# BG SALES-TRADING MORNING DU 01/07/2016

LA SEANCE DE LA VEILLE											
INDICES U.S & JAPON				SECTEURS S&P : B	SECTEURS S&P : BEST PERFS			SECTEURS STOXX : BEST PERFS			
Indices	Cloture	Var %	Var 17h30-2 (en %)	2H <b>S&amp;P</b>	Var %	YTD	stoxx	Var %	YTD		
DJ	17930	1,3%	0,6%	Food Bev & Tobacco	3,1	12	Utilities	2,5	-2,6		
NASDAQ	4842,7	1,3%	0,4%	Insurance	2,4	0,8	Basic Resources	2,1	18,2		
S&P 500	2098,9	1,4%	0,7%	Cap Goods	2,2	6,5	Food & BeV	1,7	-0,5		
NIKKEI	15653,7	0,5%	-	Utilities	2,2	21,2	Personal & Household	1,5	1,5		
				SECTEURS S&P : WC	SECTEURS S&P : WORST PERFS. SECTEU				IRS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD		
				Spec. Retail	0,4	0,1	Travel & Leisure	-0,3	-19,3		
				Consumer Serv.	0,4	-3	Auto & Part	0	-25		
				IT, SOFTW & Serv.	0,7	-1	Banks	0,2	-31,3		
				Food staples, Retail	0,7	2,9	Media	0,3	-12,4		

Valeurs les plus traitées hier vs. Moy. 3M										
CAC 40			EURO STOXX 50			STOX	STOXX 600			
Stocks*	Last	Var%	Stocks*	Last	Var%	Stock*s	Last	Var%		
ENGIE	14,5	3,4	ENGIE	14,5	3,4	REXAM PLC	645			
UNIBAIL-RODAMCO	233,6	0,5	DEUTSCHE BANK AG-	12,3	-2,6	BRITVIC PLC	585	0,2		
DANONE	63,4	3,3	UNIBAIL-RODAMCO	233,6	0,5	TATE & LYLE PLC	668,5	-0,3		
ESSILOR	118,8	-0,1	DANONE	63,4	3,3	3I GROUP PLC	547,5	8,5		
VIVENDI	16,9	2,4	UNILEVER NV-CVA	41,9	2,2	RED ELECTRICA	80,2	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 L	J.S			DEV	ISES				MAT. PREN	IIERES	
Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Pr	em	Valeur	Var%	YTD
U.S 2 ANS	100,1	0%	0,6%	€/\$	1,1079	-0,2%	2%	BRENT		48,7	0,5%	36,1%
U.S 10 ANS	101,8	0,4%	1,4%	€/¥	113,85	0,7%	14,7%	ONCE C	)r (\$)	1333,8	0,9%	25,7%
VIX Index		15,6		-6,1%			VSTOXX I	ndex		26,1	-	8,7%

#### **Economic Calendar**

JP - CPI May (-0.4% A 0.5% E y/y) CNY - Manuf PMI (50A as Exp.) US - ISM Manuf. Jun (51.3E) US- ISM Construction spending May (0.7%E ) US - US - Baker Hughes Rig Count

Dividends Calenda	ar ex-date next day	Ex Div today	
UNIBAIL	4.85€ (2.08%)	PROSIEBEN SAT	1.8€ (4.1%)
GECINA	2.5€ (2.04%)	REXEL	0.4€ (3.15%)

### Markets Recap (source Street account)

Asian markets are trading higher on Friday with the risk-on rally extending into another session. Repeating this week's theme, trading activity on Asian indexes is very subdued (with volumes also impacted by the closure of the Hang Seng). Post-Brexit headlines of increased central bank support have been the go-to-excuse for recent market strength. However with 10Y JGB yields also hitting a new record low today, there remains a good deal of skepticism over the bounce given persistent Brexit-related uncertainty.

The Nikkei is holding its gains as a busy day of data fails to provide much direction. The BoJ Tankan showed Japanese business confidence was stable amid a sharp yen appreciation. Data also showed anemic household spending, while continued deflation in May has fueled more BoJ easing speculation.

Mainland markets are flat where spillover from the latest China PMIs has been limited. While the official manufacturing PMI was in-line, Caixin's gauge added to signs of a deceleration in China's 'old economy' indicators. At the same time, evidence of China's economic rebalancing was supported by a stronger services PMI. The yuan remains a focal point following a slightly weaker fix. While Reuters said

Thursday the PBoC could allow it to depreciate 4.5% this year, the article hasn't generated too much concern given officials' focus on gradualism.

**US equities closed higher today, extending their recent recovery.** Treasuries were stronger across the curve. The dollar was better overall, stronger on the euro cross and seeing big gains vs sterling. Gold closed down 0.5%. Oil gave back some of its recent gains, with WTI settling down 3.1%.

Skepticism continues to surround the market's recent bounce, given that Brexit-related uncertainties are unlikely to go away. The narrative shifted today toward the race for Tory leadership, with the big development the news that Boris Johnson will not stand for PM. Potential policy support from the BoE and ECB garnered a good deal of attention. US economic data were better, and the PBoC said it is willing to let the yuan weaken ~4.5% this year.

