

BG SALES-TRADING MORNING DU 01/02/2016

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	16466,3	2,5%	1%	Semi Conducteurs	4	-7,6	Telecom	3,2	-2,8	
NASDAQ	4614	2,4%	0,9%	IT, SOFTW & Serv.	3,6	-2,7	Personal & Household	2,9	-0,8	
S&P 500	1940,2	2,5%	1%	Tech Hardware	3,4	-8,5	Technology	2,8	-3,3	
NIKKEI	17865,2	2%	-	Banks	3,4	-11,8	Banks	2,8	-14,6	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Spec. Retail	-0,3	-7,2	Auto & Part	-0,2	-16,3	
				PHARMA.	1,3	-8,2	Basic Resources	-0,2	-12	
				Telecom Op.	1,8	5,5	Utilities	1,3	-1,8	
				Food Bev & Tobacco	1,8	0,9	Chemicals	1,4	-9,6	

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	0,8	CARREFOUR SA	26,2	3,7	AMLIN PLC	669	0
LEGRAND SA	50,7	3,6	VIVENDI	20	0,1	CNP ASSURANCES	12,3	4,8
CARREFOUR SA	26,2	3,7	E.ON SE	9,4	-2	GAMESA CORP	17,1	18,8
PERNOD RICARD SA	108	4,1	AXA SA	22,8	2,8	PADDY POWER PLC	137,6	1,3
ACCOR SA	35	1	DANONE	63,4	3,5	JC DECAUX SA	36,3	6,4

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	0%	0,8%	€/€	1,0853	0,2%	-0,1%	BRENT	34,7	4,6%	-2,8%
U.S 10 ANS	103	0,1%	1,9%	€/¥	131,58	-0,3%	-0,7%	ONCE OR (\$)	1123,2	0,6%	5,7%
VIX Index	20,2		-9,9%					VSTOXX Index	27,4		-8,2%

Economic Calendar

CNY- PMI (49.4 A, 49.6 E)
 FR - Manuf PMI Jan. (50 E)
 GB - PMI Manuf. Jan (51.6 E)
 US - Personal consumption Exp. Core dec. (1.4% E y/y)
 US - ISM Manuf.JAN. (48.5 E)
 US - Construction Spending Dec. (0.6% E)

Dividends Calendar ex-date next day

Ex Div today

VIVENDI (VIV.PA) 1€ (5.3%)
 THYSSENKRUPP (TKAG.DE)
 SANTANDER (SAN.MC)

Markets Recap (source Street account)

Asian markets are trading mixed on Monday. Attention has centered on China after data showed its manufacturing sector contracted further in January. The official manufacturing and services PMIs both came in weaker-than-expected, while the Caixin manufacturing PMI came in above estimates. Mainland markets are under pressure early. Reports also noted, somewhat unsurprisingly, that China's leaders are set to adopt a 2016 growth range of 6.5-7.0% from 'around' 7% last year. Data elsewhere showed a deceleration in Australian and Japanese manufacturing growth. The Nikkei is outperforming with the BoJ's adoption of negative rates still reverberating, M&A activity in the steel sector, and Sony rallying following its strong earnings beat.

US equities closed sharply higher today. Treasuries were stronger across the curve. The dollar was mostly stronger, posting significant gains on the yen cross. Gold was little changed. Oil finished up in volatile trading, with WTI settling +1.2%.

The Bank of Japan surprised markets by adopting negative interest rates, unleashing a bout of risk-on

sentiment for global equities. However, it left its monetary base target and JGB purchase plan unchanged, which renewed some concerns about whether the bank's asset-purchasing plan has reached the limits of its effectiveness.

The Q4 GDP release showed positive but slowing growth, below consensus but not as bad as some had feared. January consumer sentiment declined after an uptick in December. The Chicago PMI surprised to the upside, and the Q4 ECI met expectations. Oil finished higher despite dampened hopes for near-term production cuts.

AMZN disappointed high expectations with its CSOI miss. Cloud momentum was in focus at MSFT. SWKS beat, and its guidance was better than feared. V reiterated guidance despite macro headwinds. EA missed elevated expectations. MTW results and guidance were well received. AAL's earnings beat, but guidance was light.

Tech led the market, with semis stronger. Financials outperformed, but banks lagged. Airlines advanced. There was broad strength in the energy sector. Biotech was mixed. Internet & catalog retail firms weighed on consumer discretionary.

Stocks Factor to watch today :

FRENCH AUTO : French new car registrations rise 3.9% in January.

SIKA : ST GOBAIN : is still confident it will be able to take over swiss rival Sika despite fierce opposition from management (Financial Head told Reuters)

LAFARGEHOLCIM : Chairman Wolfgang Rietzle is aiming to leave his post and replace the head of Linde's supervisory board. (SonntagsZeitung reported)

VALLOUREC : Plans to raise 1bn€ in new capital and boost earnings though an industrial shake up that will see it reduce its production capacity in Europe by Half.

