

## BG SALES-TRADING MORNING DU 03/11/2016

### 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	17959,6	-0,4%	-0,3%	Health Equip.	0,5	-0,3	Real Estate	0,5	-12,5	
NASDAQ	5105,6	-0,9%	-0,1%	Transportation	0,4	6	Healthcare	-0,2	-16,2	
S&P 500	2097,9	-0,7%	-0,3%	Food staples, Retail	0,3	-4,6	Basic Resources	-0,2	42	
NIKKEI	17134,7	-1,8%	-	Consumer Serv.	0,1	-5,8	Food & BeV	-0,4	-6,5	
				SECTEURS S&P : WORST PERFS.			SECTEURS STOXX : WORST PERFS			
				S&P	Var %	YTD	STOXX	Var %	YTD	
				Real Estate	-1,4	-3,8	Auto & Part	-2,6	-15	
				Utilities	-1,3	10,6	Banks	-2,4	-20,1	
				Telecom Op.	-1,2	2,9	Oil & Gas	-2,2	6,9	
				PHARMA.	-1	-11	Insurance	-1,9	-18,1	

### 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	74,8	-0,1	BMW	75,4	-3,7	DANSKE BANK A/S	199,5	-3,5
SANOFI	71,8	1,1	BBVA	6,2	-4	GLANBIA PLC	15	7,2
VEOLIA ENVT	19,3	-2	SANOFI	71,8	1,1	COLOPLAST-B	447,2	-4,3
BNP PARIBAS	50,8	-3,8	MUENCHENER RE	172	-1,9	POSTNL NV	4,6	-3,5
LEGRAND SA	51	-0,2	BNP PARIBAS	50,8	-3,8	JYSKE BANK-REG	293,5	-3,1

**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%	€/€	1,1121	0,2%	2,4%	BRENT	47	0,3%	31,5%
U.S 10 ANS	97,5	0,2%	1,8%	€/¥	114,12	0,5%	14,5%	ONCE OR (\$)	1302,2	0,4%	22,7%
VIX Index	19,3		4,1%				VSTOXX Index	23,7		0,8%	

### Economic Calendar

11h00 GB High court rules on BREXIT trigger  
 11h00 EUZ Unemployment rate Sep.  
 13h00 BoE rate Decision (0.25%E =)  
 13h30 US - Initial Jobless Claims (255K E)  
 13h30 US - Conitnuing Claims  
 15h00 US - Factory orders Sep. (0.2%)  
 15h00 US - durable goods Orders

### Dividends Calendar ex-date next day

NCC (NCCb.ST) SEK3 (1.3%)

### Ex Div today

### Markets Recap (source Street account)

**Asian equities are mixed on Thursday.** Volumes have been affected by the closure of Japan for Culture Day. Some focus on S&P 500 futures, which turned lower recently alongside bond yields and the dollar. While nothing specific is being cited for the latest moves, there was some attention on a Fox News report that the FBI is readying indictments related to its probe into the Clinton Foundation, and that her email server had been hacked by a number of foreign intelligence agencies.

**Dollar weakness has continued even though the November FOMC meeting kept in place expectations for a December hike.** Futures were now pricing in a 78% probability of a move next month. It has been a fairly light day on the economic calendar. Mainland markets are outperforming as data showed a further pickup in Chinese services activity. The ASX overcame an earlier sell-off after data showed a narrowing in Australia's trade deficit and its services sector back swinging back to expansion last month

**US equities closed down today, with the S&P 500 recording its seventh consecutive decline.** Treasuries were stronger across the curve. The dollar was weaker on the major crosses. Gold settled up 1.6% to its highest levels in nearly a month. Oil was lower on a record rise in US crude inventories. WTI settled

down 2.9%.

**Presidential politics remained the primary topic of conversation today, with polls continuing to show a tightening race less than a week before the election.** The Fed voted to leave policy unchanged, as had been expected, with the statement providing little in the way of guidance. ADP payrolls were lower than consensus, though the market is waiting for Friday's nonfarm payrolls report.

