



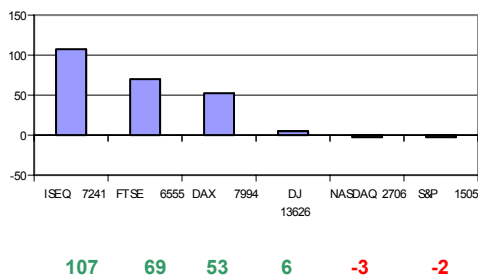
## Daily Market Comment

**Friday's Summary :** Another day of strength for Irish financials, albeit on weak volumes, AIB finished up 12 cent at €15.30 while Anglo gained 26.5 cent to close at €11.25. The construction sector which has suffered recently, posted strong gains, with CRH adding 80 cent to finish at €25.65, while Grafton gained 28 cent to finish at €6.02. Takeover rumours, fuelled the UK mining sector as a potential for a bid for Xstrata pushed the share price to an all time high of £38.46, a 7.9% increase.

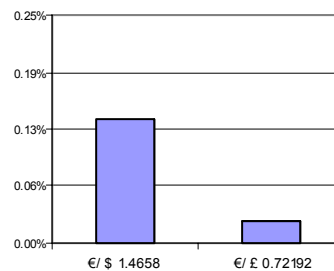
**Overnight News :** Asian indexes closed lower overnight due to caution ahead of the US Federal Reserve decision on interest rates. While it is widely anticipated that the Fed will lower its rates by at least a quarter of a percentage point on Tuesday, investors seem to have priced the rate cut into the recent rebound staged by local shares after a slump in November. China's one percentage point increase in the reserve requirement ratio for banks, also compelled investors to reduce exposure to mainland financial stocks.

**Breaking News :** Lloyds TSB Group released a trading statement for full year 2007 saying they expect to deliver a solid performance for the year, in-line with analysts expectations. The group expects to take a £200 million hit as a result of the recent market turbulence. UBS announced a further \$10 billion write-down of assets to their fixed income portfolio for this quarter, this comes on the back of \$4.66 billion last quarter. As a result, UBS intend to raise \$11.5 billion from Singapore and Middle Eastern investors, through a mandatory convertible bonds.

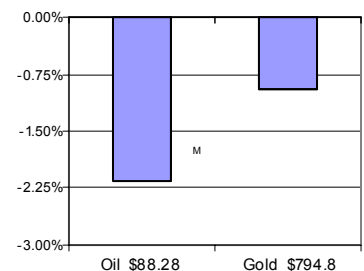
## Equity Index's change on day



## Currency daily % change



## Oil/Gold daily % change



## Paper Headlines

- "Building sector continues to slow" - (Irish Times)
- "Abbey plc not being taken private" - **Abbey** - (Irish Examiner)
- "ECB deviates from other banks on rate rises" - (Irish Examiner)
- "Investors to vote on Murdoch promotion" - **BSkyB** (Financial Times)
- "Midlands developer offers boost for Rank" - **Rank** - (Financial Times)

## Market Themes and Movers

**Decrease in US home sales:** The markets will be looking to the latest report on the National Association of Realtors index of pending home sales, due to be released later today. The index measures contract signings, and is therefore considered a forward looking indicator for the US market. Expectations are for the lowest figures in at least six years, due to the difficulty faced by buyers in obtaining mortgages. The inventory of unsold properties is surging as demand slumps and rising foreclosures increases the number of homes on the market. The number of Americans who are behind in mortgage payments reached a 20 year high last quarter. The median estimate from 23 economists suggests a 1% decrease in the index, with estimates ranging from an increase of 1.8% to a decrease of 3%. The group will release its latest forecast for the year as well as forecasts for 2008.

**Iran rejects the dollar:** Most oil companies in South Korea and China recently started paying for Iranian crude oil in euros instead of U.S. dollars, following a similar move by Japanese buyers earlier this year. Iranian Oil Minister Gholam Hossein Nozari said Saturday that the producer had completely stopped selling its crude oil in U.S. dollars. Iran is the first oil producer that has completely dropped the U.S. dollar for oil payments amid concerns that a weak U.S. dollar could reduce their oil revenues. State-run National Iranian Oil Co. has been pressing its customers for more than a year to shift to paying in non-dollar currencies, in line with Tehran's efforts to reduce its U.S. dollar holdings amid political pressure from the U.S. and a weak dollar.

## Dolmen Squawk Box

This day 4 years ago, British Airways was approved for its re-entry into the FTSE. The airliner was dropped earlier in the year in the run up to the Iraq war.



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