

## BG SALES-TRADING MORNING DU 10/05/2016

### 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	17705,9	-0,2%	0%	PHARMA.	1,4	-5,6	Healthcare	2,2	-11,3
NASDAQ	4750,2	0,3%	-0,2%	Food staples, Retail	1,4	2,2	Travel & Leisure	1,6	-11,7
S&P 500	2058,7	0,1%	0%	Real Estate	0,8	6	Technology	1,6	-11,3
NIKKEI	16571,1	2,2%	-	Spec. Retail	0,7	0,4	Real Estate	1,3	-2,1
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Materials	-1,3	4,5	Basic Resources	-6,6	5,9
				Oil & Gaz	-1,2	7,4	Oil & Gas	-2	1,7
				Banks	-0,7	-10,6	Banks	-0,6	-22,6
				Cap Goods	-0,6	4,1	Utilities	0,1	-4,8

### 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	4,1	-12,1	INDITEX	28,2	2,3	AA PLC	277,5	-3,1
RENAULT SA	80,6	-0,5	TELEFONICA SA	9,2	-0,5	BRENTAG AG	48,4	-5,8
DANONE	61	2,1	AB INBEV	110,8	1,4	INDITEX	28,2	2,3
CARREFOUR SA	24	0,6	VOLKSWAGEN AG-	124,4	2,1	JC DECAUX SA	39,3	1,7
SCHNEIDER ELEC	53,8	0,1	DEUTSCHE TELEKOM	15,4	2,9	DAVIDE CAMPARI-	8,8	2,9

**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	100,1	0%	0,7%	€/ \$	1,1381	-0,1%	4,3%	BRENT	43,2	0,6%	21%
U.S 10 ANS	98,8	-0,1%	1,8%	€/ ¥	123,8	-0,4%	5,5%	ONCE OR (\$)	1266,1	-0,8%	19,2%
VIX Index	14,6		-1%					VSTOXX Index	25		-0,7%

### Economic Calendar

CNY - New Yuan Loans  
 CNY - CPI Apr. (2.3%A 2.3%E)  
 DE - Industrial Production (1.1% y/y E)  
 FR - Industrial Production (0.7% y/y E)  
 US - Redbook  
 US - Jolts  
 US - Wholesale trade

### Dividends Calendar ex-date next day

HANNOVER RE	1.5€ (1.5%)
CEGID	1.25€ (2%)
S. FONC. DE PART	1.6€ (2.37%)

### Ex Div today

IMERYS	1.75€ (2.8%)
JERONIMO MARTINS	1.9€ (1.9%)
SUEZ ENV	0.65€ (4%)
SANOFI	2.9€ (4.2%)
VICAT	1.5€ (2.6%)
PLASTIC OMNIUM	0.4€ (1.4%)

### Markets Recap (source Street account)

**Asian markets are trading narrowly mixed on Tuesday.** Volatility is fairly subdued overall with mainland China steadying following Monday's sell-off. China consumer inflation was unchanged from March with PPI deflation narrowing. The improving inflationary backdrop comes in the wake of the PBoC's Q1 monetary policy report, which appeared to signal a more cautious easing stance. The Nikkei is outperforming with the yen extending losses. Finance Minister Aso repeated Japan will intervene in FX markets if one-sided yen moves persist. ASX miners are among the heaviest decliners after last night's commodity selling. Signs of slowing Chinese growth, indications of reduced policy support, an exchange crackdown and a stronger dollar have all recently been flagged as commodity headwinds. Dalian iron ore

futures traded down more than 5% earlier today.

**US equities were mixed in quiet trading on Monday.** Treasuries were stronger across the curve. Dollar was stronger with the DXY +0.30%. Gold (2.2%) was lower. WTI (2.7%) settled lower.

**It was a fairly quiet trading session with no big directional drivers in play.** Commodity weakness was a major story with most of the blame going to China. April trade data from China was softer than expected, however, forex reserves showed an unexpected increase. Brazil has delayed the impeachment process of President Rousseff. German factory orders for March were better than expected. The Greek parliament passed a reform package aimed at unlocking additional bailout funds.

**Sectors were mixed.** Healthcare +1.13% was the best performer driven largely by earnings. Materials (1.25%) and energy (1.25%) were the worst performers on commodity weakness.

### Stocks Factor to watch today :

**MEDIVATION** : has decided to explore a sale following a 9.3bn\$ acquisition offer from France's Sanofi and interest from other companies of which Pfizer and AMGEN.

