

BG SALES-TRADING MORNING DU 07/07/2016

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	17918,6	0,4%	0,4%	Consumer Durables	1,2	0,1	Basic Resources	-0,5	17,8
NASDAQ	4859,2	0,8%	0,2%	PHARMA.	1,2	-1,9	Food & BeV	-0,7	-1,6
S&P 500	2099,7	0,5%	0,5%	Spec. Retail	1,1	2,3	Healthcare	-0,7	-6,1
NIKKEI	15262,9	-0,8%	-	Health Equip.	1	7,6	Auto & Part	-0,8	-27
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Real Estate	-0,5	9,1	Insurance	-3,2	-28,4
				Household Products	-0,5	7,9	Telecom	-2,8	-17,1
				Telecom Op.	-0,4	22,1	Banks	-2,6	-35,7
				Transportation	-0,1	-2,2	Real Estate	-2,2	-12,4

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%
VIVENDI	16,6	-1,7	DEUTSCHE BANK AG-	11,5	-5,6	REXAM PLC	645	-
AIR LIQUIDE SA	89,6	-4,2	VIVENDI	16,6	-1,7	TULLOW OIL PLC	210,5	-12,5
PEUGEOT SA	10,5	-1,5	GENERALI	9,8	-3,5	DIA	5,1	-1
VALEO SA	38,4	-0,3	AIR LIQUIDE SA	89,6	-4,2	FRESNILLO PLC	2008	6,1
DANONE	63,3	-0,8	DANONE	63,3	-0,8	INTU PROPERTIES PLC	260,7	-2

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	100,1	0%	0,6%	€/ \$	1,1088	0%	2%	BRENT	47	-0,6%	31,5%
U.S 10 ANS	102,4	0,1%	1,4%	€/ ¥	111,68	0,7%	17%	ONCE OR (\$)	1368,3	0,2%	28,8%
VIX Index	15		-4%				VSTOXX Index	28,3		5,8%	

Economic Calendar

DE - Industrial production (1.5% E y/y)
 GB - Industrial production May (0.5% y/y)
 GB - Manufacturing prod. May (0.6% y/y)
 US - Initial jobless claims 267K E
 US - Continuing claims (2110K E)
 US - Crude oil Inventories Data

Dividends Calendar ex-date next day

Ex Div today

BURBERRY	26.8p
NEXT	105p
PENNON	23.12p
TALKTALK	10.58p
ORPEA	0.9€

Markets Recap (source Street account)

Asian markets are mixed on Thursday with volatility fairly subdued across the major indices. With not much on the economic radar today, the focus remains on broader narratives around the fallout from Brexit (UK property funds suspending trading), the health of Italian banks and anticipation ahead of the June US payrolls figures.

Greater Chinese markets are mixed with the yuan a focal point. Today's uneventful fix follows discussions around the limited market spillover from the renminbi's recent depreciation. In a move likely aimed to controlling capital flows, a PBoC-run division imposed reserve requirements on foreign banks trading FX forwards. The country's surging real estate market has come under scrutiny amid calls by a top Chinese think-tank for new property taxes. Banks are also in the headlines after a China banking regulatory official gave a warning on the financial sector's problem loans.

The Nikkei is lower in lackluster trade. Some attention was on an earlier speech by BoJ Governor Kuroda. However this barely moved the needle with his comments largely a rehash of existing BoJ projections of a near-term negative inflation outlook and a commitment to NIRP. Elsewhere, the Aussie dollar saw a brief spike lower after S&P's lowered Australia's AAA rating outlook to negative. However the move didn't really come as a shock and the ASX has largely held its gains.

US equities finished higher on Wednesday. Treasuries were mixed, with the curve flattening some more. The dollar was mixed and little changed on the yen cross. Gold gained another 0.6%. Oil reversed early weakness to close higher, with WTI crude up 1.8%.

Equities able to reverse a decline at the open. No clear catalyst drove the rebound, but a better-than-expected ISM services index helped to improve sentiment. FOMC minutes largely a non-event in the afternoon. Europe traded lower, with continued concerns surrounding Brexit fallout and banking sector weakness. Over five UK property funds have now suspended trading. PBoC continued to fix the yuan weaker, now to the lowest level since November 2010.

Not much on the corporate calendar. WBA and GBX both traded lower after reporting results. M&A activity highlighted by NTK agreeing to be acquired by Melrose Industries in deal worth \$2.8B.

Eight of the ten major sectors closed higher today. Healthcare was the best performer, followed by consumer discretionary. Defensive sectors underperformed. Telecom and consumer staples the two worst performers

Stocks Factor to watch today :

DANONE : To acquire WHITEWAVE, deal expected to close by end of year. Price for WHITEWAVE represents a premium of approximately 24% and for total EV of \$12.5bnUSD, deal doubles size of DANONE's US business.

SHIRE : Receives extension of market authorisation in Europe for REVESTIVE for treatment paediatric

Rating & TP Changes



SHIRE : TP raised to 5800p vs. 5400p @ *Berenberg*

RWE : TP raised to 13.5€ vs. 11.5 @ *HSBC*

ABLYNX : Started with BUY, €14.4 @ *HSBC*

MORPHOSYS : started with BUY HOLD 38€ @ *HSBC*

GENMAB : started with REDUCE, 613 DKK @ *HSBC*

AXA : TP raised to 20.9€ vs. 20.8 @ *Barclays*



DANONE : TP cut to Under Review vs. 71, BUY @ *Bryan Garnier*

KERING : TP cut to 170€ vs. 174, BUY @ *Bryan Garnier*

KERING : TP cut to 182€ vs. 185 @ *Bernstein*

Technical Analysis

HIGHEST YTD : SHIRE, DIAGEO, SABMILLER,

LOWEST YTD : AXA, CARREFOUR, COMMERZBANK, LUXOTTICA, NATIXIS, NUMERICABLE SFR, RENAULT,

RSI 14D overbought : ASTRAZENECA, DIAGEO, GLAXOSMITHKLINE, SHIRE,

RSI 14D oversold : ADECCO, AEGON, RANDSTAD

⚠️ Downward Signals ⚠️

UNIBAIL RODAMCO : 50d MAV crossing 200d MAV

TESCO : Stock price crossing downward 50, 100, 200d MAV

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

Kering

RATING : BUY

Fair Value EUR170 vs. EUR174

Kering will report its H1 results on July 28th (after market closure). We expect sales to grow organically 3.9%, globally in line with H1 (+4%) despite some slowdown for Luxury division in Q2 vs Q1 (+0.7% vs +2.7%). Kering EBIT margin should be slightly down (-20bp to 13.8%). We slightly adjust our 2016 EBIT estimates (by 2/3%) and consequently we lower our Fair Value from EUR174 to EUR170 and remain Buy as we are confident on the Gucci brand turnaround for the coming quarters. Negative.

Danone

RATING : BUY

Fair Value UNDER REVIEW

Danone has announced it will acquire WhiteWave for USD12.5bn in an all cash transaction. The group anticipates a total EPS accretion of 10% based on expected synergies (USD300by 2020). This transaction will increase the weight of the United States and strengthens the exposure to fast-growing categories (organic premium dairy, plant-based alternatives...). Fair Value under review before the conference call at 9am CEST.
