

Seeking Alpha α

Wall Street Breakfast: Must-Know News

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by: Wall Street Breakfast

| includes: [BAC](#), [BP](#), [CHK](#), [COP](#), [DAL](#), [ETP](#), [GRPN](#), [JPM](#), [MS](#), [NWS](#), [NWSA](#), [QQQ](#), [SBUX](#), [SPY](#), [SUN](#)

Top Stories

Groupon board undergoes shakeup. Starbucks ([SBUX](#)) Chairman and CEO Howard Schultz and Accel Partners' Kevin Efrusy are stepping down from Groupon's ([GRPN](#)) board and will be replaced by Daniel Henry, CFO of American Express, and Deloitte Vice Chairman Robert Bass. The shakeup comes as Groupon looks to shore up investor confidence following the fiasco of its Q4 restatement. *Opinion: [Is Groupon now a buy?](#)*

Deepwater disaster still haunts BP's results. BP's ([BP](#)) closely watched clean replacement cost profit fell a more-than-expected 12.8% in Q1 to \$4.8B even as revenue climbed 9.4% to \$96.7B. A drop in production following asset sales as a result of the Gulf oil spill offset higher oil prices. Shares **-3.5%** premarket. *Opinion: [Deep drilling capability can help BP.](#)*

U.S. may issue floating notes. The Treasury could tomorrow provide details about its plans to start issuing floating-rate debt for the first time ever. However, Campbell Harvey, described by Bloomberg as the "father of Treasury floaters," warns that with interest rates at historic lows, floating-rate debt introduces risk and so should be avoided right now. *Opinion: [Trading strategies for long-term Treasuries.](#)*

Top Stock News

British panel slams Murdoch over phone hacking. A U.K. parliamentary committee has accused Rupert Murdoch of "willful blindness" over the depth of the phone hacking at News Corp.'s ([NWS](#)) British newspapers and said he is "not a fit person" to manage a multinational corporation. In a scathing report, MPs also slammed the "huge failure of corporate governance at News Corp." *Opinion: [News Corp. shareholders might now win from a murdoch Loss](#)*

While Delta invests \$250M to enter refining sector... Delta Air Lines ([DAL](#)) has confirmed it will purchase the Trainer refinery in Philadelphia from ConocoPhillips ([COP](#)) spinoff Phillips 66 as part of an attempt to cut its fuel expenses by \$300M a year. The deal includes pipelines that transport the fuel to JFK, LaGuardia and other airports, and "strategic sourcing and marketing agreements" with BP ([BP](#)) and Phillips 66. *Opinion: [Friendly skies or turbulence ahead?](#)*

...Sunoco maintains exit strategy. Sunoco ([SUN](#)) is continuing its talks with Carlyle about a potential refinery joint venture and its plans to otherwise exit the sector following the news yesterday of its prospective acquisition by All Energy Transfer ([ETP](#)) for \$5.3B. What ETP is really interested in is Sunoco's pipeline system and access to the lucrative Marcellus and Utica shales. *Opinion: [Take advantage of ETP's incredible yield.](#)*

BofA to cut breadwinners. Bank of America ([BAC](#)) is planning to slash around 2,000 positions at its investment banking, commercial banking and non-U.S. wealth-management units, the *WSJ* reports, showing that even the bank's moneymakers aren't safe amid the industry's relentless cost-cutting. *Opinion: [Investing for income in BofA.](#)*

Taxman investigates Chesapeake. The IRS is reviewing the perk that allowed Chesapeake ([CHK](#)) CEO Aubrey McClendon to buy stakes in wells the company drills. Chesapeake believes resolving the matter won't have a material impact on the company. We might find out more after the bell, when Chesapeake releases Q1 earnings. Analysts expect that EPS fell to \$0.29 from \$0.75 and that revenue rose 71% to \$2.75B. *Opinion: [5 reasons to sell Chesapeake.](#)*