

BG SALES-TRADING MORNING DU 14/04/2016

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	17908,3	1,1%	0,2%	Banks	3,8	-10,6	Basic Resources	7,1	18,4
NASDAQ	4947,4	1,5%	0,4%	Auto	3,2	-6,4	Banks	6,3	-18,8
S&P 500	2082,4	1%	0,2%	Div. Financials	2,6	-2	Insurance	3,6	-11,1
NIKKEI	16911	3,2%	-	Transportation	2,1	4,4	Oil & Gas	3,5	3,7
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Food Bev & Tobacco	-1,3	6	Retail	0,7	-4,4
				Telecom Op.	-1	11,2	Telecom	0,8	-7,2
				Household Products	-0,7	4,8	Healthcare	1,1	-9,3
				Utilities	-0,7	12,3	Utilities	1,3	-4,4

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	4,9	9,6	BBVA	5,8	6,1	WH SMITH PLC	1780	-1,4
AXA SA	22,1	6,5	AXA SA	22,1	6,5	MEDIASET ESPANA	10,5	3,1
LVMH	154,6	4,2	LVMH	154,6	4,2			
CARREFOUR SA	25,1	3	CARREFOUR SA	25,1	3	BILFINGER SE	37,5	-2,1
KERING	155,5	3,2	DEUTSCHE BANK AG-	15,4	9,9	BANK OF IRELAND	0,2	2

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%	€/ \$	1,1262	-0,1%	3,7%	BRENT	42,4	-0,8%	18,7%
U.S 10 ANS	98,8	0%	1,8%	€/ ¥	123,2	0,1%	6%	ONCE OR (\$)	1234,5	-0,6%	16,3%
VIX Index	13,8		-6,8%					VSTOXX Index	22,3		-7,3%

Economic Calendar

- GB - BoE rate decision
- US - Initial Jobless claims (270K exp.)
- US - Continuing claims
- US - CPI Mar (+0.2% E m/m, +1.1% y/y E)

Dividends Calendar ex-date next day

KPN (KPN.AS)	0.05€ (1.41%)
JULIUS BAER (BAER.S)	1.1CHF (2.81%)

Ex Div today

ERICSSON	3.7SEK (4.67%)
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Markets Recap (source Street account)

Asian markets are broadly higher on Thursday. The Nikkei has continued its outperformance with the yen extending losses. BoJ Governor Kuroda again defended the bank's NIRP policy in an earlier speech, reiterating that additional easing would be forthcoming if necessary. Greater Chinese markets opened firmly in positive territory but have since come off their highs. The PBoC fixed yuan the markedly lower, though this was not surprising given the dollar's recent ascendancy against other major currencies in the CFETS RMB basket. The ASX has built on its opening gains after Aussie jobs data comfortably beat expectations. In FX the dollar has extended gains, with its strength most pronounced against emerging market currencies following Singapore's unexpected monetary easing. The Singapore dollar, Malaysian ringgit and Korean won all fell ~1% in the decision's immediate aftermath. Dollar strength has also led commodity weakness with gold and WTI crude futures down a further ~1%.

US equities finished higher again on Wednesday. Treasuries were narrowly mixed with some curve flattening. The dollar was mostly stronger, outperforming on both the euro and yen crosses. Gold lost 1%. Oil gave back some recent gains. WTI crude lost 1%.

Strength in global equities was largely chalked up to better China trade data. However, this may have

been more of an excuse given exports were helped by a low base last year, putting some focus on usual suspects such as short covering and underweight positioning.

A better-than-feared start to Q1 earnings season in the banking sector and a weaker yen were also mentioned as positives. In addition, there was little fallout from softer March retail sales and producer price inflation data, as well as a pullback in oil and a stronger dollar.

In terms of corporate news, much of the focus was on the beat from JPM. Largely in line results and guidance commentary from CSX were well also received. ADTN provided some reprieve for networking following the negative JNPR preannouncement on Tuesday.

Despite the risk-on theme, there was some notable divergence in sector performance. Financials led the market higher on bank strength. Industrials, consumer discretionary, tech and materials all rallied. However, defensive sectors came under pressure.

Stocks Factor to watch today :

EDF : together with AREVA has recommended to French Nuclear safety authority to adapt testing programme on Flamanville 3 EPR.

