

## BG SALES-TRADING MORNING DU 17/05/2016

### Economic Calendar

GB - CPI Apr. (0.5%E y/y)

GB - Core CPI (1.4% E y/y)

US- Housing starts Apr. (3.3% E)

US - CPI (1.1% E y/y)

US - industrial prod. Apr. (0.3% y/y)

Dividends Calendar	ex-date	next day	Ex Div today	
M6	0.85	(5.08%)	FRESENIUS SE	0.55€ (0;87%)
EURONEXT	1.24€	(3.18%)	EIFFAGE	1.5€ (2.2%)
FONC. DE PARIS	6.2€	(4.29%)	CASINO	3.12€ (6.8%)
			ESSILOR	1.11€ (0.99%)
			LAFARGE	1.5CHF(3.44%)

### Markets Recap (source Street account)

**Asian markets are trading mixed on Tuesday.** The Nikkei is off its highs with the yen holding inside its recent range. Despite an apparent push by Japan PM Abe for a coordinated response, press have highlighted differences among G7 officials on the yen and fiscal policy leading into this week's meetings. Abe also stated he is yet to decide on a consumption tax hike delay. Greater China is weaker with mainland media clarifying a recent article (which subsequently got lot of traction) on an "authoritative" figure who warned against excessive leverage. There have also been reports China will tighten trading halt rules in a bid to ease A-share passage into MSCI indexes. ASX energy stocks are outperforming amid higher oil prices. The RBA minutes suggested the May rate cut was a close call. This has led to a move higher in the Aussie, while the Kiwi has also advanced ahead of data showing a pickup in New Zealand inflation expectations.

**US equities were higher on Monday.** Treasuries were weaker across the board. The dollar was little-changed with the DXY (0.07%). Gold +0.1% and WTI +3.3% were both higher.

**There was no clear catalyst for the move higher, which followed three consecutive weekly declines.** Weaker than expected April activity data from China failed to have a substantial impact. Oil strength continued with crude prices nearing six month highs. May Empire manufacturing was much weaker than expected. May builder sentiment was largely in-line. Busy day of M&A activity was seen as a tailwind.

**All sectors were higher.** Energy +1.58% was the best performer on oil strength. Tech +1.39% was higher partially in reaction to news of Buffett's new AAPL stake. Defensives were underperformers.

### Stocks Factor to watch today :

**EDF :** F. HOLLANDE says HINKLEY POINT project should go ahead.

**ASTRAZENECA :** Positive Benralizumab results in severe asthma.

**GEMALTO :** THAILAND deploys GEMALTO's Mobile ID strong authentication and signing solution Nationwide.

**GALAPAGOS :** shares subscribed to buy GILEEAD on Jan. 19 have been admitted to trading on EURONEXT

**VIVENDI :** TELECOM ITALIA promise to nearly triple its target for cost savings by 2018. The savings goal has been raised to 1.6bn€ from a previous 0.6bn€ target

**EDF :** S&P downgrade EDF's hybrid debt to non-investment grade.

**Thomas Piquemal :** Joins DEUTCHE BANK as global head of M&A department

### Rating & TP Changes



**GALAPAGOS :** TP raised to 48€ vs. 46 @Credit Suisse

**CRH :** TP raised to 25€ vs. 24 @Credit Suisse

**ITALCEMENTI :** TP raised to 10.6€ vs.10 @UBS



H&M : TP cut to 325SEK vs. 340 @ HSBC

### Technical Analysis

HIGHEST YTD : B. CALLEBAUT (BARN.S), EIFFAGE, GECINA, GENMAB, PANDORA, UBISOFT

LOWEST YTD : BOLLORE, FREENET, INMARSAT, SWATCH GROUP, TELENET, WILLIAM HILL

#### ➔Upward Signals

TOTAL : 50d MAV crossing upward 200d MAV

#### ⚠Downward Signals⚠

EDP : stock price crossing downward 50d, 100d, 200d MAV

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

Iliad	RATING : NEUTRAL	Fair Value EUR212 (+10%)
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This morning Iliad published robust Q1 2016 results, above expectations. Growth is accelerating, revenues reached EUR1.145bn, up 6.6% yoy, 1% above consensus. Commercial performance was better than expected on fixed, with ARPU almost stabilised. Mobile ARPU is also on a positive trend, with good service revenue growth at 14%, but net adds are below expectations in a smaller market. We think the stock should react positively, and stick to our FV of EUR212 with Neutral recommendation.

Innate Pharma	RATING : BUY	Fair Value EUR18 (+49%)
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Innate Pharma yesterday held an Investor Day during which it provided an update on the corporate strategy, and its early-stage candidates (e.g. IPH4301, IPH52, etc.). While there was no big breaking news, we got many insights on 1/ how the management is willing to build an integrated biopharmaceutical with a (differentiated) focus on the synergies between the innate and adaptive systems; and 2/ the next catalysts, with the very first ones involving lirilumab. BUY reiterated with a FV of EUR18.