

BG SALES-TRADING MORNING DU 24/02/2016

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 | 16431,8 | -1,1% | -0,2% | Food staples, Retail | 0,3 | -1,5 | Financial Serv. | 0,9 | -13,9 |
| NASDAQ | 4503,6 | -1,5% | -0,4% | Utilities | 0,1 | 7,5 | Food & BeV | 0,2 | -5 |
| S&P 500 | 1921,3 | -1,2% | -0,3% | Consumer Durables | -0,1 | -2,5 | Travel & Leisure | -0,6 | -9,2 |
| NIKKEI | 15915,8 | -0,8% | - | Food Bev & Tobacco | -0,1 | 1,2 | Healthcare | -0,6 | -11,3 |
| | | | | SECTEURS S&P : WORST PERFS. | | | SECTEURS STOXX : WORST PERFS | | |
| | | | | S&P | Var % | YTD | STOXX | Var % | YTD |
| | | | | Oil & Gaz | -3,2 | -5,8 | Basic Resources | -3,2 | 2,3 |
| | | | | Banks | -3,1 | -17,8 | Oil & Gas | -2,4 | -4,9 |
| | | | | Materials | -2,4 | -6,9 | Utilities | -2,2 | -7,8 |
| | | | | Tech Hardware | -2,1 | -8 | Auto & Part | -2,2 | -17,8 |

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% |
| DANONE | 63,4 | 4 | DANONE | 63,4 | 4 | LONDON STOCK EXC | 2630 | 13,7 |
| ACCOR SA | 35,8 | -1,8 | FRESENIUS SE & CO | 57,7 | 0,1 | RECORDATI SPA | 21,2 | -8,9 |
| CAP GEMINI | 75,1 | -2,1 | UNICREDIT SPA | 3,3 | -2,6 | BG GROUP PLC | 1062 | - |
| KERING | 158,6 | -2,5 | ASML HOLDING NV | 79,8 | -0,1 | DEUTSCHE BOERSE AG | 78,8 | 3,2 |
| PERNOD RICARD SA | 98,9 | 0,4 | SOCIETE GENERALE | 30,4 | -3,7 | EURONEXT NV | 37,2 | 4,5 |

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 | 0% | 0,8% | €/€ | 1,1015 | 0% | 1% | BRENT | 32,4 | -0,1% | -9,4% |
| U.S 10 ANS | 99,1 | 0% | 1,7% | €/¥ | 123,38 | 0,1% | 5,8% | ONCE OR (\$) | 1225,6 | 0,6% | 15,3% |
| VIX Index | 21 | | 8,3% | | | | VSTOXX Index | 30,5 | | 2% | |

Economic Calendar

CH - Consumption Indicator Jan.
 GB - CBI reported sales Feb. (12E)
 US - New Home Sales Jan. (-4.4% E m/m)
 US - oil Inventories

Dividends Calendar ex-date next day

| | |
|----------------------|----------------|
| EASYJET (EZJ.L) | 55.2p (3.57%) |
| NOVOZYMES (NZYMB.CO) | 3.5DKK (1.16%) |
| DIAGEO (DGE.L) | 22.6p (1.22%) |
| NOVARTIS (NOVN.VX) | 2.7CHF (3.64%) |
| RIO TINTO (RIO.L) | 74.21p (3.62%) |

Ex Div today

| | |
|------------------|--------------|
| HERMES (HRMS.PA) | 1.5€ (0.46%) |
|------------------|--------------|

Markets Recap (source Street account)

Asian markets are trading lower on Wednesday. Negative sentiment seems to be widespread though nothing specific is underlying the weakness. Mining and energy losses are tracking heavy falls in commodities like copper and oil. WTI is under pressure in post-settlement trade after API data revealed a larger-than-expected inventory build. Selling has picked up in Japan as BoJ Governor Kuroda signaled ample room for negative rates to go even lower. Greater China is also weaker with the PBoC lowering the yuan midpoint and injecting another CNY20B. Banks are weighing on the ASX with credit quality in focus after JPM flagged higher energy-related provisioning. Reaction to the latest batch of earnings has been somewhat negative while Aussie wage inflation and construction data came in soft. FX volatility has picked up a little with the kiwi and Aussie tracking commodity declines and the pound hitting fresh multi-year lows amid Brexit-related uncertainty.

