

COUNTRY

France

Analysis and synthesis



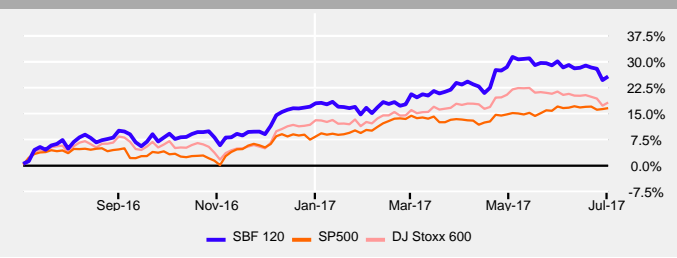
July 4, **2017**



French Market (Reference SBF 120)

Closing price of July 4, 2017

Comparison [July 5, 2016 - July 4, 2017]



The French market represents approximately 5% of the worldwide market capitalization with 172 companies being followed by the Screener.

The index, SBF 120, is currently trading close to its 52 week high and 25% above its 52 low (bi-weekly closing).

Performance since July 5, 2016: 25.2% vs. 17.9% for the DJ Stoxx 600 and 16.3% for the SP500.

The current % of stocks over their Medium Term technical trend (MTT) is 17.5%.

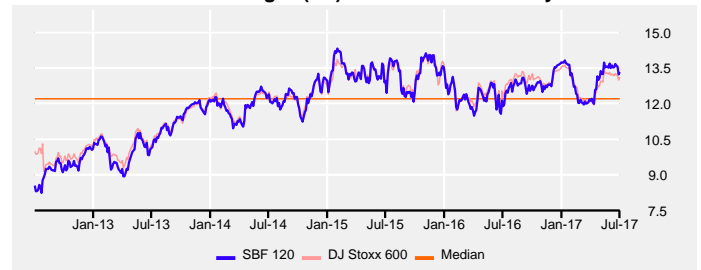
Index	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
SBF 120 (FR)	4,122.99	7.5%	120	2,185.60	★★★★	▲	1.12	13.3	11.7%	-3.4%	17.5%
DJ Stoxx 600 (E)	382.30	5.8%	598	12,579.59	★★★★	▲	1.27	13.1	13.0%	-2.6%	17.9%
SP500 (US)	2,429.01	8.5%	495	22,140.83	★★★★	▲	1.09	15.6	14.9%	-0.4%	43.2%

Price evaluation rating

In order to assess whether an index is correctly valued, we focus on Peter Lynch's broadly accepted methodology of comparing the projected earnings growth and dividend with the estimated PE ratio. Based on this approach, we feel this index is currently strongly undervalued.

A "Forecasted Growth + Estimated Dividend Yield/ Estimated Price Earnings" ratio higher than 0.9 indicates that the index's price includes a discount to growth of -19.7%.

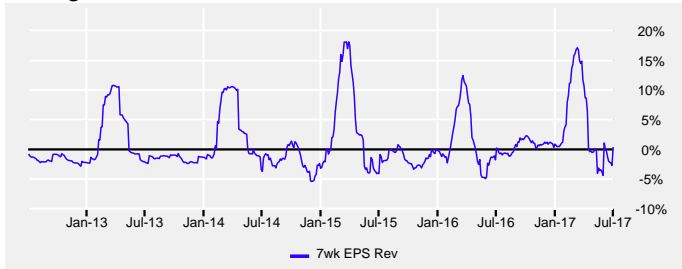
"Price to Estimated Earnings" (PE) - Evolution over five years



The estimated PE is calculated on the basis of the underlying stocks. While the PE of the index SBF 120 is 13.3, the PE of the DJ Stoxx 600 is markedly lower (13.1); this indicates that the French market is trading higher than the index DJ Stoxx 600.

Historically speaking, this index is currently trading up, as its median is 12.2.

