

## BG SALES-TRADING MORNING DU 12/05/2016

### 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	17711,1	-1,2%	-0,5%	Utilities	0,2	13,6	Basic Resources	1,9	9,9
NASDAQ	4760,7	-1%	-0,6%	Oil & Gaz	-0,1	9,1	Oil & Gas	0,4	3,7
S&P 500	2064,5	-1%	-0,5%	Semi Conducteurs	-0,2	-5,7	Industrial Goods & Serv.	0,2	-1,6
NIKKEI	16623,3	0,3%	-	Household Products	-0,4	4,5	Const. & Materials	0,1	-2,1
			SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD
				Consumer Durables	-3,6	-1,1	Utilities	-1,7	-5,6
				Real Estate	-2,3	3,9	Real Estate	-1,3	-3,4
				Spec. Retail	-1,9	-0,2	Retail	-1,1	-9,4
				Food staples, Retail	-1,8	0,3	Media	-1,1	-7,8

### 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%
SAINT GOBAIN	38,5	-0,2	E.ON SE	8	-5,6	JC DECAUX SA	35,5	-10
LEGRAND SA	48,7	-0,9	TELEFONICA SA	9,3	-1,1	GALENICA AG-REG	1343	-8,6
ARCELORMITTAL	4,4	4	DEUTSCHE POST AG-	26,4	2,2	SCHIBSTED ASA-CL A	268,4	12,2
VINCI SA	64,6	0,7	NOKIA OYJ	4,6	-0,2	ARKEMA	71,5	5,1
MICHELIN (CGDE)	91	-0,6	UNICREDIT SPA	2,8	-3,7	RAIFFEISEN BANK	12,2	-10,1

**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				DEVICES				MAT. PREMIERES			
Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	100	0%	0,7%	€/ \$	1,1419	0,2%	4,7%	BRENT	46,9	0,6%	31,1%
U.S 10 ANS	99	0%	1,7%	€/ ¥	124,45	-0,5%	4,9%	ONCE OR (\$)	1272	-0,1%	19,7%
VIX Index	14,7		7,8%				VSTOXX Index	23,9		-0,1%	

### Economic Calendar

FR- CPI (-0.2%E y/y)  
 JP - Trade balance  
 EUZ - Industrial Production Mar.  
 GB - BoE rate Decision  
 US - Continuing claims  
 US - Initial jobless claims

### Dividends Calendar ex-date next day

TEMENOS	0.45CHF (0.88%)
ADIDAS	1.6€ (1.4%)
SWATCH	1.5CHF (2.42%)
SAP	1.15€ (1.7%)
FRESENIUS MED CARE	0.8€ (1.1%)
EDP RENOVAVEIS	0.05€ (0.7%)
RENAULT	2.4€ (2.9%)

### Ex Div today

SAGE	4.8p
GLAXOSMITHKLINE	19p
EDENRED	0.42€

### Markets Recap (source Street account)

**Asian markets are trading lower on Thursday.** Sentiment remains somewhat subdued following overnight weakness in the US however most regional indices have recovered from earlier lows. The Nikkei's weakness has coincided with a renewed drop in dollar-yen. BoJ Governor Kuroda argued time was needed to assess the impact of stimulus. The patience was dynamic echoed in the central bank's summary of opinions despite it noting elevated downside risks. Earlier data revealed a pickup in Japanese lending growth. The corporate calendar is also busier with automakers lagging. Greater Chinese markets are weaker. Mainland equities have recouped most of their losses with press highlighting officials' plans to strengthen infrastructure spending. Outside of equities the Aussie has retreated most against the dollar while copper is outperforming in the commodities complex.

**US equities finished lower on Wednesday.** Treasuries were stronger with some curve flattening. The dollar was weaker, giving up some of its recent rally on the yen cross. Gold posted a solid gain, closing up 0.9%. Oil rallied in response to an unexpected inventory draw. WTI crude settled up 3.5%.

**No clear catalyst for the risk-off action, though a few more high-profile earnings disappointments acted as a headwind to sentiment.** Rally in oil prices largely ignored by equities.

**Economic calendar a non-event today.** Corporate results centered in consumer discretionary, with post-earnings selloffs in M, DIS and FOSL. SPLS/ODP merger termination another area of focus.

**Every major sector expect utilities closed lower on the session.** Consumer discretionary the laggard, off by nearly 2%. Healthcare another laggard on biotech weakness. Energy outperformed on the crude strength. Materials also beat the tape, with metals providing support.

