

BG SALES-TRADING MORNING DU 22/09/2016

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	18293,7	0,9%	0,6%	Oil & Gaz	2,1	12,1	Banks	2	-22	
NASDAQ	5295,2	1%	1,1%	Utilities	2,1	17,1	Basic Resources	1,7	28,8	
S&P 500	2163,1	1,1%	0,8%	Transportation	1,7	5,2	Insurance	1,7	-17	
NIKKEI	16807,6	1,9%	-	Materials	1,5	8,9	Telecom	1,4	-14,6	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Household Products	-0,2	7,8	Real Estate	-0,6	-5,2	
				Banks	0,1	-5,9	Utilities	-0,6	-7	
				Food staples, Retail	0,2	-1,6	Travel & Leisure	-0,5	-14,7	
				Tech Hardware	0,6	12,4	Personal & Household	-0,4	0,7	

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%
AIR LIQUIDE SA	95,7	-0,4	AIR LIQUIDE SA	95,7	-0,4	ARM HOLDINGS PLC	1700	-
CREDIT AGRICOLE	8,8	2,9	MUENCHENER RE	167,2	1	RPC GROUP PLC	938,5	3,2
PUBLICIS GROUPE	67,2	0,2	BNP PARIBAS	46,2	2,9	SFR GROUP SA	26,8	2,6
BNP PARIBAS	46,2	2,9	DEUTSCHE TELEKOM	14,8	2	EUROFINS SCIENTIFIC	400,4	3,4
LAFARGEHOLCIM	47	2,8	ING GROEP NV	11	3,2	ALTICE NV - A	16,5	3,8

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%	€/ \$	1,1221	0,3%	3,3%	BRENT	46,1	0,2%	28,9%
U.S 10 ANS	98,7	0%	1,6%	€/ ¥	112,68	-0,4%	15,9%	ONCE OR (\$)	1333	0%	25,6%
VIX Index	13,3		-16,5%					VSTOXX Index	20,1		-2,9%

Economic Calendar

8h45 FR Business Climate
 10h00 EUZ ECB publishes Eco Bulletin
 14h30 US Intital Jobless claims (261K E)
 14h30 Continuing Claims
 15h00 US - Existing Home Sales
 16h00 US - House price index
 16h00 US - Leading Indicators Aug.(0.0% E)

Dividends Calendar ex-date next day
 LOGITECH CHF 0.554 (2.58%)

Ex Div today
 GAS NATURAL €0.26E (1.48%)
 BOVIS HOME 15p (1.7%)
 OLD MUTUAL 2.67p (1.4%)
 GALP 0.248 (2.11%)

Markets Recap (source Street account)

Asian markets are trading higher Thursday with greater Chinese equities outperforming. Regional volumes have been affected by the closure of Japanese markets for Autumnal Equinox Day. There have been more headlines on the BoJ though nothing really incremental. Initial takeaways from the new policy framework were mixed. Some expressed disappointment no additional tools were announced, while others argued the measures failed to alleviate issues around policy credibility and the potential for tapering.

The RBA and RBNZ have both been a focus this morning. The RBNZ's hold decision was widely anticipated. While again noting further easing will be required the policy statement wasn't one-sided in terms of dovishness, noting growth was consistent with central bank projections and dairy prices had firmed. In comments to parliament new RBA Governor Lowe talked up trends in Australian data, adding that inflation is expected remain low but gradually pick up amid a strengthening labor market.

US equities were sharply higher in Wednesday trading capped by a late-session melt-up rally. The Fed's decision to hold rates steady and the BoJ's shift to its policy framework were the day's primary areas of focus. Treasuries were mostly stronger, with some curve flattening. The dollar was down, particularly on the yen cross. Gold settled up 1%, but rallied after the FOMC announcement. Oil was higher on bullish inventory data, with WTI settling up 2.9%.

The FOMC held rates steady, as expected, though three participants favored to raise at this meeting. The release noted that near-term risks to the outlook appear roughly balanced, and said the case for hiking rates has strengthened. However, the majority preferred to wait for further evidence. The dot plot drifted somewhat lower.

Overnight, the BoJ announced a new framework, including a shift in focus from monetary-base to yield targeting, along with an explicit commitment to overshoot its inflation target. Elsewhere, oil remained a key focus, with crude buoyed by inventory data showing a greater-than-expected draw.

ADBE was a big gainer after meeting or exceeding most key metrics for Q3. KMX earnings were in line, but revenues and comps were weaker. VIAB guided Q4 earnings below the Street and announced management changes. FDX revenue and earnings beat. MSFT and TGT announced new buyback authorizations. Several companies moved on M&A speculation.

Energy led the market on oil's strength. Industrial and precious metals boosted materials. Construction and engineering firms led industrials. Tech was level with the tape, with hardware stronger. Biotech lagged in healthcare. Restaurants and leisure names were mixed. Banks underperformed for financials. Consumer staples trailed the market.

