

BG SALES-TRADING MORNING DU 05/02/2016

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	16416,6	0,5%	0,6%	Materials	2,8	-5,4	Basic Resources	7,3	-7,1
NASDAQ	4509,6	0,1%	0,2%	Transportation	2,5	-7,2	Oil & Gas	3,3	-4,5
S&P 500	1915,4	0,2%	0,5%	Semi Conducteurs	1,7	-9,8	Banks	2,6	-19,8
NIKKEI	16819,6	-1,3%	-	Cap Goods	1,6	-4,5	Industrial Goods & Serv.	0,7	-8,8
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Consumer Durables	-1,8	-3,3	Healthcare	-2,6	-12
				Food Bev & Tobacco	-1,1	-2	Auto & Part	-2	-20,8
				Spec. Retail	-0,9	-11,3	Personal & Household	-1,8	-3,7
				PHARMA.	-0,8	-9,7	Food & Bev	-1,7	-3,3

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%
ORANGE	15,7	-2,1	DAIMLER AG-	60,9	-3,2	AMLIN PLC	669	
SOCIETE GENERALE	32	1,2	ING GROEP NV-CVA	10,5	8,9	BETFAIR GROUP PLC	4420	
LVMH MOET	152,8	0,7	GENERALI	12,6	-1,1	JM AB	208,9	-10,5
L'OREAL	154	-0,1	ORANGE	15,7	-2,1	NESTE OYJ	29,2	2,1
UNIBAIL-RODAMCO	231,2	-0,2	SOCIETE GENERALE	32	1,2	LAFARGEHOLCIM LTD-	38,6	-3,2

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	100,1	0%	0,7%	€/§	1,1198	-0,1%	3,1%	BRENT	33,9	-0,3%	-5,2%
U.S 10 ANS	103,6	0%	1,8%	€/¥	130,81	0,1%	-0,1%	ONCE OR (§)	1154,6	-0,1%	8,8%
VIX Index	21,8		0,9%					VSTOXX Index	29,6		-3,6%

Economic Calendar

JP - leading index Dec. (102A, 102.7E)
 DE - Factory orders dec. (-1.4% E y/y)
 US - Unemployment rate Jan. (5% E)
 US - Avg. Hourly earnings Jan. (2..2% E)
 US - Baker Hughes U.S. Rig Count

Dividends Calendar ex-date next day

SODEXO (EXHO.PA) 2.2€ (2.47%)

Ex Div today

Markets Recap (source Street account)

Asian equities are mixed in early trading Friday. It has been fairly uneventful session with news flow mostly quiet. The Nikkei remains the regional underperformer with the yen falling further against the dollar. A number of companies have reported their results with Toshiba down sharply after reporting a wider-than-expected loss. Greater Chinese markets are little changed with markets unwinding ahead of next week's Lunar New Year holidays. The PBoC announced another markedly stronger yuan fixing along with another CNY150B in liquidity injections. The ASX 200 is weaker with consumer stocks lagging after Aussie December retail sales surprisingly came in flat. The RBA monetary policy statement lowered 2017 growth estimates while keeping the inflation outlook unchanged.

US equities closed higher today in very choppy trading. Treasuries were stronger across the curve. The dollar fell in a continuation of Wednesday's slide. Gold was up +1.4%, settling at its highest level since late October. Oil was very volatile following a sharp rise yesterday, with WTI settling (1.7%).

The dollar remained in focus today, dropping further following its selloff on Wednesday and driving a further rebound in a number of commodity-leveraged equities. There was no specific catalyst, though there was continued discussion about uncertainty regarding the Fed's policy path and the unwinding of popular trades. These factors drowned out today's somewhat negative economic releases, with the

market now looking toward tomorrow's nonfarm payrolls report.

The corporate calendar was cluttered today. Retail names KSS, LB, and TPX had disappointing releases. GPRO's guidance was weak. CS came under pressure following its miss. COP cut its dividend. WFT's capex cuts and cost measures were well received. LGF confirmed its interest in STRZA. Sumner Redstone stepped down as chairman of CBS and VIAB.

The materials sector was the best performer on metals strength, with dollar weakness and under-ownership helping. A similar dynamic in machinery and transports helped drive industrial outperformance. Bank buoyed financials. The "FANG" group weighed on tech. Disappointing retail updates were a drag on consumer discretionary

Stocks Factor to watch today :

GENMAB : JNJ announced yesterday they sold a part of their participation in Genmab

ARCELORMITTAL : forecasts only slight rise of steel demand in 2016-02-05

BNP PARIBAS : Full year 2015 results, plans to cut investment costs by 12% by 2019, it would quit some activities to fuel growth, said has no reason to expect a material deterioration of cost of risk in Asia.

SANOFI : Appointed M. MANSURI to Executive Committee and Executive VP, Strategy & Business Dev.

