

BG SALES-TRADING MORNING DU 14/01/2016

LA SEANCE DE LA VEILLE

INDICES U.S & JAPON				SECTEURS S&P : BEST PERFS			SECTEURS STOXX : BEST PERFS		
Indices	Cloture	Var %	Var 17h30-22H (en %)	S&P	Var %	YTD	STOXX	Var %	YTD
DJ	16151,4	-2,2%	-1,6%	Utilities	0	-0,3	Oil & Gas	1,5	-9,5
NASDAQ	4526,1	-3,4%	-2,4%	Household Products	-1	-4,2	Insurance	0,9	-5,7
S&P 500	1890,3	-2,5%	-1,9%	Telecom Op.	-1,2	-3,8	Basic Resources	0,8	-14,7
NIKKEI	17241	-2,7%	-	Real Estate	-1,4	-4,6	Utilities	0,7	-3,1
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Spec. Retail	-4,5	-8,8	Auto & Part	-1,2	-10,6
				Transportation	-3,8	-8,9	Travel & Leisure	-0,4	-4
				Auto	-3,5	-13,3	Technology	-0,2	-3,6
				Div. Financials	-3,2	-9,5	Financial Serv.	-0,2	-8,1

Valeurs les plus traitées hier vs. Moy. 3M

CAC 40			EURO STOXX 50			STOXX 600		
Stocks*	Last	Var%	Stocks*	Last	Var%	Stock*s	Last	Var%
ALSTOM	27,8	-0,5	BBVA	6,2	0	BERENDSEN PLC	1057	1,3
LEGRAND SA	50,3	0,3	IBERDROLA SA	6,3	0,6	BALFOUR BEATTY PLC	260,3	0,3
AIRBUS GROUP SE	59,5	0,8	NOKIA OYJ	6,9	-0,3	DERWENT LONDON	3486	0,4
PUBLICIS GROUPE	53,6	-2,5	E.ON SE	8,6	4	PHOENIX GROUP	879	0,1
ACCOR SA	37,2	-0,6	AIRBUS GROUP SE	59,5	0,8	THOMAS COOK GROUP	119,5	-1,8

DEFINITION : * compare les capitaux traités sur une valeur la veille rapportés à la moyenne des capitaux traités ces 3 derniers mois sur la valeur.

TAUX U.S				DEVICES				MAT. PREMIERES			
Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	100,2	0%	0,9%	€//\$	1,0858	-0,2%	0,1%	BRENT	28,6	0,9%	-20%
U.S 10 ANS	101,4	0%	2,1%	€/¥	128,13	-0,1%	2%	ONCE OR (\$)	1089,3	-0,4%	2,6%
VIX Index	25,2		12,2%					VSTOXX Index	28,1		-1,4%

Economic Calendar

DE - GDP (+1.7% exp. y/y)
 GB - BOE rate decision (0.5% exp.)
 US - Fed's release speaks to Eco. Club of Memphis
 US - Import Price Index Dec. (-8.4% exp.)
 US - Initial Jobless Claims (275k exp.)
 US - Continuing claims

Markets Recap (source Street account)

Asian markets are sharply lower Thursday. Big drop in Nikkei on the back of overnight weakness and stronger yen. Major downside surprise in machinery orders released pre-open. Nikkei reports government mulling proposals to sell foreign assets to facilitate consumption tax exemptions. Shanghai continues to fade after falling away into yesterday's close. PBoC announced stronger yuan fixing to 6.5616 vs yesterday's 6.5630 along with a CNY160B liquidity injection. Australian employment data better than expected, though offered only moderate support for the ASX.

US equities closed sharply lower today. Treasuries were stronger with some curve flattening. The dollar was little changed overall, though stronger against commodity-linked currencies. Gold was up. Oil opened stronger but the rally faltered on inventory data, with WTI settling +0.1%.

Stocks were stronger at the open, partly buoyed by better-than-expected China trade data, but there seemed to continue to be little conviction behind the bounce despite oversold conditions. Inventory data pressured oil. There was some discussion of systematic strategies weighing on the market. The latest Investor Intelligence survey showed bullish sentiment at its lowest level since late summer.

