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EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7996	↓ -1	-0.01%	11.0	8.58%
FTSE 100	6044	↑ 39	0.66%	13.5	7.57%
DAX 30	6029	↑ 15	0.26%	15.0	11.48%
DOW	11240	↑ 36	0.32%	19.5	4.23%
NASDAQ	2360	↑ 14	0.61%	15.6	7.00%
S&P	1312	↑ 6	0.43%	21.0	5.35%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2289	0.7013	144.5000
Dollar	1.2289	1.0000	1.7520	117.6000
Sterling	0.7013	1.7520	1.0000	206.0400
Yen	144.5000	117.6000	206.0400	1.0000
Oil (Nymex)	67.0700			

This Week's Research
Fyffes
Petroceltic
Vodafone

Today's Research
Apple

Today's Recommendation

Apple (\$67.21) Sales boost from Windows Owen Turner

- **Windows deal:** Yesterday Apple said it will offer Microsoft's Windows operating system on new Macintosh computers. It unveiled the launch new software called "Boot Camp" that will enable its computers that use Intel microprocessors to run Windows XP. By allowing Macs to run Windows, the operating system found on more than 90 percent of the world's PCs, Apple could benefit from substantial market share gains with customers who want Macs, but prefer the Windows operating system. It is estimated that earnings will be boosted by c.15% for every one percent of market share gained.
- **Recent underperformance:** Shares in Apple have fallen by c.30% since January, with a number of factors contributing to this weakness. The main driver of the weakness was concern over the transition in supplies of Macs as Apple makes the switch to Intel-based versions of the PC. Current consensus forecasts have already factored this in so it is unlikely that Apple will miss Wall St expectations when it reports Q2 results on April 19.
- **Legal disputes:** More recently it has been legal matters that have weighed on Apple's share price. In France a law was passed that will force Apple's iTunes online music store to remove software barriers that currently prevent consumers from playing downloaded tracks on any digital device other than the company's own iPod player. It is estimated that music downloads in France only contribute less than one percent of total group revenues. Therefore any further negative implications from this ruling should be minimal. Apple's share price has also been held back by some negative media coverage of Apple's ongoing legal dispute over the use of their names and trademark logos with the Beatles' record label Apple Corps. Ltd. Apple Corps is looking for the Apple logo to be dropped from iTunes and the outcome is unlikely to have a significant impact on Apple's revenues. A ruling is expected after Easter.
- **High growth :** Apple will report Q2 results on April 19. The company has guided for \$4.3bn in sales and EPS of 38c, which would appear conservative given the consensus estimates of \$4.6bn and 44c respectively. Forecasts for iPod unit sales range from 8.5-9.5m. Our current 12 month price target of \$75 is based on 25x 2007 eps of \$3. While this would represent a significant premium to sector average of 15x, this would appear justified given Apple's superior earnings growth over its peers (30% vs sector average of 15%) : **BUY**

Breaking News

Ryanair passenger stats for March

Ryanair said it carried 3 million passengers in March, a rise of 17 percent on 2.566 million carried in the same period last year. Load factor - passengers as a proportion of the number of seats available - was 79 percent compared to 80 last time. For the rolling 12 months to March 31, passengers carried totaled 34.77 million, while load factor was 83 percent. Ryanair also announced the launch 11 new routes from its Liverpool base to Aberdeen and Inverness in Scotland, Alghero and Ancona in Italy, Kaunas in Lithuania, Krakow, Poznan and Wroclaw in Poland, Santander and Santiago in Spain and Tampere in Finland. The new routes will operate three times weekly - except Aberdeen and Inverness which will operate seven times and Tampere four - from Oct 3 this year, bringing the number of destinations served by Ryanair in Liverpool to 32.

Fed lifts ban on Citigroup acquisitions

Citigroup is free to become considerably larger after the US Federal Reserve lifted a year-long ban on the bank making big acquisitions. Although Citigroup is principally looking to grow by developing its existing businesses, the bank is keen to boost its presence outside the US and is expected to make several multibillion-dollar acquisitions. The Fed had introduced the ban in March last year to give Citigroup a chance to improve internal controls after a number of regulatory problems.

ISE reports record turnover

The ISE announced yesterday that the ISEQ index reached an all-time time high during the first quarter of 2006. The Irish Stock Exchange today reported a record quarter of equity turnover, with trading in equities in the first three months of the year up 24% to €33.4bn. Average daily equity turnover rose to €522m from €430m the same time last year. Daily transactions on the equity markets rose by 26% to 4,006 from 3,171 the same time last year. Companies traded on the ISE raised a total of €658m in the first quarter of 2006. It added that of the numbers of deals done in the first quarter of 2005, 55% were executed on the ISE Xetra electronic order-book with 45% done off the orderbook.

Business Press

- IIB's profits growth boosts assets by 33% (IT)
- Aer Lingus staff to plan to restrict dilution of shares (IT)
- Lansdowne Oil to offer shares on AIM (IT)
- Pharma firm Amarin's stock raises \$2.4m (IT)

Investment Press

- **Apple:** Plenty of people were looking for an excuse to buy into the Apple dream. Wednesday's decision to let Microsoft Windows run on its computers, alongside Apple's own operating system, could be a helpful trigger for both customers and investors.



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