VEOLIA : To acquire Californian startup in 350m\$ deal

Rating & TP Changes



AIRBUS : added to European and Global focus lists, Outperform @ *Credit Suisse*

COMPASS : TP raised to 1291p vs. 1240 @ *NOMURA*

COMPASS : TP raised to 1260p vs. 1265, @ *JPM*

ASTRAZENECA : TP cut to 6900p vs. 6330 @ *SocGen*

LAFARGEHOLCIM : TP cut to 46CHF vs. 50, HOLD @ *Vontobel*



SAP : TP cut to 74€ vs. 75, BUY @ *Bryan Garnier*

ASTRAZENECA : TP cut to 4383p vs. 4386 @ *Bernstein*

Technical Analysis

C. DIOR, COMPASS GROUP, LVMH : at their highest ytd

Upward Signals

HIKMA PHARMA : stock price crossing upward 50D, 100D, 200D MAV

Downward Signals

ROCHE, FRENET : 50D MAV crossing downward 200D MAV

DEUTSCHE BOERSE, DIAGEO, UNILEVER: Stock price crossing downward 50D, 100D, 200D MAV

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

Vicat

RATING : NEUTRAL

Fair Value Under Review

2015 revenues in line with our expectations, with a -4.4% l-f-l decline at EUR2458m, with as slightly better-than-expected performance in France, worse in Switzerland, steady in the US and contrasted in Emerging Markets. Cement volumes are down -3.6%. Guidance of a flat EBITDA in 2015. No further guidance regarding 2016. We would remain cautious on a cement company with 70% of capacities exposed to EM, although performance in some countries like Turkey or India have been satisfying. Fair Value under review, as a conference call is set up for 3.00pm today. **Neutral reiterated.**

AstraZeneca

RATING : BUY-Top Picks

Fair Value 5550p

The debate concerning core EPS at AstraZeneca over the 2015-2017 timeframe is overdone in our view although it says a lot about the current market psychology. It does place somewhat more pressure on AstraZeneca to deliver on R&D promises but since it is the basis of our call, we are sticking very much to it and firmly confirm our BUY recommendation with an unchanged FV.

SAP **RATING : NEUTRAL** **Fair Value EUR74 vs. EUR75 (+6%)**

We reiterate our Neutral rating following the Investors' Day held yesterday in New York, but shave our DCF-derived fair value to EUR74 from EUR75 on updated fx assumptions. Financial targets have been reaffirmed, and concerns on growth and profitability have been addressed. Our main takeaway is that S/4HANA provides an opportunity to reinvigorate licence sales, and the cloud is likely to sustain 30% lfl growth rate. However, op. margin improvement looks to be unlikely before 2018 when cloud will reach maturity **NEUTRAL**.

Atos **RATING : BUY-Top Picks** **Fair Value EUR93 (+35%)**

Yesterday Atos issued a statement mentioning it had no intention to acquire Perot Systems. The management denies the press articles (Re/code, Economic Times...) published since mid-December 2015 that reported Atos was involved in the sale process of Perot by Dell. In the statement, it reiterates that 'when contemplating potential acquisitions, Atos sticks to its strong financial discipline and value creation criteria as disclosed and explained to the financial market since 2010'. **Positive**.

VINCI **RATING : BUY** **Fair Value EUR70 (+16%)**

2015 EBIT at EUR3758m, up +3.6% (excluding Vinci Park), 4% above our expectations, thanks in particular further strong improvement of Vinci Airports. Contracting EBIT 1% above our expectations at EUR1100m, despite very difficult environment. Order book is solid, up +1.3% excluding SEA and represents 10 months of business. Order in take have increased by 3% in 2015. Contracting revenues expected to be slightly down in 2016. Toll roads top line will be similar to 2015, which means less dynamic traffic. Airports volumes expected to be less buoyant, too. 2016 consolidated sales expected to be slightly down but operating and net results will increase – as well as margin then. Still a Buy. **NEUTRAL**

Engie **RATING : BUY** **Fair Value EUR19 (+34%)**

According to French newspaper "Les Echos", the French government has decided that Gerard Mestrallet should stay on as non-executive chairman at Engie, for two years after passing the role of chief executive to Isabelle Kocher. Kocher, currently Deputy CEO was confirmed at its position by G. Mestrallet, yet this move implies she will lose flexibility and direct decision impact, at least compared with what was firstly planned. **Negative**.

Dassault Systèmes **RATING : SELL** **Fair Value EUR63 vs. EUR65**

We reiterate our Sell rating and cut our DCF-derived fair value to EUR63 from EUR65, as we reduce our adj. EPS ests. by 2% for 2016 and 4% for 2017-18 in order to make our forecasts converging with FY16 company guidance (revenues up 6-7% lfl and an op. margin of c. 31%). Although Dassault Systèmes has a history of exceeding quarterly guidance, we deem the outlook for 2016 is more at risk than for previous years – especially since company guidance is back-end loaded. **NEGATIVE**
