

BG SALES-TRADING MORNING DU 09/08/2016

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	18529,3	-0,1%	0%	Oil & Gaz	1,2	13,3	Basic Resources	1,7	34
NASDAQ	5213,1	-0,2%	0,1%	Tech Hardware	0,5	7,3	Insurance	1,5	-19,5
S&P 500	2180,9	-0,1%	0%	Insurance	0,4	3,4	Banks	1,4	-26
NIKKEI	16752,4	0,6%	-	Materials	0,2	11,9	Const. & Materials	0,9	1,5
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				PHARMA.	-1,1	0,7	Healthcare	-1,2	-5,2
				Consumer Serv.	-0,5	-2,2	Food & BeV	-0,9	0
				Entprises Serv	-0,5	14,3	Personal & Household	-0,8	1,8
				MEDIAS	-0,5	6,1	Real Estate	-0,5	-1,7

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%	
LAFARGEHOLCIM LTD-REG	45,8	2,9	SIEMENS AG-REG	103,8	1,2	MEGGITT PLC	450,9	8,8	
DANONE	68,2	-2,1	ALLIANZ SE-REG	130,2	3	NOVO NORDISK A/S-B	318	-3,6	
SOLVAY SA	94,2	1,6	DANONE	68,2	-2,1	POSTNL NV	3,7	8,1	
KERING	170,1	-1,4	ASSICURAZIONI GENERALI	12	2	HEXAGON AB-B SHS	329,7	-2,4	
MICHELIN (CGDE)	94,3	0,5	DEUTSCHE BANK AG-REGISTERED	12,2	3,1	HAYS PLC	117,9	0,3	

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	100,1	0%	0,7%	€/ \$	1,1079	-0,1%	2%	BRENT	43,8	-0,5%	22,7%
U.S 10 ANS	100,4	0,1%	1,6%	€/ ¥	113,49	0,1%	15,1%	ONCE OR (\$)	1333,3	-0,2%	25,6%

VIX Index	11,5	1%	VSTOXX Index	18,9	-1,9%
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Economic Calendar

JP - leading Index Jun (98.4A, 99.7E)
 JP - Coincident Index (110.5A 111.3E)
 DE - Factory Orders (-3.1%A -1.5% E)
 US - Unemployment rate Jul. (4.8%E)
 US - Baker Huges Rig count

Markets Recap (source Street account)

Asian markets are narrowly mixed in quiet Tuesday trade. Prospects for coordinated action in Japan were colored by a Monday meeting of the Council on Economic and Fiscal Policy, which reaffirmed a need to combat deflation. They yen has maintained losses with the BoJ widely seen doing more despite recent debate over its comprehensive policy review. A Nikkei report also discussed the possibility of introducing greater flexibility in the BoJ's bond-buying target.

Greater Chinese markets are mixed. Inflation data signaled the rate of growth in food prices slowed while a narrowing in factory gate deflation was seen as a positive for manufacturers. Elsewhere gains on the ASX have been hard to come by amid mixed earnings results and a drop in Aussie business confidence. There has been some movement in FX markets, with sterling under pressure amid dovish takeaways from a Times column by the BoE's McCafferty.

US equities finished slightly lower on Monday. Treasuries were little-changed. The dollar was modestly higher with the DXY +0.16%. Gold (0.2%) was modestly lower. Crude rallied with WTI +2.9% .

It was a very quiet trading session. Oil rose in reaction to speculation about potential OPEC production freeze talks as well as bearish positioning. M&A activity picked up. China trade data was weaker than expected, but forex reserves were in line. German industrial production was slightly better than expected. Earnings season continues with the focus shifting to retail.

Sectors were mixed. Energy +1.22% was the best performer on crude move. Healthcare (0.85%) was the worst performer.

Stocks Factor to watch today :

AstraZeneca: Selumetinib did not meet trial endpoint of progression-free survival in krasn NSCLC patients.

Results from Worldpay, Altice, SFR, Munich Re -> See BG's Wake up call.

