

BG SALES-TRADING MORNING DU 12/10/2016

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	18128,7	-1,1%	-0,2%	Telecom Op.	-0,2	9,7	Personal & Household	0,7	0,4
NASDAQ	5246,8	-1,5%	-0,3%	Food staples, Retail	-0,4	-5,4	Travel & Leisure	0,5	-18,8
S&P 500	2136,7	-1,2%	-0,2%	Tech Hardware	-0,5	13,6	Food & BeV	0,1	-1,7
NIKKEI	16848,8	-1%	-	Household Products	-0,5	7,5	Telecom	0	-17,5
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				Health Equip.	-2,6	3,7	Basic Resources	-2,1	35,6
				PHARMA.	-2,4	-5,3	Oil & Gas	-1,5	10,9
				Semi Conducteurs	-1,9	19,2	Technology	-1,3	1,4
				Div. Financials	-1,3	2,1	Const. & Materials	-1,2	3,5

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%
LVMH MOET	164,1	4,5	LVMH MOET	164,1	4,5	VICTREX PLC	1753	8,1
PEUGEOT SA	13,1	-3,8	BBVA	5,6	3			
KERING	191	1,5	UNIBAIL-RODAMCO	219,4	-0,7	BABCOCK INTL GROUP	1000	1
UNIBAIL-RODAMCO	219,4	-0,7	BNP PARIBAS	48,6	-1,1	NIBE INDUSTRIER AB-B	69	-1,9
BNP PARIBAS	48,6	-1,1	AIRBUS GROUP SE	53	-2,4	RIGHTMOVE PLC	4052	0

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%	€/ \$	1,1045	-0,1%	1,7%	BRENT	51,2	0,1%	43,1%
U.S 10 ANS	97,5	-0,1%	1,8%	€/ ¥	114,47	-0,1%	14,1%	ONCE OR (\$)	1254,8	0,2%	18,2%
VIX Index	15,4		14,8%				VSTOXX Index	19,9		3,2%	

Economic Calendar

8h00 JP - Machine Tool orders Sep.
 11h00 EUZ - Industrial Prod. Aug.(1.0% E)
 11h00 CH - Zew Survey
 20h00 US - Fed releases minutes from Sept. 20-21 FOMC Meeting
 14h00 US - Fed's W. Dudley speaks on U.S. Eco

Dividends Calendar ex-date next day

CENTRICA 3.6p (1.56%)
 HAYS 1.99p (1.46%)

Ex Div today

ENGIE €0.55 (3.68%)
 DNXCORP (DWP.PA) €0.56 (9.03%)

Markets Recap (source Street account)

Asian markets are trading lower on Wednesday. Risk sentiment is mildly downbeat following overnight weakness in the US. Focus continues to be on FX markets where the dollar has given back some of its recent strength. A rebound in Sterling has been linked to reports the UK Prime Minister May is prepared to allow MPs a greater say over the Article 50 exit process.

A stronger yen has posed an added headwind for the Nikkei earlier, however the index has since come off its opening lows. Comments by BoJ Governor Kuroda and board member Harada both reiterated scope to ease further if needed. The Hang Seng is leading Chinese markets lower. Property developers are under pressure after government officials recently flagged increased concerns over Chinese real estate. The HKD's peg to the dollar remains another go-to-excuse for the weakness amid rising Fed rate hike expectations.

Mining and energy stocks are weighing on the ASX, though rate sensitive sectors have seen some reprieve despite Aussie yields moving higher again. Elsewhere Treasury yields have steadied after backing up yesterday. Following a recent barrage of Fed commentary, there is speculation the

September FOMC minutes (out this week) will also lean hawkish. Recall futures were pricing in a ~70% chance of December hike.

US equities finished sharply lower on Tuesday. Treasuries were weaker across the board. The dollar was stronger overall, though weaker on the yen cross. Gold lost 0.4%. Crude oil was lower, with WTI settling down 1.1%.

No clear catalyst drove the downside today, though the continued backup in rates and strengthening dollar were widely cited as overhangs. Also some cautious sell-side commentary on valuations. Political uncertainties another area of focus, with certain industries potentially impacted if Democrats are able to take control of Congress. Elsewhere, sterling continued its move lower on "hard Brexit" concerns, Fed's Evans reiterated his dovish stance, and LMCI for September was weaker than expected.

