

## BG SALES-TRADING MORNING DU 25/10/2016

### 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	18223	0,4%	0%	Auto	1,5	-7	Banks	1,4	-16,6	
NASDAQ	5309,8	1%	0,2%	Semi Conducteurs	1,3	19,8	Insurance	1	-15	
S&P 500	2151,3	0,5%	0,1%	IT, SOFTW & Serv.	1,3	10,3	Auto & Part	0,9	-11,9	
NIKKEI	17371,5	0,8%	-	Food staples, Retail	1,3	-3	Financial Serv.	0,7	-10,6	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Telecom Op.	-0,8	5,1	Food & BeV	-1	-3,1	
				Household Products	-0,7	3,2	Utilities	-0,8	-7,7	
				PHARMA.	-0,2	-7,8	Healthcare	-0,7	-11,4	
				Oil & Gaz	-0,2	15,1	Media	-0,6	-13,6	

### 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%
CREDIT AGRICOLE	9,9	3,3	INDITEX	32,9	-0,9	INDITEX	32,9	-0,9
BNP PARIBAS	52,7	2	BANCO SANTANDER	4,5	3,7	SYNGENTA AG-REG	397,5	-5,8
ESSILOR	103,6	-1,2	KONINKLIJKE PHILIPS	27,3	4,4	COBHAM PLC	139,7	-13
SOCIETE GENERALE	35,7	2,9	DEUTSCHE TELEKOM	14,7	1,1	SANDVIK AB	100	-0,4
PERNOD RICARD SA	109,2	-1	BBVA	6,4	3,2	INDUSTRIVARDEN AB-A	171,2	-0,3

**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%	0,8%	€//\$	1,0882	0%	0,2%	BRENT	49,6	-0,2%	38,6%
U.S 10 ANS	97,7	0%	1,8%	€/¥	113,58	-0,2%	15%	ONCE OR (\$)	1267	0,2%	19,4%
VIX Index	13		-2,4%				VSTOXX Index	17,7		6,7%	

### Economic Calendar

10h00 DE - IFO expectations Oct. (104.5 E)  
 10h00 DE - Business Climate Oct. (109.6 E)  
 15h00 US - House price index. Aug (0.5% E)  
 16h00 - US Consumer Confidence (101E)  
 17h30 EUZ - Draghi speaks in Berlin

### Dividends Calendar ex-date next day

MELEXIS €0.949 (1.5%)

### Ex Div today

### Markets Recap (source Street account)

**Asian markets are trading mixed on Tuesday.** It has been a fairly quiet session in terms of newsflow with the calendar not providing much direction. A weaker yen has leant further support to the Nikkei as December Fed hike expectations continue to build. Greater Chinese markets are flat in subdued trade.

**Elsewhere banks are driving the ASX while rate sensitive sectors are also higher despite another backup in Aussie government yields.** The Kospí's retailers are under pressure amid reports China is limiting the number of its tourists to Korea. The Korean won has come under some pressure despite Korea's Q3 GDP coming in better-than-expected.

**US equities finished higher on Monday.** Treasuries were weaker across the curve. The dollar was modestly higher with the DXY +0.09%. Gold (0.3%) and WTI (0.7%) were both lower.

**An M&A binge dominated headlines with over \$125B worth of deals announced today.** The large AT&T

– Time Warner deal drew the most attention, but there were several other notable deals as well. Flash PMIs from the US, Europe and Japan were better than expected. Earnings season remains in full swing and although it is still early Q3 earnings season has been off to a good start. With 23% of the S&P 500 having reported, the blended earnings decline is (0.3%) compared to (2.0%) expected at the end of the quarter.

**Sectors were mixed.** Tech +1.22% was the best performer. Defensives lagged. Telecom (0.79%) was the weakest.

### Stocks Factor to watch today :

**FUTURES :** CAC +0.3%, FTSE +0.3%, ES50 +0.1%, DAX +0.2%

**ORANGE :** Q3 restated EBITDA up 1.6% to 3.597bn€ (poll 3.577), Revenue +0.8% to 10.3bn€ (poll 10.245). says Q4 will be higher than in Q3. Dividend will be stable