### Stocks Factor to watch today :

**ABLYNX** : burns more cash in Q1 on higher R&D costs

**RWE** : Guidance of annual results confirmed after Q1

**LAFARGE HOLCIM** : CEO says working on "substantial" 2017 divestments.

### Rating & TP Changes



**CARLSBERG** : TP raised to 585DKK vs. 550, EQUAL WEIGHT @Barclays

**COMPASS** : TP raised to 1350p vs. 1300, OUTPERFORM @RBC

**SANOFI** : OVERWEIGHT vs. EQUAL WEIGHT @Barclays

**EIFFAGE** : TP raised to 72€ vs. 69, EQUAL WEIGHT @Barclays

**COMPASS** : TP cut to 1305p vs. 1335, TP cut to 64€ vs. 68 @JPM

**SABMILLER** : TP raised to 4400p vs. 4080p@UBS

**BURBERRY** : TP cut to 1100p vs. 1230@Bernstein



**TOD's** : SELL vs. NEUTRAL, TP 60€ vs. 78 @Bryan Garnier

**TOD's** : TP cut to 65€ vs. 70, UNDERWEIGHT @Barclays

**TOD's** : UNDERPERFORM vs. NEUTRAL, TP cut to 55€ vs. 65 @Credit Suisse

**TOD's** : TP cut to 55€ vs. 63, UNDERPERFORM @ RJM

**TOD's** : TP cut to 57€ vs. 63, SELL @UBS

**MUNICH RE** : TP cut to 171€ vs. 175, @Barclays

### Technical Analysis

**HIGHEST YTD** : ARKEMA, ATOS\*, DEUTSCHE POST, GENMAB\*, PANDORA

**LOWEST YTD** : ERICSSON, MUNICH RE\*, NOKIA, SUEZ ENV. VIVENDI.

#### Upward Signals

**CASINO** : 50D MAV crossing upward 200d MAV

#### Downward Signals

**HANNOVER RE** : Stock price crossing downward 50D,100d, 200d MaV

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

adidas Group

RATING : BUY

Fair Value EUR124 (+9%)

Following the early termination of its existing partnership agreement with Chelsea Football Club, ADS will receive a compensation payment to be in the mid-double-digit million euro range (BG ests: ~EUR50m), which will positively impact the group's P&L in Q2 16. This one-off gain enables the group to increase again its two FY16 earnings target: **(i)** the operating margin is now expected to increase to a level of "around 7%" vs. 6-6-7% initially and **(ii)** the net income from continuing operations should increase by ~25% to approx. EUR900m. Consequently, we nudge up our FY16 operating profit by 4%, implying an op margin of 7.1% (adj. op margin unchanged at 6.8%) and we expect the net income from continuing operations to increase by 25% to EUR898m. =>**Slightly positive**

LafargeHolcim	RATING : BUY	Fair Value CHF50 (+13%)
---------------	--------------	-------------------------

LHN has reported flat Q116 revenues (+0.1% l-f-l) at CHF6,062m (vs CHF6.2bn expected by the consensus) and adjusted EBITDA down 17% l-f-l at CHF824m (vs CHF929m exp.). Guidance is promising, with a "high single digit l-f-l increase" in adj. EBITDA, vs 1% to 2% for the consensus (7.5% for our estimates). Q1 is not representative of full year trend and we don't expect likely negative market reaction to last long today. Conference call at 10.00am should be reassuring. Buy. Short term negative. Long term positive.

Tod's Group	RATING : SELL vs. NEUTRAL	Fair Value EUR60 vs. EUR78
-------------	---------------------------	----------------------------

Q1 sales reached EUR250m vs consensus at EUR257m, down 3.1%. Organically, sales declined 4% (consensus:-1.5%), following +5.9% in Q4 15. Q1 16 figures highlight very poor performance in Americas and in Greater China. Even more importantly, same store sales growth declined 12% in Q1. Consequently, we lower our 2016 EBIT by 10% and therefore adjust our FV from EUR78 to EUR60. Given low visibility for coming quarters, some questions on strategy and disappointing Q1, we adopt an even more cautious view on the stock with a SELL recommendation versus NEUTRAL previously. Negative.

RWE	RATING : NEUTRAL	Fair Value EUR9,5 (-17%)
-----	------------------	--------------------------

RWE posted this morning higher than anticipated Q1-16 metrics thanks notably to Energy Trading gains. EBIT is up 7% to EUR1.7bn, >20% above market expectations, yet when excluding this positive non recurrent item EBIT is down 5% and is only 4% ahead of consensus. As other European integrated utilities, RWE suffered from low power prices environment. 2016 targets were confirmed and still imply a >20% drop in group's EBITDA this year compared with only 12% targeted by E.ON. Beside this E.ON still ambitions to distribute a dividend, on the contrary of RWE. We confirm our Neutral rating.

Metro AG	RATING : SELL vs. NEUTRAL	Fair Value EUR26 (-8%)
----------	---------------------------	------------------------

To the question of whether we can rule out a rights issue in order to address the capital structure problem ahead of the spin-off, management refused to answer. Some answers or non-answers can tell us a lot and, in this case, create an uncomfortable zone of uncertainty. On top of that, following the recent strong share performance, we now have 7% downside risk on our FV (EUR26). Downgrade to Sell vs. Neutral.

---