Earnings revision trend



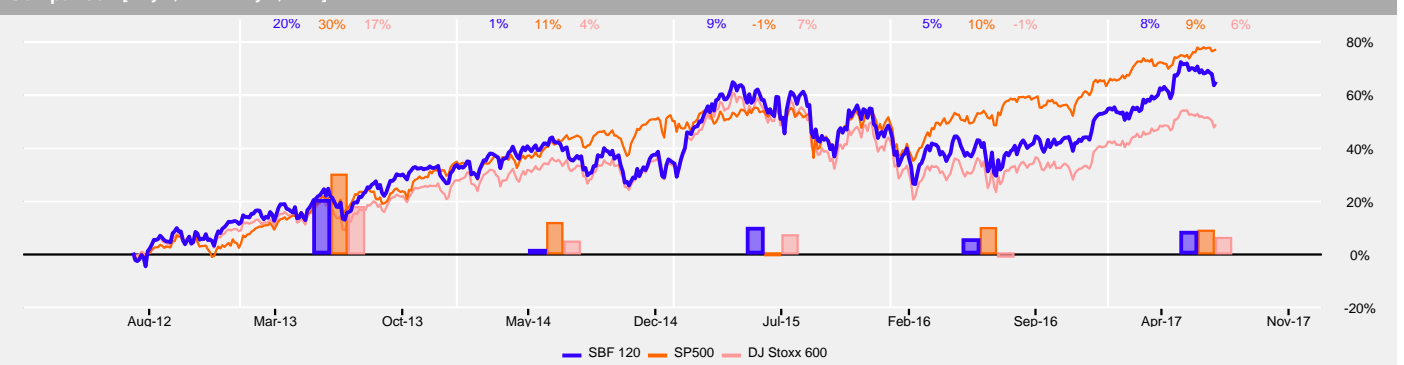
Compared to seven weeks ago, the analysts have not significantly revised their earnings estimates (changes between +1% and -1% are considered neutral). But the underlying trend has been negative since May 16, 2017 at a price of 4,295.5.

Technical trend

The index is currently at a level close to its 40-day moving average (changes between +1.75% and -1.75% are considered neutral). Prior to this (since June 30, 2017), the index traded below its moving average. The confirmed Technical Reverse (Tech Reverse + 1.75%) point is 3% lower.

Close to its average, the index indicates a phase of indecision regarding its trend. On the other hand, with 17.5% of stocks trending positive, it would appear there is a certain weakness in the market that isn't being confirmed by the index.

Comparison [July 4, 2012 - July 4, 2017]



Performance over 5 years

On a 5 year moving average, the performance of the index SBF 120 is 64.4%, vs. 48.6% for the DJ Stoxx 600 and 76.8% for the SP500. During this period, the high of 4,308.8 was reached on May 2017 and the low of 2,378.4 in the month of July 2012. It's worth noting that since 5 years ago, the USD vs. the EUR evolved positively by 10%. The returned performance in EUR is 64.4%, vs. 48.6% for the DJ Stoxx 600 and 94.8% for the SP500.

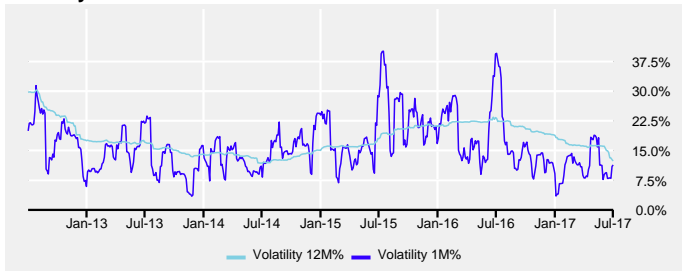


French Market (Reference SBF 120)

Closing price of July 4, 2017

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SBF 120 (FR)	4,122.99	7.5%	120	2,185.60	★☆☆☆		1.12	13.3	11.7%	-3.4%	17.5%

Volatility



Volatility is also used as a sensitivity factor. It measures the magnitude of upward and downward movements of a stock or index. The higher the volatility, the more an index is considered as sensitive.

As of the last update, the monthly volatility of (11.2%) is lower than the last few years' average of (15.9%). The low magnitude of short term price fluctuations indicates a lull in the market.

On the other hand, long term volatility 12.2% of the index is similar to that of the index DJ Stoxx 600 (9.8%), reflecting almost identical price variations between this market and the market European.

The sensitivity factor in declining markets

The "Bear Market Factor" measures the behavior of an index in declining markets. In this context, the index SBF 120 has a tendency to drop in the same proportion as the index TSC_World.

This behaviour shows a moderate sensitivity of the index during market corrections.

The sensitivity factor in rising markets

The "Bad News Factor" measures the index's corrections during rising international markets.

