BG SALES-TRADING MORNING DU 26/07/2016

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 S	6 YTE	о стохх	Var %	YTD
DJ	18493,1	-0,4%	0,1%		Consumer Durables	0,6	4,8	Real Estate	1	-2,8
NASDAQ	5097,6	0%	0,3%		Semi Conducteurs	0,4	10,	3 Travel & Leisure	1	-14,7
S&P 500	2168,5	-0,3%	0,3%		Spec. Retail	0,3	4,8	Retail	0,9	-10,3
NIKKEI	16413,2	-1,2%	-		PHARMA.	0,2	1,3	Auto & Part	0,9	-16,9
	SECTEURS S&P : WORST PERFS. SECTEURS STOXX : WORST PERFS									
					S&P	Var 9	6 YTE	STOXX	Var %	YTD
					Oil & Gaz	-2	12,	L Oil & Gas	-2,1	8
					Health Equip.	-0,8	9,2	Banks	-0,5	-27,2
					Tech Hardware	-0,7	0,4	Healthcare	-0,1	-3,3
					Cap Goods	-0,6	9,1	Basic Resources	0	26,2

Valeurs les plus traitées hier vs. Moy. 3M										
C/	AC 40		EURO STOXX 50			STOXX 600				
Stocks*	Last	Var%	Stocks*	Last	Var%	Stock*s	Last	Var%		
PUBLICIS GROUPE	66,2	1,5	KONINKLIJKE PHILIPS	24,3	2,1	WILLIAM HILL PLC	328,8	4,8		
LVMH MOET	144,4	1,5	LVMH	144,4	1,5	RYANAIR HOLDINGS	11,6	6,7		
DANONE	65,8	0,6	DANONE	65,8	0,6	SEB SA	122,6	7,1		
ORANGE	14,4	-0,8	NOKIA OYJ	5,3	-0,2	DELHAIZE GROUP	102,8	-		
ARCELORMITTAL	5,3	1,3	ORANGE	14,4	-0,8	PLAYTECH PLC	877,5	0,9		

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	100	-	0,8%	€/\$	1,1015	0,2%	1,4%	BRENT	43,6	0,4%	21,8%
U.S 10 ANS	100,6	0,2%	1,6%	€/¥	115,05	1,1%	13,6%	ONCE OR (\$)	1319,1	0,3%	24,3%
VIX Index		12,9		7,1%			VSTOXX I	ndex	19,9	4	4,2%

Economic Calendar

US - Consumer confidence Jul. (95.5 E)

US - New Home Sales Jun (1.6% E m/m)

Dividends Calendar ex-date next day

BANCO SANTANDER (SAN.MC) 0.045€(1.17%)

Ex Div today WERELDHAVE (WEHA.AS)

0.77€ (1.78%)

Markets Recap (source Street account)

Asian markets are mixed in Tuesday afternoon trade. The Nikkei came under early pressure with the yen extending its rebound against the dollar. The latest move follows recent press reports highlighting the disconnect between elevated BoJ easing expectations and officials' trepidation on expanding stimulus. Other discussions have focused on the headwind to Japanese company profits from a stronger yen, ahead of the upcoming earnings season.

Greater Chinese markets are trading higher. Mainland media commentary made the case for more central bank easing as officials noted scope to boost M2 money supply. Elsewhere, ASX energy stocks are lagging following recent oil weakness. The Kospi is marginally higher after South Korean GDP growth came in ahead of expectations.

US equities closed down today. Treasuries were generally lower with some curve flattening. The dollar lagged most of the majors. Gold finished down 0.3%, but came off earlier lows. Oil declined to a threemonth low, with WTI settling down 2.4%.

There were few specifics behind today's pullback, though some commentary revolved around overbought conditions. The weekend's G20 meeting of finance officials generated no surprises, with the communique reiterating its determination to use all the tools at its disposal to support growth. A Genscape report showing a crude build at Cushing reinforced oil inventory concerns. Lackluster demand at an auction of 2y Treasury notes suggested an increased conviction for a rate rise this year.

