

## BG SALES-TRADING MORNING DU 06/10/2016

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	18281	0,6%	0%	Banks	2	-4,5	Banks	1,4	-21,6
NASDAQ	5316	0,5%	-0,2%	Auto	1,7	-5,2	Insurance	1	-16,8
S&P 500	2159,7	0,4%	0%	Oil & Gaz	1,4	16,4	Oil & Gas	0,5	10,5
NIKKEI	16895,9	0,5%	-	Div. Financials	1,2	3,6	Auto & Part	0,5	-12
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Real Estate	-1,9	0	Real Estate	-2,9	-8,2
				Telecom Op.	-1,8	10	Travel & Leisure	-2,3	-15,9
				Entprises Serv	-0,5	11,8	Personal & Household	-2,1	1,3
				Food Bev & Tobacco	-0,4	5,2	Utilities	-2,1	-7,9

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%	
UNIBAIL-RODAMCO SE	227,9	-4,1	UNIBAIL-RODAMCO SE	227,9	-4,1	TESCO PLC	207,1	9,8	
CAPGEMINI	87,1	-1,8	AXA SA	19,6	3,3	DCC PLC	7220	0,7	
AXA SA	19,6	3,3	ENGIE	13,4	-1,7	ARM HOLDINGS PLC	1700	#N/A	N/A
ENGIE	13,4	-1,7	ENEL SPA	3,8	-1,6	NN GROUP NV	28	3,4	
PEUGEOT SA	14,2	2,2	BNP PARIBAS	47,6	3,4	SFR GROUP SA	25,4	-4,4	

**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				DEVISES				MAT. PREMIERES			
Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,8	0%	0,8%	€/ \$	1,1195	-0,1%	3%	BRENT	50,2	0%	40,5%
U.S 10 ANS	98,1	-0,1%	1,7%	€/ ¥	116	0%	12,6%	ONCE OR (\$)	1265	0,2%	19,1%
VIX Index	13		-4,7%	VSTOXX Index	19,4		1,2%				

### Economic Calendar

08h00 DE Factory orders (+1.6% y/y E)  
 09h15 CH - CPI EU harmonized Sep. (0.0% y/yE)  
 10h10 EUZ retail PMI Sep.  
 14h30 US Initial Jobless claims Oct.  
 14h30 US - continuing Claims.  
 14h45 EIA Natural Gas report

### Dividends Calendar ex-date next day

HUSQVARBA (HUSQB.ST) SEK1.1 (1.46%)

### Ex Div today

BRITISH LAND 7.3p (1.16%)  
 AVIVA 7.42p (1.66%)  
 SKY 20.95p (2.27%)  
 KINGFISHER 3.25p (0.84%)  
 WPP 19.55p (1.06%)

### Markets Recap (source Street account)

**Asian equities are higher on Thursday.** It has been another subdued session, both in terms of trading activity and volumes, as mainland China remains closed for National Day celebrations. Energy stocks are once more underpinning the Hang Seng following continued strength in oil. A weaker yen is lending further support to the Nikkei, which is up for a fourth session this week.

**Regional yields are higher with Aussie and New Zealand bonds under pressure.** The moves mirror a similar backup in yields overnight where ECB tapering talk is playing into suggestions central banks are facing policy exhaustion. Speeches by Richmond Fed President Lacker (non-voter) and Vice Chair Fischer earlier this morning didn't really touch on the current policy outlook. It has been a relatively quiet day on the economic calendar.

**US equities closed higher today.** Treasuries were weaker across the curve, with yields rising for the

fourth consecutive day. The dollar was little changed, though it outperformed on the yen cross. Gold was down 0.1%, adding to yesterday's ~3.3% decline. Oil resumed its post-OPEC advance, helped by US inventory draws. WTI settled up 2.3%.

**While today was a quiet session overall, several data releases seemed to bring market consensus more in tune with the idea of a December rate hike.** The September ISM nonmanufacturing report came in well above consensus. ADP payrolls were slightly weaker than expectations, but the commentary was generally upbeat. Chicago Fed President Evans said rates "may well be changing soon."