In this configuration, the market slightly sanctions the index SBF 120 when there is specific pressure in this particular economic activity.

When the index declines in a rising world market its average deviation is -0.63%.

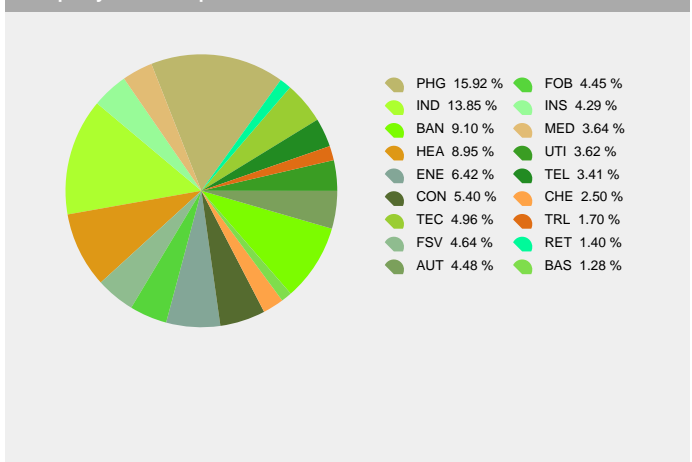
Sensitivity analysis summary

Generally speaking, the SBF 120 index shows an average sensitive behaviour, in line with other equity indices because of a medium Bear Market Factor.

Checklist (SBF 120)

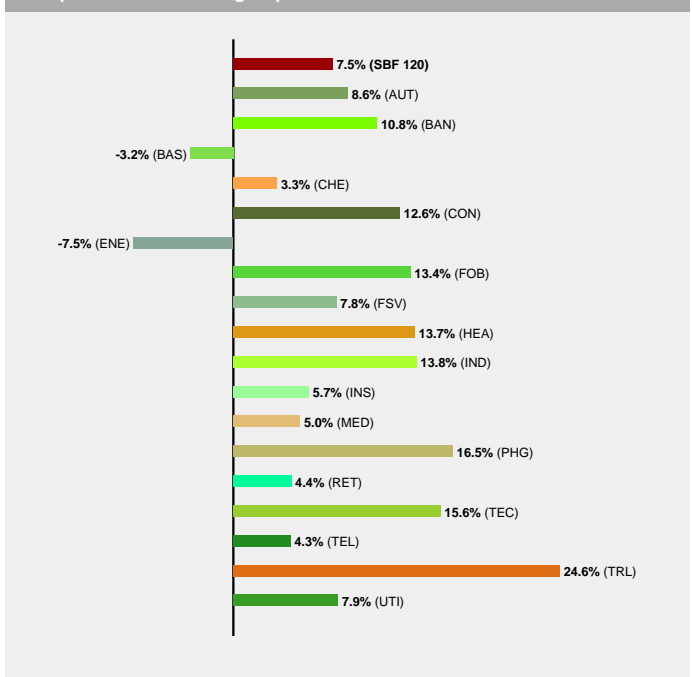
Stars	★☆☆☆	Very weak interest since June 30, 2017.
Earnings Rev Trend		★ Analysts neutral but previously negative (since May 16, 2017)
Valuation Rating		★ Strongly undervalued
MT Tech Trend		★ Market neutral but previously negative (since June 30, 2017)
4wk Perf	-3.4%	★ 4 weeks price performance
Sensitivity		The index has been on the "moderate sensitivity" level since February 28, 2017.
Bear Mkt Factor		Average sensitivity to market corrections
Bad News Factor		Slight market sanction in case of specific pressure

Groups by market capitalization French



The largest group in terms of market capitalization, Personal & Household Goods, represents 15.9% of the French market. In order of size, follow Industrial Goods & Services with 13.9% Banks with 9.1%.

2017 performance of the groups of the French market



Since the beginning of the year, the index SBF 120 recorded a variation of 7.5%. The market is made up of 18 groups, in which the extreme variations were from -7.5% to 24.6%.

