

BG SALES-TRADING MORNING DU 12/02/2016

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	15660,2	-1,6%	0,5%	MEDIAS	1	-7,5	Media	-2,4	-14,3
NASDAQ	4266,8	-0,4%	0,8%	Tech Hardware	0,5	-11,6	Chemicals	-2,4	-15,9
S&P 500	1829,1	-1,2%	0,5%	Spec. Retail	0,4	-15,6	Personal & Household	-2,6	-9,5
NIKKEI	14952,6	-4,8%	-	Food staples, Retail	-0,3	-4,5	Healthcare	-2,7	-17,1
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Banks	-4,4	-23,1	Banks	-6,3	-28,6
				Insurance	-2,9	-13,3	Insurance	-5,6	-23,3
				Div. Financials	-2,3	-16,2	Basic Resources	-4,2	-15,7
				Cap Goods	-2,3	-8,6	Financial Serv.	-4,2	-22,6

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%
PUBLICIS GROUPE	53,6	1,8	SOCIETE GENERALE	27,5	-12,6	MEDA AB-A SHS	143,9	67,2
PERNOD RICARD SA	92,9	-6,7	ENGIE	13,1	-5,8	NATIXIS	4,3	5,6
SOCIETE GENERALE	27,5	-12,6	DEUTSCHE BANK AG-	13,7	-6,1	RANDGOLD RES	6130	7,5
LEGRAND SA	43,1	-6,4	UNIBAIL-RODAMCO	212,7	-4,1	RYANAIR HOLDINGS	13,4	-2,2
ENGIE	13,1	-5,8	BNP PARIBAS	37,4	-6	PUBLICIS GROUPE	53,6	1,8

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	100,2	0%	0,7%	€/§	1,1316	0%	3,7%	BRENT	31,3	1%	-12,3%
U.S 10 ANS	99,4	-0,3%	1,7%	€/¥	126,78	0,4%	3%	ONCE OR (§)	1242,7	1,5%	17%
VIX Index	28,1		7%				VSTOXX Index	38,3		14,5%	

Economic Calendar

DE - CPI Jan (+0.5% E y/y)
 DE - GDP 4Q (1.4% E y/y, +0.3% q/q)
 GB - construction output Dec. (+0.8% E y/y)
 US - Advance retail Sales Jan. (0.1% E)
 US - Business inventories Dec. (+0.2% E)
 US - U. of Michigan Conf. (93 E)
 US - Baker hughes Rig count (571 P)

Markets Recap (source Street account)

Asian markets are trading lower on Friday. The Nikkei is experiencing heightened volatility, ending the morning session down more than 5% before paring some of its decline after the break. There has been increased focus on the yen amid overnight speculation of possible FX intervention. BoJ Governor Kuroda described yen movements today as excessive while Finance Minister Aso said he was closely monitoring the currency. The yen has been relatively stable so far despite the equity volatility and was recently pushing higher against the dollar. South Korea is also under though losses have been milder elsewhere in Asia. The Hang Seng is off its lows while the ASX 200 was seeing broad-based declines. RBA Governor Stevens earlier reiterated scope for further easing while again talking up the strength of the labor market.

US equities closed lower today, but ended off worst levels on a combination of the latest OPEC cut speculation and oversold conditions. Treasuries were mostly stronger, but came off best levels following a softer 30-year auction. The dollar was weaker, notably on the risk-sensitive yen cross. Gold rallied, settling +4.5%. Oil was lower in choppy trading, with WTI settling (4.5%).

Bank weakness was the central theme of the day, with a European slide on disappointing SocGen earnings and more negative rates from the Riksbank echoing through the US market day. The risk-off trade sent gold to its highest levels in a year, while WTI crude set 13-year lows before rallying on late-

day production-coordination rumors. Initial jobless claims declined, but the news failed to have any impact.

CSCO beat and had better-than-feared guidance, but was the latest to highlight macro concerns. TWTR reported no MAU growth in Q4. RIO suspended its dividend. The SEC is reportedly investigating BA's use of program accounting. TRIP's earnings beat and EXPE's guidance was better than feared. TFM rose on news KR may be bidding. P jumped after it announced it might consider a sale.

Banks lagged again today. Materials underperformed but precious-metals stocks rallied. A&D companies weighed on industrials. Pharma was weaker. Tech outperformed. Consumer discretionary led the market on strength from OTAs.

Stocks Factor to watch today :

LAFARGEHOLCIM : EUROCEMENT & SBERBANK have reduced their stakes to under 3%

RENAULT : Achieves 5% operating margin, Depreciation in Russia

L'OREAL : reported a better than forecast rise in 4Q sales helped by the weak €, solid growth in the US and Japan

COMMERZBANK : Net profit of 187m€ in 4Q in line with expectations

THYSSENKRUPP : Missed market forecasts with a 26% 1Q drop in adjusted operating profit as price and margin pressure in its materials businesses outweighed a solid performance in capital goods.

