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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8621 ↑	66	0.77%	11.0	17.07%
FTSE 100	6129 ↑	2	0.04%	12.4	9.08%
DAX 30	6269 ↑	11	0.17%	15.0	15.91%
DOW	12081 ↓	-6	-0.05%	19.5	12.03%
NASDAQ	2367 ↑	3	0.12%	15.6	7.32%
S&P	1378 ↑	0	0.00%	21.0	10.68%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2745	0.6686	149.2900
Dollar	1.2745	1.0000	1.9057	117.0900
Sterling	0.6686	1.9057	1.0000	223.1700
Interest Rates (%)	3.2500	5.2500	4.7500	0.4800
Oil (Nymex)	58.7300			

This Week's Research  
CRH

Today's Research  
Deutsche Bank

Today's Recommendation

## Breaking News

### Readymix subsidiaries rebrand as CEMEX

Readymix yesterday announced that its subsidiaries will operate under the names of CEMEX effective from Wednesday, 1 November 2006. Readymix will use CEMEX as the commercial name to market its products in the Republic of Ireland, Northern Ireland and the Isle of Man. Following the rebrand, Readymix will continue to be listed in the ISEQ. The rebranding follows the recent arms length commercial agreement with majority shareholder CEMEX S.A. for the implementation of its global business model and information technology systems.

### IN&M – Indian Assc. Lifts Q2 profits

Jagran Prakashan (JPL) in which Independent News & Media holds a 21% strategic shareholding, yesterday announced a 135.2% increase in Net Profit for its Q2 results. JPL publisher of Dainik Jagran, India's largest read and largest selling daily newspaper reported net revenues of €24 million in the quarter year ended 30th September 2006, an increase of 25.9% over the corresponding quarter of the previous year. Net profit €3m, was up 135.2% on the results for the corresponding quarter last year. Circulation revenue increased by 8.4% to €7.2 million over the same period.

### Smart shareholders approve sale of assets

Shareholders of Smart Telecom yesterday approved the sale of the company for €1 euro plus assumption of its estimated €40m in debt. As part the deal, the surviving Dublin-based telecom company will receive a 10-percent shareholding in Calaly. Also yesterday the High Court upheld the ruling of the Irish regulator to withdrawing Smart's 3G wireless license. In the 3G case, Ireland's High Court ruled that Smart shouldn't be given a 3G license that was withdrawn in February. Justice Peter Kelly said the withdrawal was justified in view of the carrier's financial difficulties.

### Deutsche Bank (€98.10) Q3 results announced Stuart Draper Target : €110 (17/10/06; previously €91, issued 09/08/06)

- Q3 results : This morning, Deutsche Bank (DB) announced its results for the 3 months ended 30/09/06. Reported net profit of €1.24 bn was ahead of the consensus forecast of €1.1 bn and was a year on year increase of 25%. However, excluding an €125m insurance payout and the sale of a €92m Linde stake, the results were largely in line with forecasts.
- Accelerating activity : The results were buoyed by Q3 debt product revenue growth of 8% to €2 bn, offset by lower equity trading revenue of €700m. However, a positive outlook statement was issued, noting that the acceleration of business activity in September had continued into October.
- Recent upgrades : The bank's recent investor days on 5th/6th October resulted in consensus forecasts for 2006 and 2007 both being increased by c.5%. As a result, there are unlikely to be any further significant forecast changes in the aftermath of this Q3 results' announcement. C.75% of DB's 2007 eps is forecast to be generated from the group's investment banking operations.
- Valuation upside : Our current expectation is that DB achieves 25% eps growth this year to €9.25, and our current 12 month price target of €110 (12% upside) is based on 11x 2007 eps of €9.95. The US investment banks are already trading at a sector average of 11.3x consensus 2007 eps, with Morgan Stanley and JP Morgan trading at c.12x 2007 eps. Credit Suisse and UBS are currently rated at 12x and 14.5x 2007 eps respectively.
- Europe's premier : DB's current price to book ratio of 1.6x 2006 book value per share also places it at a c.30% discount to the US investment banks. Such a discount would appear excessive for an investment banking franchise ranked second globally (Europe's premier broker dealer), and for a 2006 return on equity of 17%. DB will also pay a dividend yield of c.3.4% for waiting for this upside to be achieved.
- Buyback support : The bank's share price, eps and return on equity will also continue to be supported by a share buyback, with €1.25 bn per annum expected to be spent in 2007 and 2008 buying back its own shares for cancellation : **BUY**.

## Business Press

- Mobile data firm Zamano in AIM listing (II)
- Airtricity's US arm in \$85m Texas move (II)
- Ryanair seeks Brussels go-ahead on Aer Lingus bid (FT)
- Persimmon looks to three year growth (FT)

## Investment Press

- UBS: Why has UBS performed so much worse in the Q3 than its US peers? The Swiss bank's profits were 30% down on the second quarter and 21% down on last year's Q3, disappointing investors, who pushed the shares down nearly 5 per cent



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