

BG SALES-TRADING MORNING DU 06/05/2016

Economic Calendar

US - unemployment rate (4.9% E)

US - Baker Hughes Rig Count

Dividends Calendar	ex-date next day	Ex Div today	
ACTELION	1.5CHF (0.97%)	LAGARDERE	1.3€ (5.6%)
ALTRAN	0.19€ (1.47%)	AXA	1.1 (5%)
		INGENICO	1.3 (1.3%)

Markets Recap (source Street account)

Asian markets are trading lower on Friday. There has been some semblance of risk-off on regional indices ahead of tonight's US payrolls report. The Nikkei has resumed trade with Prime Minister Abe the latest government official to voice concern over the yen's strength. Data also revealed Japan's services sector fell back into contraction last month. Greater China has sold off amid another weaker yuan fixing. The ASX has climbed off its earlier lows with the Aussie dollar under further pressure. The RBA's monetary policy statement downgraded the outlook for inflation, fueling suggestions the central bank will maintain a dovish bias.

US equities were little changed today, closing off best levels. Treasuries were stronger across the curve. The dollar was better overall, up against the yen and euro. Gold lost 0.2%, and copper ended 1.5% lower. Oil finished higher but well below its morning highs. WTI settled up 1.2% and Brent settled up 0.9%.

It was another fairly quiet session today, with the market in something of a waiting mode ahead of tomorrow's nonfarm payrolls report. Few other macro catalysts were in play. Initial jobless claims rose markedly, but remained near long-term lows. A smattering of Fed speak provided no meaningful direction. Crude supplies were in focus due to developing situations in Canada and Libya.

The earnings tide is receding, but corporate news still drove much of the day's price action. TSLA brought its annual production target forward by two years. KHC beat on better cost savings. Several insurers reported weaker investment income. ABC reduced guidance on generic pricing pressures. LB and COST missed on April comps. DISCA boosted guidance.

Energy led the market with strength from E&Ps. Biotech helped healthcare. Semis were better for tech, but hardware remained a drag on the sector. Banks underperformed. Machinery was weaker. Industrial metals were a drag on materials. Retailers weighed on consumer discretionary.

Stocks Factor to watch today :

Rating & TP Changes



SAGE : TP raised to 555p vs. 550, SELL @Bryan Garnier

SAGE : TP raised to 530p vs. 520, SELL @UBS

NOVO NORDISK : TP raised to 380DKK vs. 360 @Berenberg

STRATEC BIOMEDICAL : TP raised to 53€ vs. 47, HOLD @Berenberg

SANOFI : TP raised to 77€ vs. 74, HOLD @Jefferies

ADIDAS : TP raised to 98€ vs. 88, HOLD @Berenberg

COMPASS : TP raised to 1335p vs. 1260 @JPM



FERRAGAMO : UNDERPERFORM vs. SECTOR PERFORM, 19€ vs. 23 @RBC

VEOLIA : TP cut to 21.5 vs. 22 HOLD @SocGen

Technical Analysis

HIGHEST YTD : HUSQVARNA, MEDIASET, SONOVA, TNT EXPRESS

LOWEST YTD : ASTRAZENECA, BOUYGUES, INMARSAT, NOKIA, SKY, VEOLIA ENV.

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

Sage Group

RATING : SELL

Fair Value 555p vs. 550p

We reiterate our Sell rating but raise our DCF-derived fair value to 555p from 550p as we up our adj. EPS ests. by 1%. Growth momentum is there, and cost savings should allow Sage to exceed an op. margin of 28.5% in H2 FY16. However, such a 2ppt margin increase cannot be extrapolated to FY17 as a part of the GBP50m cost savings will be reinvested in marketing. Despite yesterday's share price decline, Sage's demanding valuation multiples create no positive catalyst for the stock in our view
