooner than expected which were partially offset by several short-term new contracts. Dayrates in the jackup market continue to print ~30-40% below peak rates.

- **Reducing 2015/2016 EPS estimates** to $2.23/$1.96 from $2.25/$2.21. Lower dayrate assumptions in the North Sea drove our estimate reductions. Street estimates are $2.76/$2.45.
- The *Ralph Coffman* and *Rowan Stavanger* are both finishing their current contracts 2-3 months earlier than previously expected.
- The *Stavanger* did receive a one-well extension at a dayrate of $150k/day vs. our estimate of $170k/day and previous rate of ~$225k/day.

RBC Capital Markets

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Ciccarelli's Check Points

- **Nike cites port disruptions as headwind to North American sales in 3Q; DTC and future demand remain solid –** As a reminder, Nike accounts for 18% of Dick's Sporting Goods' (DSG) sales (FY13 most recent data). While Nike's NA revenues may have come in light, we believe that pressures noted towards the end of the quarter are relatively in-line with some of the cautious commentary that DSG recently provided with its 1QCY15 guidance (though DSG's focus was more on inclement weather than port disruptions). Further the strength in futures orders suggests that demand remains healthy, which bodes well for DSG over 1HCY15 (a similar time-frame captured by Nike's futures orders), and Nike also made a point to call out the success of its Field House partnerships (stores-within-a-store) with DSG. Unfortunately, we continue to believe that biggest risk to DKS shares remains the potential channel cannibalization from both e-commerce and the rapid growth of vendor DTC programs, and today's results seem to support that thesis, as Nike's NA DTC revenue growth outpaced total NA growth both on a company-owned same-store sales and overall basis (includes e-commerce). If these trends persist, then we would expect multiple compression on DKS shares as investors increasingly view the company's store base as more of a liability than an asset.

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Move It Or Lose It?

Update On Zillow And The Online Real Estate Sector

- **Results from RBC's 3rd Annual Online Real Estate Agent Survey –** In March 2015, we surveyed approximately 460 real estate agents using SurveyMonkey in order to gauge their interest in Online Advertising and in platforms like Zillow, Trulia, and Realtor.com.
- **Trulia Q4 Results Lead To Slightly Tweaked Estimates –** We are modestly decreasing our 2015 and 2016 Z Revenue estimates by 1% and 2%, respectively, to account for lighter than expected Q4 top-line results by Trulia (which was recently released in their 10-K). Our EBITDA/EPS estimates don't materially change, however, as Trulia reported better than expected Q4 bottom-line results. We continue to firmly believe that the Trulia acquisition was a major strategic positive for Zillow, but these results do highlight that the integration may take a substantial period of time to deliver material cost and revenue synergies.

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RBC European Industrials Daily

SIE mini-warning; PHIA Lumileds sale closer

- Siemens: mini-warning at London broker conference.
- Reports suggest Philips to sell 80% of lighting components – small positive.
- US leading indicators tread water, held back by industrials.
- US Industrials underperformed overnight.

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RBC International E&P Daily

GPX; DNO; TLW; PRE; ENQ; FPM

GPX.L: Outlines Commitments and 2015 Funding Requirements; opened down 13%; DNO.OL: YE14 Reserves in line; opened up 2%; TLW.L: Management Getting Back On The Front Foot; opened up 3%; PRE.TO: Dry hole at Kangaroo West-1 dry; ENQ.L: Director shareholding; Week Ahead

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The Healthcare REIT Pulse: Medicare Advantage not snuffing out SNFs yet

- This edition of the healthcare REIT pulse analyzes the recent trends with regard to Medicare Advantage (MA) and its impact on the skilled nursing facility industry (SNF).
- While MA trends are important to track and be aware of, we believe it will not meaningfully pressure the SNF operators or the publicly traded healthcare REITs in the near-term.
- MA enrollment has increased rather rapidly since 2010 with a 9.1% compound annual growth rate (CAGR), however, the traditional fee-for-service Medicare enrollment also increased albeit at a much more modest pace of 2.2%.
- As long as facilities are able to at least maintain their traditional Medicare admissions and replace Medicaid patients with Medicare Advantage patients, operators should continue to perform well.
- The REITs that are most exposed are the ones with already tight underlying lease coverage ratios, treats a high percentage of Medicare patients, and are concentrated in states with above average MA enrollment.
- HCP has been more vocal on the aforementioned trend and that it is impacting the SNF portfolio, which makes sense given the company's exposure to HCR ManorCare.

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The Weekly Haul

Airfreight & Surface Transportation

- In this week's Featured Commentary, we discuss changing investor sentiment regarding the US Class I railroads.
- Takeaways from the news include: shippers and BCOs to divert more cargo to avoid West Coast ports; U.S., Canada agree on multimodal system for reverse inspections; DHL Express expands Houston service for oil and gas industry; speed limits may not stop fiery oil spills, rail chief says; West Coast intermodal volume surge tests inland hubs; new program at port of LA to speed up cargo shipments; and Asia-Europe spot rate hits 18-month low as slow season bites.
- Key macro data points for the week ahead include MDI & OHD on Monday, CPI on Tuesday, Durable Goods on Wednesday, Jobless Claims on Thursday, and GDP on Friday.