AUT:Automobiles & Parts
BAN:Banks
BAS:Basic Resources

CHE:Chemicals
CON:Construction & Materials
ENE:Energy

FOB:Food & Beverage
FSV:Financial Services
HEA:Health Care

IND:Industrial Goods & Services
INS:Insurance
MED:Media

PHG:Personal & Household Goods
RET:Retail
TEC:Technology

TEL:Telecommunications
TRL:Travel & Leisure
UTL:Utilities

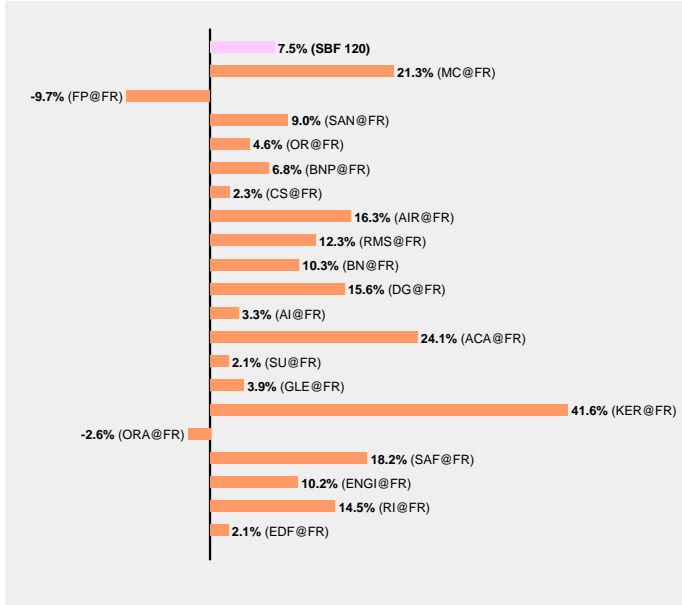


French Market (Reference SBF 120)

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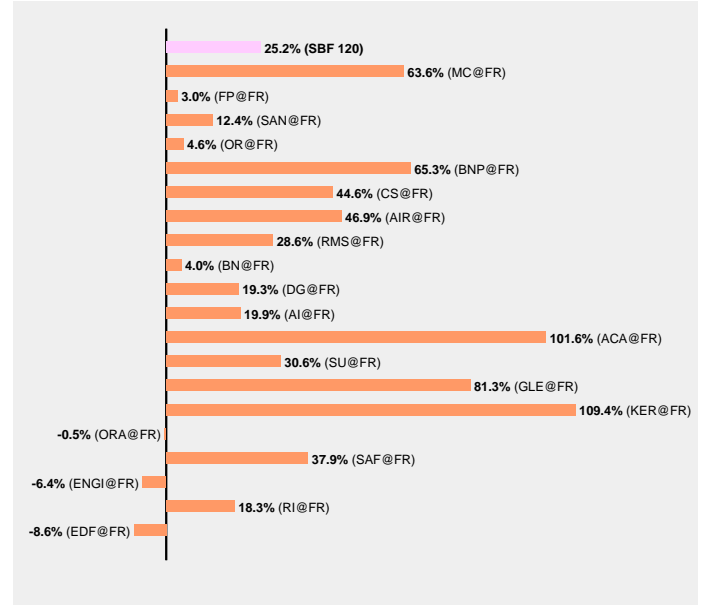
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2017 performance of the 20 largest stocks



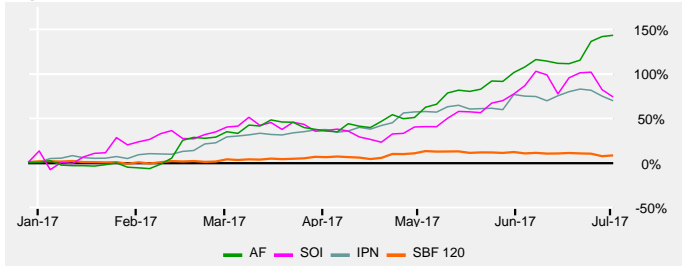
The analysis and details of the above stock can be found on page 6

The 12 month performance of the 20 largest stocks



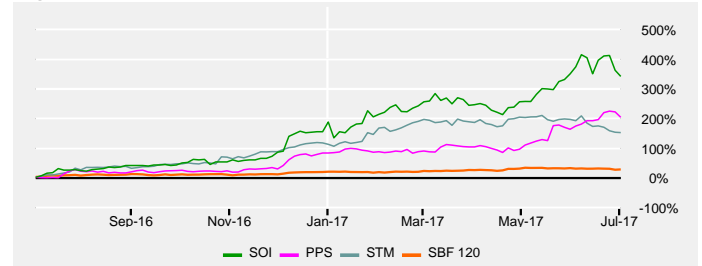
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Top Stocks 2017



