

BG SALES-TRADING MORNING DU 07/10/2016

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	18268,5	-0,1%	0%	Materials	0,8	9,5	Banks	0,6	-21,1
NASDAQ	5306,9	-0,2%	0%	Semi Conducteurs	0,5	22	Chemicals	0,1	-1,5
S&P 500	2160,8	0%	0%	Banks	0,4	-4,1	Oil & Gas	0	10,5
NIKKEI	16849,7	-0,3%	-	Household Products	0,4	8,6	Insurance	-0,1	-17
SECTEURS S&P : WORST PERFS.					SECTEURS STOXX : WORST PERFS				
				S&P	Var %	YTD	STOXX	Var %	YTD
				Auto	-0,7	-5,9	Real Estate	-2	-10
				Food staples, Retail	-0,6	-4,5	Telecom	-1,6	-17,2
				PHARMA.	-0,6	-3,2	Utilities	-1,2	-9
				Div. Financials	-0,5	3,1	Travel & Leisure	-1,1	-16,8

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	222,1	-2,5	BANCO BILBAO VIZCAYA ARGENTA	5,5	0,8	ARM HOLDINGS PLC	1700	#N/A	N/A
AXA SA	20,1	2,4	UNIBAIL-RODAMCO SE	222,1	-2,5	EASYJET PLC	933,5	-6,9	
BNP PARIBAS	48,6	2	AXA SA	20,1	2,4	OSRAM LICHT AG	60	10,4	
KERING	187,3	0,8	NOKIA OYJ	4,9	-3,5	FASTIGHETS AB BALDER-B SHRS	207,9	-3,7	
ACCOR SA	33,9	-1,6	DEUTSCHE TELEKOM AG-REG	14,5	-2	DIALOG SEMICONDUCTOR PLC	37	7,3	

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	99,8	0%	0,9%	€/§	1,1124	-0,6%	2%	BRENT	51,1	-0,2%	42,8%
U.S 10 ANS	97,9	0%	1,7%	€/¥	115,63	0,3%	12,9%	ONCE OR (§)	1252,4	-1,2%	17,9%
VIX Index	12,8							VSTOXX Index	19,2		

Economic Calendar

9h45 FR Industrial Production
 10h30 GB Industrial Prod. Aug. (1.3% E)
 14h30 US unemployment rate (4.9% E)
 14h30 US Change in Household employment Sep.
 16h00 US Wholesale inventories aUG.
 19h00 US Baker Hughes Rig count Oct.

Dividends Calendar ex-date next day

Ex Div today
 HUSQVARNA

SEK1.1 (1.46%)

Markets Recap (source Street account)

Asian markets are trading lower on Friday. Momentum in futures markets turned negative amid a spike in pound volatility earlier this morning. Sterling came under pressure (down as much as 10% at one stage), before retracing its losses. There was nothing specific behind the move, which was linked to a combination of algos, thin volumes and the possibility of a fat finger incident. French President Hollande also said the EU should prepare for a 'hard Brexit' outcome.

The dollar-yen gave back some of its overnight gains, coinciding with a flat move in the Nikkei. PM Abe adviser, and known easing advocate, Etsuro Honda, called on the BoJ to boost stimulus in November. Despite the headlines around Honda's comments, a bigger focus for dollar-yen lies in how tonight's US nonfarm payrolls shapes the Fed policy outlook. According to Bloomberg, futures are currently pricing in

a 64% chance of December hike.

China has been another focus after PBoC data showed a faster decline FX reserves last month, which seemingly played into concerns around capital outflow pressures (the PBoC was speculated to have intervened last month in a bid to preserve yuan stability). Speaking at an IMF gathering PBoC Deputy Governor Yi voiced confidence in China's growth outlook. The Hang Seng is slightly lower as mainland markets remain closed for National Day celebrations. Elsewhere bond proxies are leading the ASX lower amid another increase in sovereign yields.

