

BG SALES-TRADING MORNING DU 02/05/2016

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	17773,6	-0,3%	0,4%	Spec. Retail	2,3	-0,1	Basic Resources	-0,8	23,6
NASDAQ	4775,4	-0,6%	0%	Utilities	0,6	11,7	Utilities	-0,8	-2,3
S&P 500	2065,3	-0,5%	0,3%	Food Bev & Tobacco	0,5	5,6	Real Estate	-1,1	-3,3
NIKKEI	16085,2	-3,5%	-	Insurance	0,1	-0,2	Media	-1,2	-7,1
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Semi Conducteurs	-2,6	-5,5	Auto & Part	-3,6	-13,1
				Auto	-2,3	-4,7	Banks	-3,2	-16,7
				Entprises Serv	-1,9	5,8	Technology	-2,9	-10,2
				Food staples, Retail	-1,7	-1	Travel & Leisure	-2,7	-11,7

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%	
MICHELIN (CGDE)	91,2	-4,6	BANCO SANTANDER SA	4,4	-4,5	CABLE & WIRELESS COMMUNICATI	73,6	-4,4	
VINCI SA	65,2	-1,2	BASF SE	72,2	-0,8	SEB SA	97,9	10,1	
SANOFI	72,1	-5,4	VINCI SA	65,2	-1,2	RESTAURANT GROUP PLC	275,1	-26,5	
ESSILOR INTERNATIONAL	113	-1,7	SANOFI	72,1	-5,4	TECHNICOLOR - REGR	6	17,8	
ENGIE	14,4	-0,1	BAYER AG-REG	100,8	-3,4	VESTAS WIND SYSTEMS A/S	465	4,5	

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	100	0%	0,8%	€/ \$	1,1468	0,6%	5,1%	BRENT	46,2	-0,3%	29,3%
U.S 10 ANS	98,2	0,1%	1,8%	€/ ¥	122,15	-0,3%	6,9%	ONCE OR (\$)	1293,9	1,2%	21,8%
VIX Index	15,7		3,2%				VSTOXX Index	24		15,2%	

Economic Calendar

CH- Retail Sales Mar. y/y
 FR- PMI Manuf. (48.3 E)
 DE - PMI Manuf. (51.9 E)
 US - ISM Manuf. Apr. (51.4 E)
 US - ISM Price Paid (52 E)

Dividends Calendar ex-date next day

ASML 1.05€ (1.2%)
 DSM 1.1€ (2.0%)
 BALOISE 5CHF (4.2%)
 GALENICA 18CHF (1.3%)
 GRANDVISION 0.14€ (0.6%)

Ex Div today

AIRBUS AIR.PA 1.3€ (2.3%)
 BASF (BASFN.DE) 2.9€ (4.25%)
 BAYER (BAYGn.DE) 2.5€ (2.37%)
 CONTINENTAL 3.75€ (1.96%)
 MERCK (MRCG.DE) 1.05€ (1.35%)
 VEOLIA ENV (VIE.PA) 0.73€ (3.46%)
 INDITEX 1.05€ (1.3%)

Markets Recap (source Street account)

Asian markets are trading lower on Monday. Regional activity is relatively quiet with a number of markets, including China, closed for public holidays. Some of the macro focus has been on weekend data that revealed a slowdown in Chinese manufacturing activity. The Nikkei has come under pressure after resuming from Friday's break. Downbeat sentiment has been chalked up to continued strength yen, while earnings have also driven some outsized moves. The ASX 200 has recouped earlier losses with mining strength offsetting a sell-off in the big banks following Westpac's soft earnings result. Data also showed a slight deterioration in Australian manufacturing activity and business confidence.

US equities finished lower on Friday. Treasuries were little changed to slightly stronger. The dollar was

under pressure and saw another big decline on the yen cross. Gold extended yesterday's strength to close at a new 2016 high, settling up 1.9%. Crude oil gave up early gains to close slightly weaker. WTI crude settled down 0.2%.

Move lower in equities was an extension of yesterday's afternoon selloff. Some focus on rally fatigue combined with a some softer US economic data. Yen strength remains a key area of focus after the BoJ left policy unchanged. Month-end dynamics also received attention.

Earnings calendar remained busy with another batch of high-profile reporters. AMZN the highlight after a big beat. However, continued attention on lackluster results as a whole with earnings on track for the fourth straight y/y decline for the first time since 2008.