**It was another busy day of corporate earnings.** EA beat and raised guidance. CLX missed despite slightly better revenue. ZTS beat on international strength. DATA revenues decelerated meaningfully. ODP earnings and GM were better. ANTM results were better than feared. Weak GM on higher promotions weighed on KATE.

**Most defensives underperformed.** Energy was weaker on oil's decline. Banks were a drag on financials. Internet and social-media names trailed in tech. Apparel lagged, but retailers were better. Hospitals helped healthcare. Transports cushioned industrials. Select grocers boosted consumer staples.

### Stocks Factor to watch today :

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

**VEOLIA :** lowers 2016 revenue outlook as weaker £ weighs on Q3, Outlook 2016-2017 maintained at CER

**SOCGEN :** Q3 revenue down Q3 cost of risk down 27%

**DIALOG:** Q3 gross margin is underlying, sees FY revenue \$1.19bn

**INNATE :** 3Q revenue €11.2m vs. 10m

**SOPRA STERIA :** confirms 2016 targets

**BEIERSDORF :** sees Consumer Sales growth of 3%-4%, EBIT margin Ops significantly up. Sees TESA sales growth slightly up,

**ASML :** buys 24.9% of ZEISS unit CARL ZEIS SMT for €1bn

**HERMES:** 3rev €1.257bn (est 1.23bn)3Q sales growth 8.8% ex cur rest 7.%

### Rating & TP Changes



**QIAGEN :** TP raised to €28 vs. 26.5, BUY TOP PICKS @Bryan Garnier

**QIAGEN :** TP raised to \$28 vs. 26.5, HOLD @ISI

**HUGO BOSS:** TP raised to €47 vs. 46, SELL @ UBS

**HUGO BOSS:** TP raised to €59 vs. 54, EQUAL WEIGHT @Barclays

**HUGO BOSS:** TP raised to €60 vs. 50, HOLD @DZ Bank

**ORPEA :** TP raised to €86 vs. 85, BUY @Bryan Garnier

**GENMAB :** TP raised to DKK1650 vs. 1600, BUY @Bryan Garnier



**CAST :** TP cut to €3.3 vs. 3.6, NEUTRAL @Bryan Garnier

**NOVO NORDISK :** TP cut to DKK230 vs. 285, HOLD @Jefferies

**SHIRE:** TP cut to \$235 vs. 245, OUTPERFORM @RBC

**SHIRE:** TP cut to \$220 vs. 245 @SUSQUEHANNA

### Technical Analysis

#### Upward Signals

**NATIXIS:** 50d mav crossing upward 200d MAV.

**SWISS RE:** 50d mav crossing upward 200d MAV.

#### Downward Signals

**EDP:** stock price crossing downward 50d, 100d, 200d MAV

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

**Faurecia** RATING : BUY Fair Value EUR47 (+45%)

Yesterday we hosted Faurecia (Head of IR) during a breakfast organised with French investors. Global tone on short term was not alarming but not bullish neither, with the group observing production cuts in Europe and in North America as most of OEMs started to optimize their year's end stocks. Visibility on 2017 market growth remains poor at this stage yet the group should overperform it for sure thanks to new contracts and positive perimeter effect. Group's 6% EBIT margin target for 2018 does not seem at risk so far despite all market fears. Faurecia is within the sector among the stocks offering the biggest EPS CAGR despite trading at discounts compared with peers and hist. multiples.

**Cast** RATING : NEUTRAL Fair Value EUR3,3 vs. EUR3,6 (+1%)

We reiterate our Neutral rating and reduce our DCF-derived fair value to EUR3.3 from EUR3.6 as we cut our adj. EPS for 2018 by 11%. Yesterday evening, Cast reported Q3 2016 sales way below our forecast, due to longer sales cycles and the slicing of a large deal with a US bank into 2 tranches. Management is conscious its goal of at least 10% sales growth in 2016 is at risk, but reiterates it anyway based on the sales pipeline, while costs are below budget. We cannot rule out a negative share price reaction in the short-term.

