

BG SALES-TRADING MORNING DU 18/05/2016

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	17530	-1%	-0,5%	Transportation	0,3	-0,6	Basic Resources	1,9	11,8
NASDAQ	4715,7	-1,3%	-0,7%	Oil & Gaz	0,2	10,2	Telecom	0,9	-7,3
S&P 500	2047,2	-0,9%	-0,4%	Consumer Durables	-0,2	-1,5	Media	0,6	-8,1
NIKKEI	16625,8	-0,2%	-	Banks	-0,2	-11	Real Estate	0,5	-2,7
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Food Bev & Tobacco	-2	6,4	Auto & Part	-2,7	-17,8
				Food staples, Retail	-1,9	-2	Food & Bev	-0,6	-4
				Utilities	-1,7	11,8	Retail	-0,6	-9,3
				Spec. Retail	-1,7	-1,7	Personal & Household	-0,6	-1,3

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%	
VALEO SA	133	-2,5	UNICREDIT SPA	2,8	-2	BTG PLC	609	3,8	
RENAULT SA	77,8	-3,1	BMW	71,6	-3	ICAP PLC	439,9	-3,1	
MICHELIN (CGDE)	86,9	-0,3	ENEL SPA	4	-1,6	ATLANTIA SPA	24	-0,4	
LAFARGEHOLCIM	39,3	4,6	NOKIA OYJ	4,5	-1,2	TAYLOR WIMPEY PLC	193,6	4,7	
PEUGEOT SA	13	-4,1	DEUTSCHE POST AG-	26,8	-0,2	GN STORE NORD A/S	133,1	2,4	

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	99,8	0%	0,8%	€/ \$	1,1282	-0,3%	3,4%	BRENT	48,6	-0,2%	36,1%
U.S 10 ANS	98,7	0%	1,8%	€/ ¥	123,25	0,2%	5,9%	ONCE OR (\$)	1273,3	-0,1%	19,8%
VIX Index	15,6		6,1%				VSTOXX Index	24,5		1,1%	

Economic Calendar

St ERIC DAY

JP - GDP annualized 1Q (1.7% A, 0.3% E)

GB - Labour market Report (Claimant count change 4K E)

US- FOMC minutes

US - DOE Oil Inventories

Dividends Calendar ex-date next day		Ex Div today	
INTERTEK	35.3p (1.07%)	EURONEXT	1.24€ (3.23%)
BUREAU VERITAS	0.51€ (2.51%)	M6	0.85€ (3.18%)
CREDIT SUISSE	0.7CHF (5.24%)	FONC DE PARIS	6.2€ (4.3%)
ROYAL DUTCH SELL	0.47\$ (2.1%)		

Markets Recap (source Street account)

Asian markets are trading lower on Wednesday. Losses seem are picking up again after an earlier bounce. The Nikkei is barely changed after Japan Q1 GDP beat consensus. However the leap year effect was estimated to have contributed mostly to the result. Economy Minister Ishihara added after the release that the stronger data wouldn't affect the BoJ's assessment. Greater China is lower with selling momentum picking up. The latest data continues to show a strengthening Chinese property market. House price growth accelerated at the fastest pace in two years last month. China's commodity producers are another focus. The Ministry of Finance said it will keep steel export rebates in place after the US late Tuesday imposed a sizable levy on its imports of Chinese steel. Commodity currencies under pressure with the Aussie extending declines after data showed a further slowdown in Australian wage growth. Oil has eased in post-settlement trade after API revealed a smaller inventory drawdown last week.

US equities closed lower today. Treasuries were mixed with some curve flattening. The dollar was little

changed vs the majors, but lagged on Aussie cross. Gold gained 0.2%. Oil was better on a fairly quiet news day. WTI ended up 1.2%, its highest settlement since October.

There were several news items in focus today, but no unifying explanation for the pullback. The day's Fed speak leaned hawkish, following the well-worn path of suggesting there may be two or three hikes this year, and that June's meeting remains "live." Headline CPI posted its strongest m/m gain in three years. Industrial production and housing starts came in ahead of consensus. The latest BofA Fund Manager Survey offered some cautious takeaways.

On the corporate front, retail earnings again took center stage. HD beat, but its comp growth decelerated. TJX raised FY guidance but warned on FX and wage impacts. PLCE earnings handily topped consensus. Elsewhere, HTZ was boosted by insider purchases. FRAN slumped on the resignation of its CEO. LC disclosed a DoJ subpoena and said it may have to use its own balance sheet to fund some loans. ABBV's '135 patent on Humira is coming under review.

Defensive sectors trailed the market. Retailers underperformed. Software lagged in tech. Biotech was weaker. Banks were lower, but beat the financial sector tape. Transports helped industrials. Metals and mining names led in materials. Energy was the only positive sector.

Stocks Factor to watch today :

ALSTOM : to supply 50 freight locomotives to Azerbaijan in 2017.

SAFRAN : To sell its subsidiary Security-Media.

PERNOD : and IRISH DISTILLERS sell Paddy Irish Whiskey to SAZERAC.

PHILIPS LIGHTING : IPO to be covered on full deal size

Rating & TP Changes



NOVARTIS : TP raised to 89CHF vs. 88, BUY @BRYAN GARNIER

MUNICH RE : Raised to BUY @Jefferies

CARLSBERG : TP raised to 540DKK vs. 530 @HSBC

CARREFOUR : TP raised to 28€, OUTPERFORM @Exane

JERONIMO MARTINS : BUY vs. NEUTRAL, TP raised to 16€ vs. 13 @UBS

HANNOVER RE: TP raised to 95.6€ vs. 94.3, UNDERWEIGHT @Morgan Stanley



PERNOD RICARD : NEUTRAL vs. BUY, TP 107€ @BRYAN GARNIER

SCOR : Cut to underperform, tp cut to 24.5 @Jefferies

HANNOVER RE : TP cut to 88€ @Jefferies

BOUYGUES : TP cut to 34€ vs. 36 @JPM

BOUYGUES : TP cut to 33 vs. 36, EQUAL WEIGHT @Barclays

SUEZ : NEUTRAL vs. OUTPERFORM @EXANE

ALTICE : TP cut to 22€ vs. 24, BUY @ING

AEGON : TP cut to 5€, EQUAL WEIGHT @Morgan Stanley

Technical Analysis

HIGHEST YTD : ATOS, GENMAB, UBISOFT

LOWEST YTD : SWATCH GROUP

⚡Downward Signals⚡

ORANGE : 50d MAV crossing downward 200d MAV

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

Pernod Ricard

RATING : NEUTRAL vs. BUY

Fair Value EUR107 (+13%)

No doubt that the fundamentals of the group are strong: the United States and Western Europe are accelerating, while India remains a growth driver in Asia. But there is weakness in the short-term: organic sales in China should be down 10% this year and there is uncertainty regarding the extent of a recovery in 2016/17. Our estimates and our Fair Value of EUR107 are unchanged but our recommendation is downgraded to Neutral. We think that the stock will be dead money for some time.

Novartis

RATING : NEUTRAL

Fair Value CHF89 vs. CHF88

DMC is recommending early stop of MONALEESA-2 phase III trial investigating LEE011+letrozole vs letrozole alone in HR+/HER2- BC patients after convincing interim efficacy results. This could accelerate filing of LEE011 in this setting. Our FV is adjusted by CHF1.