**The WSJ reported TWTR is expected to field bids this week, with CRM a frequently mentioned suitor.** MU beat, though there was some focus on disappointing guidance. STZ beat and raised. MON earnings were ahead of consensus. AYI missed on earnings and revenues. ACIA positively preannounced. ASNA announced a restructuring.

**Defensive sectors were down again today.** Utilities posted its ninth consecutive decline. Managed-care firms underperformed for healthcare. Restaurants were weaker overall. Networking and communications companies helped tech. Road and rail companies outperformed. Industrial metals were better. Energy was up on oil's rise. Banks rallied again in financials.

### Stocks Factor to watch today :

**FUTURES 08h00** : ES50 +0.2%, DAX +0.2%, CAC +0.2%, FTSE +0.2%

**BREXIT** : Merkel's Brexit warning (FT Article) . Ms Merkel explained that she had at first wavered over this issue. But she was now convinced there was no alternative. She agreed with Mr Hollande. Any special deal would be dangerous. Giving up the union's principles would threaten the existence of the EU itself. According to one guest at the table, Mr Juncker then intervened in slightly theatrical fashion: "all of you here should listen very carefully to what the president of the French Republic and German Chancellor just said."

**AIR FRANCE** : successfully placed a 6 year bond for 400m euros

**BIOMERIEUX** : Introduces EviSight Compact a new automated diagnostic solution for microbial direction in pharma prod.

**SHIRE** : patent trial and appeal board upholds validity of LIALDA patent

**GENMAB** : Phase 3 pollux study primary endpoint

### Rating & TP Changes



**TESCO** : FV 170p vs. 166, SELL @Bryan Garnier

**KERING** : FV €193 vs. 185, BUY @Bryan Garnier

**KERING** : FB raised to €200 vs. 195 ^JPM

**ABLYNX** : TP raised to €21, BUY @Jefferies

**VESTAS** : initiated at OVERWEIGHT, TP DKK640 @JPM

**SCHNEIDER** : BUY vs. NEUTRAL @Goldman



**PRADA** : NEUTRAL vs. BUY @CITI

### Technical Analysis



**MAN, UNITED UTILITIES GROUP (UU.L)** : stock price crossing downward 50d, 100d, 200d MAV

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

Tesco

RATING : SELL

Fair Value 170p vs. 166p

We were impressed by Tesco's management whose strategic options were fully validated in H1, judging from operating results (+104bp improvement in the UK&ROI margin!). This performance deserves applause! However, until the upcoming investor day (16th November), when the plan will be detailed, it is difficult to form a solid opinion on Tesco's ability to deliver a 3.5-4% group margin by 2019/20. And at this stage, with all due respect, we can only conclude that promises only bind those who believe in them.

**Kering** **RATING : BUY** **Fair Value EUR193 vs. EUR185**

Kering will release its Q3 sales on October 25th (after market closure). Revenues should grow 7% organically of which +6.6% for Luxury division, which highlights some acceleration versus Q2 (+5.2%) and H1 (+4%). Gucci momentum should again accelerate in Q3. Ahead of this publication, we revise up our EBIT estimates by almost 3% and consequently our Fair Value from EUR185 to EUR193. Positive

**Dialog Semiconductor** **RATING : BUY** **Fair Value EUR37**

Dialog published a short press release to announce preliminary Q3 2016 revenue of USD345m, i.e. 13% above consensus expectations at USD305m (BG ests. Q3 2016 revenue of USD304.7m). This revenue level is also 13% above the mid-range of Dialog's July guidance for Q3 revenue in the range of USD290m and USD320m. The group explains that the higher than expected revenue in Q3 is partially the result of a delivery date pulled forward into Q3 while originally expected to be shipped in Q4. We believe the stock is poised to react positively today. But we also remind that on a 3-month period, the stock performance was +33% leading us to believe that a part of the positive newsflow has been priced in already.

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