

BG SALES-TRADING MORNING DU 27/05/2016

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	17828,3	-0,1%	0%	Utilities	1,1	11,9	Auto & Part	1,4	-13,3
NASDAQ	4901,8	0,1%	0,2%	Spec. Retail	0,7	0,9	Basic Resources	0,9	13,6
S&P 500	2090,1	0%	0%	Tech Hardware	0,6	-0,8	Food & BeV	0,4	-1
NIKKEI	16828,4	0,3%	-	Food staples, Retail	0,6	-0,1	Real Estate	0,4	-0,1
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Materials	-1,1	8	Travel & Leisure	-1	-6,8
				Banks	-0,8	-6,1	Financial Serv.	-0,5	-6,9
				Div. Financials	-0,7	1,1	Banks	-0,5	-15,2
				Auto	-0,7	-6,1	Oil & Gas	-0,3	6,5

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%
CREDIT AGRICOLE	9,6	1,2	BNP PARIBAS	50	2,1	DAILY MAIL&GENERAL	664	-10,8
BNP PARIBAS	50	2,1	BAYER AG-REG	85,6	-1,7	B POPULAR ESPANOL	1,7	-26,5
SOCIETE GENERALE	37	0,7	SOCIETE GENERALE	37	0,7	B&M EUROPEAN	290,7	3
LEGRAND SA	49,8	1,1	DEUTSCHE TELEKOM	16	-2,8	CAIXABANK S.A	2,5	-4,3
PEUGEOT SA	14,2	2,7	SAINT GOBAIN	39,9	1	NN GROUP NV	28,7	-5,7

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%	0,9%	€/ \$	1,1195	0%	3,1%	BRENT	49,6	-0,5%	38,7%
U.S 10 ANS	98,2	0%	1,8%	€/ ¥	122,8	0,1%	6,4%	ONCE OR (\$)	1221,6	0,1%	15,1%
VIX Index	13,4		-3,4%				VSTOXX Index	20,8		-1,1%	

Economic Calendar

JP - National CPI Apr. (-0.3%A -0.4%E)
 US - GDP Annualized (0.9% E)
 US - U. of Michigan Confidence May
 US - J. Yellen to speak at Harvard
 US - Baker Hughes Rig Count (404 P)

Dividends Calendar ex-date next day

THALES	€1.01 (1.3%)
CAPGEMINI	€1.35 (1.58%)
DASSAULT AV.	€12.1 (1.22%)
VALEO	€3 (2.77%)
BIC	€3.4 (2.77%)

Ex Div today

PRADA (1913.HK)	E0.11 (0.42%)
ALTEN (LTEN.PA)	E1.00 (1.75%)
EULER HERMES (ELER.PA)	E4.68 (5.79%)
NATIXIS	0.25€ (5.32%)

Markets Recap (source Street account)

Asian markets are trading mixed on Friday, with most indices off their opening highs. Macro has been headlined by (more) reports Japan Prime Minister Abe will delay next year's increase in the consumption tax by two years. Chief Cabinet Secretary Suga responded by noting that an appropriate decision will be made an appropriate time. Markets have shown muted reaction to the latest developments. Also out earlier, Japan CPI data showed a second straight month of deflation.

The G7 has been the other main discussion point, and as expected the communique held few surprises. The statement repeated a pledge to refrain from competitive devaluation, acknowledged downside risks but outlined policy prescriptions that again vaguely alluded to a balanced approach including fiscal, monetary and structural reforms.

Greater Chinese markets are little changed in lackluster trade. There is some focus on a PBoC analysis, which appeared to signal the central bank leaning to a more cautious policy stance. Other discussions

have highlighted Chinese pushback over the latest US measures against its steel exports and the Ministry of Finance said there was scope for the government to increase borrowing. Data also showed a marked slowdown in Chinese industrial profits. Elsewhere the ASX is maintaining gains despite commodities extending declines into Asian trade. WTI crude headlines the decliners.

US equities finished mixed on Thursday. Treasuries were stronger across the curve. The dollar was mostly weaker, giving back some recent gains on the yen cross. Gold closed down 0.3%. Oil was little changed, with WTI crude settling down 0.2%.

