

BG SALES-TRADING MORNING DU 28/04/2016

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	18041,6	0,3%	0,1%	Telecom Op.	1,9	12,3	Oil & Gas	2	8,8
NASDAQ	4863,1	-0,5%	0,3%	Oil & Gaz	1,7	13,7	Technology	1,4	-7,6
S&P 500	2095,2	0,2%	0,2%	Utilities	1,4	11,2	Utilities	1,3	-1,6
NIKKEI	16714,8	-3,3%	-	Cap Goods	1	7	Const. & Materials	1,1	1,4
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Tech Hardware	-3,5	-2,7	Insurance	-1,1	-11,4
				Auto	-0,8	-2,5	Banks	-0,4	-14,2
				PHARMA.	-0,4	-3,9	Media	-0,2	-5,9
				Consumer Serv.	-0,4	0,2	Chemicals	-0,2	-2,5

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%	
CAPGEMINI	83,6	6,4	INDUSTRIA DE DISENO TEXTIL	29,2	0,7	INDUSTRIA DE DISENO TEXTIL	29,2	0,7	
ENGIE	14,6	2	MUENCHENER RUECKVER AG-REG	174	-3,8	ADIDAS AG	114	5,9	
LAFARGEHOLCIM LTD-REG	43,6	0,8	E.ON SE	9,4	3,2	STMICROELECTRONICS NV	5,7	9,6	
PEUGEOT SA	14,1	-0,8	ENGIE	14,6	2	UNIBET GROUP PLC-SDR	97,4	4,6	
ARCELORMITTAL	4,8	-0,8	BAYER AG-REG	105,6	-2,6	TELEPERFORMANCE	79,6	7,7	

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	99,9	0%	0,8%	€/ \$	1,1332	0,1%	4,3%	BRENT	45,7	-0,6%	27,9%
U.S 10 ANS	98,1	0,2%	1,8%	€/ ¥	123,44	2,3%	5,8%	ONCE OR (\$)	1249,8	0,3%	17,7%
VIX Index	13,8		-1,4%					VSTOXX Index	21,3		0%

Economic Calendar

JP - All industry activity index Feb. (-1.4% E m/m)
 GB - GDP 1Q (2.0% E y/y)
 US - Pending home Sales Mar. (1.2% E y/y)
 US - oil Inventories
 US - FOMC rate decision
 JP - BoJ basic balance rate
 JP - Jobless rate (3.3%E)
 DE - Unemployment Change Apr. (6.2% E)
 DE - CPI Apr. (-0.2% E m/m)

Markets Recap (source Street account)

Asian markets are mostly lower on Thursday, having erased earlier gains that followed a post-Fed bounce in the US overnight. Volatility spiked in the wake of the BoJ's decision to leave monetary policy unchanged, which came as somewhat of a surprise given speculation leading into the meeting it would expand ETF purchases. There was a significant decline in both Nikkei futures and the dollar-yen following the decision. S&P 500 futures were also dragged lower by the announcement. The BoJ decision followed a busy data in terms of Japanese data. Deflationary pressures intensified, retail spending came in better and industrial production rebounded. Japanese earnings have also dotted the corporate calendar. Losses on mainland markets have picked up amid continued focus on Chinese leverage and a crackdown on commodity futures speculation. Earlier, both the New Zealand and Brazilian central banks left rates unchanged, meeting expectations. **Aussie yields have also fallen as yesterday's subdued inflation reading boosts RBA easing speculation.**

US equities finished mostly higher on Wednesday. Treasuries rallied across the curve. The dollar was narrowly mixed vs the majors, but saw big gains vs the Aussie. Gold gained 0.4%. WTI settled 2.9% higher, hitting a new 2016 high despite some cautious takeaways in the wake of the EIA inventory data.

The big story today revolved around the somewhat firmer tone in stocks and strength in bonds (dollar did not do much) following the Fed. The statement did not include a closely balanced risks assessment, which some had feared could send too strong of a signal for a June rate hike. However, it also did not feature an explicit reference to risks from global economic and financial developments.

Another busy day on the earnings calendar continued to drive the bulk of the notable movers. AAPL received a lot of attention following disappointing guidance. TWTR was another high-profile decliner as weaker advertising weighed on its outlook. As usual, takeaways were mixed, though both earnings and revenue beat rates remained elevated.

It was a relatively uneventful day on the macro front. Oil resilience remained a big theme. Soft Australian inflation data drove expectations for more RBA easing. China continued to crack down on commodities speculation. There was little new in Japan ahead of Thursday's BoJ meeting. Data out of Europe looked in line to better.

