

## BG SALES-TRADING MORNING DU 26/02/2016

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	16697,3	1,3%	0,9%	Auto	2,5	-12,7	Banks	3,5	-21,9
NASDAQ	4582,2	0,9%	1%	Consumer Durables	2,2	0,7	Telecom	3,3	-7,3
S&P 500	1951,7	1,1%	0,9%	Real Estate	1,8	-5,5	Media	2,8	-6,2
NIKKEI	16188,4	0,3%	-	IT, SOFTW & Serv.	1,6	-4,5	Travel & Leisure	2,5	-8,5
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Oil & Gaz	0,2	-4,8	Basic Resources	-0,1	-4,4
				MEDIAS	0,3	-1,5	Food & Bev	0,7	-5,5
				Transportation	0,6	-1,6	Auto & Part	0,7	-20,2
				Telecom Op.	0,6	9,2	Chemicals	1,4	-11,6

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%	
PEUGEOT SA	13,5	-2,8	ENGIE	14,1	4,3	GLANBIA PLC	18,5	0,4	
UNIBAIL	42,8	11,6	BAYER AG-REG	95,4	0,7	WIRECARD AG	36,5	9,3	
ENGIE	14,1	4,3	SAFRAN SA	54,1	-1,2	BG GROUP PLC	1062	#N/A	
SAFRAN SA	54,1	-1,2	AIRBUS GROUP SE	57,4	4,4	DUERR AG	52	-9,5	
AIRBUS GROUP SE	57,4	4,4	FRESENIUS SE & CO KGAA	60,5	1,4	ZODIAC AEROSPACE	14,5	-25,4	

**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%	0,7%	€/ \$	1,1054	0,3%	1,8%	BRENT	34,5	0%	-3,6%
U.S 10 ANS	99,2	0%	1,7%	€/ ¥	124,59	-0,1%	4,9%	ONCE OR (\$)	1238,6	0,5%	16,7%
VIX Index	19,1		-7,8%					VSTOXX Index	31		-6,3%

### Markets Recap (source Street account)

**Asian markets are trading higher on Friday.** The big focus is on the G20 gathering in Shanghai. PBoC Governor Zhou indicated there was still scope for monetary support, as he, IMF Managing Director Lagarde, and BoE Governor Carney, all flagged a need for more demand-driven policies. The Nikkei is outperforming with the yen moving lower against the dollar. Japanese CPI came in flat last month with “core-core” inflation also slowing. BoJ Governor Kuroda and Finance Minister Aso were both cautious on the immediate prospects for lower rates (Kuroda) and an extra budget (Aso). Greater Chinese markets are recovering from Thursday's sell-off. China's securities regulator dismissed rumors of a plan to stop listing on the ChiNext board ahead of the implementation of a registration-based IPO system. Money market rates have also come down as the PBoC injected another CNY300B. Property names were higher amid data showing a pickup in Chinese home values last month. **Energy stocks are capping the ASX with Woolworth's earnings headlining the corporate calendar.**

**US equities closed higher today.** Treasuries were stronger across the curve. The dollar was little changed overall, but up on the yen cross. Gold was slightly lower. Oil was higher on news that several producers will hold a meeting in March. WTI settled +2.9% and Brent settled +2.6%.

**It was a largely quiet day from a macro perspective.** A selloff in China failed to carry over into European or US trading. Economic releases, including an uptick in jobless claims and a strong durable-goods report, had little impact on today's price action. Confirmation of a meeting between oil producers to discuss a possible freeze moved markets higher in the afternoon. Attention is now likely to shift to the G20 meeting convening Friday in Shanghai.

**It was a busy day on the corporate calendar.** CRM posted strong Q4 results despite macro pressures. HPQ disappointed on FCF. RH negatively preannounced. BBY beat on better GM. RLYP missed despite

better revenues. CHS was up sharply after a beat and better-than-feared guidance.

**Financials led, with banks getting a bit of a reprieve.** Software was stronger for tech. Equipment and supplies companies boosted healthcare. Precious metals firms were strong within materials. Airlines outperformed. Retailers were mixed. Energy lagged despite oil's rise.

### Stocks Factor to watch today :

Saint Gobain: 2015 operating income up 2.2% lfl

UCB: FY net income EUR674m vs. EUR199m year ago

Melia: FY EBITDA EUR293.1m, up 28.8% yoy

### Rating & TP Changes



**Scor:** Hold vs. Reduce, @ *HSBC*

**Burberry:** Buy vs. Neutral, @ *Nomura*

**Eiffage:** Equalweight vs. Underweight, new TP at EUR69, @ *Barclays*



**Pennon:** starts with Underweight, TP 730p, @ *Barclays*

**ABInbev:** TP cut to EUR130 vs. EUR133, Buy reiterated, @ *Nomura*

**Accor:** TP cut to EUR46 vs. EUR50, Buy reiterated, @ *Jefferies*

**Fresenius Med Care:** TP cut to EUR82 vs. EUR87, Hold reiterated, @ *SocGen*

**Fresenius SE:** TP cut to EUR72 vs. EUR76, Buy reiterated, @ *SocGen*

**Inditex:** TP cut to EUR34 vs. EUR36, Buy reiterated, @ *Nomura*

**Bayer:** TP cut to EUR106 vs. EUR132, Hold reiterated, @ *SocGen*

**Seb:** TP cut TO EUR90 vs. EUR93, Hold reiterated, @ *SocGen*

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

Bayer	RATING : NEUTRAL	Fair Value of EUR113 vs. EUR126 (+19%)
-------	------------------	--

With a 6-6.5% CAGR for core EPS over 2015-2020, Bayer appears to stand out less from peers than we thought in terms of PEG ratio. As a consequence, and despite the recent share price correction, we do not see Bayer as a must-have in our universe. We are therefore maintaining our Neutral recommendation.