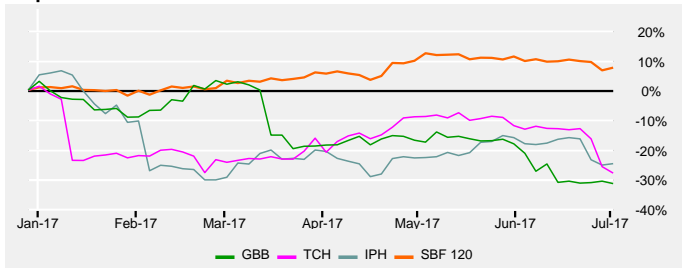
Since the beginning of the year, the performance of the index was 7.5%; as for the three best stocks, (AIR FRANCE-KLM (AF), SOITEC (SOI) and IPSEN SA (IPN)), their performance was 142.8%, 73.5% and 69.2% respectively.

Top Stocks 12 months



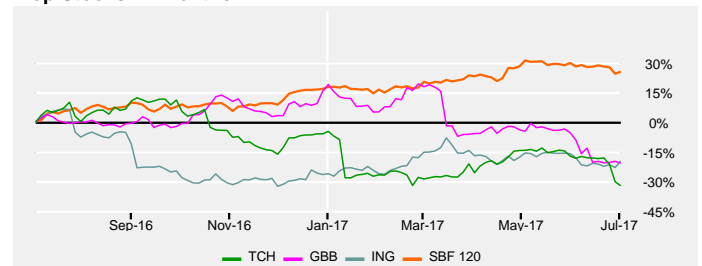
Since 12 months ago, the performance of the index has been 25.2%; the three best stocks, (SOITEC (SOI), DERICHEBOURG (PPS) and STMICROELECTRONICS NV (STM)) recorded a performances of 339.7%, 202.0% and 150.5% respectively.

Flop Stocks 2017



BOURBON (GBB), TECHNICOLOR SA (TCH) and INNATE PHARMA (IPH) with -31.4%, -27.9% and -24.7% recorded the three worst performances since the beginning of the year. For the index SBF 120, the variation was 7.5%.

Flop Stocks 12 months



The three worst performances in 12 months were recorded by TECHNICOLOR SA (TCH), BOURBON (GBB) and INGENICO GROUP (ING) with -20.8% and -19.7%. As for the group, it recorded a variation of 25.2%.

AUT:Automobiles & Parts
BAN:Banks
BAS:Basic Resources

CHE:Chemicals
CON:Construction & Materials
ENE:Energy

FOB:Food & Beverage
FSV:Financial Services
HEA:Health Care

IND:Industrial Goods & Services
INS:Insurance
MED:Media

PHG:Personal & Household Goods
RET:Retail
TEC:Technology

TEL:Telecommunications
TRL:Travel & Leisure
UTI:Utilities

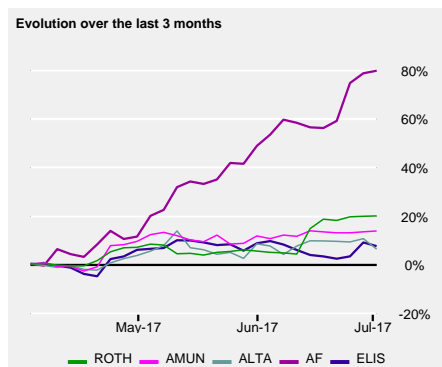


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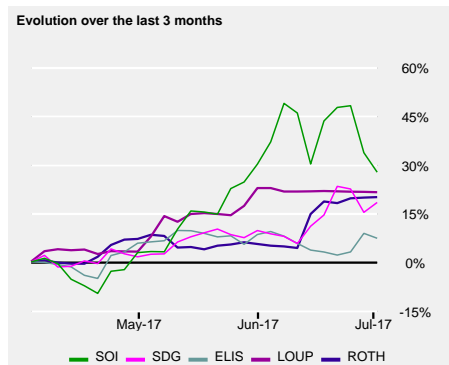
Closing price of July 4, 2017