BURBERRY : H2 retail revenue 1.046M€ , unchanged y/y underlying, H1 wholesale expected to be down by around 10%. Expect 217 adj. Profit before tax to be around bottom of range of analysts expectations.

Rating & TP Changes



GENMAB : initiated with BUY rating, TO 1140p @Citi

ATOS : OVERWEIGHT vs. NEUTRAL, TP raised to 85€ @Barclays

ALSTOM : BUY vs. NEUTRAL, TP cut to 26€ vs. 29 @UBS

ARCELORMITTAL : TP raised to 5.5€ vs. 3.2 @RBC

C. DIOR : TP raised to 196€ vs. 192 @RJM



TESCO : SELL vs. NEUTRAL, TP 166p @BRYAN GARNIER

TESCO : SELL vs. HOLD, TP 150p @SocGen

TESCO : TP cut to 240p vs. 245, BUY @UBS

SOFTWARE AG : UNDERWEIGHT vs. EQUALWEIGHT @Barclays

NOVARTIS : TP cut to 78CHF vs. 82, UNDERWEIGHT @Barclays

PRADA : cut to HOLD, TP 26HKD @HSBC

PUBLICIS : TP cut to 72€ vs. 73 @JPM

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

Sodexo

RATING : NEUTRAL

Fair Value EUR88 (-8%)

Top line lfl growth slightly better than expectation at 3.7% vs. 3.5% from consensus driven by positive trend in North America in contract catering and some improvement in Benefits and Rewards Services up 6.3% on lfl vs. 5.5% anticipated. Nevertheless, after consolidated revenue of EUR10,596m up 6.7% on reported, operating result before exceptional was a bit lower than expected at EUR658m (consensus EUR668m) i.e. an operating margin flat at 6.2% vs. 6.4% anticipated. FY 2015-16 guidance confirmed with lfl revenue growth of around 3% with an increase in operating profit of around 8% excluding the currency effect and before exceptional items. Note that regarding currencies, Management highlights that negative effect of BRL should continue in H2 while the positive effect of US\$ should decline. Neutral confirmed.

Software AG

RATING : BUY

Fair Value EUR40 vs. EUR39

We reiterate our Buy rating and increase our DCF-derived fair value to EUR40 from EUR39 following the conference call held yesterday. We raise our non-IFRS operating margin forecasts to 31.4% from 30.7% for 2016, to 31.9% from 31.6% for 2017, and to 32.5% from 32.2% for 2018. We are now convinced Software AG will raise FY16 non-IFRS operating margin guidance (currently 30-31%) in the course of the year as in Q1 A&N sales exceeded expectations and DBP sales productivity surged. POSITIVE

Nestlé	RATING : NEUTRAL	Fair Value CHF72 (+1%)
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Nestlé released this morning Q1 2016 sales globally in line with market expectations. Organic sales grew 3.9%, thanks to an acceleration of RIG (+3% vs. +2.7% in Q4 2015). The pricing remains low (+0.9% vs. consensus: +1.1%) as a result of tough negotiations with retailers, weak prices of commodities and tough comps in emerging market with last years' price hikes. The group has reiterated its full year guidance: it aims to achieve organic growth in 2016 in line with 2015 with improvement in margin. NEUTRE

Casino Guichard	RATING : BUY	Fair Value EUR57 (+8%)
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Regarding the quick refocusing on France, Casino delivered again in Q1 15 at both Géant and FP/LP and, at this early stage, we are reasonably optimistic as to Casino ability to no even depend on its listed subsidiaries to pay the dividend (guidance is for a 2016 FCF after financial expenses and dividend above EUR200m in France).

Tesco	RATING : SELL vs. NEUTRAL	Fair Value 166p (-8%)
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The improvement in the major balances (adjusted ND/EBITDA ratio of ~5.0x) is dependent on a recovery in lfl figures in the UK (+0.9% LFL currently vs ~2% needed to cover natural cost inflation). And given the sluggishness specific to the sector, Tesco's commercial resolutions could take time to produce their effects. Ultimately, CEO said it would be "a significant, significant achievement" to meet analysts' estimates for operating profit of 1.25 billion pounds this year. Sell vs Neutral given a FV of 166p. **Negative.**
