

BG SALES-TRADING MORNING DU 11/02/2016

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	15914,7	-0,6%	-0,7%	Consumer Durables	1,6	-8,6	Banks	4,9	-23,8
NASDAQ	4283,6	0,3%	-1,2%	Health Equip.	1,5	-9,5	Insurance	3,3	-18,8
S&P 500	1851,9	0%	-0,7%	IT, SOFTW & Serv.	1	-10,4	Financial Serv.	3	-19,2
NIKKEI	15713,4	-2,3%	-	Food staples, Retail	1	-4,1	Real Estate	2,8	-11
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				MEDIAS	-2,7	-8,5	Oil & Gas	-0,2	-10,5
				Semi Conducteurs	-1,1	-15,7	Utilities	0,1	-9,2
				Banks	-1	-19,5	Technology	0,4	-13,8
				Household Products	-1	1,9	Basic Resources	0,6	-12

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%	
LEGRAND SA	46	-0,4	DEUTSCHE BANK AG-REGISTERED	14,6	10,2	HIKMA PHARMACEUTICALS PLC	1945	-2,5	
AXA SA	20,3	6,6	INTESA SANPAOLO	2,5	14,4	ICA GRUPPEN AB	255,9	-13,7	
SOCIETE GENERALE SA	31,4	9	AXA SA	20,3	6,6	NIBE INDUSTRIER AB-B SHS	228,1	2,8	
PERNOD RICARD SA	99,6	1,3	SOCIETE GENERALE SA	31,4	9	SMURFIT KAPPA GROUP PLC	20,4	11,8	
BNP PARIBAS	39,8	4,9	ASML HOLDING NV	73,8	-2,9	HERMES INTERNATIONAL	302,3	1,5	

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	100,1	0%	0,7%	€/ \$	1,1288	0%	4%	BRENT	30,7	-0,7%	-14%
U.S 10 ANS	99,5	0%	1,7%	€/ ¥	127,12	0,7%	2,7%	ONCE OR (\$)	1207,5	0,9%	13,8%
VIX Index	26,3		-0,9%		VSTOXX Index	33,5					-1,5%

Economic Calendar

CH - CPI Jan. (-1.3% E y/y)
 US - Initial jobless Claims Feb.(280K E)
 US - Continuing claims Jan. (2250K E)
 US - J Yellen to appear before Senate banking committee

Dividends Calendar ex-date next day

Ex Div today

SAGE (SGE.L°)	8.65p (1.49%)
BP (BP.L)	0.1\$
IGE+XAO (IGXA.PA)	1€ (1.52%)

Markets Recap (source Street account)

Asian markets are mixed on Thursday. The Hang Seng has returned from its Lunar New Year break, opening down sharply as it plays catch-up to the recent volatility. Korea is also weaker after coming back online. The ASX is holding onto its gains with banks steadying after recent heavy declines. Some positive earnings results are also supporting sentiment. There has been some movement in FX and commodities. The dollar has recovered after an earlier drop against other currencies. However it remains lower against the yen. Gold spiked higher earlier while WTI crude has fallen a further ~2% in post-settlement trade. It is unclear what triggered the latest movements, though the usual dynamics around credit markets, global growth and Fed policy continue to get mentioned. There have been few notable data releases, while volumes are lighter with the Nikkei closed for Foundation Day and mainland China remaining shut for Lunar New Year.

US equities closed mostly lower today. Treasuries were somewhat stronger, with the curve flattening.

The dollar was weaker, lagging on the yen cross. Gold lost ground. Oil was mixed, with Brent settling +1.7% and WTI settling (1.8%).

The centerpiece to the day was Fed Chair Yellen's testimony before Congress, in which she seemed to stick closely to the message that rate changes would be gradual and data dependent. She acknowledged downside risks, including those from foreign economic developments, but also highlighted improving labor-market conditions.

European banks rallied on DB's debt buyback plans, but the momentum failed to take firm hold in the US. EIA inventory data showed a crude draw rather than the expected build, contributing to a choppy day of oil trading.

DIS failed to get much traction in its attempt to push back against cord-cutting concerns. TWX had a low-quality earnings beat. AKAM boosted its buyback. SCTY missed on installations. PNRA's results suggest it is off to a better start in Q1. Seasonal demand weakness and maintenance downtime drove a big Q4 miss at KS.

Healthcare outperformed. Tech was boosted by internet and software names. Media firms were lower. Airlines were stronger, but machinery lagged. Banks again weighed on financials. Materials trailed the market on weakness from chemicals.

Stocks Factor to watch today :

TOTAL : Q4 sales fall 28% to 37.8bn\$, says asset sales programme to continue in line with plan 4bn\$ expected in 2016 as 2015. Says production to grow by 4% in 2016, will achieve target to reduce European refining capacity by 20% by end 2016. a dividend of 0.61€ will be proposed for 4Q 15.

PUBLICIS : 4Q results better than expected

FAURECIA : 2015 Sales up +9.9% (5.2% at CER) margin up 80bp, dividend +86% at 0.65€/sh, Guidance 2016 Sales organic growth 1-3%, Operating margin 4.6% -5%, cash flow net 300M€.

