

## BG SALES-TRADING MORNING DU 03/08/2016

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	18313,8	-0,5%	0,1%	Oil & Gaz	0,9	9,2	Personal & Household	-0,1	2
NASDAQ	5137,7	-0,9%	0,2%	Food staples, Retail	0,4	2,7	Media	-0,5	-9,8
S&P 500	2157	-0,6%	0,2%	Household Products	0,1	8,7	Financial Serv.	-0,6	-13,9
NIKKEI	16071,6	-2%	-	Materials	-0,2	10,6	Food & BeV	-0,8	0,1
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Auto	-3,5	-9,9	Banks	-3,4	-30,8
				Transportation	-2,4	0,8	Auto & Part	-2,7	-17,6
				Consumer Durables	-1,9	2,5	Oil & Gas	-1,6	2,7
				Real Estate	-1,5	10,6	Technology	-1,5	-0,9

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%	
CARREFOUR SA	21,6	-2,7	BANCO SANTANDER SA	3,5	-5,3	EUROFINS SCIENTIFIC	374,8	10,6	
KERING	169,4	-1,7	CARREFOUR SA	21,6	-2,7	ROTORK PLC	196,5	-8	
ARCELORMITTAL	5,4	-5,3	ING GROEP NV	9,4	-4,6	HISCOX LTD	1086	2,8	
ESSILOR INTERNATIONAL	113,3	-0,9	FRESENIUS SE & CO KGAA	66,3	-1,1	DIRECT LINE INSURANCE GROUP	399,9	12,6	
SANOFI	73,9	-3,1	BAYERISCHE MOTOREN WERKE AG	75,4	-2,2	KONINKLIJKE DSM NV	59,8	3,5	

**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%	0,7%	€/ \$	1,1211	-0,1%	3,2%	BRENT	40,4	-0,5%	12,9%
U.S 10 ANS	100,7	0,1%	1,6%	€/ ¥	113,11	0,1%	15,5%	ONCE OR (\$)	1364,8	0,1%	28,6%

VIX Index	13,4	7,5%	VSTOXX Index	23,1	13,7%
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### Economic Calendar

FR - PMI composite (50 E)  
 DE - PMI Composite (55.3 E)  
 EUZ - retail sales Jun (1.8% E)  
 US - ADP employment report  
 US - PMI services  
 US - ISM non Mfg (55.9 E)  
 US - DoE Petroleum status report

### Dividends Calendar ex-date next day

UNILEVER UK 26.89p (0.76%)  
 SABMILLER 0.937\$  
 UNILEVER 0.32€ (0.77%)

### Ex Div today

### Markets Recap (source Street account)

**Asian markets are mostly trading lower on Wednesday.** Continued oil weakness has been a negative for sentiment while a sell-off in European banks has cast a pall over regional financials. There were mixed takeaways from the latest batch of services PMIs. While China's services sector expanded at a smaller pace in July, Japan's and Australia's gathered pace.

**Greater Chinese markets are mixed with mainland gains shadowed by weakness in the Hang Seng.** The PBoC fixed the yuan sharply higher again amid a lower dollar backdrop. There has been more media discussion on China's slowing rate of private investment. The country's top economic planner today called for appropriately timed interest rate and RRR cuts in a bid to lower company cost burdens.

**The yen's rally has translated into weakness on the Nikkei as investors continue to digest the underwhelming Japanese fiscal spending package.** It has also been a busy day of Japanese earnings with Honda outperforming the big autos following its bottom line beat. Elsewhere WTI crude has risen from its overnight lows after API revealed an inventory drawdown of 1.3M barrels in the latest week, which was in-line with expectations.

**US equities finished lower on Tuesday.** Treasuries were mixed with the curve steepening. The dollar was weaker, particularly on the yen cross. Gold gained 1% to close at its highest level in more than two years. Oil extended its selloff, with WTI crude closing down 1.4%.

**Nothing specific behind the selloff.** Oil weakness continued to receive attention, while some cautious strategist notes have acted as a headwind to sentiment as the seasonally weak month of August gets under way. June personal spending and income data out this morning, but already incorporated into Q2 GDP. Policy support fatigue another area of focus, with Japan and Australia the latest to announce stimulus measures. Eurozone bank weakness also a concern. Some late day M&A rumors helped to lift equities off worst levels.

