

BG SALES-TRADING MORNING DU 18/08/2016

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	18573,9	0,1%	0,6%	Utilities	1,5	15,5	Travel & Leisure	-0,1	-14,7
NASDAQ	5228,7	0%	0,5%	Transportation	0,8	4,4	Personal & Household	-0,4	3,1
S&P 500	2182,2	0,2%	0,6%	Entprises Serv	0,8	14,4	Food & BeV	-0,4	0,4
NIKKEI	16514,8	-1,4%	-	Div. Financials	0,7	3,2	Media	-0,6	-10,1
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Spec. Retail	-0,6	6	Basic Resources	-1,6	30,2
				Consumer Durables	-0,4	5,2	Utilities	-1,5	-5,9
				Tech Hardware	-0,4	7,7	Technology	-1,3	-0,6
				Semi Conducteurs	-0,2	14,7	Insurance	-1,2	-20,1

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%	
LAFARGEHOLCIM LTD-REG	46,7	-1	ASML HOLDING NV	93,1	-4,9	CARLSBERG AS-B	643,5	-5,2	
LEGRAND SA	53,1	0,4	ASSICURAZIONI GENERALI	11,4	-2,7	ICA GRUPPEN AB	299,5	4,2	
TECHNIP SA	50,8	-0,7	E.ON SE	8,2	-3,6	LINDE AG	150,2	-2,9	
DANONE	68,5	-1	DANONE	68,5	-1	UNITED INTERNET AG-REG SHARE	35,5	-5,6	
VINCI SA	67	-0,9	VINCI SA	67	-0,9	BALFOUR BEATTY PLC	251,8	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				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%	€/ \$	1,1314	0,2%	4,1%	BRENT	48,9	-0,3%	36,8%
U.S 10 ANS	99,6	0,1%	1,5%	€/ ¥	112,97	0,2%	15,4%	ONCE OR (\$)	1353,5	0,4%	27,5%

VIX Index	12,2	-3,6%	VSTOXX Index	21,2	5,6%
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Economic Calendar

GBP - Retail Sales Jul. (3.9% YOY E)
 EUR - Euro-Zone Consumer Price Index (0.1% YOY E)
 USD - Initial Jobless Claims Aug. (265k E)
 USD - Continuing Claims Aug. (2,141k E)

Markets Recap (source Street account)

Asian markets are trading mixed on Thursday. The main focus has been on the dollar, which has continued to weaken in Thursday trade. Weakness has largely been attributed to the FOMC minutes, which offered no explicit signal for a near-term Fed rate hike. Market-implied odds of a December hike have fallen to below 50% from just above better-than-even prior to the minutes.

The yen has resumed its appreciation, with USDJPY back below 100. The currency's strength has triggered a repeat warning from the Ministry of Finance's Asawaka on the need to counter excessive FX moves. Nikkei underperformance has also come on the back of trade data revealing a sharp drop in Japanese imports and exports.

Greater Chinese markets are higher with the Hang Seng outperforming on the back of earnings. More signs the mainland property market is losing steam with fewer cities recording month-on-month price gains in July. Elsewhere the big banks have pulled the ASX down from its opening highs. The Aussie has seen some of the biggest gains versus the dollar after Australian employment growth beat expectations. Dollar weakness has also translated into precious metal strength, with gold and silver futures up ~1%.

US equities finished higher, able to reverse early weakness, on Wednesday. Treasuries were stronger across the curve. The dollar did not do much after yesterday's selloff. Gold lost 0.5%. Oil finished higher

and reversed a morning selloff after US inventory data. WTI crude settled up 0.5%.

Relatively quiet session, with much of the focus on the July FOMC minutes. Takeaways mixed with the usual ambiguity in the language. However, no explicit signal for a near-term rate hike and there was a general agreement that more data was needed to provide confidence the economy can handle more tightening. Some more fedspeak with St Louis Fed's Bullard noting central banks are rethinking monetary policy. He stuck to his call for rates to remain flat for the next two years.

Retail weakness another area of focus after a round of largely disappointing earnings results. TGT and LOW both hit after comps missed expectations. SPLS and AEO also weaker after reporting, while URBN the big post-earnings winner. CSCO laying off ~20% of its workforce also received some attention.

Seven of the ten major sectors closed higher today, with utilities the best performer after gaining more than 1%. Financials and consumer staples also beat the tape. Consumer discretionary the worst performer, but losses limited. Materials and tech the other laggards.

Stocks Factor to watch today :

HEIDELBERGCEMENT: To sell assets in the US to cementos argos for USD660m, exceeding the group's objectives of €1bn of disposal proceeds.

NESTLE: Q2 results -> See BG Wake Up Call.

Rating & TP Changes



ADIDAS: TP raised to EUR160 vs. EUR142, @HELVEA BAADER

EDF: Initiated with TP of EUR13.9, OVERWEIGHT, @BARCLAYS

CARLSBERG: TP raised to DKK616 vs. DKK508, @BERENBERG



CARLSBERG: TP cut to DKK705 vs. DKK757, HOLD vs. BUY, @SOCGEN

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

Nestlé RATING : BUY Fair Value CHF80 (+1%)

This morning, Nestlé reported Q2 sales in line with consensus in reported and slightly below in organic. Sales amounted to CHF22,221m (consensus: CHF22,294m and our estimate: CHF22,059m), up 1.4% in reported and 3.1% in organic. The EBIT margin increased 30bps both in reported and in constant currencies to 15.3% (consensus and our estimate: 15.2%), reflecting a tailwind coming from input costs. The group confirmed its full year outlook and said that pricing should recover in the coming months from the historically low level in H1. It seemed to be confident, excluding for China which was reported to have slowed down in Q2.

Construction & Materials

Earning season for the sector has been positive, so far, for our coverage. Companies appeared to be properly managed, with usually improved profitability. Difficulties have not disappeared though, like macro uncertainties in Europe, a deflationist environment and sometimes poor volumes – but companies can deal with them. While French Contractors remain safe harbour, cement majors might benefit from a better momentum from some Emerging Markets. Saint-Gobain offers the most upside.

Environmental Services

As expected, Suez and Veolia are still bearing the brunt of a challenging macro environment which has negatively impacted their traditional water and waste businesses in H1-16. We however still appreciate the resilience of the company's margins whose main driver remains companies' abilities to deliver their respective cost-savings programme. We believe these savings combined with strong international developments will be the two pillars of a new strategies' convergence between both companies.