CARL ZEISS MEDITEC : forecast a full year EBIT margin of 13-15% after 12.3% in 1Q

Rating & TP Changes



ADIDAS : TP raised to 104€ vs. 102, BUY @BRYAN GARNIER

TEMENOS : TP raised to 53CHF vs. 52, BUY @BRYAN GARNIER

GLAXOSMITHKLINE : TP raised to 1600p vs. 1590 @Berenberg

FRESENIUS SE : BUY vs. HOLD, TP cut to 65.1€ vs. 65.8 @ Berenberg

CARLSBERG : TP raised to 508DKK vs. 498 @Berenberg

PUBLICIS : TP raised to 72€ vs. 71, BUY @HSBC

PUBLICIS : TP raised to 69€ vs. 68, OVERWEIGHT @JPM



UBISOFT : TP cut to 34€ vs. 37, BUY @BRYAN GARNIER

PERNOD RICARD : TP cut to 117€ vs. 122, BUY @ BRYAN GARNIER

PERNOD RICARD : TP cut to 112€ vs. 115, BUY @Nomura

PERNOD RICARD : TP cut to 106€ vs. 110, OVERWEIGHT @Barclays

UBISOFT : TP cut to 30€ vs. 32 @Jefferies

EDENRED : TP cut to 19€ vs. 21.5, Overweight @ Barclays

EDENRED : TP cut to 14.8€ vs. 18.6, NEUTRAL @NOMURA

SWATCH : TP cut to 420CHF vs. 450, OUTPERFORM @ Credit Suisse

SOC. GEN : TP cut to 43€ vs. 46, BUY @HSBC

LEGRAND : TP cut to 47€ vs. 52.5, NEUTRAL @ JPM

Technical Analysis

⚡Downward Signals⚡

ACTELION, INDITEX, NOVO NORDISK, SCOR : 50D MAV crossing downward 200D MAV

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

adidas Group	RATING : BUY	Fair Value EUR104 vs. EUR102
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The better-than-expected top line growth in Q4 (BG: +12%e FX-n vs. CS of 9-10%e) enabled ADS to achieve 10% FX-n over 2015, beating its own target of a high single-digit increase. Like in the first 9M, the main driver was adidas brand (+14%e in Q4 and +12% in 2015) thanks to strong double-digit growths in Western Europe, Greater China, MEAA and in Latin America. Against this solid performance, ADS expects this momentum to remain in 2016, hence the increased sales guidance (double-digit growth vs. high single-digit initially) whilst earnings targets are reiterated. We revise up our top line assumption by ~2pp (+3pp FX-n) which leads to our new FV of EUR104 vs. EUR102. => **POSITIVE**

Luxottica	RATING : BUY	Fair Value EUR65
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Following the successful partnership between Macy's and Sunglass Hut in the US since 2009, Luxottica announced yesterday an exclusive agreement to open Sunglass Hut corners in 56 Galeries Lafayette department stores across France and in the BHV/Marais in Paris by the end of 2016. This announcement is consistent with the group's strategy to expand in fast-growing channels (travel retail, department stores) and marks the beginning of a retailing activity in France. Besides the (limited) financial impact, this new partnership proves that the remaining senior management team continues to follow the group's roadmap irrespective of the third management "shake-up". => **Neutral**

Temenos Group	RATING : BUY	Fair Value CHF53 vs. CHF52
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We reiterate our Buy rating and revise our DCF-derived fair value to CHF53 from CHF52 as we increase our adj. EPS ests. by 1% and adjust our WCR assumptions. Yesterday evening Temenos reported for FY15 a non-IFRS op. profit in line with expectations with sales 2% above our ests. FY16 guidance is in line with our forecasts, driven by strong visibility. We deem the share price will react positively.

L'Oréal	RATING : BUY	Fair Value EUR182 (+24%)
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L'Oréal 2015 results are slightly above market expectations with FY 3.9% organic sales growth (consensus: +3.7%), implying +4.2% in Q4 alone after +3.7% in Q3 and with 10bp EBIT margin gain to 17.4% (consensus: 17.5%). Dividend up 14.8% to EUR3.1. Ahead of this morning analyst meeting, we maintain our Buy recommendation with an unchanged EUR182 FV. Positive

Ubisoft	RATING : BUY	Fair Value EUR34 vs. EUR37
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Fiscal Q3 sales came out 6% below the guidance mainly because of the underperformance of Assassin's Creed. The group downgraded its FY15/16 guidance (from stable sales to -7% Y/Y and from non-IFRS EBIT of at least EUR200m to ~EUR150m) and its first FY16/17 target in non-IFRS EBIT is 7% below the consensus (~EUR230m vs. cons. of EUR247m, there will be no new Assassin's Creed game). We maintain our BUY rating because we believe in the speculation surrounding the stock (Vivendi now owns close to 15% of the share capital vs. 11.52% before) but we have adjusted downwards our FV from EUR37 to EUR34 (explained by the cut of 9.5% in our FY16/17 EPS). The share will certainly be under pressure at the opening and as a result could offer a "yummy food" for Vivendi. => **Negative**.

Pernod Ricard	RATING : BUY-Top Picks	Fair Value EUR117 vs. EUR122
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China disappoints. The group said that its value depletions were down 4/5% in H1, in line with last year, and continue to expect this trend over the remaining of the year. The market was clearly expecting a more positive outlook from the management following Rémy Cointreau's comments on January 21st. But elsewhere there were good news. In the United States, the underlying performance of Pernod Ricard is improving and the gap with the market is narrowing. This is driven by Absolut: its value depletions were only down 1% in H1 2015/16 (Nielsen data) vs -3.2% in 2014/15. Our Fair Value is cut to EUR117 only due to FX. Buy recommendation maintained.