**Another busy round of earnings today.** Takeaways fairly company-specific in nature, while low bar continues to help the beat rate. Consumer discretionary led the sectors lower, followed by industrials and financials. Energy the only major sector to close higher

#### Stocks Factor to watch today :

**EDF** : to start CHINON-4 reactor today, 1 day later than planned

**TOTAL** : Incahuasi gas field production capacity 50 000BOE/D

**SOC GEN** : CEO in BFM radio told "We'll adapt to BREXIT when the time come, there's no urgency"

#### Rating & TP Changes



**SHIRE** : TP raised to 6900p vs. 6750, BUY @Bryan Garnier

**SHIRE**: TP raised to 5200p vs. 5000, OUTPERFORM @Credit Suisse

**SHIRE** : TP raised to \$231 vs. 213, OUTPERFORM @LEERINK

**FRESENIUS MC** : Tp raised to €90 vs. 88, OUTPERFORM @Credit Suisse

**INTERCONTINENTAL HOTELS** : TP cut to 3500p vs. 3640, OUTPERFORM @Credit Suisse

**DIAGEO** : TP cut to 2400p vs. 2300 @ UBS

**EDF** : BUY vs. HOLD @Investec

**VEOLIA** : TP raised to €24 vs. 23 @HSBC

**PANDORA** : TP raised to DKK1100 vs. 1080 @HSBC

**VINCI** :TP raised to €73 vs. 72 @RBC



**EULER HERMES** : TP cut to €89 vs. 99, BUY @Bryan Garnier

**UBS** : NEUTRAL vs. BUY @UBS

**S. FERRAGAMO** : TP cut to €18.4 vs. 19, SELL @UBS

**FRESENIUS MEDICAL** : TP raised to €82 vs. 81 @Jefferies

**FRESENIUS SE** : TP raised to €69 vs. 61, HOLD @Jefferies

**PRADA** : UNDERPERFORM vs. SECTOR PERFORM, TP raised to HK\$22 vs; 25 @ RBC

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

Fresenius SE

RATING : BUY-Top Picks

Fair Value EUR73 (+9%)

KABI sales surprised with a decline in NA. However, increased sales and EBIT guidances highlight management's ability to monitor an easing drug shortage situation. We remain buyer and reiterate BUY rating and EUR73 target price.

<b>Euler Hermes</b>	<b>RATING : BUY</b>	<b>Fair Value EUR89 vs. EUR99 (+20%)</b>
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In the current challenging macro environment, Euler Hermes continues to deliver solid quarterly numbers, far better than those of Coface. The Q2 combined ratio is 80.3% vs. 79.3% in Q1 but way below H2 2015 level (85.3%). We have fine-tuned our 2016-2018 estimates, which have been revised downwards by 1% on average. Our fair value is adjusted to EUR89 to take into consideration the small estimate changes and some beta adjustments (lower grades mainly on industry appeal and potential shareholder return). -> Neutral

<b>Salvatore Ferragamo</b>	<b>RATING : BUY</b>	<b>Fair Value EUR23 (+12%)</b>
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Salvatore Ferragamo H1 2016 results were slightly below investors' expectations. Revenues (EUR710m) declined 3% organically (consensus: -2.7%) while EBITDA reached EUR166m (consensus: EUR169m) remained almost stable vs H1 2015 implying 60bp margin improvement to 23.4%. We remain Buy on SFER with an unchanged EUR23 Fair Value. Negative.

<b>Shire PLC</b>	<b>RATING : BUY-Top Picks</b>	<b>Fair Value 6900p vs. 6750p (+37%)</b>
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In a nutshell, we got three very positive news with yesterday's publication: 1) Q2 2016 diluted earnings per ADS were away above expectations; 2) the updated full year guidance stood a bit higher than previous estimates... and we wonder if the company is not too cautious regarding its future gross margin; and 3) last but not least, the three-year operating cost synergy expectations were raise by c. 40% to "at least USD700m", which by the way prompts us to raise our FV to GBp6,900.

<b>AXA</b>	<b>RATING : BUY</b>	<b>Fair Value EUR29 (+67%)</b>
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H1 2016 numbers are above expectations (underlying earnings EUR3.06bn vs. consensus EUR2.91bn), mainly thanks to a higher positive tax one-off in the US. From a qualitative standpoint they are more in line and very solid given the current challenging environment. Solvency margin is strong at 197%. Buy rating maintained. Current stock price hardly makes sense to us.

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