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Thoughts on tomorrow's FDA/NIH scientific workshop on dystrophin quantification

- The FDA and NIH are hosting a scientific workshop tomorrow, Friday March 20th, bringing together academia and industry to discuss the current state of dystrophin expression quantification.
- Informative for everyone, but impactful probably only for SRPT: We expect this workshop, co-sponsored by FDA and NIH, to help shape FDA's thinking and possibly future guidance on the topic.
- We expect that from the public companies in the DMD space, the only one that could be impacted by tomorrow's meeting is Sarepta, given its significant use of dystrophin data and the fact that FDA has asked the company to provide more information on its dystrophin measurements.

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US E&P Valuation Weekly

Borrowing Base Redetermination Season Underway; Oil Hits New Multi-Year Lows

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- **Spring Borrowing Base Redeterminations Will Be Closely Watched.** Most of the companies in our universe have scheduled borrowing base redeterminations between March and May. A few companies have announced the results, which appear relatively favorable thus far, as banks have shown a willingness to work with companies. Rapidly growing gassy names including ECR (increased 25% to $125 million), RICE (expecting an increase) and GPOR (expecting an increase) should be among the handful of Companies that receive increases. CLR also received a 43% increase to $2.5 billion, although the Company's prior borrowing base was intentionally low. HK's borrowing base was maintained at $1.05 billion. GDP received a 13% reduction from $230 million to $200 million. XCO's borrowing base was reduced by 19% to $725 million. We would expect the other companies in our universe to either get borrowing bases maintained in the case of well hedged, better capitalized names, or have modest (10-20%) reductions. We believe the visibility for the Fall redetermination season is much more hazy, due to 2015 hedges rolling off and expectations for an oil price recovery in 2H15.

Technical Research

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Equity Rebound On Track With Small and Mid-caps Leading

Accelerating Ideas in Healthcare, Technology, Discretionary and Transports

- Equity recovery continues from oversold levels established last week with small and mid-caps leading/breaking out. We continue to view the recent 12-month breakout by the small-cap indexes as a bullish resolution to the macro headwinds that overhung equities through 2014. Sentiments surveys vary widely, but the recent decline in bullish sentiment could/should support further upside in equities.
- Despite Wednesday's Fed related sector 'volatility', we continue to see many of the same group themes reaccelerating/emerging notably in the Healthcare, Technology, Transports and select Discretionary sector. In contrast we view rebounds in many of the Resource/Energy areas as counter-trend, multi-week, oversold rebounds rather than the beginning of multi-month/quarter uptrends.
- IDEAS - (+) Healthcare – Leadership intact, accelerating with more Biotech (REGN, AMGN, CELG, ALXN), Pharma (BMY, LLY, MYL, PRGO) and Hospitals (UHS, LPNT) emerging/accelerating from 3-6+ month trading ranges WITH relative performance leading. (+) Technology – Software (ACIW, CRM, CDNS, ANSS, FTNT, ORCL), Internet (FB, AKAM), Data Processors (GPN, JKHY) and select Semis related (ADI, SLAB) building leadership while PC related themes test next support.
- (+) Transports – Leadership accelerating – Airlines (JBLU leads DAL emerging), Truckers emerging: ODFL, R, WERN, JBHT.
- (+) Discretionary – Accelerating ideas include NKE, UA, MAR, HOT, M, while GPS is showing early signs of bottoming.
- (=) Bond Proxies – Rebound continues, notably REITs: AVB, AIV, BXP, SPG
- (-) Staples – Beverages remain in weak relative performance trends: KO, PEP. (-) Chemicals/Fertilizers – Despite becoming 'oversold', relative performance trends remain weak: ARG, PPG, FMC, MON

In-Depth Reports

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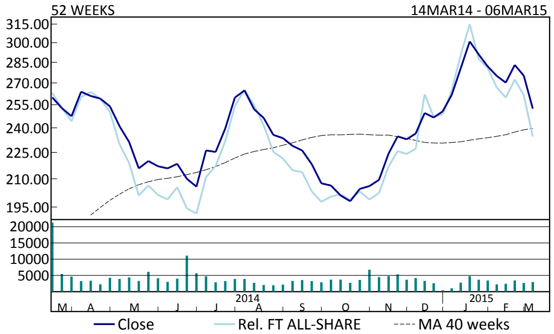
Acacia Mining Plc (LSE: ACA; 248)

Rating: **Outperform**
Price Target: **410**

Q1 challenges but projects on track and guidance maintained

Whilst ACA appears to have faced a number of challenges in Q1 at both Buly and Buzwagi, these appear have at least been partially offset by stronger production at Mara driven by grade. Full year guidance of 750koz-800koz has been maintained



EPS, Adj Diluted		Prev.	P/E
2014A	0.22		16.7x
2015E	0.38↓	0.39	9.6x
2016E	0.60		6.1x
2017E	0.59		6.2x

All market data in GBp; all financial data in USD.

and the development of the Upper East and Lower West at Buly and the underground at Mara are on track.

- Site visit to Buly and Mara - Whilst ACA has faced issues during Q1 these are marginal in impact and the company retains positive momentum and is on track to deliver almost a 40% step up in production at Bulyanhulu in 2015 with relatively consistent production at the other mines.

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SELL [Underperform]	112	6.61	6	5.36

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