Stocks with the best valuations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Sensitivity	Global Evaluation
ROTH FR	ROTHSCHILD & CO Specialty Finance	32.00 EUR	2.81	114.6%	★★★★★		
AMUN FR	AMUNDI Asset Managers	63.55 EUR	14.54	29.2%	★★★★★		
ALTA FR	ALTAREA Real Estate Investment Trusts	192.25 EUR	3.50	8.5%	★★★★★		
AF FR	AIR FRANCE-KLM Airlines	12.56 EUR	4.28	6.8%	★★★★★		
ELIS FR	ELIS Business Support Services	19.78 EUR	3.15	-1.8%	★★★★★		



The global rating (Global Evaluation) is a multi-criteria approach that identifies the stocks with the best valuations. This assessment is the compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and sensitivity (behaviour in declining markets and sensitivity to bad news) factors. In order to present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations, are listed. Furthermore, the eligible stocks must have a minimum rating of two stars; a neutral to positive valuation; a low to moderate sensitivity. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



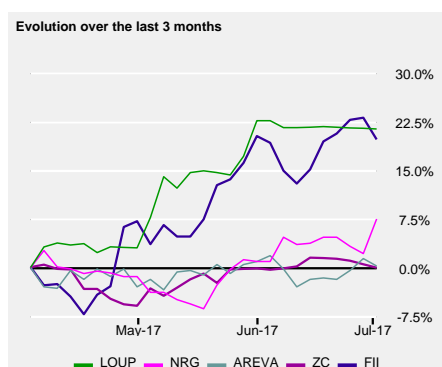
The best defensive stocks

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Sensitivity	Global Evaluation
SOI FR	SOITEC Semiconductors	51.01 EUR	1.76	-134	★★★★★		
SDG FR	SYNERGIE SA Business Training & Employment Age	44.24 EUR	1.22	-121	★★★★★		
ELIS FR	ELIS Business Support Services	19.78 EUR	3.15	-92	★★★★★		
LOUP FR	LDC Food Products	113.80 EUR	2.16	-89	★★★★★		
ROTH FR	ROTHSCHILD & CO Specialty Finance	32.00 EUR	2.81	-88	★★★★★		

The sensitivity assessment is based on essentially two criteria: the stock's "behaviour in declining markets" (Bear Market Factor), and the stock's "sensitivity to bad news" (Bad News Factor). By positioning a stock according to the world averages, three sensitivity levels can be attributed (low, moderate, high). Combining these elements makes it possible to create a final ranking of stocks in the market. To present the most useful selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars; a neutral to positive valuation; a low to moderate sensitivity. In case of a tie, the stock's "behaviour in declining markets" will act as the deciding classification element.

The stocks with the lowest correlations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Correlation	Stars	Sensitivity	Global Evaluation
LOUP FR	LDC Food Products	113.80 EUR	2.16	-0.02	★★★★★		
NRG FR	NRJ GROUP Broadcasting & Entertainment	11.50 EUR	1.02	0.01	★★★★★		
AREVA FR	AREVA Conventional Electricity	4.37 EUR	1.93	0.07	★★★★★		
ZC FR	ZODIAC AEROSPACE SA Aerospace	23.63 EUR	7.84	0.09	★★★★★		
FII FR	LISI Auto Parts	40.58 EUR	2.49	0.09	★★★★★		



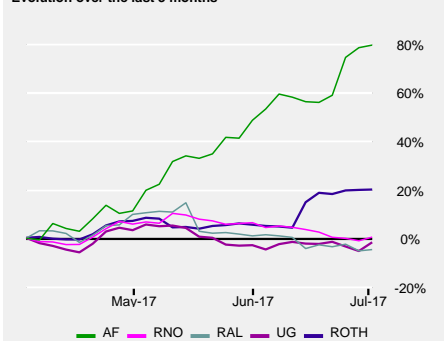
The correlation coefficient allows to identify the stocks whose dependence on the market is the weakest. If this value is very low, less than 0.5, it means that less than 50% of the stock movements are explained by market movements. On the contrary, a number close to 1 indicates that the value is very close to the evolutions of the market. In order to present the best selection, only companies with a market capitalization higher than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars; a low to moderate sensitivity; and a minimum correlation of 0.66. In the case of a tie in the ranking, the stock's "behaviour in declining markets" (Bear Market Factor) acts as the deciding classification element.



