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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8092	↑ 47	0.58%	11.0	9.89%
FTSE 100	5949	↑ 43	0.73%	12.4	5.88%
DAX 30	5877	↑ 17	0.29%	15.0	8.66%
DOW	11464	↑ 83	0.73%	19.5	6.32%
NASDAQ	2193	↑ 9	0.43%	15.6	-0.55%
S&P	1311	↑ 7	0.55%	21.0	5.30%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2850	0.6740	149.6900
Dollar	1.2850	1.0000	1.9062	116.4500
Sterling	0.6740	1.9062	1.0000	222.0400
Interest Rates (%)	3.0000	5.2500	4.7500	0.4800
Oil (Nymex)	69.1900			

This Week's Research

Today's Research IL&P

Today's Recommendation

Breaking News

Fitch upgrades Anglo rating

On Friday Fitch Ratings upgraded Anglo Irish Bank from 'A' status to 'A+' citing continuing profits growth. The other ratings are affirmed at Short-term 'F1', Individual 'B' and Support '3'. The Outlook remains 'Stable', Fitch said. "The upgrade reflects consistent growth in the bank's operating profit and prospects for continued growth for at least the next two to three years, a larger capital base and greater diversification of assets and funding," the agency said.

At 12.00 noon tomorrow Anglo Irish Bank will issue a pre-close trading update. The bank is expected to confirm that it is on track for earnings growth of 15-20% per annum, with EPS of 87c forecast for the year ended September 2006.

Fyffes appointment & Blackrock results

Fyffes has announced it has appointed Seamus Keenan as its new company secretary. This follows the appointment of Philip Halpenny as Finance Director of Blackrock International Land. Meanwhile, Blackrock has announced its first financial statements and plans to invest €200m over the next two years. The figures covering the seven-week period from its commencement of operations on 11 May to 30 June 2006 show that total outlay on purchases came in at €13.5m for the period. Net rental income for the seven-week period was €704,000, shareholders' funds at 30 June 2006 were €206.8m and net assets per share at 30 June 2006 were €35.45 cent.

Mixed ABC figures for IN&M

Data released by the ABC last week showed a mixed performance from IN&M's Irish titles during the first six months of this year. In terms of daily newstrade sales the Irish Independent and the Sunday Independent registered marginal yoy decreases of 1.3% and 1.6% respectively for the period while the Evening Herald was more disappointing with a 7.4% drop in sales. The performance of the Irish Independent is decent given the increased competition in the Irish market and an increased cover price.

IL&P (€20.28) Price target achieved **Stuart Draper**
Target : €19.50 (08/03/06 ; previously €19, issued 15/02/06)

- Results' preview : Tomorrow, Irish Life & Permanent (IL&P) will report results for the 6 months ended 30/06/06. We are forecasting operating profit before tax and earnings per share of €230m and 75c respectively, representing year on year growth of 17% and 20%. Such earnings growth will have been driven by both strong life sales growth and strong loan growth.
- Strong growth : Life sales growth of 30% is expected, driving life profit growth of 18%, and loan growth of 25% is expected, driving bank profit growth of 30%. However, the current share price may now reflect both a buoyant outlook for life sales and a robust credit quality environment, leaving little potential for further positive earnings surprises in the coming weeks.
- SOTP valuation : Valuing the group's banking business at 12x upgraded 2006 earnings to reflect its continued strong growth gave a per share value of €6.53, valuing the group's life business at 1.8x embedded value per share of €6.26 to reflect its above average future growth prospects gave a per share value of €11.27, and valuing the group's 30% interest in Allianz Ireland at 10x 2006 earnings (a discount to FBD's current 11.5x), gave a per share value of €1.67.
- Fairly valued : Summing these 3 different parts gave a per share value for the group on a stand-alone basis of €19.47, and our current price target of €19.50. However, now that this price target has been achieved, our view is that the shares are quite fairly valued on a stand-alone basis.
- Recommendation downgrade : Therefore, even though IL&P has an above average probability of receiving a takeover approach over the next 12 months, we now downgrade our recommendation from BUY to NEUTRAL, recommending a SWITCH into Aviva (£7.42) as providing more value at current levels within the European insurance sector on a stand-alone basis. IL&P's share price has risen by 17% since our BUY note of 15/02/06, and investors will also have been paid a final dividend per share of 42.8c (c.2.1% yield) for holding the shares during the c.7 month period : **NEUTRAL**.

Business Press

- Decision time for BAE (FT)
- Flybe aims for £100m (FT)
- Return of carry trade investors hits yen (FT)

Investment Press

- Drug patents: Drugs companies remain curiously adroit at snatching partial defeats from the jaws of victory. Take Sanofi-Aventis and Bristol-Myers Squibb, and Plavix, the blockbuster blood thinner they jointly market in the US.



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