

BG SALES-TRADING MORNING DU 22/04/2016

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	17982,5	-0,6%	-0,2%	Auto	1,1	-2,5	Banks	1,4	-14,7
NASDAQ	4945,9	0%	0%	PHARMA.	1	-2,3	Oil & Gas	0,9	6,5
S&P 500	2091,5	-0,5%	-0,2%	IT, SOFTW & Serv.	0,3	3,1	Auto & Part	0,6	-9,3
NIKKEI	17557,1	1,1%	-	MEDIAS	0,3	6,2	Healthcare	0,5	-7,3
			SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD
				Telecom Op.	-2,7	9,4	Media	-2,1	-4,9
				Utilities	-2,2	8,3	Basic Resources	-1,8	25
				Food Bev & Tobacco	-1,9	2,7	Technology	-1,8	-8,1
				Insurance	-1,8	-0,3	Personal & Household	-1,6	-0,1

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%
PERNOD RICARD SA	98,6	-4,9	INDUSTRIA DE DISENO TEXTIL	29,4	-1,2	ERICSSON LM-B SHS	67,4	-14,6
SCHNEIDER ELECTRIC SE	59,1	4,7	VOLKSWAGEN AG-PREF	127	5,1	JM AB	234,2	8,3
ARCELORMITTAL	5,1	-5,1	BANCO BILBAO VIZCAYA ARGENTA	6,5	2	INDUSTRIA DE DISENO TEXTIL	29,4	-1,2
ESSILOR INTERNATIONAL	114,6	2,6	SCHNEIDER ELECTRIC SE	59,1	4,7	PERNOD RICARD SA	98,6	-4,9
LAFARGEHOLCIM LTD-REG	44,8	-2,6	BANCO SANTANDER SA	4,4	2,8	VOLKSWAGEN AG-PREF	127	5,1

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

Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	100,1	0%	0,8%	€/ \$	1,1295	-0,1%	3,5%	BRENT	43,9	1%	22,8%
U.S 10 ANS	97,9	0%	1,9%	€/ ¥	124,6	-0,8%	4,8%	ONCE OR (\$)	1247,1	-1%	17,4%

VIX Index	14	5%	VSTOXX Index	20,3	2,2%
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Economic Calendar

JP - PMI mfg Apr. (48A 49.5E)
 EUZ - PMI Serv Apr. (51.9 E)
 EUZ - PMI Composite Apr. (53.3 E)
 US - Markit US Manuf PMI (52 E)

Dividends Calendar ex-date next day

HEIENEKEN 0.86€ (1.07%)
 LINDT (LISN.S) 400CHF (0.55%)

Ex Div today

AKZO NOBEL 1.2€(1.97%)
 KLEPIERRE 1.7€ (4%)

Markets Recap (source Street account)

Asian markets are trading slightly lower on Friday. It has been a lackluster session characterized by subdued trading activity on the major indices. The Nikkei has come off its initial lows with the yen maintaining recent weakness. There was muted impact from data showing a contraction in Japanese manufacturing activity. Mitsubishi is the notable decliner over its fuel economy test scandal. Chinese equities have turned lower in choppy trade. The latest data offered encouraging signals for China's economy with the MNI business sentiment indicator rising above 50, and the social ministry reporting 3.18M new urban jobs were created in Q1. ASX miners are pulling back with fatigue a possible factor after the recent rally. Late Thursday the Dalian exchange announced it was raising margin requirements for a number of commodities, including iron ore.

US equities closed lower today. Treasuries were weaker, with some curve steepening. The dollar finished little changed after a choppy day. Gold declined, reversing earlier strength. Oil was down, with

WTI settling (2.3%).

There was nothing specific behind the pullback, though fatigue is a plausible candidate given recent strength and the ongoing debate about positioning and sentiment. Macro influences were limited. As expected, the ECB left policy unchanged. US regional manufacturing data were weaker, but jobless claims hit their lowest level in nearly 43 years. Oil's decline was partially blamed on Genscape data showing a Cushing build, though headlines about Kuwaiti and Libyan production also garnered some attention.

The day was very busy from an earnings perspective. NOW was a standout on billings growth acceleration. CTXS beat and raised. UAL disappointed on PRASM guidance. Weaker GMs drove a miss at MAT. URI beat, referencing improving demand in several core markets. DOV cut organic growth guidance. Stronger lending and better credit helped AXP. GM posted a large revenue and EPS beat.

Defensive sectors came under pressure today. Banks gave back some of their recent outperformance. Industrial metals were weaker. Airlines weighed on industrials. Apparel led consumer discretionary. Software buoyed tech. Healthcare was the only positive sector, boosted by pharma and biotech.

