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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6819 ↑	74	1.10%	11.0	10.01%
FTSE 100	5359 ↑	21	0.40%	13.5	11.33%
DAX 30	4968 ↑	58	1.19%	15.0	16.74%
DOW	10589 ↑	142	1.36%	19.5	-1.80%
NASDAQ	2167 ↑	26	1.21%	15.6	3.73%
S&P	1233 ↑	15	1.26%	21.0	1.76%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2521	0.6789	137.3200
Dollar	1.2521	1.0000	1.8438	109.6500
Sterling	0.6789	1.8438	1.0000	202.2400
Yen	137.3200	109.6500	202.2400	1.0000
Oil (Nymex)	65.5300			

This Week's Research

Today's Research IL&P

Breaking News

US stocks rally overnight

US stocks closed at three-week highs overnight as crude oil and gasoline futures prices dropped, easing worries about the impact of high energy costs on profits and a possible slowdown in consumer spending. Oil prices fell by over 2 percent on Tuesday as US oil refineries showed signs of recovery in the wake of Hurricane Katrina. Shares of retailers like Wal-Mart, airlines like Delta Air Lines, and industrial companies were among the gainers as oil slipped more than \$1 to below \$66 a barrel., while home improvement and construction companies rose on expectations that reconstruction efforts from Katrina will boost profits. Investors also welcomed a rise in an index of business activity in the large services sector last month, which signalled economic strength but did not reflect the full impact of Hurricane Katrina. The Institute of Supply Management's nonmanufacturing index unexpectedly rose to 65 last month from 60.5 in July. The Dow and the Nasdaq registered their biggest gains in about two months, while the S&P saw its biggest rise since April.

EasyJet passenger numbers

easyJet has announced that passenger numbers rose 18 percent to 2.9 million in August, although its load factor slipped to 88.4 percent. 'August was another strong month for easyJet: load factor and passenger growth were both virtually unchanged from last month,' said chief executive Ray Webster. 'We maintain the revenue and profits guidance issued with our Q3 statistics last month,' he added.

Abbey announces share buy back

Abbey has said that on 6 September 2005, it purchased 875,000 ordinary shares in the issued share capital of the Company at €9.00 per share, to be held as treasury shares. Following the above purchase the Company holds 875,000 Ordinary Shares as treasury shares. The total number of Ordinary Shares in issue (excluding ordinary shares held as treasury shares) is 33,202,782.

Business Press

- Consumer sentiment lowest in 14 months (IE)
- Kingspan's Mulvihill sells 100,000 shares (IT)
- O'Quigley joins Petroceltic (IT)
- Circle Oil wins Oman concession (IT)

IL&P (€15.40)

H1 results announced

Stuart Draper

- Results announced : This morning, Irish Life and Permanent announced results for the 6 months ended 30/06/05. Operating profit before tax and operating profit earnings per share of €196m and 62.3c respectively were in line with consensus forecasts and were year on year increases of 5% and 6%.
- Life margins : The growth was driven by a significant year on year improvement at the group's life operations, where operating profit before tax grew by 7% to €109m. Margins at the group's life business are expected to exceed the full year target of 15%, driven by an improved margin on risk business and a more favourable product mix.
- Bank margins : However, despite net new lending at the group's banking business growing by 13% to €4.2 bn, net interest income only grew by 8% as the net interest margin fell to 1.34% from 1.4% for 2004. IL&P is also forecasting some further H2 erosion in the net interest margin, to 1.3% on a full year basis for 2005. The main driver of this margin erosion has been the increased reliance on wholesale funding in a low interest rate environment. Current account balances showed strong growth, with c.34,000 new current accounts opened during H1 2005.
- Switching opportunity : However, our view is that the buoyant trading conditions shown in these H1 results are now once again quite fairly reflected in the current share price. Earlier this year, when our 2005 target of €15 was reached, we downgraded our recommendation from BUY to NEUTRAL, and reiterate this recommendation now, recommending a **SWITCH** into Aviva (€6.12) as providing more value at current levels in the European insurance sector : **NEUTRAL**.

Investment Press— Lex

- PartyGaming: On the surface, PartyGaming's maiden set of interim results had all the big numbers you might expect in terms of sales and profit growth. Unfortunately, the market responded with another big number: a 33 per cent drop in the online poker company's share price.



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