

## BG SALES-TRADING MORNING DU 31/03/2016

### 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	17716,7	0,5%	-0,1%	Consumer Serv.	1,6	3	Basic Resources	4,6	9,3
NASDAQ	4869,3	0,5%	0,1%	Insurance	1,4	-1,1	Oil & Gas	2,9	1,2
S&P 500	2064	0,4%	-0,1%	Tech Hardware	1,3	4,6	Auto & Part	2,4	-10,2
NIKKEI	16762,1	-0,7%	-	Semi Conducteurs	1,1	-0,4	Const. & Materials	2,2	-0,2
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Real Estate	-0,3	3,1	Healthcare	0,3	-12,5
				Utilities	-0,2	13,9	Banks	0,5	-19,8
				PHARMA.	-0,2	-8,1	Insurance	0,6	-12,4
				Telecom Op.	0	15,3	Food & BeV	0,9	-2,3

### 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%
ALSTOM	22,9	0	INDITEX	30,1	1,1	KABEL DEUTSCHLAND	102	-11
VEOLIA	21,3	1,8	E.ON SE	8,7	6,4	METRO AG	27,4	11,5
VALEO SA	136,5	5	L'OREAL	160,7	2	INTERTEK GROUP PLC	3181	0,3
BOUYGUES SA	37,2	0,7	SAINT GOBAIN	38,7	3,7	OPAP SA	6,1	-2,2
UNIBAIL	49,6	6,2	CARREFOUR SA	24,4	3,8	ICADE	67,8	1,1

**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%	0,8%	€/ \$	1,1312	-0,2%	4,1%	BRENT	38,4	-1%	7,5%
U.S 10 ANS	98,3	0,1%	1,8%	€/ ¥	127,08	0,3%	2,8%	ONCE OR (\$)	1227,5	0,2%	15,7%
VIX Index	13,6		-1,9%					VSTOXX Index	22,6		-9,1%

### Economic Calendar

GB - GfK consumer confidence Survey (0A , -1 E)  
 JP - Housing starts Feb. (7.8%A , -2.4% E)  
 DE - German unemployment rate Mar. (6.2% E)  
 EUZ - CPI y/y Mar. (-0.1%E)  
 EUZ - CPI core y/y Mar. (0.9%E)  
 US - Initial Jobless claims (265K E)  
 US- Chicago Purchasing manager Mar. (50.5 E)

### Dividends Calendar ex-date next day

INTERCONTINENTAL (IHG.L)	40.3P (1.46%)
BANKIA (BKIA.MC)	0.02126€ (2.33%)
WOLSELEY (WOS.L)	33.28p (0.85%)
VESTAS (VWS.CO)	6.82DKK -1.47%

### Ex Div today

BEIERSDORF (BEIG.DE)	0.7€ (0.86%)
ELISA (ELI1V.HE)	1.3CHF (1.98%)

### Markets Recap (source Street account)

**Asian markets are narrowly mixed on Thursday.** Trading has been fairly subdued in a session bereft of data and meaningful newsflow. Corporate activity has driven some outsized moves in Japan and China. The Nikkei has struggled to hold onto its gains with the yen maintaining its strength against the dollar. Toshiba is helping to underpin the Nikkei after securing a sales deal with China's Midea. Greater Chinese markets are mixed amid another strong yuan fixing. Dalian Wanda is outperforming in Hong Kong after its controlling shareholder offered to privatize the company. The ASX's rally is being driven largely by rebounding banks and miners. Aussie housing data came in mixed with credit growth picking up but new home sales contracting. In the commodities complex WTI crude fallen a further 1% in post-settlement trade.

**US equities closed higher today.** Treasuries were mixed, with another steepening move after the long end came under pressure. The dollar was weaker again today. Gold lost ground. Oil rallied through the morning, but gave back gains through the afternoon. WTI settled +0.1% and Brent settled +0.3%.

**The dovish tilt of Fed Chair Yellen's Tuesday speech continued to provide support for global equities today.** The market looked beyond a largely in-line ADP private payrolls report, waiting on Friday's nonfarm payrolls release. Chicago Fed President Evans said he expects two rate hikes this year if data comes in as expected.

**LULU was up after a high-quality beat.** ACAD rose on FDA approval of Nuplazid for Parkinson's disease. SONC beat and raised. LSTR and FORM negatively preannounced. RH ended higher despite below-consensus guidance. RAX was boosted by takeover speculation. MET rose after the DC District Court granted the company's request to overturn its SIFI designation.

**Tech led the market on outperformance from semis.** Restaurants and leisure names boosted consumer discretionary. Banks were higher. Industrial metals were stronger. Machinery was a relative underperformer. Pharma weighed on healthcare. Utilities trailed the market.

### Stocks Factor to watch today :

**BOEING** : plans to cut 8000 jobs this year at its commercial division (people familiar with the matter), could slash 1bn\$ costs and help it battle for sales against Airbus.

**AXA** : AXA Life will officially joins the integrated Shield Plan (IP) from May.

**WENDEL** : Net result from activities up 24% to 462.2m€, Book Value Revaluated up 10.7% to 136.4€, Dividend 2.15€ (+7.5%). President says no plan to sell St Gobain nor Bureau Veritas shares.

