



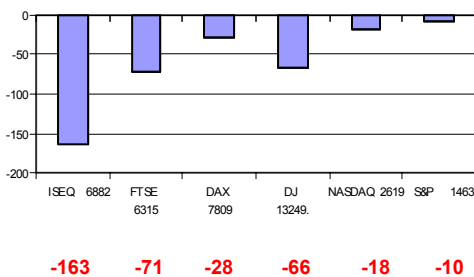
## Daily Market Comment

**Yesterday's Summary :** The Irish financials gave up most of their gain over the previous week as an Irish broker came out with a bearish note entitled 'Irish financials going nowhere fast'. AIB, Bank of Ireland, Anglo and Irish life & Permanent fell as a result with Anglo the biggest loser down over 7%. Elsewhere there was more weakness in the construction sector with CRH, Kingspan and Grafton all closing the day in negative territory. The FTSE also close the day down as Morgan Stanley also released negative banking note causing weakness in the financial stocks.

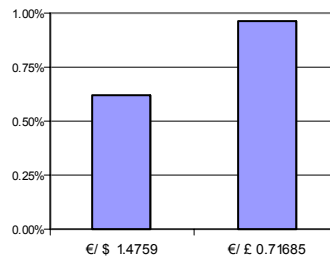
**Overnight News :** US mortgage finance giant Fannie Mae announced last night it was cutting its dividend 30% and selling \$7bn in special stock to raise additional capital to cushion against losses in lower-quality mortgages. Fannie Mae, which finances or guarantees one of every five home loans in the United States, last month reported a third-quarter loss of \$1.4 billion, while forecasting housing market woes through next year because of mounting home loan delinquencies.

**Breaking News :** French peer of CRH, Bouygues raised its 2007 sales goal on Wednesday after an 11% gain in the first nine months of the year. Bouygues also posted a 20% rise in nine-month net profit. Construction's sales climbed 21% in the nine month but its contribution to the group's EBITDA was down 4% to €299m because several major projects were in the start-up phase. Xstrata announced today it has launched a bid to acquire Australian rival Resource Pacific Holding. The proposal values Resource Pacific at AUS\$960m. Xstrata has put forward a cash offer equivalent to AUS\$2.85 per share, which it said amounted to a premium of 85% on Resource Pacific's average share price over the past 30 days.

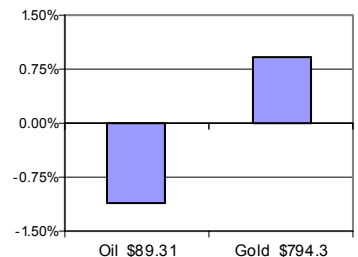
## Equity Index's change on day



## Currency daily % change



## Oil/Gold daily % change



## Paper Headlines

"Five firms approach ISTC with investment proposals" - **ISTC** - (Irish Times)

"Tesco sees sales soar 11.8% as more Irish stores planned." - **Tesco** - (Irish Examiner)

"Ryanair to take €30m writedown on Aer Lingus investment says O' Leary." - **Ryanair** - (Irish Independent)

"JC Flowers steps up its efforts to win the battle for Northern Rock" - **Northern Rock** - (Financial Times)

"Nokia shares fall after warning on margins" - **Nokia** - (Financial Times)

## Market Themes and Movers

**Markets expect Fed rate cut :** With their forecast of economic recovery again endangered by economic turmoil, Federal Reserve officials next week are likely to deliver their third "insurance" interest-rate cut this year. How big a cut and what to say in the accompanying statement are likely again to be difficult decisions, as they were on October 31 when the Fed cut its short-term interest-rate target to 4.5% and issued a statement suggesting no more rate cuts were likely. Futures markets expect at least a quarter-percentage-point rate cut and see a two-thirds probability of a half-point cut. Fed officials will likely consider the larger cut, but some might find it hard to justify when just a few weeks ago they thought they were finished cutting rates.

**OPEC production unchanged :** OPEC announced that it is to maintain its official output quota at a keenly-watched ministerial meeting in Abu Dhabi today. Saudi Oil Minister Ali al-Naimi said OPEC has no need to increase crude production from the cartel's official daily output quota of 27.25 mln barrels. Analysts have also said concerns about global economic weakness caused by the US housing crisis and credit crunch could further dampen demand for energy. Oil futures struck a record high of \$99.29 a barrel on Nov 21 but have since fallen about 10% on expectations that OPEC would raise output. In early trade today, Brent North Sea crude for January delivery rose 41c to \$89.94 a barrel.

## Dolmen Squawk Box

This day 5 years ago, Dublin outperformed rival stock markets. Following the announcement of poorer-than-expected US employment data, it surrendered some gains but still closed around the mid-point of the day's trading range and at a 12-month high.



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