Groupe SEB	RATING : BUY	Fair Value EUR105 (+23%)
------------	--------------	--------------------------

The analysts' meeting was an opportunity for SEB to go deeper into the initiatives that drove the top line (+8% LFL) and the profitability (op margin up 270bp LFL to 11.4%). Against this successful operating performance, the management is confident enough to more than offset the negative FX impact of EUR130-140m and he guided for an increase in the op profit in both reported and organic terms. This optimism was eventually shared by the market after a surprising negative reaction before the event. We leave our FY16 assumptions unchanged. Buy recommendation and FV of EUR105 confirmed.

Saint Gobain	RATING : BUY	Fair Value EUR42 (+21%)
--------------	--------------	-------------------------

2015 figures are in line with our expectations. Sales are roughly flat (0.4% l-f-l) at EUR39,623m and Operating Income is up 2.2% l-f-l at EUR2,636m, thanks notably good weather conditions at the end of 2015. Flat Glass is strong but Pipes under pressure. France looks better at the end of 2015, which is promising. Unsurprising Outlook of a “like-for-like improvement in operating income”. More color should be provided at the 8.30am analyst meeting today. Neutral.

---

<b>Melia Hotels</b>	<b>RATING : BUY-Top Picks</b>	<b>Fair Value EUR15 (+66%)</b>
---------------------	-------------------------------	--------------------------------

After Q3 results on 4th November, management upgraded its FY RevPAR guidance to double digit growth vs. high single digit. Finally, reported RevPAR was up 15.1% o/w 90% explained by ADR and all operating metrix were ahead expectation. Revenue was up 16% (consensus 13%), EBITDA improved by 29% at EUR293m (consensus EUR281m) and EBITDA w/o asset rotation by 16% at EUR246m (consensus EUR242m). Net result up 18.3% was largely impacted by higher taxes (provisions) of EUR33m. Net debt was reduced by EUR216m at EUR769m. Finally, management sounds reasonably confident for 2016 with mid-to-high single digit RevPAR growth in Q1 and mid-single digit for FY. A strategy plan 2016-2018 will be presented soon. Positive.

---

<b>Carlsberg</b>	<b>RATING : SELL</b>	<b>Fair Value DKK520 vs. DKK485 (-17%)</b>
------------------	----------------------	--

Despite the company delivering better results than I anticipated, they were still bad and I keep my recommendation to sell the stock. The huge restructuring charges are artificially improving operating margins (they do take away depreciation and negative operating gearing), profits will be down again in 2016 and the new strategic plan SAIL'22 is likely to focus on organic growth – which is the area where Carlsberg has not failed in the past. The company's problem has been value destructive acquisitions whereas the other brewers have done better on the front. My earnings forecasts for Carlsberg were too prudent and I am updating those. My fair value estimate of the company increases by 7% to DKK520 from DKK485.

---

<b>Axway Software</b>	<b>RATING : NEUTRAL</b>	<b>Fair Value EUR24 (+22%)</b>
-----------------------	-------------------------	--------------------------------

We reiterate our Neutral rating following the conference call held yesterday, and fine-tune our adj. EPS ests. (-3% for 2016, -2% for 2017 and +1% for 2018). The management provided more details on Axway's 2018 ambitions. We consider the ambition to double revenues over 2014-2018 as an ambitious scenario which lies on high expectations for licence sales growth, while the margin will be burdened by Appcelerator in 2016 and is set to recover thereafter.

---

<b>ELIOR</b>	<b>RATING : BUY-Top Picks</b>	<b>Fair Value EUR23,5 (+33%)</b>
--------------	-------------------------------	----------------------------------

Q1 results sustained with good progress of the group strategy. Total revenue reached EUR1,483m up 4.5% on reported with lfl growth of 1% taking into account the termination or the disposal of contracts not enough profitable of 2.1% (more significant than our expectation). EBITDA was up 6.9% at EUR114m, bang in line with our estimate, generating an EBITDA margin of 7.7% up 20bps. **FY guidance** confirmed with lfl revenue growth of more than 3% excluding the impact of voluntary contract exits (expected to be less than 150bps) with an EBITDA margin up 20bps at least to 8.6%. Positive.

---

<b>UCB</b>	<b>RATING : NEUTRAL</b>	<b>Fair Value EUR78 (+9%)</b>
------------	-------------------------	-------------------------------

UCB released good set of results coming slightly above consensus expectations. All of the three key products are driving grow and Keppra showed strong resistance coming from competitors short supply in the US. Group's sales reached EUR3.88bn (+9%CER). 2016 sales guidance comes in-line with consensus. However, rEBITDA and EPS guidance (at midpoint) came 10% and 15% above consensus expectations respectively. This increases our confidence in seeing UCB's reaching its 30% rEBITDA guidance towards 2018. -> Positive

---