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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6785 ↑	29	0.43%	11.0	9.47%
FTSE 100	5378 ↑	14	0.26%	13.5	11.71%
DAX 30	4991 ↑	81	1.65%	15.0	17.26%
DOW	10594 ↓	-21	-0.20%	19.5	-1.75%
NASDAQ	2158 ↓	-16	-0.75%	15.6	3.29%
S&P	1229 ↓	-2	-0.18%	21.0	1.41%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2411	0.6892	136.7600
Dollar	1.2411	1.0000	1.7996	110.2200
Sterling	0.6892	1.7996	1.0000	198.3500
Yen	136.7600	110.2200	198.3500	1.0000
Oil (Nymex)	65.1300			

This Week's Research

Today's Research

## Breaking News

### Aviva H1 profit up 21%, warns on margins

The UK's largest insurer Aviva has reported a 21 percent increase in first-half profit, at the top end of expectations, but said competition in its home life and pensions market would hit margins. Aviva said operating profit in the six months to June 30 was 1.32 billion pounds compared to 1.08 billion in the same period last year, fuelled by an 18 percent increase in earnings in its general insurance operations to 694 million and strong life and pensions sales in mainland Europe. The average forecast among analysts was for operating profit of 1.21 billion pounds with a range of 1.14 billion to 1.3 billion. Overall, Aviva's life operating profit rose 5 percent to 857 million pounds but profit in the UK, its single largest market, fell 5 percent, as sales declined to 4.2 billion pounds from 4.3 billion in the same period last year. Aviva increased its UK margins to 3.2 percent from 3 percent but said it expected some margin pressure in the short-term and only modest UK market growth in the second half of 2005.

### RSA H1 profits up 79%

Royal & Sun Alliance has said its first-half profit increased by 79 percent increase and said all of its core businesses were achieving strong returns. Britain's second-largest commercial insurer said its operating profit in the six months to June 30 rose to 329 million pounds from 184 million pounds a year ago, beating consensus estimates of 313 million pounds. RSA said its results were buoyed by higher sales, good Scandinavian results and a strong performance in its UK commercial and personal insurance business.

### Oil sets new record

Oil prices raced above \$65 for the first time on record today, as tightening U.S. gasoline supplies fuelled concerns over refinery problems and stability of crude supplies in the Middle East and North Sea. U.S. light sweet crude for September delivery is trading above \$65 for the first time since the New York Mercantile Exchange (NYMEX) launched crude futures trading in 1983. The weekly U.S. Energy Information Administration (EIA) report showed on Wednesday a 2.1 million-barrel decline in gasoline stockpiles. A series of refinery problems in the United States has contributed to a 1.1 percent fall in refinery utilization at a time U.S. gasoline demand is running at a robust 1.4 percent higher than a year ago in the past four weeks.

### Deutsche Telekom Q2 numbers buoyed by T-Mobile

Deutsche Telekom this morning reported a 63 percent surge in second quarter net earnings to 943 million euros, driven largely by its mobile telephone unit. But the company noted that its performance in the same period last year had been adversely affected by the cost of write-downs in the United States. EBITDA increased by 4.4 percent to 5.22 billion euros on sales of 14.75 billion euros, up 2.5 percent from the second quarter of 2004. Deutsche Telekom said it was sticking to its forecast of an operating profit of between 20.7 and 21 billion euros this year. Sales generated by the group's fixed line operations fell 4.7 percent in the second quarter compared with the same period last year, while those of its mobile phone division, T-Mobile, rose 8.2 percent to 7.2 billion euros. T-Mobile operating earnings were up 10.9 percent to 2.44 billion euros. "It was the performance of T-Mobile in particular that stands out, both in Europe and the United States," said Deutsche Telekom head Kai-Uwe Ricke. T-Mobile attracted 1.9 million new clients, including 623,000 in Germany, during the second quarter. The figure came in just above market expectations.

## Business Press

- Fitzwilliam Capital lists on IEX (IT)
- Recruiter Grafton buys jobs firm (II)
- EiRx Therapeutics in acquisition (IE)
- Paddy Power flushed with success over poker site (IE)

## Investment Press— Lex

- UK economy: Central bankers who live in glasshouses should take out insurance. It is becoming clearer that the Bank of England thinks it has done just that with its interest rate cut last week.



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