

## BG SALES-TRADING MORNING DU 10/03/2016

### 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	17000,4	0,2%	-0,3%	Oil & Gaz	1,5	0,7	Media	1,2	-4,2	
NASDAQ	4674,4	0,5%	0,1%	IT, SOFTW & Serv.	1,3	-3,8	Basic Resources	1,2	9,8	
S&P 500	1989,3	0,5%	-0,2%	Food Bev & Tobacco	0,9	3,8	Utilities	1	-7,2	
NIKKEI	16852,4	1,3%	-	Food staples, Retail	0,9	1	Personal & Household	0,9	-0,9	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Consumer Durables	-0,5	0	Travel & Leisure	-0,3	-9,1	
				Telecom Op.	-0,3	11,5	Real Estate	-0,1	-8,3	
				Consumer Serv.	0	-2,7	Healthcare	0	-10,7	
				Banks	0	-14	Auto & Part	0,1	-13,5	

### 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	-1,7	BMW AG	78,5	-1,8	BOSKALIS WEST	30,2	-16,4
PUBLICIS GROUPE	58,8	1,9	E.ON SE	8,1	-3,1	RESTAURANT GROUP	420	-22,7
VEOLIA ENV	20,2	-0,7	DEUTSCHE POST AG-	22,9	-1,7	DIA	4,7	-3,3
UNIBAIL	49	2,1	TELEFONICA SA	9,8	-0,6	BOLSAS Y MERCADOS	28,3	-2,1
CREDIT AGRICOLE	9,9	1,2	INDITEX	29,9	1,7	AENA SA	104	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	99,7	0%	0,9%	€/ \$	1,098	-0,2%	1,1%	BRENT	39,9	0%	11,5%
U.S 10 ANS	97,7	0%	1,9%	€/ ¥	124,75	-0,1%	4,7%	ONCE OR (\$)	1246	-0,6%	17,4%
VIX Index	18,3							VSTOXX Index	28,1		0,8%

#### Economic Calendar

CNY - CPI Feb. (2.3% A, 1.8% E)  
 CNY- PPI Feb. (-4.9% A , -4.9E)  
 EUZ - ECB rate Decision (0.05% E)  
 US - Initial Jobless claims Feb. (275K E)  
 US - continuing claims feb. (2252K E)  
 US - Monthly budget statement Feb.

#### Dividends Calendar ex-date next day

#### Ex Div today

BARCLAYS (BARC.L) 3.5p (2.01%)  
 CRH (CRH.I) 0.44E (1.78%)  
 APERAM (APAM.AS) 0.3125€ (1.12%)

#### Markets Recap (source Street account)

**Asian equities are trading mixed on Thursday with volatility subdued across most markets.** Mainland markets are lagging, having erased a brief pop higher following a stronger-than-expected increase in Chinese inflation. Support for the Nikkei is being attributed to intra-day yen weakness and an overnight bounce in oil. Energy stocks are also leading the ASX higher. Central banks have been a focus with the kiwi dollar falling sharply after the RBNZ unexpectedly lowered its official cash rate. The BoK left its repo rate unchanged at 1.50%, which was in line with a slight consensus majority. Elsewhere more questions are being raised over Japan's negative interest rates with press noting inflation expectations remain subdued even after their adoption. The BoJ was also said to be leaning towards a preference for more asset purchases in the event it eases again.

**US equities closed higher today in uneventful trading.** Treasuries were weaker across the curve. The dollar was mixed, higher against the yen but lower on commodity crosses. Gold declined. Oil resumed its recent rally, with WTI settling +4.9%.

**There was no specific driver behind today's price action.** The market seemed to be largely on hold ahead of tomorrow's ECB policy announcement, with expectations very high for a range of additional easing measures. Oil rallied on declining gasoline stockpiles. The market jogged lower on some complications surrounding the upcoming meeting of oil producers to discuss a proposed freeze, but quickly resumed course.

**There were solid reports from EXPE and VRA.** DRI made a positive preannouncement. CMG was hurt by another norovirus report. ATSG was boosted by its deal with AMZN. PLNT was hit by critical comments from Spruce Point Capital Management. WCG warned its Medicare Advantage rates could be worse than anticipated. AMED saw strong growth in home nursing and hospice segments.

**Energy led on oil's strength.** Software was outperformed. Grocers and retailers led consumer staples. Machinery underperformed. Biotech lagged. Consumer discretionary underperformed, with apparel names lower. Banks were weaker.

### Stocks Factor to watch today :

**HANNOVER Re** : posts 4<sup>th</sup> consecutive record year, passes 1bn€ net profit mark, ups dividend

**HUGO BOSS** : proposes stable div of 3.62€ for 2015, expects 2016 sales growth in low single digit, EBITDA pre exceptional to fall at low double digit rate. Taken steps to improve position in U.S., Chinese markets and optimise retail, says to cut investment in 2016 tp under 200m€ from 220.