US equities were little changed in Thursday trading. Treasuries were weaker for the fifth consecutive day, with the curve steepening. The dollar was notably stronger, particularly on the sterling cross. Gold fell, also for the fifth consecutive session, settling down 1.2%. Oil was higher, with WTI settling up 1.2% and finishing over \$50/barrel for the first time since June.

It was a quiet session overall, with the markets looking ahead to tomorrow's nonfarm payrolls report for the next clue about the Fed's rate trajectory. Consonant with the theme of strengthening labor markets, initial jobless claims hit their second-lowest mark since 1973. Markets were boosted after the ECB's Constancio said reporting about QE tapering was nothing more than rumor. Hurricane Matthew strengthened to a Category 4 and began impacting eastern Florida.

TWTR was lower as GOOGL, AAPL, and DIS reportedly will not bid for the company, though CRM remains a potential suitor. Comps were better at ZUMZ and LB, but weaker at FRED and BKE. MET announced the separation of its US life business would take the form of a spin-off. LRCX and KLAC called off their merger.

Materials led the market, helped by strength from paper names. Semis led in tech. Crude's rise helped energy. Financials were in line, but banks were higher. Retailers were better. Utilities logged their tenth consecutive decline. Road and rail firms weighed on industrials. Healthcare trailed, with pharma and biotech underperforming.

Stocks Factor to watch today :

FUTURES 08h00 : ES50 -0.2%, DAX -0.3%

EDF : raised 2.5bn euros in 2 tranches, 10years green bond and 20 years

BREWERS : SABECO and HABECO, top Vietnam's brewers will be listed on exchanges, no strategic stake sale being considered for now. KIRIN, THAI BEV, AB INBEV, HEINEKEN expressing interest in brewers' stake sale.

TOTAL : CARLYLE is seen as the favourite bidder for the sale of ATOTECH, TOTAL's specialty chemicals and equipment. (LES ECHOS)

ASTRAZENECA : Divests rights to RHINOCORT AQUA outside US, the sale won't impact 2016 GUIDANCE

Rating & TP Changes



ALTICE : FV raised to €19 vs. 16.5 BUY @Bryan Garnier

SFR : TP raised to €29.7 vs. 28.7 , NEUTRAL @ Bryan Garnier

KERING : TP raised to €195 vs. 185 @Barclays

J. MARTINS : TP raised to €17.5 vs. 16.5 @JPM

DASSAULT SYSTEMES : TP raised to €74 vs. 67 @UBS

CAPGEMINI : TP raised to €100 vs. 96 @UBS

ATOS : TP raised to €107 vs. 94 @UBS

DIALOG SEMI : raised to OVERWEIGHT vs. EQUAL WEIGHT @Morgan Stanley



LUXOTTICA : TP cut to €51 vs. 55@RJ

EDENRED : NEUTRAL vs. BUY @UBS

HUGO BOSS : TP cut to €46 vs. 48 @UBS

Technical Analysis

HIGHEST YTD : VASF, CNP ASS, HEIDELBERCEMENT, INFINEON, KERING, SAFRAN, SOLVAY, STM, TECHNIPP, VALEO, ZALANDO

LOWEST YTD : ADP, E.ON, INGENICO, LUXOTICA,

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

Saint-Gobain

RATING : BUY

Fair Value EUR46

Earlier this week, we organised a roadshow with Saint-Gobain. The company remains cautious regarding France, but admits new builds have started to positively impact the business and this underlies craftsmen's order books which have increased in 2016. The comparison basis should improve in Pipes, while Emerging Markets are remarkably resilient. Q3 on 27/10. Positive.

Altice

RATING : BUY

Fair Value EUR19 vs. EUR16,5

We believe the risk profile of the company has lowered over the past two quarters, for the conjunction of three reasons: market conditions on the debt side, confirmation of positive outlook at the US and international level, expected return of EBITDA growth at the France level and enhanced cost cutting initiatives offsetting medium term topline pressure. We maintain our Buy recommendation and increase our Fair Value to EUR19 from EUR16.5.