US equities finished lower on Tuesday. Treasuries were mostly stronger in choppy trading. The dollar was mixed, but lagged on the yen cross. Gold finished up 1%. Oil continued its volatile trading, with WTI settling down 4.6%.

The weakness in equities followed yesterday's rally. No clear catalyst drove the action in risk-off trading. However, a number of factors in play today. Oil sold off amid comments from the Saudi oil minister. Bank's credit exposure another key area of focus after JPM investor day. A disappointing consumer confidence print also cited as a headwind.

Corporate calendar centered on a few high-profile earnings reports and some more M&A activity. HD and M both exceeded earnings expectations and traded higher. NEWP acquired by MKSI, while VIAB is exploring strategic opportunities.

Energy the worst performer on oil selloff. Materials also a laggard, with industrial metals getting hit. Tech and financials underperformed. The latter dragged down by banks. Defensive sectors outperformed, with utilities the only major sector to post a gain.

Stocks Factor to watch today :

BAYER : Dividend announcement due, seen rising to 2.5€ vs. 2.25 a year earlier (poll)

COMMERZBANK : plans to scrap bonuses for its staff for 2015 because profitability has not improved enough to justify a payment (Handelsblatt)

SUEZ : 2015 revenue 15.135bn€ , organic growth 2.7%. Dividend unchanged of 0.65€, Targets at least 2% organic revenue growth. reiterates 2017 goal to reach 3bn€ of EBITDA

FRESENIUS (FREG.DE) : Organic sales growth was 6%, Group EBIT increased by 25% (13% at CER) to 3,958m€, Dividend increase of 25% to 0.55€/sh. Sees 2016 adjusted currency sales growth of 6-8%, Sales 2019 of 36-40bn€ ad net income of 2-2.25bn€ excluding any large acquisitions.

BOUYGUES : current operating profit up 6% to 941m€, dividend maintained at 1.6€ eyes higher profitability in 2016

PSA : 2015 net revenue rise 6% to 54.676bn€, 2015 automotive division operating margin 5% vs. Target 5% in 2019-2023. Plans no dividend 2015. Hits mid-term goals early.

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Rating & TP Changes



INTERCONTINENTAL : TP raised to 2860p vs. 2600, HOLD @socGen



HUGO BOSS : TP cut to 87€ vs. 103, Neutral @Bryan Garnier

HUGO BOSS : TP cut to 57.9€ vs. 79.9, Sell @Goldman

HUGO BOSS : TP cut to 67€ vs. 95, Reduce @Nomura

HUGO BOSS : NEUTRAL vs. Outperform @Exane

HUGO BOSS : TP cut to 78€ vs. 95, Neutral @JPM

DANONE : TP cut to 71€ vs. 74, Buy @Bryan Garnier

INTERCONTINENTAL : TP cut to 2660p vs. 2698, NEUTRAL @ NOMURA

ALLIANZ : TP cut to 180€ vs. 190, BUY @ DBK

SWISS RE : TP cut to 96CHF vs. 100, NEUTRAL @ Goldman

SWISS RE : TP cut to 98CHF vs. 99, HOLD@ DZ Bank

RANDSTAD : TP cut to 55€ vs. 56.5, NEUTRAL @JPM

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

Hugo Boss

RATING : NEUTRAL

Fair Value EUR87 vs. EUR103

Yesterday just before the market closure, Hugo Boss warned again on its sales and earnings development for 2016. The headwinds are similar to those who led to the first PW last October: the US and Chinese markets (~18% and ~8% of sales respectively) remain very challenging and highly promotional. As a consequence, the German group has reduced its sales outlook but more importantly, it now expects a low double-digit decline in the adj. EBITDA whilst the CS was expecting a fairly stable figure for 2016, due to price adjustments in China and a significant operating deleverage. We are cutting our FY16-17 assumptions by 14% on average, which leads to our new FV of EUR87 vs. EUR103 previously. => **Negative**

| Alten | RATING : SELL | Fair Value EUR46 (-5%) |
|-------|---------------|------------------------|
|-------|---------------|------------------------|