**ALCATEL LUCENT** : Q1 revenue fell 7% to 3.02bn€

### Rating & TP Changes



**CAMPARI** : TP raised to 9.7€ vs. 9.3, BUY @Bryan Garnier

**DIASORIN** : TP cut to 49€ vs. 43, HOLD @ Jefferies

**MERCK** : TP raised to 87€ vs. 84, EQUAL WEIGHT @Barclays

**E.ON** : TP raised to 7.7€ vs. 7.5 @HSBC

**WORLDLINE** : HOLD vs. SELL , TP raised to 24.4€ vs. 19.4@ Berenberg

**LVMH** : OUTPERFORM vs. NEUTRAL @EXANE

**E.ON** : TP raised to 7.7€ vs. 7.5 @HSBC

**MERCK** : TP raised to 87€ vs. 84, EQUAL WEIGHT @Barclays



**LUXOTTICA** : TP cut to 52€ vs. 59, NEUTRAL @ UBS

**TEMENOS** : HOLD vs. BUY @Berenberg

**GEMALTO** : TP cut to 58€ vs.59, SELL @Berenberg

**STRATEC BIOMEDICAL** : HOLD vs. BUY @ HSBC

**ZEALAND** : NEUTRAL vs. BUY @Goldman Sachs

**VIVENDI** : TP cut to 18.1€vs. 21.2 @JPM

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

Campari	RATING : BUY	Fair Value EUR9,7 vs. EUR9,3 (+11%)
---------	--------------	-------------------------------------

The organic sales growth was +7.2% in Q1, almost 4% above expectations, driven by Americas (6.9% vs consensus: +4.8%), Southern Europe/Middle East/Africa (4.8% vs consensus: +2%), and North/Central and Eastern Europe (+13.3% vs consensus: +3.4%). EBIT pre one-offs reached EUR53.9m, up 21% in reported and 20% in organic, and 16% above consensus estimates. The group benefitted from a highly favourable mix with the strong growth of the highly profitable global priorities (+11.9%), especially Campari (+21.4%) and Aperol (+24.7%). We adjust upwards our organic sales growth for 2016 at +5.3% vs +4.3% previously. More importantly, we increase the pace of recovery of the group's EBIT margins in the coming years. We now stand at +21.4% in 2016 and 22.5% in 2017, vs previous estimates of 21.1% and 22.2% respectively. Our Fair Value is lifted up to EUR9.7.

<b>Indra Sistemas</b>	<b>RATING : NEUTRAL</b>	<b>Fair Value EUR10 (-3%)</b>
-----------------------	-------------------------	-------------------------------

Yesterday evening Indra reported Q1 16 results slightly below consensus. Restructuring is advancing according to plan, net debt is decreasing, and revenues in 2016 will be negatively impacted by greater selectivity in IT contracts. We do not expect the share price will react significantly short-term.

<b>Software AG</b>	<b>RATING : BUY</b>	<b>Fair Value EUR40 (+19%)</b>
--------------------	---------------------	--------------------------------

We are reiterating our Buy rating and DCF-derived Fair Value of EUR40. We estimate that the positive momentum generated over the past 18 months by the new Chief Customer Officer, Eric Duffaut, is gradually changing Software AG's status from a value stock to a growth stock, with the target of delivering a margin of 32-35% in 2020.

<b>Munich Re</b>	<b>RATING : SELL</b>	<b>Fair Value EUR185 (+13%)</b>
------------------	----------------------	---------------------------------

Q1 2016 net income is EUR430m, down 46%, below consensus (c. EUR0.5bn). Operating profit is EUR726m, down 27%, mainly driven by major strains on the investment result (write-downs, mainly on equities, and low disposal gains). Excluding large losses (2.4 points) and run-offs (6.0 points), the Q1 adjusted combined ratio is 92.0% vs. 90.1% in Q1 2015. In light of this poor set of Q1 numbers, the FY guidance for net income has been adjusted downwards to EUR2.3bn vs. a previous guidance of EUR2.3-2.8bn (consensus EUR2.6bn). This is consistent with what the CEO said at the AGM on 27th April. This new guidance now includes the expenses for the strategy programme on Ergo to be announced in June. -> Slightly negative

<b>Hannover Re</b>	<b>RATING : SELL</b>	<b>Fair Value EUR110 (+9%)</b>
--------------------	----------------------	--------------------------------

Q1 2016 net income is EUR271m, above consensus (EUR246m), down 3% yoy. EBIT is EUR407m, above consensus (EUR372m), down 5% yoy. Excluding natcats, the underlying combined ratio is 91.9% vs. 92.4% last year, which is a strong performance. FY guidance have been confirmed, including a EUR950m "at least" net income (current consensus EUR1.03bn). -> Positive

---