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750 jobs to go as bank closes Irish branch network (*The Irish Times*)

FG front bench backs Kenny as he promises to improve (*The Irish Times*)

Thousands of jobs to go as banks slash costs (*The Irish Independent*)

INTERNATIONAL PAPERS TODAY

Greek "firewall" talk drives markets (*Financial Times*)

Sants resigns from FSA but Tories open the door to a future role (*Financial Times*)

EU bailout for Greece awaits German decision (*The Wall Street Journal*)

Market View

Analyst : Stephen Taylor

European equity markets are higher this morning following yesterday's strong bounce in the US on speculation that there will be a German backed bailout of Greece. Reports suggest that German Finance Minister Wolfgang Schaeuble is to brief law makers on steps he may take to support the Greek government. All focus will be on tomorrow's EU summit in Brussels where there is the potential for some form of announcement. As a result of the bailout speculation, Credit Default Swap (CDS) spreads have tightened in significantly among peripheral European nations and is a positive read across for equity markets. We continue to reiterate our view that while risks remain, the recent weakness in equity markets should be used as a buying opportunity as the outlook for corporate profits as evidenced over the fourth quarter earnings season continues to improve. The main focus for today will again be on any further commentary in relation to the peripheral European nations and movements in their CDS spreads. On the economic front, the Bank of England quarterly inflation report will be important and will provide further insight in to the BoE's decision not to increase its asset purchase program in February. In the US, the market will be waiting for the release of Federal Reserve Chairman Ben Bernanke's testimony into the unwinding of emergency liquidity programs and the implications for economic recovery.

BHP Billiton: Buy Yesterday's Close 1886p Target 2070p Analyst Brian Gallagher

This morning BHP Billiton reported first half results that comfortably beat market expectations. The diversified miner's H1 sales came in at \$24.6bn versus an expected \$22.3bn. Net income also exceeded expectations with the figure reported nearly \$600mln ahead of consensus. In the short term, management remains cautious in relation to its outlook, particularly in developed economies, but still sees strong GDP growth from emerging economies. Some analysts had been expecting BHP Billiton to announce the beginning of a share buyback scheme but management disappointed in this regard which will fuel further speculation that the company is lining up a potential acquisition. Other analysts were expecting a more aggressive dividend but shareholder distribution only moved up slightly to \$0.42 per share. On the whole, we view the results as a positive as they illustrate solid operational progress and strong industry fundamentals. However, in the short term, we will be looking for the company to provide more detailed guidance on what it intends to do with its underleveraged balance sheet.

CRH: Buy Yesterday's Close €16.90 Target €20.50 Analyst Stephen Taylor

CRH peer HeidelbergCement reported full year 2009 results. Operating profit before depreciation came in at €2.1bn, down 29% year on year. Revenue declined by 22% to €11.1bn, slightly missing expectations for €11.3bn. In relation to its outlook for 2010, the group continues to expect a slow U-shaped recovery for the world economy with emerging markets decoupling from more mature ones. The group does expect stimulus programs in the US to have their full impact in 2010. We see the cautious outlook as a mild negative read across for CRH, however given the trough in earnings CRH has already been reached in the last 12-months, we view the stock as an excellent long-term recovery play. The recent strengthening in the US dollar should also have a positive translation effect for CRH's earnings as it generate c. 50% of its revenue in the US.

Smurfit Kappa: Buy Yesterday's Close €6.50 Target €7.15 Analyst Edward Keeling

Smurfit Kappa released its Q4 results this morning and as we forecasted its performance was ahead of expectations. Revenue for the period was €1,541m down just 5.5% year on year and better than consensus estimates of €1,462. EBITDA came in at €186m which is compared with market expectations of €174m. Its resulting EBITDA margin of 12.2% is down from 12.7% from Q3 reflecting increased input costs. Management have indicated that its previously announced container board price increases are holding and that this, as anticipated, is the cause of some short term margin pressure. However the group has guided that this will be largely offset by intended corrugated box price increases over the next six months. The group's debt reduction performance was weaker than forecasted with total net debt increasing by €18m compared to the third quarter as a positive free cash flow performance was more than offset by adverse currency movements, primarily as a result of a stronger US dollar. However overall the group's net debt to EBITDA of 4.1x remains comfortably within its covenants of 5.4x. Going forward the group has raised its three year savings objective to €300m from €250m, which is to be achieved by the end of 2010. It has reiterated that the sustainability of the recovery is dependent on continuing supply discipline in the European market, but nevertheless it expects to deliver meaningful EBITDA growth in 2010. We remain positive on the group and reiterate our Buy recommendation.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,884	-0.8%	-2.0%
FTSE	5,112	0.4%	-5.3%
Dow Jones	10,059	1.5%	-3.5%
S&P	1,071	1.3%	-4.0%
Nikkei	9,933	-0.2%	-5.5%
Stoxx 50	2,668	0.2%	-9.2%

