

BG SALES-TRADING MORNING DU 14/09/2016

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	18066,8	-1,4%	-0,1%	Tech Hardware	1	7,6	Chemicals	0,5	-3,6
NASDAQ	5155,3	-1,1%	0,2%	Food staples, Retail	-1	-1,6	Financial Serv.	0	-11,6
S&P 500	2127	-1,5%	0%	Semi Conducteurs	-1	14,1	Technology	-0,1	-0,7
NIKKEI	16612,8	-0,7%	-	Consumer Serv.	-1	-4,8	Healthcare	-0,3	-9,3
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Oil & Gaz	-2,9	11,8	Oil & Gas	-2,8	5,2
				Real Estate	-2,6	2,6	Basic Resources	-2,8	21,5
				Telecom Op.	-2	12,6	Insurance	-2	-19
				Materials	-1,9	7,4	Telecom	-1,9	-16,1

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%
AIR LIQUIDE SA	99,2	4,8	AIR LIQUIDE SA	99,2	4,8	PARTNERS GROUP	491	8,4
DANONE	64,9	-2	E.ON SE	6,7	-2,9	ARM HOLDINGS PLC	1700	-
CARREFOUR SA	22,2	-1,1	DANONE	64,9	-2	OCADO GROUP PLC	278	-13,7
ORANGE	13,2	-1,6	CARREFOUR SA	22,2	-1,1	AIR LIQUIDE SA	99,2	4,8
BOUYGUES SA	27,9	-2	ENI SPA	13,1	-3,3	GVC HOLDINGS PLC	725	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	99,9	0%	0,8%	€/§	1,1225	0%	3,3%	BRENT	46	0,2%	28,8%
U.S 10 ANS	98	0%	1,7%	€/¥	115,83	-0,7%	12,8%	ONCE OR (§)	1321,1	0,2%	24,5%
VIX Index	17,8		17,7%				VSTOXX Index	22,8		4%	

Economic Calendar

GB - Jobless claims change (1.8K E)
 EUZ - Industrial Prod. Jul. (-0.8%E)
 FR - CPI Aug. (+0.2% E y/y)
 US - DOE Crude Oil inventories

Dividends Calendar ex-date next day

INMARSAT \$0.2059
 WORLDPAY 0.65p (0.22%)

Ex Div today

Markets Recap (source Street account)

Asian markets are mixed in Wednesday trade. Volatility has eased with markets shrugging off the overnight sell-off in the US. BoJ policy has been a discussion point following a Nikkei report that largely repeated previous speculation officials will continue a reliance on negative rates, but adjust JGB purchases to steepen the yield curve. The yen has extended overnight weakness with the Nikkei holding fairly steady. The major financials are weighing on the index amid concerns over their profitability from the BoJ deepening negative rates.

Mainland Chinese markets are under pressure. Ahead of the Mid-Autumn Festival holidays, the PBoC fixed the yuan's midpoint lower as it continued its expansion of liquidity management via the use of 28-day reverse repos. Despite the weaker fix, the offshore yuan's premium over the onshore renminbi has widened amid another spike in the overnight HIBOR. In commodity markets oil has edged higher in post-settlement trade after API revealed a smaller-than-expected inventory build in the latest week.

US equities finished sharply lower on Tuesday. Treasuries also weaker, with the long end getting hit the hardest. The dollar was broadly stronger, and outperformed on the yen cross. Gold was down for a fifth straight session, losing 0.1%. Oil was weaker, with WTI crude settling lower by 3%.

Continued backup in interest rates in focus today as Treasuries extended recent selloff, despite some

clarity surrounding near-term monetary policy intentions. A weak 30-yr auction fueled the weakness. WSJ's Hilsenrath reaffirmed expectations for Fed to remain on hold next week. Also some clarity in regards to the upcoming BoJ meeting, with bank expected to keep negative rates as centerpiece of policy approach. Potential for further unwind in crowded positioning another topic of discussion, particularly in the reach-for-yield plays.