**Genmab** RATING : BUY Fair Value DKK1650 vs. DKK1600

Genmab (once again) published much better than anticipated results, and improved its FY guidance as it now expects daratumumab to generate USD500-550m in sales. And because "dara" will go beyond this USD500m threshold, GEN is set to receive an USD25m (DKK170m) milestone payment that we and the CS did not anticipate. GEN is of these rare must-haves within the biotech field in our view, that's why we stick to our BUY rating... Especially in light of the catalysts we foresee in the very near term (CMD next week, R&D Day in December, dara's label expansion to 2L MM in Q1 17, etc.). Our FV is revised up to DKK1,650.

**Swiss Re** RATING : NEUTRAL Fair Value CHF100 (+11%)

Q3 2016 net income is USD1,175m, down 16% yoy but way above consensus (USD961m), mainly thanks to investments results and favourable PYD. In P&C Re, the reported combined ratio is 87.9% (vs. 77.7% in Q3 2015 and consensus 89.5%), including a low natcat burden (930bps below budget) and run-offs (5.9pts). Excluding natcats and run-offs, the adjusted combined ratio is 91.8% vs. 86.3% in Q3 2015, which is consistent with the softening of the market. Decent overall Q3 numbers and the start of the CHF1bn share buy-back programme on 4th November should be welcome by investors. -> positive

**Orpea** RATING : BUY Fair Value EUR85 (+14%)

Again strong quarter with Q3 total revenue up 16.8% ahead consensus particularly on lfl growth up 6.3% vs. 5.4% anticipated. After the first 9m, with total revenue up 20.8% and 5.9% on lfl basis, we slightly revise our forecasts and upgrade our FV to EUR86. Buy opinion confirmed. Positive.

**adidas Group** RATING : NEUTRAL Fair Value EUR136 (-8%)

Sales unveiled this morning came in at EUR5,413m, up ~14% as reported and 17% FX-n in line with CS (EUR5,362m). We highlight the ongoing strong momentum of ADS brand (+20%), particularly in North America (+20%) and in Greater China (+25%). The operating margin is line with expectations (at 10.4% despite a higher negative FX impact on the GM). FY16 outlook is confirmed. It is worth noting that Mr Rorsted will host its first conference call (today at 3:00pm CET) since he is at the helm of the Group.

**Orpea** RATING : BUY Fair Value EUR86 vs. EUR85 (+15%)

Again strong quarter with Q3 total revenue up 16.8% ahead consensus particularly on lfl growth up 6.3% vs. 5.4% anticipated. After the first 9m, with total revenue up 20.8% and 5.9% on lfl basis, we slightly revise our forecasts and upgrade our FV to EUR86. Buy opinion confirmed. Positive.

**Sopra Steria Group** RATING : BUY Fair Value EUR125 (+34%)

This morning Sopra Steria reported Q3 2016 sales in line with our forecast and the consensus average, driven by the French Consulting & Systems Integration business, Italy, Benelux and Sopra Banking Software. FY16 lfl revenue growth guidance is reiterated, management being confident the group will reach the top end of 3-5% lfl revenue growth range. We expect the share price to react positively short term.

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**QIAGEN**

**RATING : BUY-Top Picks**

**Fair Value EUR28 vs. EUR26 (+18%)**

QIAGEN released strong set of results in Q3. On top of confirming both the inflexion point seen in Q2 and growth trajectory for the year with maintained sales guidance (6-7% CER and adjusted EPS exc one-off restructuring charges) management offered reassuring 2017 outlook. Following an heavy investment period QIAGEN has reshaped itself successfully. Our fair value is up EUR2 to EUR28.

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