

BG SALES-TRADING MORNING DU 28/01/2016

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	15944,5	-1,4%	-1,6%	Telecom Op.	0,8	3,6	Utilities	1,3	-2,3
NASDAQ	4468,2	-2,2%	-1,9%	Banks	0,4	-15,2	Telecom	1,3	-3,1
S&P 500	1883	-1,1%	-1,5%	Utilities	0,2	1,3	Const. & Materials	1,2	-4,2
NIKKEI	17041,4	-0,7%	-	Food Bev & Tobacco	-0,1	-2,2	Media	1,2	-5,2
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Tech Hardware	-4,3	-11	Real Estate	-0,9	-6,9
				IT, SOFTW & Serv.	-1,9	-8,4	Banks	-0,7	-14,9
				Spec. Retail	-1,9	-9,2	Chemicals	-0,5	-9,5
				Real Estate	-1,8	-5,5	Healthcare	-0,2	-5,5

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	24,7	3,4	ASSICURAZIONI GENERALI	14	-1,3	TDC A/S	31,6	-9,6
BOUYGUES SA	36	1,9	SIEMENS AG-REG	88,5	1,6	BTG PLC	589,5	-2,4
AIRBUS GROUP SE	55,5	-3,4	AIRBUS GROUP SE	55,5	-3,4	BRITVIC PLC	715,5	5,5
ACCOR SA	34	0,7	ORANGE	16,3	2,8	SAGE GROUP PLC/THE	610	7,5
ORANGE	16,3	2,8	BASF SE	61	-1,8	ERICSSON LM-B SHS	77	-6,3

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

Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,8	0%	0,8%	€/ \$	1,0873	0%	0,1%	BRENT	31,4	-0,8%	-12%
U.S 10 ANS	102,2	0%	2%	€/ ¥	129,1	0,1%	1,2%	ONCE OR (\$)	1118,5	0,1%	5,3%

VIX Index	23,1	2,7%	VSTOXX Index	27,8	-1,2%
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Economic Calendar

JP - retail trade Dec. (-1.1% act vs. 0.2% exp.)
 GB - GDP 4Q (exp. 1.9% y/y)
 DE - CPI Jan. (exp. -0.8% m/m, +0.4% y/y)
 DE - HCPI Jan. (exp. -1.0% m/m, +0.4% y/y)
 US - Initial Jobless claims (281K exp.)
 US - Durable Goods orders (-0.5% exp.)
 US - Pending home Sales Dec. (4.8% exp.)

Dividends Calendar ex-date next day

Ex Div today

PENNON 10.46p (1.2%)
 AMADEUS HDG 0.2737 (0.73%)
 ARYZTA (ARYN.VX) 0.6555CHF(1.47%=-)

Markets Recap (source Street account)

Asian equities little changed on Thursday on the back of overnight weakness in the US and lacking conviction in the wake of the FOMC meeting. Nikkei focus turns to tomorrow's BoJ announcement. Mainland China markets open moderately lower with news flow light.

PBoC announced marginally stronger yuan fixing at 6.5528 vs 6.5533 yesterday, and another combined CNY340B in liquidity injections via seven-28-day reverse repos, taking the weekly total to CNY590B to mark the largest injection since Feb 2013.

USD/JPY back in the 118 handle after an overnight rally into through 119. Portfolio flows data showed foreigners net sellers of Japanese equities for the third straight week in moderate size. Similarly, AUD/USD made a move into the high 70-cent range overnight, and has since pulled back. Crude oil and

gold futures retreating somewhat from overnight gains.

US equities closed down today, declining after the release of the Fed's meeting statement. Treasuries were mixed, with some curve steepening. The dollar was weaker overall. Gold was up. Oil was higher, with WTI settling +2.7% and Brent settling +4.1%

The Fed's policy announcement was the central event of the day. As expected, the FOMC elected to maintain its interest rate target. However, its release was perhaps not as dovish as some had hoped, despite the re-inclusion of a sentence suggesting the Fed will monitor global economic and financial developments.

Oil was another key factor, with prices rallying on better-than-feared inventory numbers and speculation about improved prospects for Russia-OPEC cooperation on production. Other macro developments were overshadowed, including a significant beat in new home sales.

AAPL was the big earnings story, with largely in-line earnings but light guidance. BA beat, but guidance was disappointing. BILB posted better-than-feared numbers. TEX continued to climb on M&A news. VMW posted better earnings and revenue, but below-consensus F16 guidance.

Hardware weighed on tech. Internet and catalog retail names were weaker. Pharmaceuticals were a drag for healthcare. A&D companies lagged. E&Ps were stronger overall. Banks outperformed. Defensive sectors led the market.

Stocks Factor to watch today :

AIRBUS : Planetmarketing unit Chief Executive said he had held talks this month in Tehran with government and Iran Air officials.

EDF : its board has agreed to buy the reactor business AREVA based on a value of 2.5bn€.

KAUFMAN & BROAD : its main shareholder planned to cut its stake to less than 50%.

ORANGE : S&P revised its outlook to stable on improved operating trends affirmed its BBB+ rating

ILIAD : NJJ capital has acquired a minority stake in Alliance Miniere Responsable.