Stocks Factor to watch today :

AIRBUS : close to deal to sell 37 A321 jets to DELTA

Rating & TP Changes



ATOS : TP raised to 93€ vs. 90, BUY @Bryan Garnier

BAYER : TP raised to 110€ vs. 108, NEUTRAL @Bryan Garnier

ACTELION: TP raised to 173CHF vs. 172, BUY @Bryan Garnier

TEMENOS : TP Raised to 57CHF vs. 56.5, NEUTRAL @Goldman Sachs

TEMENOS : TP raised to 48CHF vs. 45 @Credit Suisse

ALTICE : TP raised to 14.5€ vs. 14, NEUTRAL @Bryan Garnier

BIOMERIEUX : TP raised to 98€ vs. 97 @HSBC

ARCELOR MITTAL : raised to BUY, TP raised to 6.25€ @ Jefferies



NOVARTIS : TP cut to 88€ vs. 95, NEUTRAL @ Bryan Garnier

KERING : TP cut to 174€ vs. 176, BUY @Bryan Garnier

PERNOD RICARD : TP cut to 107€ vs. 113, BUY @Bryan Garnier

DASSAULT SYSTEMES : TP cut to 62€ vs. 63, SELL @Bryan Garnier

CARREFOUR : TP cut to 27€ vs. 28.5 @Bernstein

KERING : TP cut to 185\$ vs. 190 @Bernstein

KERING : TP cut to 177€ vs. 179 @UBS

PERNOD RICARD : HOLD vs. BUY, TP cut to 103€ vs. 112 @HSBC

PERNOD : TP cut to 102€ vs. 106 @UBS

NUMERICABLE : TP cut to 32.5€ vs. 36.5 @Citi

Technical Analysis

HIGHEST YTD : ACCOR (ACCP.PA), ACTELION (ATLN.S); ATOS (ATOS.PA), CNP ASS (CNPP.PA), GENMAB (GEN.CO), IMERYS (IMTP.PA), SAINT GOBAIN (SGOB.PA), SANOFI (SASY.PA), TOTAL (TOTF.PA)

LOWEST YTD : DIRECT LINE (DLGD.L), EASYJET (EZI.L), ERICSSON (ERICB.ST), NUMERICABLE (NUME.PA)

Upward Signals

HANNOVER RE, VALEO, UNIBAIL RODAMCO : 50 d MAV crossing upward 200d MAV

Downward Signals

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

Kering RATING : BUY Fair Value EUR174 vs. EUR176

Kering reported yesterday Q1 sales at EUR2.72bn (consensus: EUR2.78bn), up 2.7% and 4% organically (consensus: +5.6%). Kering Luxury sales grew 2.6% (consensus: +4.9%) of which +3.1% for Gucci following +4.8% in Q4 2015, which confirms the iconic Italian brand transition but in a global challenging environment. We maintain our Buy recommendation and our EUR176 FV. Negative

Integrated Utilities

According to Reuters, the German commission dedicated to take decisions on nuclear dismantling in the country eyes EUR7bn surcharge for nuclear storage on top of the EUR18bn already provisioned by main operators in their accounts. This surcharge would be at the lower end EUR6-18bn range indicated which had been discussed previously. If confirmed such news is clearly positive for E.ON and RWE as the potential rise in provisions would be limited and as it will finally implies that any additional liability could be capped. Positive.

Pernod Ricard RATING : BUY Fair Value EUR107 vs. EUR113 (+8%)

There were some good news in this release. The growth in the United States, Western Europe and India was strong. But China proved to be particularly weak. Management reported a deterioration of the underlying trend and now forecasts a 7% decrease in value depletions in the country in 2015/16 vs the previous guidance of -4/5%. Sales in the country are expected to be down 10% over the year vs the previous guidance of a mid to high single digit decline. We cut our estimates by 4% on average over the next three years. Our Fair value is adjusted downwards to EUR107.

Dassault Systèmes RATING : SELL Fair Value EUR62 vs. EUR63

We reiterate our Sell rating and shave our DCF-derived fair value to EUR62 from EUR63 as we reduce our adj. EPS ests. by 1% for 2016 and 3% for 2017-18. We deem yesterday's 4% share price decline reflects Dassault Systèmes' 'champion's syndrome': the current high valuation multiples imply the company regularly exceeds its quarterly guidance, and we believe that when a quarter is in line or just above the high-end of the range like in Q1 16 the stock is sanctioned.

Essilor RATING : BUY-Top Picks Fair Value EUR130 (+13%)

During the conference call yesterday, management confirmed that Bolon will enjoy a strong catch-up effect as early as Q2, confirming that the only issue of yesterday's publication is behind the group. We understood that the Lenses division (87% of sales) would keep up a strong momentum and even the Equipment division seems to gradually recover. At this stage we have fine-tuned our sales growth assumptions and remain convinced that Essilor will achieve all FY guidance, marking another step further towards the 2018 targets. Buy recommendation and FV of EUR130 confirmed. => **Positive**

Atos RATING : BUY-Top Picks Fair Value EUR93 vs. EUR90

We reiterate our Buy rating and raise our DCF-derived fair value to EUR93 from EUR90 following the conference call held yesterday. We keep our adj. EPS virtually unchanged but increase our medium-term adj. EBIT margin assumption to 10.5% from 10% on better confidence to profitability. We consider the take-off of lfl revenue growth in Q1 and further acceleration expected for Q2 were the missing catalysts for allowing a re-rating valuation catch-up vs. IT Services peers.

Novartis RATING : NEUTRAL Fair Value CHF88 vs. CHF95 (+18%)

Novartis has clearly said that Q2 will be another tough quarter but at the same time, it seems that the two issues that are weighting on the stock are being addressed and we see very little if any further downside risk on Alcon and Entresto. While we acknowledge that short-term catalysts are rare, we approach the next three months as a potential turning point with longer-term triggers on the horizon in the pipeline. We adjust our FV mainly to Entresto's safer estimates and we keep our NEUTRAL until further and more clearer evidence that an inflexion point is getting closer.

