

BG SALES-TRADING MORNING DU 17/10/2016

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	18138,4	0,2%	-0,2%	Semi Conducteurs	0,9	18,8	Banks	2,2	-21,7
NASDAQ	5214,2	0%	-0,1%	Div. Financials	0,8	2	Const. & Materials	2,1	4,9
S&P 500	2133	0%	-0,1%	Entprises Serv	0,7	10,7	Utilities	1,8	-8,7
NIKKEI	16905,8	0,3%	-	Insurance	0,5	5,7	Retail	1,8	-10
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS		
				S&P	Var %	YTD	STOXX	Var %	YTD
				PHARMA.	-0,9	-6,8	Real Estate	0,6	-10,3
				Consumer Serv.	-0,6	-5,3	Basic Resources	0,7	34,4
				Utilities	-0,6	10,2	Technology	0,7	-1,8
				Oil & Gaz	-0,4	14,7	Healthcare	0,8	-10,8

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%
CAPGEMINI	81,1	-1,6	L'OREAL	167,9	3,2	DOMINO'S PIZZA	330,4	-3,1
L'OREAL	167,9	3,2	E.ON SE	6,8	3,3	MAPFRE SA	2,6	2,1
LVMHI	166,8	2,3	LVMH MOET	166,8	2,3			
NOKIA OYJ	4,5	1,4	UNILEVER NV-CVA	39,4	-0,2	SYNGENTA AG-REG	411,7	-2,1
BOUYGUES SA	30,1	2,9	AB INBEV SA/NV	117,2	2,4	MAN GROUP PLC	123,7	13,8

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

Taux U.S	Valeur	Var%	Yld	Devises	Valeur	Var%	YTD	Mat. Prem	Valeur	Var%	YTD
U.S 2 ANS	99,9	0%	0,8%	€/§	1,0983	0,1%	1,1%	BRENT	50,3	-0,2%	40,6%
U.S 10 ANS	97,4	0,1%	1,8%	€/¥	114,47	-0,1%	14,1%	ONCE OR (§)	1254,8	0,3%	18,2%

VIX Index

16,1

-3,4%

VSTOXX Index

19,5

-7%

Economic Calendar

11h00 EUZ - CPI (0.4% E)

14h30 US - Empire Manuf. Oct. (1E)

15h15 US - Industrial Prod. Sep. (0.2% E)

15h15 US - Capacity Utilisation Sep. (0.2% E)

Markets Recap (source Street account)

Asian markets are mostly flat on Monday. The subdued trading follows similarly lackluster gains in the US on Friday and a very quiet weekend of newsflow. The Nikkei is struggling for direction with the yen holding steady after its recent weakness. There was nothing new from a speech by BoJ Governor Kuroda, who reiterated a preparedness to take action if needed as core inflation was seen remaining near zero for the time being.

Greater Chinese markets are mixed. Casino operators are weighing on the Hang Seng after employees from ASX-listed Crown Resorts were detained by Chinese authorities late last week. The offshore yuan fell to its lowest against the dollar since early January as the PBoC fixed midpoint lower again. Following last week's disappointing trade numbers, mainland media have talked up the prospects for a more proactive fiscal policy in Q4.

There have been some outsized moves in regional bonds with Aussie and NZ yields backing up again. This follows a Fed-related backup in Treasury rates on Friday and comes after the RBA's warning on the housing market played into expectations US equities finished slightly higher on Friday. Treasuries were mostly weaker with the curve steepening as the long end sold off. The dollar was broadly stronger. Gold lost 0.2%. Oil was also slightly weaker, with WTI crude settling down 0.2%.

Major indexes gave up the majority of their opening gains and closed near the lows of the session. No single catalyst, though stronger dollar and backup in rates cited as headwinds. China a positive for global

risk sentiment overnight after PPI came in positive for the first time in 55 months. A busy round of economic data in focus in the US, along with some fedspeak and bank earnings. Retail sales largely in line, though control group missed and led to downward Q3 GDP revisions. Consumer sentiment softer, while PPI a bit stronger than expected. Nothing of note from Yellen's speech this afternoon.

Bank earnings off to a good start following results from JPM, C and WFC. Elsewhere on the corporate slate, HPQ weaker on guidance. INFY hit after lowering revenue guidance again. TWTR sold off after CRM ruled out bid.

Sector performance was mixed today. Five of the ten major sectors closed higher, with financials and tech the best performers. Defensive sectors lagged with the continued backup in yields. Healthcare and utilities the worst performers.

surrounding the potential for more central bank easing.

