

BG SALES-TRADING MORNING DU 25/07/2016

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	18570,8	0,3%	0,2%	Telecom Op.	1,3	22,6	Telecom	1,4	-12,5
NASDAQ	5100,2	0,5%	-0,1%	Transportation	1,3	4,3	Real Estate	0,5	-3,8
S&P 500	2175	0,5%	0,2%	Utilities	1,3	21,8	Healthcare	0,5	-3,2
NIKKEI	16620,3	0%	-	Consumer Serv.	1,2	2	Food & BeV	0,3	1
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Cap Goods	-0,3	9,8	Basic Resources	-0,8	26,3
				Tech Hardware	-0,2	1,1	Oil & Gas	-0,7	10,3
				Food staples, Retail	0	4,1	Financial Serv.	-0,6	-13,5
				Auto	0,1	-3,3	Retail	-0,5	-11,1

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	65,3	-1,1	ORANGE	14,5	2	PAGEGROUP PLC	324,5	-3	
ORANGE	14,5	2	KONINKLIJKE PHILIPS NV	23,8	0,9	WILLIAM HILL PLC	313,6	3,1	
UNIBAIL-RODAMCO SE	240	1,3	SAP SE	76,6	0	BANCO DE SABADELL SA	1,2	-7,5	
TECHNIP SA	50,8	-2,3	UNIBAIL-RODAMCO SE	240	1,3	HEXPOL AB	75,4	1,9	
KLEPIERRE	41,2	1,9	UNICREDIT SPA	2,3	-0,6	SKF AB-B SHARES	133,3	-0,6	

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%	0,7%	€/ \$	1,0972	0%	1%	BRENT	44,2	-0,6%	23,5%
U.S 10 ANS	100,5	0%	1,6%	€/ ¥	116,39	0,1%	12,2%	ONCE OR (\$)	1317,9	-0,3%	24,2%

VIX Index	12	-5,7%	VSTOXX Index	19,1	-1,7%
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Economic Calendar

DE - IFO Current assessment Jul (114E)
DE - IFO Expectations Jul (101.6E)

Dividends Calendar ex-date next day

Ex Div today

AMADEUS (AMA.MC)

0.35253 (0.91%)

Markets Recap (source Street account)

Asian markets are narrowly mixed in quiet Monday trade. The weekend's G20 meeting of financial officials contained no real surprises. The communique reiterated a determination to combine monetary, fiscal and structural policies to spur growth. Leaders also saw a need to reduce Brexit-related uncertainty, warned against protectionism, pledged to avoid competitive devaluation and vowed to address overcapacity.

The Nikkei is flat in directionless trade with the yen also holding steady. Expectations the BoJ will expand easing this week remain elevated even as press reports note some discomfort among officials in boosting stimulus. Data earlier showed a reduced pace of contraction in Japan exports last month, while Nintendo has been the notable underperformer after warning of limited financial impact from Pokémon Go.

Greater Chinese markets are mixed. The PBoC set the yuan midpoint lower today, after a weekend where some G20 officials expressed concern over the currency's depreciation. Elsewhere the ASX's gains are being underpinned by index heavyweight Woolworths, which is rallying after an earnings update.

US equities finished higher on Friday. Treasuries were mixed with a bit of curve flattening. The dollar was stronger, and outperformed on the sterling cross. Gold lost 0.6%. Oil extended its selloff from

yesterday, with WTI crude settling lower by 1.3%.

A busy earnings calendar once again in focus today. Better than feared results and some strengthening economic data continuing to act as a tailwind for sentiment, though some focus on the resilience of defensive pockets of the market. Markit manufacturing PMI beat expectations. Also some attention on the recent weakness in oil.

A number of high-profile reporters out with results. CMG, AMD, T, AAL and SBUX among the post-earnings gainers. GE, HON, SYK, SWKS and PYPL hit after reporting. More M&A activity with YHOO reportedly nearing deal to be acquired by VZ.

All ten major sectors closed higher. Defensives led the way, with utilities and telecom the two best performers. Financials also beat the tape. Industrials the worst performer, followed by materials and healthcare.

Stocks Factor to watch today :

FUTURES at 8AM : CAC -0.1%, FTSE +0.1%, DAX -0.1%, ES50 =

LVMH : DONNA KARAN sold to G-III Apparel group on basis of EV \$650m

ERICSSON : HANS VESTBERG steps down, leaves all assignments immediately

Rating & TP Changes



EDENRED : TP raised to €22 vs. 19, NEUTRAL @Bryan Ggarnier

AHOLD : TP raised to €25.8 vs. 22, Buy @Bryan Garnier

DANONE : TP raised to €69 vs. 65 @Berenberg

PUBLICIS : NEUTRAL vs. UNDEPERFORM, TP raised to 68 @EXANE



UNILEVER PLC : TP cut to 3530p vs. 3650 @Jefferies

AIRBUS GROUP : UNDERWEIGHT vs. NEUTRAL, TP cut to €45.5 vs. 51 @JPM

Technical Analysis

HIGHEST YTD : ARM, CARLSBERG, CAMPARI, DELAHAIZE, DIA, EDENRED, HEINEKEN, HERMES, L'OREAL, MERCK, NESTLE, ORPEA, SABMILLER