Defensive sectors outperformed. The low rate backdrop likely helped. Energy was another standout on crude strength. Aerospace and defense was a standout in industrials. Some well-received earnings boosted consumer staples, while discretionary lagged with a number of moving pieces. Banks also lagged, but still ended higher. Tech was the worst performer.

Stocks Factor to watch today :

Suez: Q1 EBIT EUR253m, in line with estimates, 2016 guidance confirmed

Ipsen: Q1 sales EUR362m, below estimates, 2016 targets confirmed

Altran: Q1 revenues EUR522, slightly above estimates

Hermes: Q1 revenue up 6.1% to EUR1.19bn

Sanofi: proposed to acquire Medivation for USD52.5 per share in cash

Rating & TP Changes



Adidas: TP raised to EUR122 vs. EUR108, Buy reiterated, @ Bryan Garnier

GSK: TP raised to 1700p vs. 1670p, Buy reiterated, @ Bryan Garnier

GSK: TP raised to 1865p vs. 1775p, @ HSBC

GSK: recommendation raised to Buy, @ Citi

GSK: TP raised to 1300p vs. 1250p, Sell reiterated, @ SocGen

Saint Gobain: TP raised to EUR46 vs. EUR42, Buy reiterated, @ Bryan Garnier

Saint Gobain: TP raised to EUR39 vs. EUR37, Underweight reiterated, @ Barclays

Saint Gobain: TP raised to EUR39.9 vs. EUR39.4, Neutral reiterated, @ Goldman

Saint Gobain: TP raised to EUR43 vs. EUR39, @ SocGen

Capgemini: TP raised to EUR96 vs. EUR90, Buy reiterated, @ Bryan Garnier

Capgemini: TP raised to EUR96 vs. EUR95, @ Citi

Adidas: TP raised to EUR98 vs. EUR90, @ JPMorgan



Adidas: Neutral vs. Buy, TP raised to EUR114 vs. EUR107, @ UBS

STM: TP cut to EUR4.5 vs. EUR5, Underperform reiterated, @ Credit Suisse

STM: TP cut to EUR5.6 vs. EUR6.5, @ JPMorgan

Bayer: Hold vs. Buy, TP cut to EUR117 vs. EUR130, @ HSBC

Salvatore Ferragamo: Neutral vs. Outperform, TP cut to EUR22 vs. EUR24, @ Credit Suisse

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

Saint Gobain **RATING : BUY** **Fair Value EUR46 vs. EUR42 (+14%)**

SGO has published decent revenues in Q1, up 1.8% l-f-l at EUR9,136m, with a 2.3% volumes increase. France is not a drag anymore, with a flattish performance. While Pipes have heavily impacted Exterior Solutions, other businesses are well oriented. Unchanged guidance. Cautious comments regarding France, with a prudent outlook from the management. However we believe the market is very likely to further anticipate a recovery of the French market. Buy reit. new FV at EUR46 vs EUR42. Positive impact expected today.

Vicat **RATING : NEUTRAL** **Fair Value EUR56 (-5%)**

Vicat has reported a fine revenues growth in Q1 2016. Sales increase by 6.5% l-f-l at EUR554m (3% above our expectations), with strong performance in Turkey, Egypt, France and the US. Some uncertainties remain (Prices/Competition environment in West Africa, Kazakhstan and Switzerland) but guidance are not bad : Vicat expects further improvement in its performance, in a favourable environment for energy costs. We don't have any upside, though, and remain Neutral. Positive publication in our view.

Axway Software **RATING : NEUTRAL** **Fair Value EUR20 (+3%)**

Yesterday evening Axway reported Q1 16 sales 4% below our expectations, essentially due to the slippage on a couple of licence deals in France, while America confirmed its strong recovery. We keep our forecasts virtually unchanged as we cannot rule out the longer sales cycles in Operational Intelligence (OI, ex Systar) will transform into deals on the back-end of the year. We deem the share price will not react significantly short-term, pending more positive catalysts.

Capgemini **RATING : BUY** **Fair Value EUR96 vs. EUR90 (+22%)**

We reiterate our Buy rating and increase our DCF-derived fair value to EUR96 from EUR91 following yesterday's conference call, as we increase our adj. EPS ests. by 1-2% on fx (+EUR1) and our medium-term lfl sales growth assumption to 5% from 4% (+EUR5) as the management reiterated its +5%/+7% target for 2018 or 2019. With synergies with Igate delivering ahead of schedule, we deem Capgemini is able to reach at least the top-end of the FY16 margin guidance range (11.1-11.3%).

adidas Group **RATING : BUY** **Fair Value EUR122 vs. EUR108 (+7%)**

Yesterday's better-than-expected Q1 preliminary results again confirmed adidas' strong comeback, supported not only by powerful and structural drivers in sporting goods markets (not new) but also by positive results from the new consumer-centric organisation and improved execution (new). Following this publication and the more optimistic FY outlook, we are revising up our FY16-17 assumptions (+7% on average) and our normative operating margin (10% vs. 9.5% previously), leading to our new FV of EUR122 vs. EUR108. Buy recommendation confirmed.

