

BG SALES-TRADING MORNING DU 22/07/2016

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	18517,2	-0,4%	-0,1%	Auto	1,7	-3,3	Basic Resources	1,9	27,3
NASDAQ	5073,9	-0,3%	-0,1%	Utilities	0,6	20,2	Banks	0,4	-26,5
S&P 500	2165,2	-0,4%	-0,1%	PHARMA.	0,5	0,9	Auto & Part	0,3	-17,3
NIKKEI	16613,2	-1,2%	-	Consumer Serv.	0,3	0,8	Oil & Gas	0,2	11,2
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Transportation	-2,4	3	Retail	-0,8	-10,6
				Oil & Gaz	-0,9	14	Insurance	-0,7	-22,1
				Semi Conducteurs	-0,8	9,1	Healthcare	-0,5	-3,7
				Div. Financials	-0,8	-0,4	Travel & Leisure	-0,5	-15,1

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%
PUBLICIS GROUPE	66	2,7	SAP SE	76,7	1,3	WILLIAM HILL PLC	304,3	10,6
TECHNIP SA	51,9	2,5	IBERDROLA SA	6,1	0	HEXPOL AB	74	-7,7
KLEPIERRE	40,5	-0,2	BANCO SANTANDER	3,9	1,3	GALENICA AG-REG	1216	-11
ORANGE	14,2	-0,6	BBVA	5,2	1	NORSK HYDRO ASA	35,4	6,5
UNIBAIL-RODAMCO	236,8	0,4	ASML HOLDING NV	96,4	-1	BILLERUDKORSNAS AB	146,2	4,1

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

Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,9	0%	0,7%	€/\$	1,1031	0%	1,6%	BRENT	44,6	-0,2%	24,9%
U.S 10 ANS	100,8	0,1%	1,5%	€/¥	116,78	-0,1%	11,9%	ONCE OR (\$)	1325	-0,5%	24,8%

VIX Index

12,7

8,2%

VSTOXX Index

19,5

-4,4%

Economic Calendar

DE - Markit Manufacturing PMI Jul (53.4E)

DE - Markit Composite PMI Jul (53.6E)

GB - Markit PMI Manuf Jul (47.5E)

US - Markit Manuf PMI

US - Baker Hughes Rig couNt

Dividends Calendar ex-date next day

AMADEUS (AMA.MC) 0.352 (0.9%)

Ex Div today

Markets Recap (source Street account)

Asian markets are trading lower in subdued Friday trade. Dampened Japanese stimulus expectations led to a rebound in the yen and weakness in Japanese equities. Stimulus expectations were tempered by reports BoJ Governor Kuroda ruled out helicopter money and that other BoJ officials expressed unease over the sustainability of ongoing stimulus.

Greater Chinese markets are operating with modest declines. Little new in a speech by Premier Li, who reiterated the economy is facing downward pressure and there was scope for proactive fiscal policy. Prospects for additional policy support were cast in some doubt by a WSJ article noting growing discord between Li and President Xi. Elsewhere ASX energy stocks are lagging after oil's overnight sell-off. Copper and gold have traced lower in electronic trade.

US equities finished lower on Thursday. Dow snapped a nine-session streak of gains. Treasuries were stronger with the curve steepening. The dollar was mostly weaker, and lagged on the yen cross. Gold gained 0.9%. Oil sold off, with WTI crude settling down 2.2%.

Buying exhaustion following the recent rally the widely cited excuse for today's weakness. Earnings in the center of attention, with the latest round of results continuing to improve Q2 metrics. Some M&A

activity also receiving attention. Relatively busy day on the economic calendar with jobless claims, Philly Fed index and existing home sales. Dampened BoJ stimulus expectations another area of focus.

A number of high-profile reporters on the earnings calendar. INTC, LUV, AXP and DOV among the notables to post losses after reporting. EBAY, GM, URI, QCOM and BIIB among the notable post-earnings gainers. Busy day of M&A as well. JOY and RLYP both agreed to be acquired, while XOM acquired InterOil.

Eight of the ten major sectors closed lower. Industrials the worst performer, followed by energy. Utilities and healthcare the only sectors to finish higher. Consumer discretionary also outperformed.

Stocks Factor to watch today :

PANDORA : rejects proposed takeover by Liberty Media.

MILLERCOORS : to acquire majority stake in Terrapin Beer Company

PIMCO : E. ROMAN appointed new CEO

AB INBEV : receives clearance from the U.S. dep. Of Justice for the proposed combination with SABMILLER