EDENRED : says no sign of recovery in Brazil economy.

Rating & TP Changes



CARLSBERG : BUY vs. SELL @SocGen

CARLSBERG : TP raised to 600DKK vs. 580, NEUTRAL @Nomura

CARLSBERG : TP raised to 500DKK vs. 480, UNDERWEIGHT @JPM

VINCI : TP raised to 71€ vs. 70, NEUTRAL @ Goldman Sachs

FRESENIUS MC : TP raised to 71€ vs. 70, UNDERWEIGHT @ Barclays

HEINEKEN : TP raised to 77€ vs. 75, Equal Weight @ Barclays

VEOLIA ENV : TP raised to 23.5 vs. 22.5, BUY @ Berenberg



PENNON : SELL vs. NEUTRAL, TP raised to 825p vs. 800p @BRYAN GARNIER

HEINEKEN : TP cut to 80€ vs. 82, NEUTRAL @ Nomura

HEINKEN : TP cut to 90€ vs. 100, BUY @SocGen

CARLSBERG : TP cut to 530DKK vs. 550, @HSBC

SANOFI : TP cut to 89€ vs. 96, BUY @HSBC

E.ON : SELL vs. HOLD, TP cut to 8€ vs. 10 @Berenberg

PERNOD RICARD : TP cut to 118€ vs. 124 @ Bernstein

SAINT GOBAIN : TP cut to 48€ vs. 51 @Bernstein

Technical Analysis

TESCO, GFI INFO, KUONI REISEN, : at its highest YTD

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

Korian RATING : SELL Fair Value EUR38 (+36%)

Lower than expectation an FY 2015 guidance lowered: The group unveiled its FY 2015 revenue, up 16.1% on reported basis at EUR2,579m with lfl growth of 2.4% (1.4% in Q4) i.e. lower than consensus (consensus at EUR2,590m and our estimate of EUR2,593m). More management downgraded its 2015 EBITDA margin which should be lower about 100bps vs. last year (2014 EBITDA margin of 14.3%) compared with previous guidance of "a solid operating margin". No precise guidance for 2016 and the share price should be still under pressure until FY results on 23rd March when the new management will announce its strategy. **Negative**

LafargeHolcim RATING : SELL Fair Value CHF60 (+67%)

The 2 entities of LafargeHolcim in India, ACC and Ambuja, have reported yesterday decent results for Q4, with a combined 4.6% y/y cement volume growth and an almost flattish EBITDA margin (-29bps at 11.7%). It might be seen as early signs of market improvement but comparison basis was pretty easy and this is tricky to conclude here. Long term outlook comments are positive, which is not a surprise. Investors will have to wait LafargeHolcim FY 2015 results on 17 March, to get a proper guidance on 2016 trends. **Neutral**.

Zurich Insurance Group RATING : NEUTRAL Fair Value CHF295 (+44%)

Q4 2015 net income came in at -424USDm, below consensus (c. -USD0.22bn). Q4 operating profit came in at +USD422m, down 48% yoy, ahead of consensus (c. USD0.34bn), yet globally consistent with January warning. The dividend is stable at CHF17 (8.1% yield). Mario Greco will arrive on 7th March instead of 1st May. Target for profitability is dropped (no surprise) but target for cash remittance has been increase, which is good news for dividend prospects. -> **Slightly positive overall**

Pennon Group RATING : SELL vs. NEUTRAL Fair Value 825p vs. 800p (-1%)

This morning we publish a report in which we review Pennon following the stock's fairly strong relative performance over the past six months and the fact that it is now trading just 9% below its all-time high. We appreciate the group's strategy, especially in the waste business, but see potential uncertainty on UK inflation and power prices as clearly negative for the investment case, especially at current multiples. Despite raising our FV from 800p to 825p, we are downgrading our recommendation from Neutral to Sell.

Software AG RATING : BUY Fair Value EUR34 (+17%)

Yesterday Software AG held a Capital Markets Day in Darmstadt (Germany). The key messages of this event were positive: 1). The arrival of Eric Duffaut as Chief Customer Officer 15 months ago was the right decision; 2). The indirect model is ramping up; 3). Maintenance and R&D/S&M productivity will be key for reaching a 32-35% margin by 2020; 4). Acquisitions are still at the agenda. Positive.

Pernod Ricard RATING : BUY-Top Picks Fair Value EUR122 (+23%)

H1 2015/16 sales increased 7.3% to EUR4,958m (consensus: EUR4,961m and our estimate: EUR5,034m), thanks to FX tailwinds of 4.8%. The organic sales growth over the first half of the year stood at 3.3% (consensus and our estimate: +2.9%), implying an improving trend in Q2 (+3.5%) vs Q1. H1 EBIT amounted to EUR1,438m (consensus: EUR1,443m and our estimate: EUR1,482m), up 5.8% on a reported basis and 2.6% organically (consensus: +2.8% and our estimate: 1.5%). The improvement of pricing (+1% in H1 2015/16) and the tight management of costings partly offsetted the negative geographic mix and the increase in A&P and structure costs. Asia-ROW showed a nice acceleration due to China, while the trends in Americas and Europe slowed down vs Q1.