Sector Performances

Sector	Index	1-Day	YTD
Construction	255	0.6%	-7.2%
Technology	189	-0.5%	2.5%
Oil & Gas	310	0.0%	-5.7%
Financials	196	0.7%	-9.9%
Retail	242	0.4%	-0.2%
Food & Drink	295	-0.6%	-2.9%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	73.8	2.6%	-8.3%
Copper	298.7	2.5%	-10.8%
Gold	1,078.1	1.4%	-1.9%
Silver	15.4	2.3%	-8.2%
Wheat	482.3	-0.4%	-10.8%
Cattle	91.5	0.7%	1.8%

Currency Exchange Rates

Currency	Index	1-Day	YTD
€/\$	1.380	1.1%	4.1%
€/£	0.878	0.2%	1.0%
£/\$	1.572	0.9%	3.0%
\$/JPY	89.690	0.5%	3.8%
€/JPY	123.750	1.6%	8.0%
€/SFR	1.468	0.2%	1.1%

5Yr Credit Spreads

Product	Index	1-Day	YTD
Invest Grade	91.0	1.6%	26.8%
High Yield	492.9	-2.3%	12.5%
Financials	99.1	-0.7%	43.1%
BoI	237.6	2.2%	-3.3%
AIB	252.4	1.8%	-8.1%
RBS	155.7	2.6%	7.6%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.2%	0.9%	0.5%
2-Year	1.6%	1.7%	1.1%
5-Year	2.6%	3.1%	2.6%
10-Year	3.4%	3.9%	3.7%

Date	Company	Region	Event
10/02/2010	Vestas Wind Systems A/S	DK	Q4
10/02/2010	Peugeot SA	FR	FINAL
10/02/2010	AIR France-KLM	FR	Q3
10/02/2010	Laurent-Perrier SA	FR	Q3 SALES
10/02/2010	Sanofi-Aventis SA	FR	Q4
10/02/2010	Elan	IE	Q4
10/02/2010	Smurfit Kappa Group Plc	IE	Q4
10/02/2010	ArcelorMittal SA	LU	FINAL
10/02/2010	Nordea Bank AB	SE	Q4
10/02/2010	Travis Perkins PLC	GB	PRELIM
10/02/2010	CSR Plc	GB	Q4
10/02/2010	Reckitt Benckiser Group PLC	GB	Q4
10/02/2010	Coca-Cola Enterprises	US	Q4
10/02/2010	Dean Foods	US	Q4
10/02/2010	IntercontinentalExchange	US	Q4
10/02/2010	The New York Times Co.	US	Q4
11/02/2010	Wienerberger AG	AT	PRELIM
11/02/2010	KBC Groep NV	BE	FINAL
11/02/2010	Electricite de France SA	FR	FINAL
11/02/2010	Legrand SA	FR	FINAL
11/02/2010	Total SA	FR	FINAL
11/02/2010	Alcatel Lucent SA	FR	Q4

Date	Event	Region	Estimate
10/02/2010	Industrial Production (MoM)	UK	0.20%
10/02/2010	Manufacturing Production (MoM)	UK	0.20%
10/02/2010	BoE Qtrly Inflation Report	UK	--
10/02/2010	MBA Mortgage Applications	US	--
10/02/2010	Trade Balance	US	-\$35.5B
10/02/2010	Monthly Budget Statement	US	-\$70.0B
11/02/2010	ECB Publishes Feb. Monthly Rep	EC	--
11/02/2010	Advance Retail Sales	US	0.30%
11/02/2010	Initial Jobless Claims	US	456K
11/02/2010	Business Inventories	US	0.40%
12/02/2010	GDP s.a. (QOQ)	GE	0.20%
12/02/2010	Euro-Zone Ind. Prod. sa (MoM)	EC	0.20%
12/02/2010	Euro-Zone GDP s.a. (QoQ)	EC	0.30%
12/02/2010	U. of Michigan Confidence	US	74.8
15/02/2010	Rightmove House Prices (MoM)	UK	--
16/02/2010	CPI (MoM)	UK	--
16/02/2010	RPI (MoM)	UK	--
16/02/2010	DCLG UK House Prices (YoY)	UK	--
16/02/2010	ZEW Survey (Econ. Sentiment)	GE	--
16/02/2010	ZEW Survey (Econ. Sentiment)	EC	--
16/02/2010	Empire Manufacturing	US	--
16/02/2010	ABC Consumer Confidence	US	--

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