MET announced it was pursuing the separation of its US retail segment. F's guidance disappointed, as did updates from AXL and BWA, while GM was more upbeat. ANTM will attempt to renegotiate its contract with ESRX to capture ~\$3B in savings. CSX posted weak guidance. NFLX dropped on revisions to

sell-side estimates.

Consumer discretionary was the worst performer, with auto names under pressure. Biotech was weak. Semis were a drag on tech, and the FANG complex declined. Regional banks lagged. Transports extended their recent underperformance. Industrial metals continued their selloff. Defensive sectors led the market.

Stocks Factor to watch today :

EDF : have agreed that AREVA's reactor business is worth slightly more than 2.5bn€ as part of EDF's plan to take a controlling stake in the unit. AREVA will need a cash injection of 4 – 4.5bn€ from the State. (le Figaro)

CASINO : Posted 4Q sales above expectations, as a recovery in its core French Market gained momentum thanks notably to previous price cuts and kept its forecasts for improved profitability in France.

ALTOM: orders rose sharply in its fiscal 3Q as it reported a 7% rise in sales.

ADP : Paris Airports operator said passenger numbers fell 2.8% in December t 7.1m€

Rating & TP Changes



AEGON : TP Raised to 6.4€ vs. 6.2, Buy @Bryan Garnier

DIALOG SEMICONDUCTOR : TP raised to 38€ vs. 34, Neutral @Bryan Garnier

NOVARTIS : added to TOP GLOBAL PICK @Jefferies

SEB : BUY vs. NEUTRAL @ UBS

SCOR : BUY vs. NEUTRAL @Goldman Sachs

CAPGEMINI : BUY vs. NEUTRAL @UBS

UBS : TP raised to 15.6€ vs. 15.2 @ Goldman Sachs

CAPGEMINI : TP raised to 108€ vs. 90, BUY @SOCGEN

COMPASS : TP raised to 1235p vs. 1165 @JPM

COMPASS: TP raised to 1300p vs. 1150, Outperform @ RBC

HANNOVER RE : TP raised to 97€ vs. 90 @ Goldman Sachs

E.ON : TP raised to 15.6€ vs. 15.2 @Goldman Sachs



LAFARGEHOLCIM : NEUTRAL vs. OVERWEIGHT @JPM

ADECCO : TP cut to 67CHF vs. 70 @ UBS

RANDSTAD : TP cut to 54€ vs.58 @ UBS

SODEXO : underperform vs. Sector Perform @ RBC

ST GOBAIN : coverage resumed with Overweight rating TP 42€, @ JPM

SANOFI : TP cut to 78€ @Jefferies

Bryan Garnier ... Today's comment(s)

Aegon

RATING : BUY

Fair Value EUR6.4 vs. 6.2

Aegon highlighted yesterday the 3 key pillars of its 2016-2018 strategy: solvency (Solvency II ratio in the 140-170% range), profitability (ROE up to 10% by 2018) and shareholders' return (EUR2.1bn to be returned by 2018 through dividend and share buyback). Yesterday's share price reaction (+10%) is justified, as the plan addresses the right topics and is pretty convincing. Yet we continue to believe Aegon at this point still deserves some discount to peers (but maybe not 30%) as fundamentals are not as strong as these of AXA or Allianz and it has to rebuild a track record. Remember higher US rates and a strong USD are also positive for the equity story. -> Positive

Richemont

RATING : BUY

Fair Value CHF90

Richemont reported this morning Q3 sales at EUR2.93bn (+3%), implying a 4% organic sales decline (-4.5% expected by BG) after +3% in H1 and -6% in the month of October. Europe sales are down 3% during the quarter versus +24% in H1 while situation in Asia-Pacific is less dramatic (-9%) than in H1 (-17%). We keep our Buy recommendation with an unchanged CHF90 FV. Negative.

Dialog Semiconductor

RATING : NEUTRAL

Fair Value EUR38 vs. EUR34

Yesterday, Atmel announced that the board reviewed the Microchip's offer and considered it as superior to Dialog's one. As a result, with the Atmel acquisition very likely to fail, we must now look back to the Dialog's core business. However, over the few last months, this core business has been hit by weaknesses in the Apple value chain, adding pressure to continue the diversification. Overall, our FV is up to EUR38 but given the particularly unsupportive momentum, we maintain our Neutral recommendation.