**SANOFI** : appoints Dr A. Nathwani to executive committee and executive VP, Group Chief medical Officer.

### Rating & TP Changes



**ADIDAS** : TP raised to 92€ vs. 87, NEUTRAL @Credit Suisse

**INDITEX** : BUY vs. HOLD @S&P Capital IS



**SOITEC** : TP cut to 0.5€ vs. 0.65, NEUTRAL @Bryan Garnier

**ASTRAZENECA** : TP cut to 5520p vs. 5550, BUY @Bryan Garnier

**MERCK KG** : TP cut to 84€ vs. 88, EQUAL WEIGHT @Barclays

**BEIERSDORG** : TP cut to 90€ vs. 92, BUY @NOMURA

**INDITEX** : SELL vs. NEUTRAL, TP cut to 31€ vs. 32, @HSBC

**E.ON** : TP cut to 8.75€ vs. 10.2 @UBS

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

CNP Assurances	RATING : NEUTRAL	Fair Value EUR15 (+10%)
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Crédit Agricole had decided to internalise the group borrower insurance contracts of its regional banks. As a consequence, as of 2018, the contribution of this deal to CNP earnings is expected to gradually decrease. The practicalities of the change in the partnership between the 2 groups, especially as regards the existing contracts, has yet to be discussed. Over the last 3 years, the average contribution from the partnership with Crédit Agricole to the recurring EBIT of CNP has been EUR30m, i.e. c. 2% of EBIT France or c. 1-1.5% of EBIT Group. So bottom line, this news is negative, but the financial impact should be small. -> Marginally negative.

Soitec	RATING : NEUTRAL	Fair Value EUR0.5 vs. EUR0.65 (-21%)
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Soitec published an updated of its 2014-2015 annual report in which the group share FY17 guidance regarding sales and EBITDA margin for the first time. This cautious guidance lead us to adopt a more cautious scenario with 1/ a FY16 top line unchanged with a 6% growth, 2/ FY17/FY18 top line growth lowered to 5%/7% vs. 15%/10% previously and 3/ an FY17 EBITDA margin similar to FY16 at 15% (vs. 20% previously). As a result, we cut our FV from EUR0.65 to EUR0.50.

Altran Technologies	RATING : BUY	Fair Value EUR13 (+20%)
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This morning Altran reported FY15 results in line with expectations, with an operating margin of 9.6%. Excluding Germany, the margin would have been at 11.3%. The free cash flow was down 20% as expected, to EUR92m and in line with our estimate. The outlook statement for 2016 is positive, while the "Altran 2020 Ignition" plan is progressing well. Finally, the dividend is raised by 27% to EURO.19/share. We deem the share price will have a slightly positive reaction short term.

**Hugo Boss** RATING : NEUTRAL Fair Value EUR87 (+59%)

The FY15 results released this morning are not materially different than the pre-announced sales and EBITDA on 15th February: FY sales increased 9% as reported and 3% FX-n to EUR2,809m but the adj. EBITDA guidance only grew by 1% to EUR594m, missing the FY guidance (+3-5%) given a weak SSSG (-1%) and higher markdowns in Q4. It is worth noting that FY15 dividend is unchanged at EUR3.62 (P/O ratio: 78%) but questions marks remain about FY16. At the analysts' meeting today (1.30pm CET) investors will clearly focus on: 1/ the dividend policy for FY16 and beyond and 2/ the CEO transition. => **Negative**

**AstraZeneca** RATING : BUY-Top Picks Fair Value 5520p vs. 5550p (+35%)

We have summarised our thoughts on the consequences on our figures, sentiment and investment case of a two-part deal in China as well as recent data for tremelimumab and lebrizumab. In all, the financial impact is limited and our FV is reduced by only 30 pence to 5,520p. BUY unchanged.

**Hannover Re** RATING : SELL Fair Value EUR107 (+13%)

FY 2015 net income is EUR1,151m, up 17%, ahead of consensus (EUR1.05bn), with a Q4 net income (EUR365m) up 26% yoy driven by strong underwriting performance and strong investment income. Q4 EBIT is EUR565m, up 50% yoy, way ahead of consensus (EUR398m). The regular dividend is EUR3.25 (vs. EUR3 last year), plus a special dividend of EUR1.50 (vs. EUR1.25 last year), i.e. a global 50% pay-out ratio (vs. official 35-40% guidance), offering a 5.0% yield. The company confirms net income guidance for 2016 in the c. EUR950m area (vs. current consensus EUR1bn). -> **Positive**

**Iliad** RATING : BUY Fair Value EUR270 (+26%)

This morning Iliad published full year 2015 results. Iliad's results are strong, with EBITDA above consensus, up 16.1%, and strong commercial performance over Q4, on line with expectations. Revenues are up 5.9%, a little below our estimates and consensus at 6.3%, because of mobile revenues lower than expected in Q4. CAPEX are under control, below our estimates. We think the stock should react positively although mobile ARPU should be carefully looked after. We still believe in the market consolidation and stick to our FV of EUR270.

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