

## BG SALES-TRADING MORNING DU 19/10/2016

### 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	18161,9	0,4%	-0,2%	Health Equip.	2,3	5,1	Basic Resources	2,8	37,6	
NASDAQ	5243,8	0,8%	-0,4%	Semi Conducteurs	1,3	19,6	Banks	2,4	-19,9	
S&P 500	2139,6	0,6%	-0,2%	Banks	1,1	-4,7	Travel & Leisure	2,3	-17,9	
NIKKEI	17005,2	0,2%	-	Spec. Retail	1,1	4,8	Retail	2	-9,4	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Household Products	-0,3	6,8	Auto & Part	0,5	-13,5	
				Consumer Serv.	-0,2	-6,6	Food & BeV	0,6	-1,9	
				Insurance	0,1	5,6	Chemicals	1,1	-1,8	
				Auto	0,1	-9,6	Oil & Gas	1,1	11,9	

### 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%
DANONE	63,7	-0,2	DANONE	63,7	-0,2	GETINGE AB-B SHS	166,5	6,3
CAPGEMINI	83,6	3,8	IBERDROLA SA	6,1	1,5	BUREAU VERITAS SA	17,9	-2,7
PERNOD RICARD SA	106,4	1,7	INDITEX	32,2	0,6	KUEHNE & NAGEL INTL	133,6	-2,6
NOKIA OYJ	4,6	1,5	BBVA	5,9	3	MELROSE INDUSTRIES	176,8	1,1
SODEXO	105,2	2,5	ABUSCH INBEV SA/NV	116,4	-0,1	BURBERRY GROUP PLC	1403	-7,2

**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	99,9	0%	0,8%	€/\$	1,0978	0%	1,1%	BRENT	50,4	0,1%	41%
U.S 10 ANS	97,8	0%	1,7%	€/¥	113,87	0,2%	14,7%	ONCE OR (\$)	1261,7	-0,1%	18,9%

VIX Index	15,3	-5,7%	VSTOXX Index	19,1	-7,5%
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### Economic Calendar

CNY - GDP 3Q (6.7% =)

10h30 GB - Jobless claims change Sep.

14h30 US - Housing Starts Sep. (2.9% )

14h30 US - Building permits Sep. (1.1%)

16h30 US - DOE oil inventories

### Dividends Calendar ex-date next day

### Ex Div today

BAE SYSTEM	8.6p (1.58%
CAPITA	0.1\$
SMITHS GROUP	28.75p (1.9%)

### Markets Recap (source Street account)

**Asian markets are trading mixed on Wednesday.** Activity has been surprisingly subdued despite an elevated focus on today's batch of Chinese economic data. Highlighting the uneventful trading, no major index has moved more than half a percent so far today.

**There were few surprises and limited market spillover from the latest China data.** An in-line Q3 GDP read matched the growth of the previous two quarters. Meanwhile the September activity data came in mixed. Real estate investment helped drive growth in fixed asset investment, with the government also boosting fiscal expenditure that month. While industrial production growth slowed, steel output expanded at a faster pace.

**There were contrasting takeaways from yesterday evening's Chinese credit data.** A sharp rise in new loans last month coincided with a surge in both new home sales and household credit. The data also fit with concerns around the extent to which growth is being driven by credit, after corporate lending rose to its highest in six months.

**In other developments oil has risen in post-settlement trade after the API revealed a surprise crude inventory drawdown in the latest week.** In FX markets, the kiwi has moved higher after dairy prices lifted again in the overnight GDT auction. Meanwhile US earnings reports have continued to trickle through. Yahoo!'s bottom line came in above consensus while Intel's revenue guidance underwhelmed.

**US equities closed higher today.** Treasuries were stronger across the curve. The dollar was stronger against the euro but weaker on the sterling cross. Gold finished up 0.5%. Oil was higher on a fairly quiet day of crude headlines. WTI settled up 0.7%, climbing back above \$50/barrel.

**There were few macro drivers in play today, with the focus largely on the ramp in Q3 earnings reports.** September CPI rose in line with consensus, but growth in core prices slowed compared to August levels. Overseas, there was some attention to UK inflation data and reports MPs may get to vote on a final Brexit deal. The US presidential race was largely quiet ahead of tomorrow's final debate.

**Earnings reports drove the lion's share of the price action today.** NFLX was a strong gainer on better-than-expected subscriber data. UNH beat and raised guidance. FICC was a bright spot for GS. PM saw more favorable FX and a stronger price mix. IBM beat but margins were weaker. GWW missed on GM and lowered its Q4 guidance range.

**Managed care and biotech boosted healthcare.** Chemicals helped materials. Banks were mostly better. Semis led tech. Homebuilders were stronger. E&Ps were largely weaker. Grocers were mixed in consumer staples. Machinery underperformed in industrials.