Stocks Factor to watch today :

FUTURES : ES50 +0.5%, DAX +0.5%, CAC +0.5%, FTSE +0.4%

NICOX : H1 net loss €24.2m vs. loss of €10.8m a year ago, H1 operating loss €12.7m vs. Loss of 10.8m a year ago. Cash equivalents and financial instruments of €12.3m as of June 30.

ERICSSON : cost measures will mean staff reductions.

Rating & TP Changes



ALTEN : TP raised to €54 vs. 52, SELL @Bryan Garnier

EUROFINS : TP raised to €400 vs. 340, SELL @Bryan Garnier

INDITEX : TP raised to 27.2 vs. 26.2 @Credit Suisse

ZURICH FINANCIAL : TP raised to 259CHF @Jefferies

STANDARD LIFE : TP raised to 391p @Jefferies

PRUDENTIAL : TP raised to 1437p @Jefferies

LEGAL & GENERAL : TP raised to 21p @Jefferies

AVIVA : TP raised to 501p @Jefferies

AXA : TP raised to € 23 @Jefferies

SAFILO : OUTPERFORM @Exane

COFACE : TP UNDER REVIEW @Bryan Garnier



EDF : TP cut to €13.6 vs. 13.8 @BUY @Bryan Garnier

AEGON : TP cut to €3.6 @Jefferies

ALLIANZ : TP cut to €161 @Jefferies

GENERALI : TP cut to €11.9 @Jefferies

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

Ubisoft

RATING : BUY

Fair Value EUR34 (-1%)

Ubisoft has announced the success of its issue of convertible bonds (OCEANEs) for c.EUR400m due 2021. Conditions were extremely favourable with a high premium of 60% (strong appetite from investors) and with no interest. It will enable the group to benefit from current very attractive market conditions, to diversify its sources of funding, extend its debt maturity, repurchase some stocks, and finance its possible future acquisitions. We maintain our Buy rating and FV of EUR34. => **Neutral**.

EDF

RATING : BUY

Fair Value EUR13,6 vs. EUR13,8

EDF announced yesterday that it was lowering, once again, its 2016 nuclear output target from 395-400TWh to 380-390TWh. This therefore leads the company to update its 2016 EBITDA guidance from EUR16.3-16.8bn to EUR16.3-16.6bn. 2017 nuclear output is expected to be between 390-400TWh while we initially stood at 415TWh. After having integrated these new parameters, we lowered our 2016 & 2017 EBITDA estimates by 1.2% and 2.0% respectively and adjusted our FV to EUR13.6 (vs. EUR13.8bn). Buy rating maintained.

Alten

RATING : SELL

Fair Value EUR54 vs. EUR52 (

We reiterate our Sell rating and raise our DCF-derived fair value to EUR54 from EUR52 on adjustments to our tax rate assumption (30% vs. 31%). In a scenario where Alten drops its "research tax credit-approved" status on R&D work done on the behalf of clients, we deem our fair value would gain EUR7-8 based on a 2ppt operating margin gain. As such, the stock is, at best, fairly valued in our view.

Spirits

Yesterday, MBWS published an EBITDA of EUR0.5m in H1, down 72% YoY. When it released its Q2 sales, the group had guided for a decline in EBITDA but this is below market expectations (EUR1.5m). It reflects higher investments behind pillar brands (William Peel, Sobieski and Fruits & Wines) and an increase in salary expense with several recruitments in the course of 2015. MBWS indicated it expects to generate an EBITDA of around EUR20m in 2016 (consensus: EUR20.6m).

Eurofins Scientific

RATING : SELL

Fair Value EUR400 vs. EUR340

Following H1 results, two recent equity issues totalling around EUR500m and organic growth still above management's 5% forecast over the past two months (organic was over 11% in H1), management has raised its target for 2016, provided guidance for 2017 and confirmed its mid-term objective to deliver revenue of EUR4bn with adjusted EBITDA margin of 20% i.e. EUR800m. Our "blue sky" scenario clearly looks increasingly more attainable than our "base case". After adopting this scenario, our FV moves to EUR400.

Coface

RATING : NEUTRAL

Fair Value Under Review

Coface is presenting today its 3-year "Fit to Win" strategic plan. No strategic surprises as the company plans to strengthen its underwriting processes and optimise its cost structure. Growth is not the key target, which is good news. Financial targets look aggressive to us at this stage, but the return to shareholders' policy is favourable. We place our fair value under review pending more details on the plan. Following a strong rally over the last few weeks, the stock is still 11 pts short of best-in-class Euler Hermes over 6 months. Yet we consider most of the outperformance is now behind us as the company will enter the most critical phase: execution.