

BG SALES-TRADING MORNING DU 26/08/2016

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	18448,4	-0,2%	-0,2%	Insurance	0,6	3	Utilities	-0,1	-5,5
NASDAQ	5212,2	-0,1%	-0,2%	Household Products	0,5	9,2	Const. & Materials	-0,4	4,5
S&P 500	2172,5	-0,1%	-0,2%	Materials	0,5	12,1	Food & BeV	-0,4	-0,2
NIKKEI	16379,4	-1,1%	-	Real Estate	0,4	7,7	Personal & Household	-0,5	3
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Food staples, Retail	-1,8	1,1	Travel & Leisure	-1,5	-13,9
				Health Equip.	-1,1	6,4	Auto & Part	-1,5	-15,4
				Consumer Durables	-0,7	6,7	Healthcare	-1,5	-8,3
				PHARMA.	-0,6	-1,9	Insurance	-1,3	-20,5

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%
SANOFI	68,6	-0,8	GENERALI	11,3	-2,8	INDUSTRIVARDEN AB-A	159,6	-0,9
LAFARGEHOLCIM	46,7	-0,7	SANOFI	68,6	-0,8	PLAYTECH PLC	928	3,2
TECHNIP SA	52,5	-0,9	KONINKLIJKE PHILIPS	25,7	-1,1	PHOENIX GROUP H	829	-1,9
CARREFOUR SA	22,4	-1,7	CARREFOUR SA	22,4	-1,7	SUNRISE COMGROUP	69,2	9
KLEPIERRE	42,3	0,3	IBERDROLA SA	5,9	-0,3	B&M EUROPEAN V	283	-0,2

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	0%	0,8%	€//\$	1,1303	0,2%	4%	BRENT	48,8	-0,3%	36,6%
U.S 10 ANS	99,5	0,2%	1,6%	€/¥	113,51	-0,1%	15,1%	ONCE OR (\$)	1324,5	0,2%	24,7%
VIX Index	13,6		1,3%				VSTOXX Index	20,4		2,9%	

Economic Calendar

JP - CPI (-0.4% A as Exp.)
 GB - GDP 2Q (E +2.2% y/y)
 DE - GfK consumer confidence Survey (10E)
 FR - GDP 2Q (1.4% E)
 US - GDP annualized (1.1% E)
 US - U. of Michigan Confidence Aug. (90.8E)
 US- Baker Hughes U.S. Rig Count

Dividends Calendar ex-date next day

STADA (STAGn.DE) €0.7 (1.42%)
 WOLTERS K (WLSNc.AS) €0.19 (0.5%)
 MOLSON COORS (TAP) \$0.41 (0.4%)

Ex Div today

MARINE HARVEST NOK 3.2

Markets Recap (source Street account)

Asian markets are mixed on Friday. Fed officials have spoken on the sidelines of the Jackson Hole symposium, where their hawkish-leaning comments have been underpinned by a view that waiting too long to tighten risked fueling imbalances. Ahead of Chair Yellen's speech, there are thoughts she could echo recent Fed speak by noting the central bank is closer to achieving its mandates, which could boost the notion of September as a "live" meeting. CME fed funds futures were still pricing in a one-in-three chance of September hike, while the odds of December tightening have ticked up to 55% from ~53% previously.

The other major focus has revolved around Japan, where the latest CPI data showed a pickup in deflationary pressures. Initial takeaways viewed the result as adding to the urgency for BoJ Governor Kuroda to do more at next month's meeting. The BoJ's own CPI measure is due out later this afternoon. The ensuing yen strength has led to wider weakness in the dollar and a sell-off in the Nikkei.

US equities were mostly lower in Thursday trading. Treasuries were somewhat weaker across the

curve. The dollar was mixed, stronger on the sterling cross but down slightly against the euro. Gold lost 0.4%. Oil was higher, with WTI settling up 1.2% and Brent settling up 1.3%.

It was another fairly uneventful day. The market continued to wait for Fed Chair Yellen's speech in Jackson Hole tomorrow, with continued discussion about the potential for directional disappointment. Core capital goods surprised to the upside, and initial jobless claims fell. The Saudi oil minister said no significant market intervention is necessary, and that global crude demand is picking up.