#### Stocks Factor to watch today :

**FUTURES 08h00 :** ES50 +0.1%, DAX -, CAC +0.1%, FTSE +0.2%

**CARREFOUR :** CEO says market consensus for 216 EBIT can be reached. Solid growth sales in 3Q 16

**TECHNIP :** awarded contract to supply furnaces in an ethylene plant in Russia

**EDENRED:** aims to pay dividend at least 80% of group net profit

**RALLYE:** selle €200m bonds due Feb 2022, bonds exchangeable into CASINO Shares.

#### Rating & TP Changes



**DANONE: TP raised to €70 vs. 65, NEUTRAL @Bryan Garnier**

**IPSEN : TP raised to €72 vs. 67, BUY @Bryan Garnier**

**BURBERRY : TP raised to 1450p vs. 1350, EQUAL WEIGHT @Barclays**

**BURBERRY : TP raised to 1735p vs. 1725, BUY @Berenberg**

**PANDORA: OVERWEIGHT vs. EQUAL WEIGHT @Morgan Stanley**

**REMY COINTREAU: TP raised to €82 vs. 80, HOLD @Jefferies**

**REMY COINTREAU: TP raised to €92 vs. 88, BUY @HSBC**

**REMY COINTREAU: TP raised to €69 vs. 65, SELL @Berenberg**

**ALLIANZ: TP raised to €180 vs. 175, OUTPERFORM @RBC**

**RANDSTAD : TP raised to €48 vs. 43 @ Credit Suisse**

**PENNON: raised to BUY @INvestec**

**BNP PARIBAS : NEUTRAL vs. UNDERWEIGHT, TP raised to €47 vs. 41 @ JPM**



**BUREAU VERITAS : TP cut to €20 vs. 21, NEUTRAL @Bryan Garnier**

**BUREAU VERITAS : TP cut to €18.5 vs. 19, EQUAL WEIGHT@Barlcays**

**BUREAU VERITAS : TP cut to €17 vs. 18.2, UNDERWEIGHT @JPM**

**E.ON: TP cut to €7 vs. 8.3, NEUTRAL @ UBS**

**Bryan Garnier ... Today's comment(s)****Bureau Veritas****RATING : NEUTRAL****Fair Value EUR20 vs. EUR21 (+9%)**

Following Q3 revenue, Management lowered its FY 2016 guidance now expecting lfl revenue growth “slightly” negative (i.e first negative number for FY since the IPO) with adjusted operating margin between 16%-16.5% compared with between 16.5%-17% previously and 16.7% last year. We have lowered our estimates to -0.3% lfl revenue growth from 0.9% (consensus was at 0.4%) maintaining our adjusted operating margin to 16.3% (consensus was at 16.6%). Based on our new numbers, our FV moves to EUR20 vs. EUR21 based on a DCF and historical multiple EV/EBIT on FY+3. Too early to come back on the stock. Neutral.

**AccorHotels****RATING : BUY****Fair Value EUR42 (+28%)**

Sustain Q3 reporting higher numbers than anticipated. In fact, total revenue reached EUR1,538m (consensus at EUR1,502m and BG at EUR1,509m) up 3% on reported with lfl revenue growth of 1.8% while consensus anticipated 0.4% (BG at 1.3%). Q3 performance was even more remarkable given summer season headwinds especially in France and Belgium. After 9m, management narrowed its FY guidance as expected to between EUR670m-EUR690m vs. EUR670m-EUR720m previously (consensus at EUR675m) reflecting uncertainties in France. Positive.

**Danone****RATING : NEUTRAL****Fair Value EUR70 vs. EUR65 (+10%)**

Danone has currently lost its organic growth engines. In China, the non-alcoholic beverages market has slowed down significantly while the infant nutrition industry is being regulated. The visibility on the group’s outlook in 2017 is very weak. Nevertheless, our Fair Value is revised upwards to EUR70 as we rolled over our estimates by one year. We maintain our Neutral recommendation.

**ASML****RATING : SELL****Fair Value EUR81 (-12%)**

ASML announced Q3 2016 surprising revenue level but results 4% below expectations due to the unexpected partial recognition of revenue from one EUV system (sold at low margin) and the negative impacts on financial result of the HMI acquisition. As such, Q3 2016 EPS stood at EUR0.93, or EUR0.04 below consensus expectations of EUR0.97. For Q4 2016, forecasts sales of between EUR1.7bn and EUR1.8bn, slightly below estimates for EUR1.778bn at mid-point but with higher margin, as such EPS should come out about 9% above expectations.

**Rémy Cointreau****RATING : BUY-Top Picks****Fair Value EUR84 (+10%)**

The group reported a good set of results yesterday. The United States continued to grow strongly and China confirmed its improvement. Value depletions in the country were up mid single digit in Q2, in line with Q1. But this does not trigger any upwards revisions in estimates. We maintain our Buy recommendation and our Fair Value of EUR84.