

BG SALES-TRADING MORNING DU 21/10/2016

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	18162,4	-0,2%	-0,2%	Food staples, Retail	1	-4,1	Banks	1,3	-18,1	
NASDAQ	5241,8	-0,1%	0,1%	Semi Conducteurs	0,7	18,4	Real Estate	1,1	-8,5	
S&P 500	2141,3	-0,1%	0%	Health Equip.	0,6	5,4	Auto & Part	1	-12	
NIKKEI	17164,3	-0,4%	-	Div. Financials	0,5	3,3	Utilities	0,4	-6,8	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Telecom Op.	-2	8,5	Media	-1,7	-13	
				Transportation	-1,7	6,9	Technology	-0,4	-1,2	
				Insurance	-1,4	4,4	Industrial Goods & Serv.	-0,3	3,2	
				Household Products	-0,8	4,4	Basic Resources	-0,3	38,2	

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%
PUBLICIS GROUPE	63,2	-5,7	INDITEX	32,9	1	GEA GROUP AG	37,9	-20,2
MICHELIN (CGDE)	97,1	0,9	BBVA	6,2	3,2	BANK OF IRELAND	0,2	7,3
PERNOD RICARD SA	109,8	1,2	AB INBEV	116,9	-0,4	ATLAS COPCO AB-A	274,4	4,2
BNP PARIBAS	51,1	2,1	BNP PARIBAS	51,1	2,1	DEUTSCHE LUFTHANSA-REG	11,3	7,9
TECHNIP SA	61,2	4,3	BANCO SANTANDER	4,3	2,4	ACTELION LTD-REG	153,2	-6,5

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	DEVICES	Valeur	Var%	YTD	MAT. PREMIERES	Valeur	Var%	YTD
U.S 2 ANS	99,9	0%	0,8%	€/ \$	1,091	-0,2%	0,4%	BRENT	49,5	-0,2%	38,5%
U.S 10 ANS	97,8	0,1%	1,7%	€/ ¥	113,28	0,3%	15,3%	ONCE OR (\$)	1264,6	-0,1%	19,1%

VIX Index	13,8	-4,6%	VSTOXX Index	17,2	-4,7%
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Economic Calendar

10h30 GB - Public finances
 16h00 EUZ - Consumer Confidence (-8 E)
 19h00 US - Baker Hughes rig Count

Dividends Calendar ex-date next day

TELIA COMPANY SEK 1.5 (3.87%)

Ex Div today

Markets Recap (source Street account)

Asian markets are mostly lower on Friday. Mainland Chinese markets have come under some pressure. Data revealed a pickup in Chinese property price growth though signs have emerged of a possible slowdown in activity following recently implemented curbs on purchases. The other main dynamic has revolved around the currency, with the offshore yuan hitting a fresh six-year low against the dollar. China's FX regulator blamed capital outflow pressures on seasonality while also highlighting the impact of Fed tightening expectations. The Hang Seng remains closed due to typhoon activity.

Further weakness in the yen has lent support to the Nikkei, which remains little changed despite regional weakness and a sell-off in Nintendo amid an indifferent reception to its new Switch console. BoJ Governor Kuroda indicated to Japan's parliament there may be another delay in the inflation timetable, though reiterated JGB purchases could be lowered if the 10y yield remains below zero.

Elsewhere, healthcare stocks are weighing on the ASX amid a soft trading update from Healthscope. The dollar has extended gains with the euro under further pressure after the ECB again denied tapering talk. Dollar strength also comes as markets eye the December Fed meeting for a possible rate hike.

US equities were lower in Thursday trading. Treasuries were mostly weaker, with some curve flattening. The dollar was stronger on most major crosses. Gold lost 0.2%. Oil was lower, pulling back

from the 15-month highs it set yesterday. WTI settled down 2.3%.

The ECB meeting was the day's primary macro focus, with the bank holding policy steady (as expected). On the economic front, initial jobless claims posted their largest jump since July, but remained near historic lows. Existing-home sales beat expectations. Also, NY Fed President Dudley reiterated that he sees a shallow tightening path.

There was a flurry of corporate reports, though there was nothing surprising in terms of macro takeaways. AXP beat. EBAY guidance disappointed. MAT saw sales strength from Barbie and American Girl. SCSS missed and reduced FY guidance. VZ saw disappointing subscriber growth. Additionally, TWX rallied late in the session on rumors of M&A discussions with T.

Healthcare led on biotech strength. Credit cards boosted financials. Industrial metals helped materials. Oil-services companies were weaker. Homebuilders were a drag on consumer discretionary. Grocers were mixed. Internet and social-media firms weighed on tech. Building products underperformed in industrials. Telecom trailed the market.

Stocks Factor to watch today :

FUTURES 08h00 : ES50 +0.0%, DAX -0.1%, CAC -0.1%, FTSE =

ORANGE BELGIUM : Q3 Revenue €311.1

ESSILOR : 9m consolidated revenue up 7.8% at CER, Strong contribution from acquisitions and partnerships. Slower than expected recovery at Coastal.com. Market still sluggish in the U.S. after a very strong year in 2015.

EDF : Ms. Royal tells EDF to fix nuclear reactors.