Corporate calendar again largely quiet outside some M&A activity. More semi consolidation with ISIL acquired by Japan's Renesas Electronics in \$3.2B deal. APC to acquire deepwater assets from FCX for \$2B. DKS reportedly could end up buying Golfsmith if it files for bankruptcy. AAPL rallied after TMUS and S reported strong iPhone 7 preorders.

All ten major sectors closed lower. Energy the worst performer, while telecom and financials also trailed the broader market. Tech the best performer and only sector to not lose more than 1%.

Stocks Factor to watch today :

FUTURES : 08h00 : CAC +0.6%, FTSE +0.3%, ES50 +0.5%, DAX +0.5%

SFR : CFO Jean raby would be replaced by Francis Vauthier Chief Controlling officer of Altice

AIR FRANCE : Airlines have been ordered to cancel 15% of their Paris Flight for 15th Sept. As air traffic controllers join a national public sector strike.

HERMES : Due to uncertain environment will no longer provide quantified sales growth forecast starting in 2017. 2016 sales growth sales target confirmed but abandons mid-term ex-currency sales growth target of 8%

ELIOR : wins contract for Copenhagen Airport

Rating & TP Changes



FAURECIA : initiated with BUY, FV EUR47 @Bryan Garnier

HELLA : initiated with BUY, FV EUR45 @Bryan Garnier

PLASTIC OMNIUM : initiated with BUY, FV EUR36 @Bryan Garnier

COMPASS : OVERWEIGHT vs. NEUTRAL, TP raised to 1580p vs. 1380 @JPM

ELIOR : TP raised to €22 vs. 21.5 @JPM

SODEXO : TP raised to €108 vs. 97.3 @JPM

NOVO NORDISK : OUTPERFORM vs. NEUTRAL @EXANE

SANOFI : NEUTRAL vs. UNDERPERFORM @EXANE

VALEO : initiated with NEUTRAL, FV EUR49 @Bryan Garnier



ASTRAZENECA : NEUTRAL vs. OUTPERFORM @EXANE

GLAXOSMITHKLINE : UNDERPERFORM vs. NEUTRAL @EXANE

SECHE ENV : TP cut to €33 vs. 34.5 @ HSBC

Technical Analysis

HIGHEST YTD : HAXAGON (HEXAb.ST), GVC (GVC.L), PARTNERS GROUP (PGHN.S)

LOWEST YTD : E.ON, ERICSSON, KPN, ORANGE, UNIBET

Downward Signals

EDF, ST GOBAIN : Stock price crossing downward 50d, 100d, 2000d MAV

Car Part Manufacturers

We are initiating coverage of the automotive sector with car components manufacturers Faurecia, Hella, Plastic Omnium and Valeo, four players present on high growth potential markets. Previously considered to be ageing and with low value added, the sector is currently entering a structurally transforming cycle for historical players in favour of more innovative and more technological groups and in favour of their “pricing power” and their margins. We initiate coverage of **Faurecia** (FV of EUR47), **Plastic Omnium** (FV of EUR36) and **Hella** (FV of EUR45) with **Buy** recommendations and **Valeo** (FV of EUR49) with **Neutral** recommendation.

Richemont

RATING : NEUTRAL

Fair Value CHF63 (+5%)

On first five months (April to August 2016), Richemont sales declined 13% at same forex, versus -10% expected by consensus, following -6% in Q4 March 2016 and -15% in April 2016 alone. H1 recurring EBIT should be down around 37%. Given this release and poor short term prospects, we remain Neutral on the stock with an unchanged CHF63 FV. Negative.

Ipsen

RATING : BUY-Top Picks

Fair Value EUR66 (+14%)

After being recommended for approval in July by the CHMP, Cabometyx is now being approved by the EU as a treatment for 2L RCC. Launch in first EU countries should take place in Q4. Although the milestone was highly expected, it is key in Ipsen’s investment case which will soon have an incremental growth driver. Ipsen will pay Exelixis USD60m. We expect the drug to reach EUR300m in sales in territories where Ipsen has responsibility. From 2016 to 2020, core EPS is expected to grow 15.5% p.a. on average >> **positive**