Rating & TP Changes



STMICROELECTRONICS : NEUTRAL vs. SELL, TP raised to 7€ vs. 6.8 @Bryan Garnier

STMICROELECTRONICS : TP raised to 6.75€ vs. 6.4, Equal weight @Barclays

SOFTWARE : TP raised to 32€ vs. 25, Neutral @JPM

SGS : TP raised to 1500CHF vs. 1470, Reduce @HSBC

REMY COINTREAU : TP raised to 66€ vs. 63, HOLD @HSBC

ADECCO : initiated with Hold, TP 62CHF @Berenberg



NOVARTIS : TP cut to 100CHF vs. 109, NEUTRAL @bryan Garnier

NOVARTIS : TP cut to 94CHF vs. 97, outperform @ Bernstein

NOVARTIS : TP cut to 82CHF vs. 85, outperform @ Barclays

NOVARTIS : TP cut to 92CHF vs. 100, outperform @ Soc Gen

NOVARTIS : TP cut to 100CHF vs. 110, outperform @Credit Suisse

STMICROELECTRONICS : TP cut to 5.6€ vs. 5.7, SELL @UBS

STMICROELECTRONICS : TP cut to 5€ vs.5.25, Underperform @Credit Suisse

BUREAU VERITAS : Reduce vs. Hold, TP cut to 16.3 vs. 21.2 @HSBC

LAFARGEHOLCIM : TP cut to 73CHF vs. 75, @DBK

DANONE : TP cut to 56€ vs. 58, underperform @Credit Suisse

Technical Analysis

ADIDAS (XET), AHOLD KON.,DELHAIZE GROUP,E ON (XET), EIFFAGE, FRESENIUS MED.CARE

(XET),GLAXOSMITHKLINE, LVMH,PENNON GROUP,RWE (XET),SABMILLER,SAGE GROUP : at their highest YTD

GENERALI, BARCLAYS, EASYJET : at their lowest YTD

➔Upward Signals

DEUTSCHE BOERSE, UNITED UTILITIES : 50d MAV crossing upward 200d MAV

⚡Downward Signals⚡

ASLTOM, LAGARDERE, OMV : 50d MAV crossing downward 200d MAV

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

STMicroelectronics RATING : NEUTRAL vs. SELL Fair Value EUR7.0 vs. EUR6.8

Yesterday, STMicroelectronics reported FQ4-15 broadly in line with expectations and announced a plan to stop losses of the digital division. During the following conference call, the management shared details about the plan and the momentum of the coming quarter. Overall, we note that, on the core business (i.e. excluding STB business), the tonality is more positive on the NT despite we now believe that the street's expectations (including ours) are too high for 2016. We update our model. **Our new FV is EUR7.0 vs. EUR6.8 and we upgrade our recommendation to Neutral vs. Sell.**

Voltaia RATING : BUY Fair Value EUR13

Yesterday after market the group posted solid 2015 revenues, thanks to the commissioning of Brazilian plants between year-end 2014 (full year contribution in 2015) and the first half of 2015. Total sales more than doubled compared with last year to EUR58.5m (EUR27.6m in 2014), in line with our EUR59m expectations. As expected, most of the sales growth came from wind capacities, which strongly offset the sales drop generated by biomass & hydro plants. 2022 target of 1GW (376MW at end 2015) of installed capacities was reiterated. **Positive**

Novartis RATING : NEUTRAL Fair Value CHF100 vs. CHF109

The conference call aimed to bring some reassuring messages to the financial community about Novartis' preparation for the future and to some extent it was well done and presented by management. While 2016 is likely to be a tough year as Gleevec will have to be absorbed, Alcon revived (including through additional investments) and launches further supported, but we think Novartis should return to growth in 2017 and maybe to a double-digit rate in 2018 onwards. Some late-stage R&D assets highlighted during the call are minimally (PKC412) or not reflected (QAW039, ABL001) in our numbers as of yet and therefore represent upside. We think it is fair to wait and see how things develop as we go into 2016 while favouring certain peers before considering a come-back later in the year.

Sage Group RATING : NEUTRAL Fair Value 570p vs. 550p (-7%)

We reiterate our Neutral rating and raise our DCF-derived fair value to 570p from 550p thanks to an update to our forward fx assumptions (GBP/EUR: 1.31 vs. 1.36; GBP/USD: 1.42 vs. 1.48) that raises our revenue and adj. EPS forecasts by 2% (+10p/share) and some adjustments in our WCR ests. (+10p). Besides fx tailwinds, Q1 FY16 was helped by easy comps and we doubt lfl revenue growth will accelerate at least during the next two quarters given the accelerated switch to subscriptions.

Altran Technologies RATING : BUY Fair Value EUR13 (+11%)

This morning Altran reported Q4 15 revenues in line with our forecasts and the consensus' average, with an excellent growth momentum in Southern Europe and the Rest of the World region (America and Asia), while Northern Europe remained depressed. No outlook statement was provided, and we expect more details on how Altran is fixing the situation in Germany during the conference call to be held this morning. We do not expect the share price to react on the back of these numbers. NEUTRAL

STMicroelectronics RATING : NEUTRAL vs. SELL Fair Value EUR7.0 vs. EUR6.8 (+12%)

Yesterday, STMicroelectronics reported FQ4-15 broadly in line with expectations and announced a plan to stop losses of the digital division. Overall, we understand that the 10% EBIT long-term target remains far and this is leading us to believe that the current street expectations are too high. In addition, the plan to discontinue the Set-Top-Box business is a step forward into the right direction but we understand it will take time to pay off. Nevertheless, the tonality is more positive on the NT regarding the core business and given that the stock underperformed by 300bp the industry over the last 6 months, we believe the share is now bottoming. Our new FV is EUR7.0 vs. EUR6.8 and we

upgrade our recommendation to Neutral vs. Sell.