INTERCONTINENTAL : sees Forex to have impact on 2016 reported profit. 3Q global comparable REVPAR up 1.3% vs. EST. +1.8%)

ABLYNX : says 10,050 shares issued as result of warrant exercise

Rating & TP Changes



PERNOD RICARD : €114 vs. 112, NEUTRAL @Bryan Garnier

PERNOD RICARD : TP raised to €130 vs. 117, BUY @HSBC

PERNOD RICARD : TP raised to €118, NEUTRAL @Morgan Stanley

ATOS : TP raised to €104 vs. 102, @Bryan Garnier

EIFFAGE : TP raised to €78 vs. 77, @Bryan Garnier

INDITEX : TP raised to €38, BUY @Jefferies

AHOLD DELAIZE : TP raised to €24 vs. 23, BUY @ Jefferies

HANNOVER RE : TP raised to €101 vs. 99.7 EQUAL WEIGHT @ Barclays

ATOS : TP raised to €110 vs. 105, BUY @HSBC

BIOMERIEUX : TP raised to €140 vs. 127, HOLD @ HSBC

TECHNIP : NEUTRAL vs. HOLD, TP raised to €69 vs. 50 @UBS

HANNOVER RE TP raised to €96 vs. 93, NEUTRAL @UBS

WORLDLINE : HOLD vs. REDUCE, TP raised



ROCHE : TP cut to CHF285 vs. 293, @Bryan Garnier

RANDSTAD: TP raised to €57 vs. 61, BUY @ ING

ATOS : TP cut to €105 vs. 107, BUY @ UBS

PUBLICIS : TP cut to €76 vs. 78, OVERWEIGHT @Barclays

Technical Analysis

HIGHEST YTD : ADIDAS, ALTICE, BASF, DIOR, EDENRED, EUROFINS, FORTUM, LVMH, LAFARGEHOCIM, PERNOD RICARD, REPSOL, SBM OFFSHORE, TECHNIP, TELEPERFORMANCE, ZALANDO,

LOWEST YTD : ERICSSON, GALENICA, ROCHE,

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

Valeo RATING : NEUTRAL Fair Value EUR49

Valeo posted yesterday after market solid sales performance for third quarter leading the group to be more confident on its EBIT margin guidance for 2016 (margin around 8% vs. >7.7% targeted before), as already anticipated by the market. Valeo continued to outperform global auto market (+7pp) yet at lower pace than in Q1 & Q2 at lower pace than Plastic Omnium, confirming our preference for the latter on short-term. We lifted our 2016 sales and earnings estimated by respectively +2.3% and +2.9% notably on the back of less unfavourable FX effect. At this stage we keep our EUR49/share FV and our Neutral rating unchanged for valuation reason. Neutral.

Atos RATING : BUY Fair Value EUR104 vs. EUR102

We reiterate our Buy rating and increase our DCF-derived fair value to EUR104 from EUR102 following the conference call held yesterday, as we marginally increase our adj. EPS and working capital assumptions. The improvement of growth momentum is confirmed, driven by the US, Germany, the UK and France. The integration of Unify is ahead of schedule, which makes Atos in a good position to sell the Software & Platform business...or keep it.

Pernod Ricard RATING : NEUTRAL Fair Value EUR114 vs. EUR112

Yesterday Pernod Ricard published pretty solid results, even though they may have been somewhat inflated by easy comps in LATAM and France. The group confirmed it expects an improvement in China and continued good growth in the United States. We revise upwards our EBIT estimates by 2% on average over the next three years due to FX. Our Fair Value is adjusted to EUR114. Neutral recommendation maintained.

Essilor RATING : BUY Fair Value EUR130

Q3 sales came in at EUR1,723m (+6.4%), just 1% shy of CS expectations at EUR1,738m. This is due to another miss from the LFL growth that was only up 3.2% (CS: 4.4%) caused by a weaker-than-expected performance in North America and a softness in some markets (Brazil, Turkey). These headwinds have partly overshadowed the rebound in R&S (+6.9% vs. -5.8% in Q2). Yet, Essilor confirms its objective to be as close as possible to FY targets ("around +4.5% LFL" / "above 8% FX-n") that would imply a sharp acceleration in Q4. Conference call today at 10.00am (CET). => **Negative**

Nestlé RATING : BUY Fair Value CHF83 (+11%)

The 30bps slowdown in Q3 organic sales growth vs H1 was disappointing given a comparator that was 80bps easier. But the revision in guidance did not really come as a surprise given the weakness seen at peers (Danone/Nestlé). The global food market is now stable in volume, with a strong deceleration in China. Our estimates are broadly unchanged. We now expect 3.5% organic sales growth vs +3.7% previously. Nestlé remains our favourite stock in a challenging food industry due to its balanced growth drivers coupled with potential self-help (with the arrival of the new CEO).

SAP RATING : NEUTRAL Fair Value EUR79

This morning SAP announced for Q3 2016 a non-IFRS operating profit 2% below consensus despite revenues 1% above. Higher financial expenses had a negative impact to non-IFRS EPS. Based on a robust pipeline for Q4, FY16 guidance is marginally raised by the management. In our view, this is not enough to make the share price move significantly in the near term.