French Market (Reference SBF 120)

Closing price of July 4, 2017

Evolution over the last 3 months



Stock with the weakest PE

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Sensitivity	Global Evaluation
AF FR	AIR FRANCE-KLM Airlines	12.56 EUR	4.28	4.7	★★★★		
RNO FR	RENAULT SA Automobiles	80.46 EUR	27.01	4.9	★★★★		
RAL FR	RALLYE Broadline Retailers	18.13 EUR	1.07	5.8	★★★★		
UG FR	PEUGEOT SA Automobiles	18.13 EUR	18.62	6.0	★★★★		
ROTH FR	ROTHSCHILD & CO Specialty Finance	32.00 EUR	2.81	6.4	★★★★		

The price to earnings ratio (PE) helps to find undervalued stocks. It is commonly accepted that if the PE of a stock is lower than the PE of its reference market, the stock has upside price potential. In order to present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have: a minimum rating of two stars, a neutral to positive valuation, a low to moderate sensitivity. When the PE ratios are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.

The 20 top stocks classified by market capitalization

Symbol Market	Name Sector	Price Ccy	Perf YtD	Mkt Cap in \$bn	G/PE Ratio	LT P/E	LT Growth	4wk Rel Perf	Div	Volatility 1M	Stars	Sensitivity	Global Evaluation
MC FR	LVMH Clothing & Accessories	220.05 EUR	21.3%	126.80	0.92	18.9	15.1%	-2.3%	2.2%	21.0%	★★★★		
FP FR	TOTAL SA Integrated Oil & Gas	43.98 EUR	-9.7%	124.85	1.42	10.8	10.0%	-3.4%	5.3%	12.9%	★★★★		
SAN FR	SANOFI Pharmaceuticals	83.86 EUR	9.1%	119.99	1.04	12.6	9.3%	-3.0%	3.7%	20.5%	★★★★		
OR FR	L'OREAL Personal Products	181.35 EUR	4.6%	115.08	0.74	23.0	15.0%	-3.4%	2.0%	21.3%	★★★★		
BNP FR	BNP PARIBAS Money Center Banks	64.68 EUR	6.8%	91.56	1.35	9.1	7.7%	4.6%	4.6%	21.3%	★★★★		
CS FR	AXA Full Line Insurance	24.52 EUR	2.3%	67.60	1.33	9.1	6.9%	5.3%	5.2%	12.0%	★★★★		
AIR FR	AIRBUS SE Aerospace	73.10 EUR	16.3%	64.27	1.71	12.8	19.7%	-0.7%	2.2%	17.2%	★★★★		
RMS FR	HERMES INTERNATIONAL Clothing & Accessories	437.80 EUR	12.3%	52.47	0.66	32.4	20.3%	0.0%	1.1%	16.6%	★★★★		
BN FR	DANONE Food Products	66.41 EUR	10.3%	50.56	1.13	15.0	14.1%	1.3%	2.9%	16.2%	★★★★		
DG FR	VINCI SA Heavy Construction	74.79 EUR	15.6%	50.32	1.02	13.9	11.1%	-1.6%	3.2%	20.1%	★★★★		
AI FR	AIR LIQUIDE Commodity Chemicals	109.15 EUR	3.3%	48.10	0.90	17.0	12.7%	0.9%	2.6%	15.5%	★★★★		
ACA FR	CREDIT AGRICOLE SA Money Center Banks	14.62 EUR	24.1%	47.22	1.49	9.9	10.2%	8.6%	4.6%	22.0%	★★★★		
SU FR	SCHNEIDER ELECTRIC SE Electrical Components & Equipme	67.51 EUR	2.1%	45.35	1.05	14.4	11.8%	-0.4%	3.3%	20.4%	★★★★		
GLE FR	SOCIETE GENERALE Money Center Banks	48.58 EUR	3.9%	44.54	1.53	8.8	8.6%	5.3%	4.9%	22.6%	★★★★		
KER FR	KERING Clothing & Accessories	302.00 EUR	41.6%	43.29	1.26	14.6	16.3%	3.3%	2.1%	18.4%	★★★★		
ORA FR	ORANGE SA Integrated Telecommunications	14.06 EUR	-2.6%	42.47	1.18	11.9	9.2%	-6.9%	4.8%	13.2%	★★★★		
SAF FR	SAFRAN SA Aerospace	80.89 EUR	18.2%	38.29	0.94	16.1	13.0%	4.0%	2.1%	13.5%	★★★★		
ENGI FR	ENGIE Multiutilities	13.36 EUR	10.2%	36.92	1.04	12.6	7.9%	1.5%	5.2%	24.0%	★★★★		
RI FR	PERNOD-RICARD Distillers & Vintners	117.90 EUR	14.5%	35.52	0.82	17.8	12.7%	-1.1%	1.9%	17.7%	★★★★		
EDF FR	ELECTRICITE DE FRANCE Conventional Electricity	9.16 EUR	2.1%	30.04	0.52	13.3	3.2%	-3.1%	3.8%	37.3%	★★★★		