Rating & TP Changes

WORLDPAY (WPG.L) : initiated with NEUTRAL rating, TP 290p @Bryan Garnier



TEMENOS : TP raised to 45CHF vs. 30 HOLD @Jefferies

SAGE : TP Raise to 735p vs. 710, BUY @Jefferies

DASSAULT SYSTEMES : TP raised to 64€ vs. 63, HOLD @ Jefferies

DIAGEO : TP Raised to 1900p vs. 1830, HOLD @DIAGEO

SOFTWARE AG : TP raised to 35€ vs. 28, Hold @ HSBC

ALLIANZ : TP raised to 179€ vs. 174, Equal Weight @Barclays

LUXOTTICA : TP raised to 58.5€ vs. 64, Neutral @ Citi

HUGO BOSS : TP raised to 90€ vs. 115, Outperform @ Credit Suisse

SWISS RE : TP raised to 94p vs. 89.1, Equal Weight @Barclays

ZURICH INSURANCE : TP raised to 289CHF vs. 286, Overweight @Barclays

INFINEON : BUY vs. NEUTRAL, TP raised to 14€ vs. 13 @UBS



LUXOTTICA : TP cut to 65€ vs. 66, BUY @Bryan Garnier

SWATCH GROUP : TP cu to 420€ vs. 440 Neutral @Bryan Garnier

NOVARTIS : TP cut to 98CHF vs. 105 Buy @ Berenberg

ROCHE : TP cut to 300CHF vs. 325@UBS

Technical Analysis

ADIDAS (XET), AHOLD KON., ANHEUSER-BUSCH INBEV, ASML HOLDING, BEIERSDORF (XET), COMPASS GROUP, DANONE, DAVIDE CAMPARI MILANO, DELHAIZE GROUP, DIAGEO, EIFFAGE, FRESENIUS MED.CARE (XET), GLAXOSMITHKLINE, HEINEKEN ,HERMES INTL., L'OREAL ,LVMH, NESTLE 'R', PERNOD-RICARD, SAGE

GROUP : At their highest ytd



BIC, CAP GEMINI, JC DECAUX : Stock price crossing upward 50d, 100d, 200d MAV

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

Worldpay RATING : NEUTRAL Coverage initiated Fair Value 290p

We are initiating Worldpay with a Neutral recommendation and a FV of 290p (downside of 7%). While its offer corresponds well to current demand from merchants, we estimate its recurring sales, the rising share of e-commerce in the mix and potential to improve EBITDA are already priced in. After gaining +30% since its IPO on 13th October 2015, the share harbours no upside even when looking just at EV/sales and EV/EBITDA multiples until 2016e (namely until the end of the plan to invest in the platforms). The share is trading on an average premium relative to peers of 22% for 2016e. **Research Report out today.**

Safilo RATING : BUY Fair Value EUR14

Last Friday Safilo released an unexpected FY15 preliminary sales publication. FY sales came in at EUR1,279m (+8.5% as reported and flat FX-n) in line with our forecast (EUR1,280m) but below an overly-optimistic CS (EUR1,299m). Yet, the top line growth in Q4 was qualitatively lower than our expectations (-2.7% FX-n vs. +1.5%e) due to North America (retail, winter sport products) and Asia-Pacific (reset plan, H-K) regions despite a good acceleration in Europe. Even if the implementation of the first initiatives of the strengthen the organisation (loss of Kering's small licences, new distribution model in Asia-Pacific, etc.) proved to be more painful than initially thought, we are still optimistic about 2016 given sales and margin tailwinds => **Negative**

Luxottica RATING : BUY Fair Value EUR65 vs. EUR66 (+13%)

Last Friday, Luxottica announced Q4 15 adj. sales of EUR2,059m (+8.9% as reported and +2.7% adj FX-n) which came shy of CS and our expectations by ~3% only because of a higher impact from the realignment of the retail calendar and the 53rd week last year (adj FX-n growth of 7.7% excl. those calendar effects) whose impact is on U.S retail only (-2.7% adj. FX-n / +7.7% excl. calendar effect). The breaking news was clearly the departure of co-CEO for Markets Mr Khan as Mr Del Vecchio and him acknowledged that LUX was not fully capturing the significant growth prospects because of this co-CEO structure. Therefore Mr Khan will be replaced by Mr Del Vecchio whilst Mr Vian remains CEO for Product & Operations. In our view this announcement will revive some issues about the governance, especially from those who were dubious about this co-CEO structure, we adopt the same stance than during the previous "governance crisis" (Sep-Nov 2014): the business model and strategy remain sound. All eyes are now be turned towards the ID on 2nd March! Our new FV of EUR65 reflects slight adjustments on our FY15-16 EBIT forecasts (-1%) but Buy recommendation reiterated. => **Negative**

The Swatch Group RATING : NEUTRAL Fair Value CHF420 vs. CHF440

The Swatch Group will release its FY 2015 sales and results during the current week (likely Thursday). Ahead of this publication, we have slightly adjusted our sales and EBIT 2015-2016 estimations following the recent poor Swiss watches exports publications. Our 2015-16 EBIT estimates have been trimmed by almost 5%. Consequently, we have reduced our FV to CHF420 from CHF440 and we remain Neutral on the stock, given still weak visibility on watches industry. Negative.

LVMH RATING : BUY Fair Value EUR182 (+23%)

LVMH will report its FY 15 results on Tuesday February 2nd (after market closure with analyst meeting to follow). We expect sales to reach EUR35.45bn (CS: 35.55bn) and to grow 5% organically (+3% in Q4 alone) and EBIT margin to be down 50bp to 18.2%. We reiterate our Buy recommendation with an unchanged EUR182 FV.

After some RevPAR adjustments due to short term uncertainties on our "Base Case" scenario, our FV moves to EUR48 based on a DCF model i.e. an upside of c. 40%. Assuming that it could be worse, we have define a "Stress" scenario taking into account no RevPAR rebound in France in 2016, further deterioration in Brazil and slowdown in other geographies compared to 2015. In that case, our FV would be EUR42 representing still an upside of 20%. We are confirming our buy recommendation. Positive.