LOWEST YTD : SWATCH

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

Suez	RATING : BUY	Fair Value EUR17.5 (+24%)
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As the macro environment remains challenging for environmental services company, we do not expect any significant inflexion in Suez's H1 2016 performance. We anticipate sales to be slightly up organically thanks to a strong performance in the company's international activities and H1 2016 EBITDA to be slightly down YoY bearing notably the brunt of a challenging comparable basis and an unfavourable climate. We expect the company to give two important updates on its costs-reduction objectives as well as on its M&A strategy and, a fortiori, on its 2017 EUR3bn EBITDA 'ambition'. **NEUTRAL**

Veolia Environnement	RATING : BUY-Top Picks	Fair Value EUR23 (+19%)
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We expect Veolia to post poor sales performance in H1 2016, in line with its Q1 2016 results, as the company should suffer from unfavourable weather in the USA, FX headwind and a still challenging market environment. We however expect Veolia to post a 4.9% organic growth in its H1 2016 EBITDA, in line with its 5.0% medium-term objective. The main driver for the company's margin's resilience remains its 'Convergence' costs-savings programme (EUR600m forecasted over 2016-2018). **POSITIVE**

Engie	RATING : BUY	Fair Value EUR16.8 (+13%)
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Engie is set to report its H1 2016 results next week on 28th July after trading hours. We expect the company to post a 2.8% LfL decline for the semester notably as Q2 2015 figure was positively impacted by long-term gas supply contract renegotiations for c. EUR300m. This would be partly offset by Belgian nuclear volumes tailwind as well as by new commissioning and the ongoing Lean 2018 costs-savings programme. We expect the Group to confirm its guidance for the year including its EUR10.8bn-EUR11.4bn EBITDA objective. **Positive**.

L'Oréal RATING : BUY Fair Value EUR177 (+1%)

L'Oréal has announced the acquisition of IT Cosmetics, one of the fastest growing prestige beauty brands in US. The brand which is focused on skin care and also, not to say mainly, Color cosmetics is distributed through its own web site, select television shopping channels and speciality stores including ULTA and Sephora. FY Sales reached EUR170m on last twelve months and more importantly grew 56%! This is a "marginal" acquisition as additional sales account for 0.6% of FY 2016 Group sales. **NEUTRAL**

Groupe SEB RATING : BUY Fair Value EUR125 (+10%)

In Q2 alone, sales amounted to EUR1,049m and matched CS of EUR1,045m but organic growth of 6.9% topped the CS (+5%) and accelerated vs Q1 (+5.1%). The momentum remains driven by EMEA (+6%) and Greater China (+23.5%) The adj. EBIT reached EUR79m, or ~30% above expectations (CS: EUR61m), implying a significant 220bp-margin improvement to 7.5% (H1: +100bp to 7.9%). Ahead of the analysts' meeting the group fine-tuned its optimistic FY16 targets in light of this quite volatile environment. Buy recommendation and FV of EUR125 confirmed. => **Positive**

QIAGEN RATING : NEUTRAL Fair Value EUR22 (+5%)

QIAGEN is due to report Q2 earnings on July 28th 2016. Recall that Q1 publication was underlined by a somewhat disappointing Q2 guidance with a margin ramp-up back-end loaded towards the end of the year (please see here). Following significant downward adjustments in the consensus estimates, we would welcome results in-line with estimates as they should be a first positive sign of the group's ability to accelerate top-line growth and deliver operating leverage, with the aim of meeting its FY 2016 guidance (6% CER topline growth, EPS USD1.08-1.09 range inc. USD0.02 negative FX effect). **POSITIVE**

Edenred RATING : NEUTRAL Fair Value EUR22 vs. EUR19

All H1 trends should continue in H2 sustained by continuing innovation (digital solutions, Apple Pay offer) with further new significant clients wins and Management expect organic IV of over 8% and operating flow-through lower H1 but definitely over than 50%. FY 2016 EBIT guidance is between EUR350m and EUR370m taking into account EUR35m negative currency impact which sounds to us conservative using notably BRL/EUR parity of 4.00 on average. All in all, base on organic IV volume growth of 8.6% (vs. 8% previously) with flow-through of 60% and a currency negative impact of EUR25m, our EBIT reaches EUR372m. Based on our DCF, our FV moves to EUR22. Neutral opinion confirmed.

Ahold RATING : BUY-Top Picks Fair Value EUR25,8 vs. EUR22

During the week-end, Ahold Delhaize completes merger. 1/ Current momentum proved Ahold/Delhaize's overall resilience; 2/ Ahold/Delhaize has virtually no exposure to unwell emerging markets; 3/ offers better visibility on operating performances; 4/ enjoys one of the best FCF profiles in the sector; 5/ via cost-sharing, Ahold/Delhaize offers an alternative within a sector which is suffering an obvious lack of growth. We see no execution risk linked to the merger before 2017. Buy.