**TOTAL:** and PETROBRAS team up for Brazil exploration oil & gas

**ALTRAN :** acquires SWELL a leading provider of engineering services in Germany.

**RANDSTAD:** 3Q EBITDA slightly ahead of market estimates. Net income up 12% to 193m€.

**DIA:** LFL sales in Iberia up 1.3% y/y.

### Rating & TP Changes



**SWORD GROUP :** TP raised to €32 vs. 31, BUY @Bryan Garnier

**QIAGEN :** TP raised to \$29 vs. 28, BUY @DBK

**CAMPARI :** TP raised to €11.9 vs. 11.6, BUY @Berenberg

**BURBERRY:** TP raised to 1300p vs. 1150p, UNDERPERFORM @Credit Suisse



**TOD's:** TP cut to €53 vs. 55, SELL @Bryan Garnier

**TOD's:** TP cut to €46 vs. 48, UNDERPERFORM @RJ

**LUXOTTICA:** TP cut to €55 vs. 58, OVERWEIGHT @Barclays

**SUEZ ENV.:** TP cut to €15.5 vs. 16, HOLD @ DBK

**ESSILOR :** TP cut to €121 vs. 136, BUY @ Jefferies

**VALEO:** HOLD vs. BUY, TP raised to €57.5 vs. 55 @ HSBC

### Technical Analysis

#### Downward Signals

**RED ELECTRICA:** 50d MAV crossing downward 200d MAV

**SYNGENTA:** Stock price crossing downward 50d, 100d, 200d MAV

**TELIA:** Stock price crossing downward 50d, 100d, 200d MAV

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

**Sword Group** RATING : BUY Fair Value EUR32 vs. EUR31 (+19%)

We reiterate our Buy rating and increase our DCF-derived fair value to EUR32 from EUR31 as we increase our adj. EPS ests. by 1% for 2016 and 2% for 2017-18. Yesterday evening Sword reported Q3 2016 results above full-year targets. FY16 guidance (sales +15% lfl, EBITDA margin of 15%) has been reiterated, but management is confident it will be exceeded despite the weakness of the British pound against the euro. We expect the share price to react positively in the short-term.

**Tod's Group** RATING : SELL Fair Value EUR53 vs. EUR55 (+4%)

9m revenues (EUR757m) were down 4.4%, implying -4.8% in Q3 alone, following -4.3% in H1. Same stores sales declined 14.6% on 9m, implying -15.5% in Q3 alone, that highlights some deterioration vs H1 (-14.3%), and almost no improvement vs Q2 (-16.2%). We remain Sell on the stock with a new EUR53 FV vs EUR55 previously. Negative.

<b>Luxottica</b>	<b>RATING : NEUTRAL</b>	<b>Fair Value EUR52 (+22%)</b>
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Q3 Sales reached EUR2,225m (+1.2%) with a FX-n growth of 1.4% in line with CS expectations (1.3%). As expected there was a dichotomy between Retail (+4.5% vs. 1.9% in H1) where trends have accelerated and Wholesale (-3.6% vs. +1.1%) that suffered from the MAP in the US and the distribution reorganization in China but these headwinds should gradually ease off. Hence LUX confirms FY16 outlook, implying a sharp acceleration in Q4 (+3.8%e). The Group's management was even comfortable with the current CS forecast for 2017 (mid single-digit FX-n sales growth, op margin to improve by 20bp). => **Positive**

<b>Novartis</b>	<b>RATING : NEUTRAL</b>	<b>Fair Value CHF87 (+17%)</b>
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This quarterly set of results is not bad in absolute terms (USD12.1bn in sales, core EPS of 1.23 when CS was expecting USD1.20) but considering where the beat is coming from (i.e. from patent-expiring Gleevec), there is unfortunately little to extrapolate. It has to be considered also that neither Alcon nor Entresto are really showing meaningful turnarounds. So, all in all, we do expect a limited share price reaction to the Q3 numbers >> **minor positive**

<b>ams</b>	<b>RATING : NEUTRAL</b>	<b>Fair Value Under Review vs CHF29</b>
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Yesterday, ams reported Q3 revenue of EUR146.7m, with an adj. operating result of EUR28m (adj. op. margin of 19.1%), yielding EPS of EUR0.37, i.e. well above Street's expectations (at EUR0.29). However, the group sees a muted year-end, as such Q4 2016 adj. EBIT revenue and guidance came out well below consensus. But the most important part of the press release is the announcement of the acquisition of Heptagon in a deal worth USD570 that we believe will not be accretive before 2018e. A conference call is to be held today at 10:00am (CET). In the meantime, we set our FV Under Review vs. CHF29. **Negative**

<b>Orange</b>	<b>RATING : BUY</b>	<b>Fair Value EUR17.1 (+18.2%)</b>
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This morning Orange SA has published good Q3 2016 results, slightly above consensus. Revenues and EBITDA are back to growth. Commercial performance in France is still very good. While mobile ARPU is still struggling, Fixed ARPU is now back to growth in France. And revenue growth is accelerating this quarter in Spain. Orange confirms its guidance for 2016 EBITDA above 2015, and a ratio of net debt/EBITDA of around 2x. The group plans a payment of a dividend of EUR0.6 per share for 2016, as expected.

<b>Dassault Systèmes</b>	<b>RATING : SELL</b>	<b>Fair Value EUR64 (-16%)</b>
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This morning Dassault Systèmes has reported Q3 2016 results above consensus expectations, yet revenues restated from fx are at the mid-point of the quarterly guidance as some 3DEXperience deals slipped at the end of the quarter. FY16 guidance is upped, in order to take into account fx changes and the acquisition of CST. We expect a positive share price reaction in the short term. However, with an absence of lfl revenue growth acceleration in 2016, we consider the 2014-19 CAGR target (+9% lfl) looks a bit challenging.

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