There was a somewhat busier corporate calendar today. Off-price stores were in focus, with DG and DLTR disappointing but BURL seeing better earnings, revenue, and comps. Margins were a highlight for TIF, but SIG comps unexpectedly declined. HPQ beat on earnings and revenue, but analysts noted softness in printers. GES beat and raised guidance. MYL responded to criticism about EpiPen pricing.

Materials led the market, with containers and packaging firms outperforming. Financials were broadly higher. Hardware was better for tech. Airlines helped industrials, though road and rail companies declined. Retailers were generally weaker in consumer discretionary. Healthcare trailed the market, with biotech and pharma underperforming.

Stocks Factor to watch today :

FUTURES 0800 : CAC -0.3%, FTSE -0.1, DAX -0.2%, ES50 -0.3%

ADOCIA : BC PDGF did not meet primary endpoint, to halt all development work in this indication

GEMALTO : Q2 revenue fell to €804m,

MYLAN : offers discounts on EpiPen amid wave of criticism

VIVENDI : MEDIASET Key shareholders rejected Vivendi version of Pay TV deal.

Rating & TP Changes



ADIDAS : enters top picks @MACQUARIE

CAMPARI : Raised to Neutral, TP raised to €9 vs. 8 @JPM

CRH : TP raised to 2800p vs. 2450, BUY @UBS

CRH : TP raised to €32 vs. 31, OVERWEIGHT @JPM



ZEALAND : TP cut to DKK190 vs. 200, BUY @Jefferies

ADOCIA : TP cut to €90 vs. 100, BUY @Bryan Garnier

H&M : HOLD vs. BUY @HSBC

CRH : HOLD vs. BUY @SOCGEN

BEIERSORF : resumed with UNDERPERFORM, €76 @Bernstein

VIVENDI : TP cut to €15.5 vs. 16.4, HOLD @Jefferies

Technical Analysis

HIGHEST YTD : CRH, GAMESA, REXEL, SYNGENTA, WPP

LOWEST YTD : GALENICA

RSI 14D oversold : RANDGOLD RES. (RRS.L), SANOFI (SASY.PA)

Upward Signals

LEGRAND, LINDE, MAPFRE : 50D MAV crossing upward 200D MAV

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

Food industry

The earnings season has been positive for our coverage. The organic sales growth continued to be moderate (4% on average in Q2) due to the weak pricing environment and the macro uncertainties in emerging countries, especially China. But profitability improved. In H2 vs H1 Nestlé should post an acceleration in organic sales growth and a stronger improvement in profitability while Danone and Unilever are expected to face a deterioration. We still favour the Swiss group (Buy; Fair Value: CHF84). We think that 1/ going forward it will better use its size to optimize its costs base and working capital and 2/ the arrival of the new CEO in 2017 should trigger a more efficient policy for the group's cash.

Gemalto **RATING : NEUTRAL** **Fair Value EUR62 (+7%)**

Gemalto posted mixed H1 earnings results, namely sales and profit from operations (PFO) roughly in line with our estimate and that of the consensus (thanks to the Payment & Identity division) but attributable net profit 20% below expectations. The management has confirmed its vague 2016 guidance (+1.5% gross margin, accelerating its PFO expansion towards its 2017 objectives). We expect momentum to be unattractive as long as management maintains its 2017 PFO target which is out of reach. => Neutral.

u-blox **RATING : BUY** **Fair Value CHF265 (+11%)**

u-blox has reported H1 2016 results slightly below consensus expectations, nevertheless it maintains its FY16 operating result guidance. H1 2016 Sales came out at CHF180m, up 1.9% on a sequential basis and up 11% year on year. This was below consensus forecasts of CHF191m. H1 2016 net result stood at CHF18.7m, also below consensus expectations of CHF21.6 mainly due to higher financial costs than expected in H1. Beyond H1, group's comments regarding mid and long term growth are reassuring and despite adjusting lower its FY16 sales anticipations, FY16 operating results forecasts remains unchanged. Overall, we do not change our view on the case and reiterate our Buy recommendation.

Adocia **RATING : BUY** **Fair Value EUR90 vs. EUR100**

Adocia announced yesterday after market close that it would not pursue the development of its BC PDGF product in wound healing for DFU (diabetic foot ulcer) after the Indian phase III trial failed to show any benefit over placebo. Although there are obvious potential biases in the way the trial was conducted in India (including a major intra-variability of results from one recruiting centre to another) and an unprecedented placebo effect in this setting, Adocia has decided to stop all further development of the drug.