Majority of the sectors traded lower. Healthcare the laggard. Tech, materials and financials all trailed the tape. Utilities the best performer. Consumer discretionary the other major sector to finish higher, largely on AMZN strength. Telecom and energy also outperformed.

Stocks Factor to watch today :

SOITEC : announces the appointment of Rémy Pierre as CFO

PSA : April Car registration up 5.3%

RENAULT : April car registration up 6.2%

Rating & TP Changes



MONCLER : initiated with BUY rating, TP 17€ @Bryan Garnier

SHIRE : TP raised to 225\$ vs 221, OUTPERFORM @Leerink

SHIRE : TP raised to 242\$ vs. 240, OUTPERFORM @RBC



SANOFI : TP cut to 86€ vs. 87, NEUTRAL @Bryan Garnier

ASTRAENECA : TP cut to 34\$ vs. 38, MARKET PERFORM @ Leerink

GALAPAGOS : TP cut to 89\$ vs. 92, OVERWEIGHT @ Morgan Stanley

NOVO NORDISK : TP cut to 426DKK vs. 432, OVERWEIGHT @ Barclays

Technical Analysis

HIGHEST YTD : GECINA (GEC.PA), REXEL (RXL.PA), SEB (SEBF.PA)

LOWEST YTD : BIC (BIC.PA), BOUYGUES (BOUY.PA), NEXT (NEXT.L), UCB (UCB.BR)

Upward Signals

BARRY CALLEBAUT, WOLSELEY : 50D MAV crossing upward 200d MAV

Downward Signals

FRESENIUS MED CARE : stock price crossing downward 50D, 100D, 200D MAV

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

Gemalto

RATING : NEUTRAL

Fair Value EUR62 vs. EUR69

Following disappointing Q1 sales and the subsequent conference call, we have revised downwards our restated FY16-18e EPS sequence by 3.5% on average. Gemalto reiterated its "vague" FY16 guidance (+1.5% gross margin, accelerating its PFO expansion towards its 2017 objectives). The current year will be especially back-end loaded (Softcard loss during Q2 last year) and there are still too many risks in SIM & related businesses, such that the 2017 PFO target of over EUR660m is out of reach (it implies at least a +25% CAGR 2015-17e vs. +10.4% in 2015). We consider that the momentum will be unattractive as long as the management maintains its 2017 PFO target. We are now more than 12% below this target (vs. 9% below before). We maintain our Neutral rating and cut our FV from EUR69 to EUR62. => **Negative.**

Euler Hermes

RATING : BUY

Fair Value EUR96 (+14%)

The Q1 2016 net income is up 16% yoy, driven by a capital gain of the sale of the Bürgel entities. The underwriting result is down 17% yoy but up 44% qoq, with a combined ratio that clearly shows the action plans initiated in 2015 have started to deliver (79.3% in Q1 2016 vs. 76.1% in Q1 2015 and 85.3% in H2 2015). The management reaffirmed its commitment to address the excess capital issue (up to EUR191m at end-2015, but keep in mind that Euler Hermes' current leverage is 0) at some point later this year. At this stage, we maintain our FY numbers. We keep our Buy rating and our EUR96 FV.

Luxottica	RATING : BUY	Fair Value EUR61 (+28%)
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Last Friday, Luxottica unveiled Q1 sales of EUR2,266m up 1.8% adj. FX-n (CS: ~2%) and 3.8% FX-n. As expected this publication was marked by a challenging comparison base (mainly in the US) and calendar realignments (Retail Division), and therefore difficult to read. Consequently we focus our attention on the management's optimistic message who reiterated FY16 targets, which implies a clear acceleration from Q2. This is the first step towards a restoration of investors' confidence in the group's execution and ability to sustain MT growth. Buy recommendation and EUR61 FV confirmed.

Moncler	RATING : BUY Coverage initiated	Fair Value EUR17 (+21%)
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We are initiating coverage of Moncler with a Buy recommendation and FV of EUR17. Over 2016-18, the group should post strong momentum in a luxury sector showing signs of a slowdown (average organic growth of ~10% vs. ~4% for our luxury sample) thanks to the dynamic outerwear segment, the strength of the group's brand and its upscale positioning and know-how in retail expansion. The share is trading on 2016e EV/EBIT of 12.1x, in line with the sector.
