

BG SALES-TRADING MORNING DU 03/03/2016

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	16899,3	0,2%	0,4%	Oil & Gaz	2,5	-1,1	Basic Resources	3,7	7,5
NASDAQ	4703,4	0,3%	0,7%	Banks	1,7	-12,6	Banks	3,4	-15,3
S&P 500	1986,4	0,4%	0,7%	Telecom Op.	1,1	10,9	Auto & Part	1,9	-12,5
NIKKEI	16960,2	1,3%	-	Household Products	0,9	3,3	Insurance	1,6	-12
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Materials	-0,4	-2,1	Media	-0,8	-3,3
				Consumer Serv.	-0,4	-1	Personal & Household	-0,7	-0,9
				MEDIAS	-0,3	-0,2	Const. & Materials	-0,6	-4,4
				Food Bev & Tobacco	-0,2	1,7	Food & Bev	-0,3	-3,7

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%	
ARCELORMITTAL	4,2	7,6	VINCI SA	63	-1,6	ELEKTA AB-B SHS	61,8	-14,9	
VINCI SA	63	-1,6	L'OREAL	155,8	-2	TELENET GROUP HOLDING NV	46,7	-5	
L'OREAL	155,8	-2	SOCIETE GENERALE SA	34,4	4,2	MARINE HARVEST	118,6	-5,9	
ACCOR SA	40,1	0,2	INTESA SANPAOLO	2,5	3,8	LUXOTTICA GROUP SPA	51,2	-4,7	
CAP GEMINI	78,6	1	DANONE	63,3	-1,9	ITV PLC	240,9	-3,5	

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	99,8	0%	0,9%	€//\$	1,0858	-0,1%	0%	BRENT	36,6	-0,5%	2,2%
U.S 10 ANS	98	-0,1%	1,8%	€/¥	123,95	-0,5%	5,4%	ONCE OR (\$)	1241,1	0,1%	16,9%

VIX Index	17,1	-3,4%	VSTOXX Index	27,1	-5%
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Markets Recap (source Street account)

Asian markets are broadly higher on Thursday. Volatility has moderated following yesterday's outsized rally. Mainland China has opened firmer with the PBoC resuming open market operations via a modest CNY40B injection. The yuan midpoint was also fixed higher. Mainland press have continued to warn on overheated Tier-1 property prices and reiterated policy scope to achieve economic growth targets. A softer Caixin services PMI print was largely shrugged off, mirroring the indifferent reaction to Tuesday's underwhelming manufacturing figures. The Nikkei is holding gains with the BoJ's Nasako the latest official to defend the adoption of negative rates. ASX miners are continuing to outperform amid the ongoing commodity rebound. A stronger services activity print also reinforced the narrative of Australia's shift away from mining-dependant growth.

US equities closed higher today in fairly quiet trading. Treasuries were mixed with some curve flattening. The dollar was slightly weaker. Gold was up. Oil was higher in choppy trading, with WTI settling +0.8%.

It was a largely uneventful session, with the emphasis still on the recent bounce in global risk assets. Today's macro developments had little impact on the fundamental narrative. ADP payrolls came in higher than expectations, though the market is looking ahead to Friday's NFP report. The most recent beige book was positive, but contained no surprises. Oil was up modestly despite EIA data showing a large crude build.

Energy led on a rally by E&Ps. Banks outperformed. Software lagged. Airlines and trucking companies were weaker. Media names underperformed. Industrial metals were significantly stronger, but materials lagged on weakness from chemicals.