### Rating & TP Changes



**GENMAB** : TP raised to 1300DKK vs. 1170DKK, BUY @Bryan Garnier

**BURBERRY** : TP raised to 1350p vs. 1200p Equal Weight @Barclays

**SAGE** : TP raised to 520p vs. 510, SELL @UBS

**VESTAS** : TP raised to 160DKK vs. 148, SELL @UBS



**PERNOD RICARD** : TP cut to 113€ vs. 117, Buy removed from TP list @Bryan Garnier

**RICHEMONT** : TP cut to 81€ vs. 90, Buy @ Bryan Garnier

**LVMH** : TP cut to 184€ vs. 186 @HSBC

**CHRISTIAN DIOR** : TP cut to 200€ vs. 202 @HSBC

**E.ON** : TP cut to 8.65€ vs. 8.75 @UBS

**E.ON** : TP cut to 8.65€ vs. 8.75 @UBS

### Technical Analysis

**Lowest YTD** : UCB\*(UCB.BR), KABEL DEUTSCHLAND (KD8Gn.DE), NEXT (NXT.L)

#### Upward Signals

**KERING** : stock price crossing upward 50d, 100d, 200d MAV

**DASSAULT SYSTEMES (DAST.PA)** : 50d MAV crossing upward 200d MAV

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

Richemont

RATING : BUY

Fair Value CHF81 vs. CHF90

Given the high level of watches inventories in HK including for Cartier, we see as likely that this brand should clean up its inventories in the trade particularly in HK in order to buy back the slow moving watches. This will have an impact on sales and EBIT margin as early as this year (end of March 2016). Consequently, we cut our FY March 16 and March 17 EBIT by 7%; Hence our new CHF82 FV vs CHF90 previously. Nevertheless, we keep our Buy recommendation given, i/ the still good jewelry sales (32% of group sales) momentum and ii/ the net cash situation that should allow management to maintain a dynamic distribution policy: dividend increase (+15% expected this year), special dividend and iii/ the current upside on our FV (26%). **NEGATIVE**

<b>Pernod Ricard</b>	<b>RATING : BUY</b>	<b>Fair Value EUR113 vs. EUR117 (+13%)</b>
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The growth in 2015/16 and especially in 2016/17 should be lower than previously expected due to China. We revise our EPS estimates by 2% on average over the next two years, which positions us 2% and 4% below market expectations in 2015/16 and 2016/17, respectively. The consensus adjustment could provide an attractive entry point. Pernod Ricard provides a good visibility and a good quality of execution while it remains the cheapest stocks in the spirits sector. This is a fact that the improvement in China takes longer to materialize. But we think it is also worthwhile to remind that India accounts for the same weight than China (9% of the group's sales) and the United States are almost twice as big (17% of the group's sales). We maintain our Buy recommendation but we remove the group from the top pick list. Our Fair value is adjusted to EUR113. **NEGATIVE**

<b>Genmab</b>	<b>RATING : BUY-Top Picks</b>	<b>Fair Value DKK1300 vs. DKK1170</b>
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Genmab announced that its Phase III evaluating daratumumab in combination with bortezomib and dexamethasone (namely CASTOR) 1) was stopped early for benefit, and 2) met its primary endpoint of improving progression free survival (PFS) vs bortezomib/dexamethasone. This is of course very positive as 1) with such data, JNJ (which as a reminder retains dara's rights) should be able to obtain a first label expansion from the FDA to second-line patients; 2) we don't rule out an increased off-label use of daratumumab in combo with a proteasome inhibitor, be it bortezomib or carfilzomib, in the coming months. Next step would be the publication of the top-line results of another Phase III study (POLLUX), which this time is evaluating "dara" in combination with lenalidomide and dexamethasone. And once again, we are quite confident with its outcome... BUY reiterated with a FV of DKK1,300 vs DKK1,170. **POSITIVE**

<b>Alten</b>	<b>RATING : SELL</b>	<b>Fair Value EUR47</b>
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Alten announced the acquisition of ASM Technologies' Technological Software business, for an undisclosed sum. Founded in 1992 and based in Bangalore, ASM is an Indian IT services and product engineering company which posted for FY15 (FYE 31st March) sales of INR1.64bn (EUR21m) for an EBIT margin of 9.2%, with c. 1,000 staff. Its Technological Software business sold to Alten employs 750 engineers specialised in product engineering, business intelligence, business analytics and cloud computing. **Marginally positive.**

<b>Orpea</b>	<b>RATING : BUY</b>	<b>Fair Value EUR79 vs. EUR76</b>
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2015 was another year of international expansion (total network up 31% o/w which reinforce and secure lfl group top line with strong margin for the next 3 to 4 years. Expansion risks with 3 new strategic platforms in 2015 seem to be well manage with further investment in IT and a team of over 30 managers dedicated to international. Even if international expansion weighs on short term margin, each new areas offer great opportunity for better results notably with the real estate optimisation and new bolt-on acquisitions. All in all after some adjustments, we are confirming our buy recommendation with a FV increase to EUR79 vs. EUR76. **POSITIVE**

<b>Metro AG</b>	<b>RATING : Under Review</b>	<b>Fair Value Under Review</b>
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We will end up believing we are doomed! After Ahold/Delhaize suddenly announced their intention to merge a few months ago just as we were boarding a flight to Geneva, we were travelling again when THE big news hit the market yesterday, as Metro announced its intention to split into two entities: Média Saturn on the one hand and Real/Cash & Carry on the other. Until we are materially able to carefully assess the consequences of this deal, we have put both our rating (Sell) and our Fair Value (EUR24) under review.