Equities digesting some of the gains over the past two sessions. Quiet session ahead of Fed Chair Yellen's speech tomorrow and the holiday weekend. Some fedspeak talking up possibility of near-term tightening, a continuation of the trend this week.

Economic calendar fairly busy. Jobless claims fell, core durable orders disappointed and pending home sales hit new post-recession highs. Macro landscape fairly quiet. Yuan stability seen as supportive, while nothing particularly meaningful out of G7.

Earnings calendar again centered in retail space. PVH, WSM, COST, DG and DLTR the notable standouts. ANF, CHS and SIG the laggards. Elsewhere, HPQ and LGF stronger after reporting, NTAP weaker.

Defensive sectors outperformed today, with utilities the best performer. Consumer sectors also beat the tape. Tech finished higher. Materials the worst performer, down more than 1%. Financials, energy and industrials also lagged.

Stocks Factor to watch today :

WOLSELEY: Simon Nichols will not take up his position as CFO of group later this year.

SHIRE : receives positive CHMP opinion in Europe for INVESTIVE for pediatric patients.

ELIOR : H1 EBITDA up by 5.8% and EBITDA margin up by 20BP. Annual Guidance confirmed, stays confident in long term view. Reinforces its U.S position with Preferred Meals acquisition.

ASTRAZENECA : receives complete response letter from U.S. FDA for sodium Zirconium Cyclosilicate.

Rating & TP Changes



EUROFINS : starts with SELL rating, FV €340 @Bryan Garnier

SGS : FV CHF2400 vs. 2150, BUY @Bryan Garnier

LDR : Starts with \$27, @ Barclays

COVESTRO, LINDE : start with OVERWEIGHT rating @Barclays

NESTLE : TP raised to 82CHF vs. 80, BUY @ KEPLER



EUROPEAN CHEMICALS : downgrade to NEUTRAL vs. POSITIVE @Barclays

GIVAUDAN : Starts with underweight @Barclays

Technical Analysis

HIGHEST YTD : ACTELION, ADIDAS, ATOS, CAP GEMINI, ESSILOR, FRESENIUS, HEINEKEN, SEB

LOWEST YTD : B. POP. ESPANOL, MARKS & SPENCER

Upward Signals

NOVOZYMES : 50d crossing upward 200d MAV

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

Roche

RATING : BUY

Fair Value CHF293 (+16%)

The investment community is usually seeing GOYA as the key remaining phase III study to determine whether Gazyva can be an effective line of defense for the rituximab franchise. This is partially because results were anticipated earlier than GALLIUM's. But actually the latter phase III trial met its primary endpoint (PFS) early which now makes it possible to file sooner than anticipated and may be to get the a first-line iNHL indication on label before first biosimilar comes next year. So far, Gazyva has had a slow start because its scope of indications is limited to a small subset of the total CD20 addressable market. This could change and our CHF1.6bn peak sales look achievable. >>

Positive

Sopra Steria Group	RATING : BUY	Fair Value EUR130 vs. EUR121 (+13%)
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We reiterate our Buy rating and raise our DCF-derived fair value to EUR130 from EUR121, as we increase our medium-term assumptions for lfl revenue growth rate to 5% from 4.5% (+EUR5/share) and for adj. EBIT margin to 9.5% from 9% (+EUR4/share). While we are confident that, at this stage, FY17 targets are likely to be achieved, we deem Sopra Steria, unless an economic shock happens, has the means to deliver an operating margin close to 10% or above over the medium-term.

BUSINESS SERVICES

Although the TIC market's medium/long-term outlook remains very positive, the short-term is a bit more challenging since no longer underpinned by the super cycle in commodities. Between the two main leaders, we confirm our hierarchy anticipating short-term outperformance from SGS (Buy) with a FV upgraded to CHF2,400 vs. Bureau Veritas (Neutral). Regarding Eurofins, the valuation reflects the strong operating performance and ambitious management but leaves no room for disappointment. At the current share price (not far from all-time high) we recommend taking profits and are initiating coverage with a Sell recommendation based on a FV of EUR340.