Corporate activity picked up with a few preannouncements and M&A developments. FAST and AA both fell after reporting results. ILMN and HZNP with negative preannouncements. CRM reportedly still considering TWTR bid. VZ said it will not scrap YHOO deal, but assessing breach impact. Samsung to permanently discontinue its Galaxy Note 7 smartphone.

All major sectors closed lower today, with the majority down more than 1%. Healthcare the worst performer, losing more than 2.5%. Telecom and consumer staples held up the best.

Stocks Factor to watch today :

FUTURES 08h00 : ES50 flat, DAX +0.1%, CAC flat, FTSE flat.

TECHNIP: awarded important contract for Dvalun subsea dev., installation will be carried out in 2018 and 2019.

PANDORA: goes online in China on ALIBABA's

ABLYNX: announces second extension of its ion channel research collaboration with MERCK & Co.

SHIRE PLC: will integrate NASDAQ 100 & NASDAQ 100 Equal Weighted index prior to market open on 19th Oct.

Rating & TP Changes



TRANSGENE: FV raised to €5 vs. 4.5 @Bryan Garnier

BOUYGUES : started with BUY rating, FV €35 @Bryan Garnier

LVMH: FV raised to €180 vs. 171, BUY @Bryan Garnier

LVMH: TP raised to €175 vs. 165, EQUAL WEIGHT @Barclays

LVMH: TP raised to €182 vs. 170, BUY @UBS

LVMH: TP raised €185 vs. 175, OVERWEIGHT @JPM

BURBERRY: TP raised to 1800p vs. 1650, BUY @UBS

ABINBEV: Reinstated with OUTPERFORM, €130 @Credit Suisse

SHIRE: TP raised to 6200p vs. 6000, BUY @DBK

GLAXOSMITHKLINE: TP raised to 1870p vs. 1800, HOLD @ DBK

J. MARTINS: TP raised to 11.5€ vs. 11, UNDERWEIGHT @Barclays

WIRECARD: TP raised to €58 vs. 53.4, BUY @Berenberg



LUXOTTICA: TP cut to €42 @Citi

ACCOR: TP cut to €30.5 vs. 30.8, UNDERPERFORM @Credit Suisse

SAGE GROUP: TP cut to 690p vs. 600, SELL @Bryan Garnier

Technical Analysis

HIGHEST YTD : BURBERRY, DIOR, KERING, LVMH, SARTORIUS, TATE & LYLE,

LOWEST YTD : CAPITA, INGENICO, JCDECAUX, NOVO NORDISK

Upward Signals

PLASTIC OMNIUM : 50d MAV crossing upward 200d MAV

TESCO : 50d MAV crossing upward 200d MAV

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

Bouygues	RATING : RATING Coverage initiated	Fair Value EUR35 (+19%)
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We are initiating coverage of Bouygues with a BUY recommendation and a fair value of €35. In our view the current share price factors in the reassuring outlook for Bouygues Telecom but under-estimates the positive trends linked to the construction activities. Supported by these two activities, Bouygues should return to FCF generation of around €900m by 2019. Without taking into account a possible consolidation move for the telecoms market in France.

LVMH	RATING : BUY	Fair Value EUR180 vs. EUR171
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During the yesterday conference call, LVMH management gave more information on 9m sales performance. The most important information from this conference call is the 10% revenues increase in Asia Pacific in Q3 alone vs +3% in Q2, furthermore Louis Vuitton sales were up 7% during the quarter. All these informations lead us to revise up our 2016 EBIT by 4%, hence our new EUR 180 Fair Value vs EUR171 previously. Positive

Transgene	RATING : CORPORATE	Fair Value EUR5 vs. EUR4.5
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The company announced yesterday the inking of a collaboration agreement with PFE/MRK to evaluate TG4001 in combination with their anti-PD-L1 (avelumab) in patients suffering from HPV+ head and neck cancer. We stand for a cautious optimism (we see strong theoretical synergies between the two approaches; but many other promising cocktails are being evaluated), but we raise our FV from EUR4.5 to EUR5.0 after having included the outlook associated with this novel combo.

Sage Group	RATING : SELL	Fair Value 690p vs. 600p
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We reiterate our Sell rating but increase our DCF-derived fair value to 690p from 600p on an upward revision of our adj. EPS ests. due to changes in our fx assumptions (+40p), and the roll-over of our DCF model to FY17 (+50p). Sage, which generates an est. 78% of its sales in foreign currencies, has benefited from the depreciation of the GBP since June. However, we consider a Neutral or a Buy rating could be justified only if the GBP drifts further, notwithstanding the fact we do not expect other catalysts short-term.