Number of Stocks

This is the number of stocks in the index that can be analyzed.

Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued 🟢🟢 to strongly overvalued 🟡🔴.

Stars

theScreener.com's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

In this easy-to-use rating system, stars are earned for each element specified below:

- Earnings Rev Trend 🟢 = ★★★★★
- Valuation Rating 🟢, 🟢🟢, 🟢🟢🟢 = ★★★★★
- MT Tech Trend 🟢 = ★★★★★
- 4 week Relative Performance > 1% = ★★★★★

Therefore, a stock can earn a maximum of four stars.

The lowest rating a stock can have is no stars.

Once a stock has earned a star, it will keep it until:

- Earnings Rev Trend becomes negative 🟡
- Valuation Rating becomes negative 🟡, 🟡🔴, 🟡🔴🔴
- MT Tech Trend becomes negative 🟡
- 4 week Relative Performance drops below -1% (<-1%)

Div

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

Earnings Rev. Trend

The symbol 🟢 shows that compared with their earnings revisions of seven weeks ago, the analysts have now raised their estimates (7wk EPS Rev; > 1%); the symbol 🟡 indicates that compared with their earnings revisions of seven weeks ago, the analysts have now lowered their estimates (7wk EPS Rev < -1%).

When the earnings revisions (7wk EPS Rev) fall between +1% and -1%, the trend is considered to be neutral 🟢.

The symbol 🟢 indicates that the last significant revisions have been trending positive.

The symbol 🟡 indicates that the last significant revisions have been negative.

7wk EPS Rev

This is an abbreviation for 7 week Earnings Per Share Revision. This column indicates the value of these revised earnings. A figure of 2.8 signifies that compared with seven weeks ago, the analysts have now revised and raised their estimates by 2.8%. On the contrary, a negative number means that the earnings would have been revised lower.

G/PE Ratio

In order to establish our Valuation Rating, we calculate the estimated growth of future earnings (LT Growth) plus dividend in %, divided by the estimated future PE ratio (Long Term P/E).

LT PE

This is the relationship between the price (P) and the estimated long-term future earnings (E LT).

LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

MT Tech Trend

The MT Tech Trend indicates the current trend, positive 🟢 or negative 🟡, and the Tech Reverse indicates up to which price this trend will remain valid.

When a price falls to 1.75% above or below the Tech Reverse, the MT Tech Trend is considered neutral 🟢.

Once the price breaks out of the +1.75% neutral zone, the MT Tech Trend will change to positive.

The symbol 🟢 indicates that the previous MT Tech Trend was positive.

The symbol 🟡 indicates that the previous MT Tech Trend was negative.

4wk (Rel) Perf.

This figure measures the performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. In this purely objective analysis, the actual reasons for a stock's behavior are not important. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news. The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period.

The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

Sensitivity

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.

"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.

There are three grades of sensitivity levels:

- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

Volatility 12 M

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

% of Stocks in Uptrend

This is the percentage of stocks in a given list that have a positive Medium Term Technical Trend. If, for example, the aggregate of Technology / World, (which is made up of 458 stocks) has 8% "of stocks in Uptrend," it means that 38 of the stocks within that aggregate have a positive Medium Term Technical Trend.

Beta

Beta is often used as a measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

Correlation

Correlation is the degree of similarity (in %) in which a stock fluctuates in relation to its reference index.

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Earnings forecasts provided by THOMSON REUTERS.