**There was a fair bit of corporate news today.** On the M&A front, HSY rejected a bid from MDLZ. LGF will acquire STRZA for \$4.4B in cash and stock. IOC received an unsolicited bid. There was more talk of regulatory push-back against the CI/ANTM combination. CRCM rose sharply on word of a Google Capital investment. Elsewhere, PIR cut guidance, DRI comps disappointed, and CAG revenues missed.

**Consumer staples led the market.** E&Cs were better in industrials. Banks were higher, with CCAR analyst takeaways largely positive. Industrial metals helped materials. Tech lagged the tape, with internet and social-media names underperforming. Specialty pharma weighed on healthcare. Slumping crude was a drag on energy. Retailers were weaker.

# Stocks Factor to watch today : FUTURE 8-00 : CAC40 +0.6%, FTSE +1%, ES50+0.7%, DAX +0.6%

**ASTRAZENECA** : As Consideration for termination of European Rights ASTRAZENECA to pay to co an upfront payment and Certain sales-based milestone payments.

### **Rating & TP Changes**

VINCI : added to Q3 Top Pick List @ Bryan Garnier
IMERYS : added to Q3 Top Pick List @Bryan Garnier
KERING : OVERWEIGHT vs. NEUTRAL, TP raised to €16 @JPM
RWE : TP raised to €14 vs. 12.3 @Bernstein
GLAXOSMITHKLINE: TP raised to 1800p vs. 1550, BUY @ Citi

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BUREAU VERITAS : TP cut to €21 vs. 22, NEUTRAL @BRYAN GARNIER S. FERRAGAMO : TP cutot 21€ vs. 23.5 @JPM GEOX : TP cut to 2.9€ (-6.%)@Exane COMPASS : TP cut to 1470p vs. 1435 @ Barclays LUXOTTICA : TP cut to 44.5€ @Citi AEGON : TP cut to 3.7€ vs. 5 @Morgan Stanley TOD's : TP cut to 52€ vs. 64 @JPM SWATCH : TP cut to 294CHF vs. 350 @ JPM RICHEMONT : TP cut to 61CHF vs. 68 @JPM MONCLER : TP cut to 18€ vs. 20.5 @ JPM LVMH : TP cut to 165€ vs. 170 @JPM

### **Technical Analysis**

**HIGHEST YTD :** ADIDAS? AB INBEV, COMPASS, CAMPARI, DIAGEO, GLAXOSMITHKLINE, L'OREAL, PENNON, RWE, SABMILLER, SAGE, SGS, SODEXO, UNILEVER, UNILEVER PLC

LOWEST YTD : LUXOTTICA

**RSI 14D OVERBOUGHT :** ADIDAS, ASTRAZENECA, COMPASS, DIAGEO, GLAXOSMITHKLINE HENKEL, PENNON, SHIRE, UNILEVER plc,

RSI 14D OVERSOLD : ADECCO, AEGON, RANDSTAD

#### **7**Upward Signals

DANONE : Stock price crossing upward 50d,100d, 200d MAV

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

Bureau VeritasRATING : NEUTRALFair Value EUR21 vs. EUR22 (+10%)Early of last May, following Q1 revenue slightly lower than our anticipation on IfI basis and management FY guidance<br/>confirmed, we maintained our FY estimates. Today, our estimates sound too aggressive taking into account the<br/>economic environment and forex which could have negative impact on margin. Based on our new numbers, our FV<br/>moves to EUR21 vs. EUR22 based on a DCF and historical multiple EV/EBIT on FY+3.

Ubisoft	RATING : BUY	Fair Value EUR34 (+4%)					
The Ubisoft share price is not far from our EUR34 Fair Value, which simply values the group's fundamentals over the current fiscal year. In contrast, we advise investors to play positive momentum (no game delays on the cards) are speculation which both offer strong support for the share price (Vivendi at 20.1% of the capital). We are therefor maintaining our Buy Recommendation. All scenarios play in favour of a hike in the share price in coming months. We consider that Vivendi, which is the most motivated player since the acquisition of Gameloft, could ultimately make bid on UBI in the EUR40-51 range (upside of 21-55%). Research report out today.							
Shire PLC	RATING : BUY	Fair Value 6500p (+40%)					
secondary endpoints w	ere met, the development of the compound	y endpoint of its Phase II study. But as some key might continue with a quite different therapeutic lasia and intraventricular haemorrhage). Pending					

secondary endpoints were met, the development of the compound might continue with a quite different therapeutic goal (preventing the occurrence of severe bronchopulmonary dysplasia and intraventricular haemorrhage). Pending the outcome of the discussion with the regulators regarding this potential repositioning, we stick to our USD700m peak sales along with a 20% PoS we have assigned to this drug candidate. Buy reiterated with a FV of GBp6,500.

RWE

RATING : NEUTRAL

Fair Value EUR9,5 (-28%)

RWE gave us more details yesterday on its Innogy subsidiary its aims to put on the market before the end of the year. Highly exposed to regulated activities and to renewables the new entity will be able to generate recurrent CF and to distribute a dividend to RWE and new shareholders, while raising cash during the IPO. We appreciate this move given it will give group's access to cash at lower discount yet see limited impact on valuation for RWE given the group will remain shareholder of both "good" and "bad assets". Neutral.