

BG SALES-TRADING MORNING DU 23/05/2016

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	17500,9	0,4%	-0,3%	Semi Conducteurs	3,1	-2,6	Healthcare	1,8	-9,6
NASDAQ	4769,6	1,2%	-0,2%	MEDIAS	1,6	4,3	Media	1,6	-6,3
S&P 500	2052,3	0,6%	-0,2%	Tech Hardware	1,2	-5,3	Technology	1,6	-10,8
NIKKEI	16641,8	-0,6%	-	Auto	1	-8	Retail	1,5	-7,7
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Food Bev & Tobacco	-0,6	4,9	Basic Resources	0,7	9
				Consumer Serv.	-0,6	-2,6	Food & Bev	0,8	-3,9
				Household Products	-0,5	1,8	Personal & Household	0,8	-0,3
				Food staples, Retail	0	-0,8	Chemicals	0,9	-8,8

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%
TECHNIP SA	47,7	-3,3	UNICREDIT SPA	3	7,6	TNT EXPRESS NV	8	-0,1
SANOFI	71,2	3,2	SANOFI	71,2	3,2	RICHEMONT-REG	59	-4,3
VALEO SA	131,9	1,4	BAYER AG-REG	89,5	1,2	THOMAS COOK GROUP	73,7	1,7
VINCI SA	66	1,3	VINCI SA	66	1,3	CLOSE BROTHERS	1292	5,5
ESSILOR	114,6	2	ESSILOR	114,6	2	SWEDISH ORPHAN	115,5	7,8

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				DEVISES				MAT. PREMIERES			
Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,8	0%	0,9%	€/§	1,1233	0,1%	3,4%	BRENT	47,8	-1%	33,7%
U.S 10 ANS	98,1	0%	1,8%	€/¥	123,27	0,3%	5,9%	ONCE OR (\$)	1250,8	-0,1%	18,1%
VIX Index	15,2		-6,9%					VSTOXX Index	22,6		-7,3%

Economic Calendar

EUZ - Markit PMI May (51.9E)
 EUZ- Markit composite (53.2E)
 US - Manuf. PMI (51 E.)
 EUZ - Consumer Confidene (-9E)

Dividends Calendar ex-date next day

AEGON (AEGN.AS)	E0.13 (3.05%)
KPN KON (KPN.AS)	E0.025 (0.7%)
TECHNICOLOR (TCH.PA)	E0.06 (1.1%)
GEMALTO (GTO.AS)	E0.47 (0.9%)
EUROTUNNEL (GETP.PA)	E0.22 (1.95%)
JCDECAUX (JCDX.PA)	E0.56 (1.6%)
SEB (SEBF.PA)	E1.54 (1.58%)

Ex Div today

GEOX	0.06€ (2.1%)
CAMPARI	0.09€ (1.1%)
MONCLER	0.14€ (0.9%)
TOD's	2€ (3.6%)
CARREFOUR	0.7€ (2.9%)
GENERALI	0.7€ (5.7%)
FERRAGAMO	0.46€ (2.2%)
LUXOTTICA	0.89€ (1.8%)
AIR LIQUIDE	2.6€ (2.7%)
SAFRAN	0.78€ (1.33%)
UNIPOLSAI	0.15€ (8.23%)
UFF	1.1€ (4.3%)

Markets Recap (source Street account)

Asian markets are trading mixed on Monday. Volatility is fairly subdued across the major indices, though the Nikkei is seeing losses with dollar-yen turning lower following the G7 finance minister meetings. Currencies were a focus of the G7, with Japan Finance Minister Aso and Treasury Secretary Lew at odds over whether recent moves in the yen could be considered disorderly. Compounding the weekend developments data this morning showed another large decline in Japanese exports and imports, while the country's manufacturing sector fell further into contraction territory. Elsewhere Chinese equities are higher. Reports have highlighted officials' focus on stepping up efforts against rising bad debt levels and online lending. The ASX is weaker with energy stocks lagging.

US equities were higher today in fairly uneventful trading. Treasuries were little changed. The dollar was mixed, weaker against the euro and stronger on the yen and sterling crosses. Gold was down 0.2%. Oil declined slightly, with WTI settling down 0.9% on a light news day.

There were not many developments from a macro perspective. There was some continued focus on re-pricing of near-term rate expectations. Brexit and the yen were top topics at the first day of the G7 finance ministers' meeting in Japan. The BoJ is reportedly building reserves in what is considered to be a prelude to an exit from monetary easing. The economic calendar was quiet, though April existing-home sales were stronger than expectations.

AMAT was a standout following its beat and raise. GPS pulled its FY guidance, but announced streamlining and store closures. ROST comps were light. CPB organic sales were weaker. Slowing new-equipment pricing was a headwind for DE. IOC agreed to be acquired by OSH.AU for ~\$2.2B. The WSJ reported that bids for YHOO assets may come in lighter than earlier estimates.

Tech led the market on strength in semis. Pharma was better for healthcare. Retailers were stronger overall. Financials outperformed. Airlines and machinery stocks weighed on industrials. Defensive sectors lagged, with consumer staples trailing the market.

Stocks Factor to watch today :

AXA : Will stop all new investment in Tobacco industry, and will sell its equity its equity holdings in tobacco companies immediately.

BAYER : announces 62bn\$ cash offer for Monsanto.

AB INBEV : is set to win conditional EU approval for its 100bn\$ plus takeover of SABMILLER after agreeing to substantial asset sales. (people familiar with the matter)

Rating & TP Changes



SHIRE : Initiated with BUY rating, FV 5900p @Bryan Garnier

VINCI : raised to BUY, TP raised to 84€vs. 71 added to conviction list @Goldman Sachs

MICHELIN : NEUTRAL vs. UNDERWEIGHT, tp raised to 100€ vs. 83 @JPM

EULER HERMES : HOLD vs. REDUCE, TP raised to 78€



AEGON: TP cut to 4.8€ vs. 5.3 @Jefferies

MUNICH RE : TP cut to 205€ vs. 210 @RBC

INTERCONTINENTAL HOTELS : TP cut to 2865p vs. 3438 @JPM

Technical Analysis

HIGHEST YTD : ACTELION (ATLN.S), ATOS (ATOS.PA), GENMAB(GEN.CO), PANDORA (PNDORA.CO), RECORDATI (RECI.MI), TEMENOS (TEMN.S), UBSOFT (UBIP.PA)

LOWEST YTD : RICHEMONT(CFR.S), SWATCH (UHR.S)

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

Richemont

RATING : NEUTRAL vs. BUY

Fair Value CHF63 vs. CHF81 (+7%)

If Richemont FY 2015/16 (end March 2016) results were slightly below expectations, what we want to highlight from the Friday release is the 15% sales decline in April and consequently the poor revenues momentum expectations in the short term (at least H1 of 2016/17) and the likely deleverage impact that should lead to a 19% FY 2016/17 EBIT decline, implying a 300bp EBIT margin. This lead us to lower our estimates by 15%, hence our new CHF63 FV vs CHF81 and our recommendation downgrade from Buy to Neutral. Negative

Shire PLC

RATING : BUY
Coverage initiated

Fair Value 5900p (+38%)

We are initiating coverage of Shire with a BUY recommendation and a FV of GBp5,900 with the dawn of a transformative merger with Baxalta. Beyond the fact that we see significant upside (+45%), in our view the pressure on the share price caused by the current arbitrage strategies, along with doubts regarding the potential value creation, have created an opportunity as 1/ Shire ex-Baxalta is a strong growth story associated with an attractive valuation (P/E 2017e: 12x); 2/ we believe the merger should accretive on earnings by 2017e.
