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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	7507 ↑	6	0.08%	11.0	1.94%
FTSE 100	5928 ↓	-47	-0.78%	12.4	5.51%
DAX 30	5682 ↓	-23	-0.41%	15.0	5.06%
DOW	11186 ↓	-34	-0.30%	19.5	3.73%
NASDAQ	2091 ↓	-3	-0.13%	15.6	-5.16%
S&P	1277 ↓	-2	-0.15%	21.0	2.54%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2732	0.6824	146.0000
Dollar	1.2732	1.0000	1.8656	114.6500
Sterling	0.6824	1.8656	1.0000	213.8600
Interest Rates (%)	2.5000	5.2500	4.5000	0.4800
Oil (Nymex)	74.4000			

This Week's Research
Ryanair

Today's Research
HBOS

Today's Recommendation

Breaking News

AIB beats forecasts & raises guidance

AIB has reported a higher-than-expected 29 percent rise in half-year profit and raised its outlook for the full year. AIB's adjusted EPS for the six months to the end of June was 93.7c, up from 72.3 cents in the corresponding period last year, and comfortably beat the consensus forecast of 86.45c. The bank has also raised its full-year earnings outlook for the second time in just over two months. In May, the group said it was targeting mid to high teens eps growth for 2006. "Arising from positive business trends and well distributed customer demand, growth in adjusted eps is now targeted to be over 20 percent for the full year 2006," it said in a statement.

Ryanair posts strong Q1, but cautious on outlook

Ryanair posted a much stronger than expected 80 percent jump in first-quarter net income, but stuck to its full-year outlook, warning of a tough winter ahead. The airline reported net profit of €115.7m for the three months to the end of June, above consensus of €98m. A late Easter that fell early in Ryanair's first quarter, new routes and a 31 percent rise in sales from ancillary items helped lift revenue 40 percent to €566.6m. Yields rose 13 percent, but warned that it did not expect that strength to continue into the rest of the year. Chief Executive Michael O'Leary said in a statement that he believes the 'forthcoming winter will be characterised by much more difficult trading conditions' and reiterated that he expected net profit to rise 5 to 10 percent for the full year.

Standard Life H1 sales up 17%

Standard Life said worldwide sales for the six months to June 30 came in at £745m, a 17 percent increase on the same period last year. The improvement reflected strong growth in the UK, where sales advanced 25 percent to £594m on the back of robust demand for self-invested personal pension products. Standard Life pointed to an acceleration in UK sales growth during the second quarter, with revenues climbing 36 percent compared with the previous three months.

Elan narrows losses & confident on Tysabri

Elan Corp revealed narrowing second-quarter losses and said it is 'confident' the revenues from re-launched Tysabri will drive the group's return to profitability. Pretax losses from continuing operations narrowed to \$92.9m from \$143.5m in the same period last year. Loss per share came in at 0.21c, compared to 0.35c. Revenues in the three months ended June climbed 15 percent to \$136.4m. Excluding the costs and revenues associated with Tysabri, adjusted EBITDA was positive for the third consecutive quarter.

HBOS (£9.75) H1 results announced Stuart Draper

- Results announced : This morning, HBOS announced its results for the 6 months ended 30/06/06. Profit before tax and earnings per share of £2.61 bn and 47p respectively were slightly ahead of consensus forecasts of £2.53 bn and 45.5p, and were year on year increases of 13% and 15%. The strong growth was driven by an increased share of net mortgage lending of 21%, from the 11% of H2 2005, combined with strong investment product sales.
- Savings growth : Strong investment product sales are continuing across all channels, and general insurance sales are being helped by growth in household insurance sales particularly. HBOS has a greater than average exposure to UK investment product sales as a result of its ability to distribute to high net worth customers through its St James Place subsidiary, and as a result of its strong position in the UK group pensions market. HBOS' insurance and investment profit growth is expected to accelerate from 7% for 2005 to 9% for 2006 to 11% for 2007.
- Low risk : Credit quality at each of HBOS' lending businesses remained robust, with broadly stable margins and cost management also helping to generate the earnings growth. HBOS remains comfortable with consensus current year eps of 94.9p, representing year on year growth of 12%, implying that the shares are still only trading at 10.3x 2006 earnings.
- Buyback support : Downside risk for the share price is also limited by the bank's share buyback programme. This was initially set at £750m for 2006, as was initially the case for last year's £1 bn share buyback programme, but has now been raised to £1 bn, with £502m spent so far this year buying back shares for cancellation.
- New leadership : Today is also the first results' announcement since Andy Hornby fully took over as the bank's new CEO, following James Crosby's departure, and this morning, the new CEO stated that he has no plans to pursue international expansion through acquisitions, as some analysts had feared.
- Attractive upside : Our current 12 month price target of £10.50 (8% further upside) is based on 10x 2007 eps of £1.05, and investors will also be paid a dividend yield of c.4.2% for waiting for this upside to be achieved. One third of this full year dividend (13.5p per share), will go ex on 9th August, providing an interim dividend yield of 1.4% : **BUY**.

Business Press

- Petroceltic begins trading on IEX (IT)
- IN&M's Indian holding's profit up (IT)
- Greencore given access to State documents (IT)

Investment Press

- US/European growth: Changes in the rate of GDP growth have a big short-term impact on corporate earnings and equity performance. The important message for investors is that US growth is not only slowing, but probably faster than the initial estimates suggest.



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