There were numerous M&A headlines today. VZ confirmed the purchase of core YHOO assets for \$4.88 in cash. OUTR agreed to be taken private in a deal valued at \$1.6B. TSLA and SCTY are reportedly close to signing a formal merger agreement. On the earnings front, S surged after a beat, while industrial names ROP and WAB missed.

Consumer discretionary was the only positive sector, boosted by retailers. Semis led tech. Biotech was better. Financials outperformed, though banks lagged. Transports were weaker within industrials. Energy trailed the market on oil's decline.

Stocks Factor to watch today :

FAURECIA : lift 2016 2016 guidance, confirms sales outlook

ORANGE : strong commercial performance in the 2nd quarter, driven by investment in very high speed broadband. Objective for restated EBITDA growth in 2016 confirmed.

MICHELIN : operating income from recurring activities rises in first-half 2016 to €1,405m guidance confirmed.

UCB : and AMGEN submit biologics license application for Romosozumab to U.S FDA

DELHAIZE : U.S. FTC requires Ahold and Delhaize to sell 81stores as a condition of merger.

AB INBEV revised toerms £45 in cash,

Rating & TP Changes **7** SEB : TP raised to €132 vs. 125 @Bryan Garnier SEB : TP raised to €134 vs. 122 @UBS VEOLIA : TP cut to €23 vs. 25 @ HSBC EDENRED : TP raused to €22 vs. 18.5 @UBS

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LUXOTTICA: NEUTRAL vs. BUY TP cut to €54 vs. 58 @Bryan Garnier
LUXOTTICA : TP cut to €50 vs. 52 @ JPM
LUXOTTICA : TP cut to €58 vs. 61, OVERWEIGHT @Barclays
ARM : HOLD vs. BUY, TP cut to 1700p vs. 1400 @ Berenberg

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

Luxottica

RATING : NEUTRAL vs. BUY Fair Value EUR54 vs. EUR58

Yesterday Luxottica unveiled H1 results that were slightly below expectations: sales of EUR4.72bn (CS: EUR4.74bn) and an adj. EBIT of EUR857m (CS: EUR854m), implying a limited 30bp-margin decline to 18.2%. Against this soft Q2 and because of more challenging macro conditions, LUX warned on the FY16 outlook (FX-n growth of 2-3% vs. +5-6% previously / adj. EBIT growth: 1x sales growth vs. 1.5x initially), all the more since the Group is still impacted by internal initiatives (i.e. MAP policy, Oakley reorganisation, etc.). Consequently, we align ourselves to this more cautious stance (BG FY16 estimates: -5.5%) even if we remain convinced that these painful actions will reap fruits in the MT. We downgrade our recommendation to Neutral vs. Buy and reduce our FV to EUR54 vs. EUR58. => Negative

Groupe SEB	RATING : BUY	Fair Value EUR132 vs.
		EUR125 (+15%)

At the Analysts' Meeting yesterday, the management gave more details about the growth drivers that should play positively in H1 but also in H2, despite some weak trends in key markets such as Brazil or the U.S. Since fundamentals of SEB stand-alone are clearly strong, we believe that all eyes will be on the integration of EMSA (in Q3) and WMF (probably in Q4). We nudge up our FY16 estimates and we update our beta assumption, leading to our new FV of EUR132 vs. EUR125. => Positive

Edp Renovaveis	
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RATING : NEUTRAL

Fair Value EUR7,65 vs. EUR7,5

EDPR posted this morning solid H1-16 operating metrics, helped by positive perimeter effect and by outstanding load factor in North America. Sales were up 15% YoY while EBITDA was up 18% during the period, in line with market expectations. The group continues to deliver on its long term strategy to focus on North America and Latam while optimising its ROCE. Positive.

Orange

<u>RATIN</u>G : BUY

Fair Value EUR17,1

This morning Orange SA has published H1 2016 results globally in line with consensus. Revenues and EBITDA are still growing, commercial performance in France is very good and results for Spain are way above expectations, but Poland and AMEA appear a little disappointing. Operating cash flow is impacted by CAPEX higher than expected in Q2, but said to be in line with Orange Essentiels2020 plan. Orange confirms its guidance of 2016 EBITDA above 2015, and ratio net debt/EBITDA around 2.