

## BG SALES-TRADING MORNING DU 11/08/2016

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	18495,7	-0,2%	0%	MEDIAS	0,6	7	Insurance	0,7	-18
NASDAQ	5204,6	-0,4%	0%	Food staples, Retail	0,5	3,7	Banks	0,4	-24,9
S&P 500	2175,5	-0,3%	0%	Food Bev & Tobacco	0,4	10,4	Industrial Goods & Serv.	0,2	2,9
NIKKEI	16735,1	-0,2%	-	Enterprises Serv	0,3	14,6	Retail	0,1	-9,3
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Oil & Gas	-1,4	11,1	Healthcare	-1,1	-5,5
				Banks	-1,4	-7,5	Utilities	-1	-3,8
				Semi Conductors	-1	13	Basic Resources	-0,9	32,8
				Tech Hardware	-0,7	6,9	Oil & Gas	-0,6	6,7

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	46,9	0,7	E.ON SE	8,7	-7,8	ABERDEEN ASSET MGMT PLC	326,9	-0,3	
SANOFI	71,2	-2,5	KONINKLIJKE PHILIPS NV	25	1,5	NOVOZYMES A/S-B SHARES	286,8	-11,8	
ACCOR SA	35,4	-0,3	ALLIANZ SE-REG	135,9	1,6	G4S PLC	227,2	16,2	
TECHNIP SA	49,9	-0,3	DEUTSCHE BANK AG-REGISTERED	12,8	3,1	MEGGITT PLC	461,8	0,5	
ARCELORMITTAL	5,7	-3,5	SANOFI	71,2	-2,5	EURAZEO	54,8	0,5	

**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%	€/ \$	1,1163	-0,1%	2,8%	BRENT	42,7	0,3%	19,5%
U.S 10 ANS	100	0%	1,5%	€/ ¥	113,27	-0,1%	15,3%	ONCE OR (\$)	1343,3	-0,2%	26,6%

VIX Index	12	3,3%	VSTOXX Index	19,2	4,9%
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### Economic Calendar

US - Initial Jobless Claims Aug. (265K E)

US - Continuing Claims Jul. (2130K E)

CAD - New Housing Price Index Jun.

### Markets Recap (source Street account)

**Asian markets are narrowly mixed in subdued Thursday trade.** Regional volumes have been impacted by the closure of Japan for Mountain Day. The big financials are weighing on the ASX, with sell-side takeaways on Commonwealth Bank's (CBA.AU) results leading to multiple stock downgrades. Elsewhere there has been little movement on Chinese markets.

**There continues to be a degree of focus on BoJ stimulus.** The much publicized policy review has led to reports officials will use it to defend the existing QQE framework. Also some thought the review could be a means to discuss ways to push down real rates. Meanwhile, the BoJ's decision to expand ETF purchases has fueled concerns over market liquidity.

**Central banks have headlined the regional macro calendar.** The RBNZ cut the cash rate as expected and maintained an easing bias. However this didn't stop the kiwi from rallying following the meeting. There were no surprises from the BoK's hold decision while mainland Chinese media have pushed back against speculation of a PBoC rate cut.

**US equities were lower in Wednesday trading.** Treasuries were stronger across the curve. The dollar was broadly weaker, extending yesterday's decline on the yen cross. Gold was stronger, finishing up 0.4%. Oil declined on DoE data showing a rise in inventories. WTI settled down 2.5% and Brent settled down 2.1%.

**It was a fairly quiet session today.** One of the primary themes seemed to be the weakness in the dollar and lower Treasury yields, as weak productivity data seems to be the latest constraint on policy normalization. There was also some focus on the BoE's bond-buying program following yesterday's shortfall. On the economic front, the June JOLTS report was mixed, showing a slight rise in job openings but a stable quits rate.

**DIS results were overshadowed by its OTT announcements.** FOSL reduced guidance, but not as much as feared. KORS missed on comps and guided below. RL beat and reiterated guidance. WEN comps missed. YELP beat and raised. PRGO cut guidance, citing competitive pressures.

**Consumer staples led the market, and consumer discretionary outperformed with help from apparel and retailers.** Precious metals helped materials. Aerospace and defense weighed on industrials. Semis trailed in tech. Pharma and biotech were weaker. Banks lagged with rates an overhang. Energy trailed the market.

### Stocks Factor to watch today :

Results from **Zurich** and **Aegon** -> See BG's Wake up call.

**RWE:** H1 EBITDA at EUR3.01bn, still expects 2016 group EBITDA of EUR5.2-5.5bn and operating profit of EUR2.8-3.1bn.

### Rating & TP Changes



**MUNICH RE:** TP raised to EUR182 vs EUR175, Neutral, @ *JPM*

**CAMPARI:** TP raised to EUR11.6 vs EUR7.2, Buy vs Hold, @ *BERENBERG*

**ASTRAZENECA:** TP raised to 5600P vs 5400P, Buy, @ *BERENBERG*



**NATIXIS:** TP cut to EUR5.52, Buy, @ *JEFFERIES*

**ASTRAZENECA:** TP cut to 4700P vs 4815P, @ *HSBC*

**WORLDPLAY:** TP cut to 325P vs 340P, Hold vs Buy, @ *JEFFERIES*

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

**Zurich Insurance Group**      RATING : NEUTRAL      Fair Value CHF270 (+11%)

Q2 2016 net income came to USD739m, down 12% yoy, consensus (USD710bn), mainly driven by lower capital gains, restructuring charges and a higher tax rate. Q2 operating profit came to USD1,107m, up 17% yoy, way above consensus (USD0.9bn), driven by P&C (operating profit USD663m, up 44% yoy). The reported combined ratio is 99.0% vs. 100.0% in Q2 2015, but excluding natcats (5.8 points vs. 3.4 points) and run-offs (1.5 point vs. 1.3 point), the underlying combined ratio was 94.7% vs. 97.9% in Q2 2015. Solvency (internal model) at end-June was 107% vs. 108% at end-March and 121% at end-2015, driven by poor financial markets, and still within the 100-120% targeted range. Total cash remittances for the 2014-2016 are still on track to exceed USD10bn, which is good news for the dividend. -> **Positive**

**Aegon**      RATING : NEUTRAL      Fair Value EUR6 (+56%)

Q2 2016 net income is -EUR385m, pretty much in line with consensus (-EUR355m), mainly driven by the expected book loss on divestment of UK annuity book and fair value items. Q2 operating profit is EUR435m, down 14% yoy, below consensus (EUR481m), with higher earnings from Europe (up 15%, in line with consensus) more than offset by the Americas (down 24% on adverse claims experience, low interest rates and lower variable annuity earnings). Q2 NBV is EUR100m, down 46% yoy, mainly driven by lower interest rates on both sales and margins. Solvency II margin at end-June is 158% (consensus 154%) vs. 155% at end-March and 160% at end-2015, as strong management actions (including the UK annuity book divestment) offset adverse market impacts. The interim dividend is up 8% to EURO.13 (i.e. 6.8% annualised yield at current share price). The dilutive effect of stock dividend will be neutralize. -> **Neutral overall**