Rating & TP Changes



GSK: TP raised to 1885p vs. 1785p, Hold, @ *Berenberg*

Fresenius Med Care: TP raised to EUR72 vs. EUR71, Underweight, @ *Barclays*

Adidas: TP raised to EUR165 vs. EUR160, Outperform, @ *Cowen*

AstraZeneca: TP raised to 4900p vs. 4800p, @ *JPM*



Grifols, TP cut to EUR22 vs. EUR24, Overweight, @ *Barclays*

Novo Nordisk: TP cut to DKK400 vs. DKK425, Buy, @ *Citi*

Hugo Boss: TP cut to EUR56 vs. EUR58, @ *JPM*

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

SAP	RATING : NEUTRAL	Fair Value EUR75 (-3%)
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The takeaways from a company contact we had last week and which keeps our non-IFRS margin turnaround scenario for 2018 intact, are that: 1) SAP is not concerned by the acquisition of NetSuite by Oracle as NetSuite already has had close links with Oracle; 2) the low number of S/4HANA 'go lives' has nothing to do with the speed of implementation but the fast success of S/4HANA; 3) an overwhelming majority of S/4HANA sales are on-premise as customers are unlikely to run their core processes on a public cloud.

Munich Re	RATING : SELL	Fair Value EUR185 (+21%)
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Q2 2016 net income is EUR974m, down 9%, but way ahead of consensus (EUR475m). It benefited from EUR340m positive FX gains (long USD, short GBP). Operating profit is EUR1,463m, down 20%, also way above consensus (EUR868m), mainly driven by the investment result (derivative results + high disposal gains). In P&C Re, operating profit is EUR788m (down 37% yoy), mainly driven by the underwriting performance (down 55%). The reported combined ratio is 99.8% vs. 93.3% in Q2 2015. Excluding natcats (7.6 pts vs. 0.5 pt) and run-offs (5.1 pts vs. 3.1 pts), the Q2 adjusted combined ratio is 97.3% vs. 95.9% in Q2 2015. FY guidance (net income c. EUR2.3bn) has been confirmed. Given H1 net income is EUR1.4bn, we see this as fairly achievable, and in the end the initial FY guidance (EUR2.3-2.8bn) looks accurate. We expect consensus (currently EUR2.3-2.4bn) to move slightly up. -> **Positive**

Ablynx	RATING : BUY	Fair Value EUR18 (+39%)
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Ablynx reported results from its second phase IIb trial comparing voba on top of MTX to placebo. Results bodes well with what we observed in the first phase IIb trial. Primary endpoint is reached with a 81% ACR20 responder rate at 12w. Despite high placebo effect favoured by the study design, continuous improvement is seen in ACR50 and ACR70 with responder rates of up to 59% and 43% at week24. Safety profile looks clean. While surprisingly high placebo effect could make it difficult to assess the benefit of voba and mute share price reaction, DAS28 remission rate stands out with up to 49% of patients in remission at the end of the study. We believe that voba would be a strategic fit in ABBV post-Humira portfolio. Note that ABBV, should it decide to opt-in, is expected to do so before year-end. We reiterate our BUY rating and EUR18 fair value.

SFR **RATING : NEUTRAL** **Fair Value EUR28,7 (+36%)**

This morning SFR has published Q2 2016 results. Revenues and EBITDA are slightly above expectations, but the BtoC business is still struggling, in particular on the mobile side. Improving trend in BtoB and very significant improvement in wholesale offset the poor BtoC performance. The BtoC trend is expected to improve in Q3 and Q4. Guidance of better revenue trend vs 2015 is confirmed.

Altice **RATING : BUY** **Fair Value EUR16,5 (+26%)**

This morning Altice published Q2 2016. Revenues and EBITDA are above expectations. Strong results in the US and Portugal in particular allow to offset expected poor performance at the France level. Guidance of improving trend in group revenues and of mid single digit growth in group adjusted EBITDA is confirmed. More than ever, diversification is the key.