CRH : Sees 1H total group EBITDA at €1.1bn

TRANSGENE : to continue phase 1/1B study with TG1050

Rating & TP Changes



HERMES : TP raised to EUR370 vs. 355, BUY @Bryan Garnier

GLAXOSMITHKLINE : TP raised to 1918p vs? 1680 @Leerink

MERCK : TP raised to €101 vs. 99, Buy @Berenberg

FRESENIUS MED CAR : TP raised to €94 vs. 91 @Berenberg

INDITEX : TP raised to €26 vs. 25 @ Barclays

UNILEVER PLC : TP raised to 3590p vs. 3350p@Bryan Garnier

UNILEVER : TP raised to €47 vs. 46 @Berenberg

WOLSELEY : TP raised to 4660p vs. 4300 @UBS

SHIRE : TP raised to 5800p vs. 5000p @Bernstein

HERMES : TP raised to €320 vs. 310 @ Bernstein

HEIDELBERGXEMENT : TP raised to €77 vs. 76 @UBS

REMY COINTREAU : TP raised to €75 vs. 69.3 @ UBS

CRH : TP raised to 2450p vs. 2300 @UBS



ACTELION : NEUTRAL vs. BUY, TP raised to CHF180 vs. 173 @Bryan Garnier

AEGON : TP cut to €4.3 vs. 4.7, NEUTRAL @ JPM

AEGON : TP cut to €3.75 vs. 4.8 @ Jefferies

TODS : TP cut to €48 vs. 55 @RJ

INFINEON : TP cut to €15.5 vs. 15.7 @HSBC

H&M : TP cut to SEK330 vs. 335 @Barclays

TEMENOS : TP cut to €11.25 vs. 12 @ UBS

Technical Analysis

HIGHEST YTD : adidas, ARKEMA, CARLSBERG, DELAHAIZE, DIA, HERMES, INFINEON, INTERCONTINENTAL GROUP, MERCK, ORPEA, SABMILLER, SAP,

LOWEST YTD : AIR FRANCE

RSI 14 D overbought : adidas, ARM, ASML, BURBERRY, DELHAIZE, HERMES, MERCK, ORPEA, SABMILLER, SAP,

SHIRE, ZALANDO.

 **Upward Signals**

E.ON : 50d MAV crossing upward 200d MAV

 **Downward Signals** 

KINGFISHER, PLASTIC OMNIUM: 50d MAV crossing downward 200d MAV

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

Tod's Group RATING : SELL Fair Value EUR53

Yesterday, Tod's Group reported H1 2016 sales down 4.3% to EUR498m, slightly above market expectations (EUR493m). Retail sales were down 5.7% in H1 and at same stores declined 14.3% in H1 of which -16% in Q2 following -12.4% in Q1. The slightly above expectations H1 sales are due to low margin activities as Apparel and ready to wear, hence our expectations of profitability deterioration. We remain Sell with an unchanged EUR53 FV. Neutral.

The Swatch Group RATING : SELL Fair Value CHF270

During yesterday conference call, The Swatch Group CEO, M. Hayek, highlighted that he was more confident for H2 2016 sales momentum while he did not want to give any guidance or forecasts for EBIT. We expect 2016 FY sales to decline by 7% (-4% in H2), while 2016 FY EBIT should be down by 560bp (-300bp in H2 alone). Given the lack of visibility on short term, we remain Sell on the stock with an unchanged CHF270 FV.

Construction & Materials

Nexity has reported its H1 2016 revenues last night. Sales for the new residential segment continue to be very strong (up +38% in volume), underpinned by very low loan rates in France. The growth is healthy too: home-buyers' sales up 51%, representing 29% of the total sales in volume. Positive read-across for the sector, in particular for Saint-Gobain, Eiffage or in a lesser extent Vinci. Positive.

Hermès Intl. RATING : BUY Fair Value EUR370 vs. EUR355

With a 7.2% increase, Hermes H1 2016 sales were above market and BG expectations, thanks to an amazing increase for Leather goods (+17.1% in Q2). Consequently, Hermès management added that H1 profitability should be up 100bp (around 33.5%). We upgrade by 2% our 2016 earnings and as a consequence our new FV is EUR370 vs EUR355. Buy reiterated as RMS still seems to us the best idea among luxury goods stocks sample.

Eiffage RATING : BUY Fair Value EUR73

Eiffage's 50% owned toll road subsidiary has reported a decent 1.8% traffic growth in Q2, in line with our expectation, but lower than Q1, which was exceptionally strong at +6.5%. Don't be disappointed: calendar effects discrepancies between Q1 and Q2 explain a lot and H1 2016 traffic growth is still steady with a 4.1% increase, to compared with our FY forecast of 2.5%. Besides, heavy vehicle traffic is very healthy with a 8% increase in Q2. Consensus certainly not at risk. Positive.

Dassault Systèmes RATING : SELL Fair Value EUR64 (-9%)

We reiterate our Sell rating. The share price was down 3% as although the management basically reiterated 2016 company guidance - some marginal adjustment related to currency in fact -, mixed market conditions in Asia caused Dassault Systèmes to drop its target of generating double-digit new licence growth for the full-year. As quarter after quarter Dassault Systèmes no longer exceeds quarterly company guidance, we consider the share price will remain under pressure.

Actelion RATING : NEUTRAL vs. BUY Fair Value CHF180 vs. CHF173

After careful consideration, we believe that momentum is weakening despite the strong numbers reported in Q2. We see limited catalysts for coming months and have therefore adopted a Neutral recommendation, despite a FV increase, although this leaves little upside in any case.

Edenred RATING : NEUTRAL Fair Value EUR19 (-5%)

Slightly better lfl growth on Issue Volume which was up 8.4% (BG and consensus at 8%) and on total revenue up 6.1% (BG at 5.4% and consensus 5.5%) reflecting continued acceleration in Europe and not so bad growth in Latam despite challenging economic environment in Brazil and high comps in Mexico. EBIT reached EUR161m, up 13% on lfl (down on reported 2.2%), compared with our estimate of EUR153m and consensus at EUR154m. Negative impact from currencies was EUR28m. FY guidances are in line with our estimates and historical trend with notably an EBIT between EUR350m and EUR370m (our estimate of EUR364m and consensus EUR360m) taking into account of EUR35m. Neutral.