Stocks Factor to watch today :

FUTURES 08h00 : CAC -0.4%, FTSE -0.3%, Es50 -0.5%, DAX -0.4%

PSA : plans to cut more than 2000 jobs in France in 2017 (Presse)

TOTAL : European refining margin indicator was \$25.5 per tonne in Q3 2016 vs. \$35 /tonne in Q2

AIRBUS : GArmany's Air Force will get an Airbus A400M

VOLTALIA: raised 170m euro through a free allotment of warrants to its shareholders.

VIRBAC: Q3 revenue rose to 216.3m euro vs. 213.7 a year ago.

BIOMERIEUX : to contest lawsuit over Lyme sickness tests

MORPHOSYS: presents updated clinical results for MOR202

Rating & TP Changes



DIAGEO: TP raised to 260p, BUY @*Jefferies*

SAGE: TP raised to 540p vs. 475 @*Barclays*

TEMENOS: TP raised to CHF60 vs. 54 @*Barclays*

DIA: started with BUY, TP €6.2 @*DBKK*

TELECOM ITALIA : raised to EQUALWEIGHT vs. UNDERWEIGHT @*Barclays*.

GRIFOLS : started with NEUTRAL, FV €20 @*Bryan Garnier*



SOBI: Started with SELL, FV SEK90 @*Bryan Garnier*

NOVO NORDSK: TP cut DKK305 vs. 380 @ *Credit Suisse*

SANOFI: TP cut to €82 vs. 100 @*Credit Suisse*

Technical Analysis

HIGHEST YTD : DIOR, COVESTRO, EUROFINs, IMERYS, J. MARTINS, KERING, LVMH, RUBIS, SARTORIUS, SBM OFFSHORE, TATE & LYLE, WOLSELEY

LOWEST YTD : ERICSSON,

Upward Signals

IBERDROLA : Stock Price crossing upward 50d, 100d, 200d MAV

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

Shire PLC

RATING : BUY-Top Picks

Fair Value 6900p

We still consider that the market underestimates the resilience of Shire's haemophilia franchise, and consequently, its EPS growth in coming years (CAGR 2015-18 CAGR of +15%). We also reiterate our BUY recommendation as 1/ the share remains one of the cheapest in the sector in Europe (2017e P/E of 13x vs. 17x for peers) and that 2/ newsflow associated with Lifitegrast and DX2930 should reassure the market as to the group's ability to manage the decline in Feiba (Haemophilia A with inhibitors).

Grifols	RATING : NEUTRAL Coverage initiated	Fair Value EUR20
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We are initiating coverage of Grifols with a Neutral recommendation and a Fair Value of EUR21. The company is far from lacking in qualities but 1/ its valuation looks demanding (2017e P/E of 20x), and 2/ forthcoming newsflow is not particularly exciting (readout in Alzheimer's, clinical announcements by rivals in haemophilia and immunoglobulins). Hence our caution...

SOBI	RATING : SELL Coverage initiated	Fair Value SEK90
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We are initiating coverage of SOBI with a Sell recommendation and a FV of SEK90. Although our EPS estimates are generally positive, they are noticeably lower than the consensus figures, especially due to our caution concerning Eloctate/Elocta... Or at least until its potential in "desensitisation" of patients with inhibiting antibodies has been confirmed. Pending this, we consider that forthcoming quarterly publications are likely to result in sharp cuts to earnings forecasts.

Software AG	RATING : BUY	Fair Value EUR40
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We reiterate our Buy rating after the 9% share price fall consecutive to the slippage of strategic deals from late September to early October: 1) Software AG remains on the right trajectory to achieve FY16 guidance, probably at the top-end for non-IFRS operating margin; 2) the signing of an increasing number of large strategic deals shows that the Digital Business Platform (DBP) is increasingly at Boards of Directors' agenda; 3) execution keeps improving in sales and Consulting.

Voltaia	RATING : BUY	Fair Value Under Review
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French renewable company Voltaia announced this morning it is launching an EUR170m capital increase to help funding its ambitious growth strategy which should enable the company to reach 1GW of installed capacities by 2019. Other key objective of the rights issue will be to enlarge the company's free-float which is still rather limited for now (about 7%). Voltaia Investissement (owned by the Mulliez family) is expected to see its stake decreasing from 85% to about 70% which should lead to a 22% free-float.