

## BG SALES-TRADING MORNING DU 27/01/2016

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	16167,2	1,8%	0,3%	Oil & Gaz	3,8	-7,8	Basic Resources	4,4	-12,7
NASDAQ	4567,7	1,1%	-0,1%	Banks	2,1	-15,6	Oil & Gas	2,4	-5,8
S&P 500	1903,6	1,4%	0,3%	Auto	2	-15,1	Banks	1,8	-14,4
NIKKEI	17163,9	2,7%	-	Cap Goods	2	-7,7	Industrial Goods & Serv.	1,6	-6,4
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Food staples, Retail	0,2	-4,2	Media	-0,1	-6,4
				Health Equip.	0,6	-5,7	Real Estate	0	-6
				IT, SOFTW & Serv.	0,7	-6,6	Financial Serv.	0,1	-12,5
				Utilities	0,8	1,1	Healthcare	0,1	-5,2

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%	
-	-	-	SIEMENS AG-REG	90,6	8,6	MELROSE INDUSTRIES PLC	281	1	
-	-	-	KONINKLIJKE PHILIPS NV	24,1	6,1	SIEMENS AG-REG	90,6	8,6	
-	-	-	ASSICURAZIONI GENERALI	14,2	-3,1	KONINKLIJKE PHILIPS NV	24,1	6,1	
-	-	-	BANCO SANTANDER SA	4	3,5	JERONIMO MARTINS	12,2	4,7	
-	-	-	IBERDROLA SA	6,4	0,7	IG GROUP HOLDINGS PLC	715,5	0	

**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				DEVISES				MAT. PREMIERES			
Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,8	0%	0,9%	€/€	1,0864	0,2%	0%	BRENT	30,1	0,5%	-15,8%
U.S 10 ANS	102,2	0%	2%	€/¥	128,55	0%	1,6%	ONCE OR (\$)	1118,1	-0,1%	5,3%
VIX Index	22,5		-6,8%		VSTOXX Index				28,1		-1,1%

### Economic Calendar

DE - GfK consumer Confidence survey (Feb. )  
 US - New Home sales Dec. (2.0% exp.)  
 US -DoE inventories  
 US - -Fed. Open Market Committee rate decision  
 GB - Nationwide HPI (exp. +0.6 m/m, +4.7 y/y)

#### Dividends Calendar ex-date next day

PENNON 10.46p (1.19%)  
 AMADEUS 0.2737€ (0.73%)

#### Ex Div today

SIEMENS 3.5€ (4.2%)

### Markets Recap (source Street account)

**Asian equities markets mixed Wednesday.** Most markets opened higher following overnight gains in US equities. Mainland China underperforming again amid a sharper decline industrial profits and concerns of further yuan weakening cited as headwinds. The ASX is also trading lower as it plays catch up after yesterday's Australia Day holiday. The Nikkei is outperforming in the region, although there are no clear directional drivers. Toyota and Suzuki Motor made headlines as there are reports of partnership talks between the two companies, although both denied the reports.

**US equities closed higher today.** Treasuries were little changed. The dollar was weaker, particularly on the commodity crosses. Gold rose. Oil reversed yesterday's decline, with WTI settling +3.7% and Brent settling +4.2%.

**A bounce in oil seemed to be the easy excuse for the equity strength, particularly given all the**

**attention to elevated correlations.** Iraq's oil minister noted the Saudis and Russia are more flexible on production cuts, though there continued to be a good deal of cooperation skepticism.

**It was a busy day of earnings with Q4 results and guidance largely better than feared.** However, a low bar was a widely cited driver. Cost-cutting and FX headwinds remained in focus, while liquidity concerns found some semblance of reprieve. Today also saw more M&A headlines.

**The economic calendar was largely on the backburner.** While the Richmond Fed manufacturing index and flash services PMI missed, home prices posted solid gains in November and consumer confidence surprised to the upside in January, holding near the recovery high.

**Energy led the market today on oil's surge.** Industrials outperformed, helped by several better-than-feared results. Steel names helped materials. Banks bounced after yesterday's sharp slide. HPCs were stronger. Internet names underperformed for tech. Biotech lagged.

### Stocks Factor to watch today :

**Banking:** Ireland fears "major impact" from Britain's EU exit (FT)

**IPSEN :** Publishes positive results of phase III DYsport study

**NOVARTIS :** 4Q core net income missed analyst expectations amid a slump at its Alcon eye care unit.

### Rating & TP Changes



**GLAXOSMITHKLINE :** BUY vs. NEUTRAL, TP 1630p vs. 1540 @ Bryan Garnier

**ACCOR :** Buy vs. Neutral, @Goldman Sachs

**MUNICH RE :** Overweight vs Equal Weight @Morgan Stanley

**CRH :** Buy vs. Hold @HSBC

**LAFARGEHOLCIM :** Hold vs. Reduce @ HSBC

**ST GOBAIN:** Buy vs. Hold @HSBC

**ACTELION :** TP raised to 129CHF vs. 126 Equal Weight @Barclays

**HEIDELBERGCEMENT :** TP raised to 93€ vs. 81 Buy @ HSBC

**ITALCEMENTI :** TP raised to 10.3€ vs. 10, Hold @ HSBC



**GALAPAGOS :** TP cut to 50€ vs. 55, Neutral @ Credit Suisse

**EF :** TP cut to 10.5€ vs. 13.5, Reduce @ HSBC

**ZURICH INSURANCE :** TP cut to 200CHF vs.. 245, Underperform ^@ Bernstein

**SHIRE :** TP cut to 5400p vs. 6200p Buy @ HSBC

**SWATCH GROUP :** TP cut to 365CHF vs. 375, Market perform @ Bernstein.

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

GlaxoSmithKline

RATING : BUY vs. NEUTRAL

Fair Value 1635p vs. 1540p (+17%)

GSK has been our least-preferred large cap pharma stock for a while but the company is very close to a turning point in our view and we now see it as a safe play and also as a self-help story with more than decent growth over the [2015-2020] timeframe, with core EPS CAGR of 9.2%. Supported also by a dividend yield of 5.7% at the current price, we rate GSK a new BUY with a FV of GBP1,635.

Zurich Insurance Group

RATING : NEUTRAL

Fair Value CHF295 (+33%)

Mario Greco will join the company as CEO effective 1st May 2016. Until then, he will remain CEO of Generali. This is definitely good news, hence some key question marks remain on Zurich's current operating situation, preventing us to adopt now a more positive view on the stock.

STMicroelectronics

RATING : SELL

Fair Value EUR6.8 (+16%)

STMicroelectronics reported Q4-15 sales in line with estimates and EPS slightly below consensus. The group posted Q4-15 sales of USD1,668m, down -5.5% seq., as expected the gross margin decreased by 130bp seq. to 33.5% and EPS of USD0.00 is slightly below consensus expectations (cons. USD0.02, BG ests. USD0.00). However, Q1-16 guidance is slightly above expectations. The group guided for revenues to be down -3% (+/- 350bp) sequentially, i.e. sales close to USD1,620m, while current expectations were at USD1,600 (BG ests. -1% at USD1,647m). Finally, the set-top-box business is said to be discontinued and annual savings are estimated at USD170m and restructuring costs also at about USD170m.

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