Yesterday evening Alten reported FY15 results a shade above our ests. and consensus projections, with an op. margin of 9.9%. The free cash flow margin was solid, up 3.3ppt to 6.8%, but the net cash position is below our forecast probably due to the timing of acquisitions. The outlook statement for 2016 is cautiously optimistic in our view, while we consider our operating margin forecast (10%) is a now bit conservative. We deem the share price to react positively to this announcement, but consider the stock is still overvalued.

| Voltaia | RATING : BUY | Fair Value EUR13 (+42%) |
|---------|--------------|-------------------------|
|---------|--------------|-------------------------|

The group posted solid 2015 earnings this morning, thanks to commissioning of new projects in Brazil. EBITDA came out at EUR30m while EBIT at EUR22.3m, respectively multiplied by 2.1x and 2.4x compared with 2014 metrics. Results were short of our estimates, yet we assume this is mainly due a difference in the average FX change and the exact commissioning date/load factors for each project. 2016 is set to be a new impressive growth year for the group, which will need extra capital to finance its growth. Buy, with FV confirmed at EUR13/share. Positive.

| Worldline | RATING : BUY-Top Picks | Fair Value EUR29 (+43%) |
|-----------|------------------------|-------------------------|
|-----------|------------------------|-------------------------|

FY15 results are slightly better than expected (better in revenue, in line in EBITDA margin, lower in net income and well better in FCF). The management provided its first 2016 targets excl. Equens (+3% in lfl sales, EBITDA margin of 20% and FCF of EUR135/140m). The group also announced a new alliance in commercial acquiring with KOMERČNÍ BANKA in the Czech Republic (~EUR20m in sales, good EBITDA margin). Following this earnings release and the reassuring 2016 guidance, we expect the share to catch up its underperformance vs. the CAC Mid & Small index of -6.8% YTD. At our FV of EUR29, its EV/EBITDA 2016e (incl. Equens and excl. the French radar contract) would be at 11.8x vs. 7.8x at yesterday's closing price, i.e. consistent with its positioning. => **Positive**.

| Scor | RATING : BUY | Fair Value EUR38.5 (+20%) |
|------|--------------|---------------------------|
|------|--------------|---------------------------|

Q4 2015 net income came to EUR150m, up 11%, above consensus (EUR137m). In P&C, the combined ratio stands at 92.2% (consensus 92.6%) vs. 91.1% in Q4 2014, including 4.0 points related to natcats. The dividend is EUR1.5 vs. EUR1.4 last year (4.7% yield), in line with expectations. The Solvency II margin is 211% at end-2015 vs. 208% at end-September 2015 and 202% at end-2014, fully consistent with the company's optimal range 185-220%. -> **Positive**

| Danone | RATING : BUY | Fair Value EUR71 vs. EUR74 (+12%) |
|--------|--------------|-----------------------------------|
|--------|--------------|-----------------------------------|

In our view Danone has passed the test on the two elements that were watched by the market: 1/ the improvement of the performance of yoghurts in Q4 (sales up 2.6% organically vs +0.6% in Q3) which shows that the group is on track with its plan to redress the division and 2/ the improvement of the group's profitability (EBIT margin of 12.91% in 2015, with 9.95% at the yoghurts). We cut our 2016 EPS estimate by 4% due to FX. Our Fair Value is revised downwards to EUR71.