Stocks Factor to watch today :

Swiss Re: has completed its CHF1bn share buy-back program on 2nd March, new CHF1bn program expected to be voted at the next AGM

Dassault Systèmes: Vestas Wind Systems selects Dassault Systèmes' "sustainable wind turbines" industry solution

CRH: EBITDA up 35% to EUR2.2bn, ahead of November guidance, total dividend maintained at EUR0.625

Melia Hotels: enters Iranian market

Rating & TP Changes



InterContinental: TP raised to 2400p vs. 2200p, Equal-weight reiterated, @ Barclays



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

Jeronimo Martins RATING : NEUTRAL Fair Value EUR13,5 (+1%)

We do admire JM. Once again, the retailer showed its class by publishing its strongest LFL rates for two years at Biedronka (+3.8% in Q4) along with a strong margin (7.05%e i.e. +80bp), while Portugal keeps showing an impressive topline (+4.1% LFL excl. fuel at Pingo Doce and +1.4% at Recheio) and a margin in line with expectation (5.7%e, down 30 bp in a promotional environment). Exceptional dividend offered (EUR0.265 gross amount)... ROIC up +280bp... Only valuation (2016 PE of 23x) remains a hindrance. **Positive.**

bioMérieux RATING : BUY Fair Value EUR118 vs. EUR121 (+17%)

BioMérieux reported FY2015 results yesterday which disappointed in terms of profitability for 2016. The latter guidance came at EUR265-290m, of 10% below consensus expectations at mid-range. We have adjusted our estimates accordingly which translate into a EUR3 decrease of our fair value to EUR118. However, we still view yesterday's sell-off as excessive as investments around BioFire are necessary to 1/ take advantage of the window of opportunity left by GenMark and 2/ accelerate growth in international markets and 3/ increase visibility on long term profitability. We reiterate our BUY rating.

Ahold (BUY, FV @ EUR22.5)
Delhaize (BUY, FV @ EUR107)

1/ Again, Q4 proved both Ahold and Delhaize's resilience (Q4 current EBIT 10% above expectations at Ahold, very much in line at Delhaize); **2/** both have virtually no exposure to unwell emerging markets and hence **3/** offer strong visibility; **4/** both enjoy among the best FCF profiles within the sector; **5/** FY dividend up +8.3% at Ahold (EUR0.52) and +12.5% at Delhaize (EUR1.80); **6/** ultimately, via costs sharing, the flirting between the two retailers offer an alternative within a sector which is suffering an obvious lack of growth. **Positive.**

adidas Group RATING : BUY Fair Value EUR104 (+5%)

The FY15 results reported this morning are in line with the P&L items pre-announced on 11th February. FY14 sales came in at EUR16,915m (+16% and +10% FX-n), implying a 12% FX-n in Q4 alone. The adjusted EBIT margin decreased slightly to 6.5% (-10bp) given a huge step up in marketing expenses in Q4 (+31%). At the conference call today (3pm), management should go deeper into details of the FY16 outlook. As a reminder the FY sales guidance was revised up at the pre-announced FY15 results (to double-digit growth vs. high single-digit previously). Buy recommendation and FV of EUR104 confirmed. Neutral

Luxottica RATING : BUY Fair Value EUR65 (+27%)

Market is sometimes demanding... The negative reaction yesterday might stem from the prudent current trading over Q1 16 and the profit guidance which seemed to have disappointed some investors. Admittedly the new earnings target over 2016-18 (grow 1.5x sales) is lower than the historical "rule-of-thumb" (2x sales) but it has not surprised us since management repeated several times in 2015 that the historical "rule-of-thumb" would hardly be reiterated for a seventh year in a row and achieving this targeted operating leverage in a context of significant investments is reassuring in our view, all the more since the group also expects to increase ROIC. Buy recommendation and FV of EUR65 confirmed.

Albioma

RATING : BUY

Fair Value EUR20 (+58%)

We update our model with latest FX rate, latest Brazilian power prices and latest project commissioning date, leading us to a downgrade of our 2016-17 EPS. The group is facing important headwinds on its new Brazilian activities, yet confirmed its ambition to further expand its thermal capacities over there. 2023 targets to double 2013 net income to >EUR60m thanks to the progressive commissioning of new projects was also reiterated. To reflect the negative adjustments on short term we cut our FV from EUR20 to EUR16, yet confirmed the Buy rating. Upside risk prevails.