STMicroelectronics **RATING : NEUTRAL** **Fair Value EUR6.3 (+11%)**

Following the publication of ST's Q1-16 results yesterday, the conference call held by ST was on a positive tone. However, in our view, it is not enough to justify a rating change. We believe risks remain high regarding 1/ the execution of the restructuring process, 2/ the growth while the group faces a dynamic competition and 3/ the gradual improvement of margin which depends of restructuring, growth and FX. We reiterate our Neutral recommendation and keep our FV of EUR6.3.

Altran Technologies **RATING : NEUTRAL** **Fair Value EUR13 (+5%)**

This morning Altran reported Q1 16 revenues 2% ahead of our forecasts and 1% above the consensus average, with accelerating growth momentum in France, while Germany is still declining but the management expects the country will be back to growth in Q2. Unsurprisingly, the management considers 2016 will be another year of profitable growth. We expect the share price to react positively short-term.

GlaxoSmithKline	RATING : BUY	Fair Value 1700p vs. 1670p (+17%)
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At mid session yesterday, GSK reported first-quarter earnings that were comfortably above estimates with both top-line and margins healthier than expected. The two majors beats at the revenue level stemmed from an under-estimated full-quarter consolidation impact from Novartis' CHC business and from favourable phasing in vaccine shipments and tenders. Together with seasonality and some positive mix effects, these two elements also boosted Q1 margins to a level that will not be sustainable over the year. In all, we would say that while Q1 earnings were pleasant and support our investment thesis, they have less of an impact on FY numbers than thought hence a modest FV move. **Positive**

Carrefour	RATING : BUY	Fair Value EUR30 (+17%)
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According to the AMF, the Moulin Family (Galleries Lafayette), via its holdings, now owns 11.51% (vs 10%) of the share capital and 15.3% (vs 9%) of the voting rights of Carrefour. From all evidence, its assiduousness in acquiring Carrefour shares, its long-term vision along with its very long experience in retail make the Moulin Family an ideal shareholder base for Carrefour. This flattering shareholding is only a reflection of the strength and serenity that Carrefour is today able to inspire. **Definitely a good news!**

Ipsen	RATING : BUY-Top Picks	Fair Value EUR60 (+12%)
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Reported sales for the first three months of the year were EUR362m when consensus was expecting EUR374m, which is a meaningful miss. However, this is exclusively the reflection of unfavourable inventory effects for several products around the globe including Smecta in China, Dysport in Brazil or Decapeptyl in Middle East. Recognition of invoices from partner Galderma on Dysport in aesthetic indications was also low in the quarter. With only technical effects on the negative side and strong Somatuline performance, Ipsen reiterates FY guidance. **Negative reaction expected but opportunity to buy or strengthen positions.**

Suez	RATING : BUY	Fair Value EUR18,5 vs. EUR19 (+15%)
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This morning Suez posted poor Q1-16 sales and operating performance as expected. Sales were up +0.5% YoY thanks to International division while EBIT came out at -4.6% to EUR253m when we expected EUR258m. As expected the start of the year for the group is difficult, especially compared with Veolia. We expect a growth recovery over the next 9 months. 2016 guidance was confirmed. We anticipate a negative share price reaction this morning.

Hermès Intl.	RATING : BUY	Fair Value EUR355 (+16%)
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Hermès Intl has reported Q1 sales at EUR1.19bn, in line with consensus, up 6% on reported and organically (consensus: +5.8%) following +8% in FY 2015 and +7.2% in Q4 2015. FX impact was neutral during the period. Activity remained even more dynamic for Retail (+8%). France performance was reassuring. Neutral.

QIAGEN	RATING : NEUTRAL	Fair Value EUR22 (+4%)
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Q1 sales came slightly consensus while significant cost to reallocate the production of QuantiFERON TB test as well as S&M expenses impacted Operating income which came 10% below expectations. Lower income tax allow QIAGEN to report EPS in line with expectations at USD0.19. Investments should be prolonged in Q2 as we would have expected. Q2 sales guidance is in line while EPS come 19% below expectations. We flagged the risk on overly-optimistic consensus which should put the share price under pressure at opening providing good entry points below in our view. FY2016 guidance is maintained and will be accompanied by a USD100m share repurchase program.
