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### Market Movers

## IRISH PAPERS TODAY

EU leaders agree to emergency aid for Greece  
*(The Irish Times)*

Concern that protests in Athens could be taste of worse to come  
*(The Irish Times)*

Eurozone ministers thrash out deal to rescue Greece  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Brown :global bank tax near  
*(Financial Times)*

China charges Rio staff with bribery  
*(Financial Times)*

France lends Greece a hand  
*(The Wall Street Journal)*

## Market View

Analyst : Stephen Taylor

European markets are higher this morning in anticipation that a Greek bailout will be announced later today. European Union leaders are meeting in Brussels today and are expected to lay out the ground work for an aid package for Greece. We expect that Greece will be required to take further budgetary cuts in order for the aid package to be passed. Reports suggest that a statement will be released at 3.45pm today. Credit Default Swaps (CDS) are continuing to tighten today among peripheral European nations in anticipation of the bailout. With tightening credit markets positively correlated with a stronger equity market performance, a positive outcome from today's summit should ease credit markets further and therefore lead to a further turnaround in equity markets. On the economic front, Australia is continuing to show signs of recovery with unemployment data showing signs of improvement. Data released overnight shows the unemployment rate falling to 5.3% from 5.5% in December and better than the 5.6% rate expected. The data further reinforces our view that the global economic recovery is on track. Aside from the summit today in Brussels focus will also be on Jobless claims out of the US that are expected to show a slight improvement week on week. With jobless claims disappointing over the last number of weeks, the market needs to see some improvement in the number. On the earnings front, results from Philip Morris and Pepsi will also be closely watched before the US market opens.

**BHP Billiton: Buy** Yesterday's Close 1857p Target 2070p Analyst Brian Gallagher

Further positive earnings momentum was created this morning for diversified miners when Rio Tinto reported its full year results. The group's revenue and EBITDA beat analyst expectations coming in at the upper end of consensus at \$44.03bn and \$14.3bn respectively. The results also illustrated how Rio Tinto has managed to strengthen its balance sheet with the group's gearing falling to 29% reflecting a \$19.8bn drop in net debt. The stronger financial position allowed Rio Tinto to announce a dividend of \$0.45 per share and management also guided that their dividend would at least remain at 2008 levels. Like BHP Billiton the group's strongest performing division was iron ore however, Rio Tinto reported a small profit in its aluminium operations. This is encouraging as aluminium has been a drag on earnings since the group's ill advised purchase of Alcan in 2007. In relation to the company's outlook, management is positive. They see demand for the group's products doubling over the next 15 years on the back of strong demand from developing economies like China and India. This week's results from BHP Billiton and Rio Tinto have reaffirmed our investment thesis on diversified miners and we remain buyers of the mining sector with BHP Billiton and Antofagasta our preferred plays.

**Greencore: Buy** Yesterday's Close €1.33 Target €1.70 Analyst Oliver Gilvarry

Greencore has issued an interim management statement ahead of its Annual General Meeting today. The group noted that adjusted EPS was 17.4c which was in line with 2008 on a constant currency basis but down 14.3% on a comparative basis. Greencore said that it has made a very strong start to the year in Convenience Foods with most category businesses experiencing both sales and operating profit growth year on year. Sales in the first quarter of FY10 were 6.5% ahead of the same period last year at €220.2m. Sales in the UK increased by 7.8% on a constant currency basis and 30% in the US. The group also announced that it has agreed to sell its Malt business to Axereal Union De Cooperatives Agricoles for a consideration of up to €116.25m. The proposed disposal is consistent with its strategy to develop its core Convenience Foods business in the UK and the US and provides it with additional balance sheet strength. We retain our positive stance on Greencore and reiterate our buy rating.

**Ryanair: Buy** Yesterday's Close €3.50 Price Target €4.30 Analyst : Edward Keeling

After the market closed yesterday Air France reported a wider than expected Q3 operating loss of €245m. Revenue for the three months to December fell 16% to €5.19bn, lower than consensus estimates of €5.34bn as the airline suffered from a later than expected pick up in unit revenue. For the full year the group is now guiding an operating loss of c.€1,323m. This is over 30% below current consensus and the stock is trading over 8% lower in morning trade. Although this provides a disappointing read through for the airline sector as a whole, we suspect some of the issue for traditionally network carrier such as Air France is that they are continuing to lose traffic to the low Cost carriers such as Ryanair. We expect that Ryanair's lower fares and low cost operations are continuing to squeeze its competitors' margins.



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**Diageo: Half Year Results**

**Yesterday's Close** 1025p

**Analyst** Edward Keeling

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Diageo reported half year results this morning and the world's largest spirits company posted interim sales of £5207m. This is worse than market consensus estimates of c.£5420m and compared with £5068m for the same period last year. Earnings per share came in at 44p, lower than analysts' forecasts of 46p. Management have indicated that the economic and consumer environment remains weak in many of its markets, while pricing opportunities have been limited. In the US the group has guided that the economic environment and consumer confidence remains weak, while in Europe there are no signs of an overall improvement in economic conditions. However this was somewhat offset by its international division which once again delivered good top and bottom line growth. On the positive side the group has increased its dividend by 5% to 41.6p and it has indicated that "we are in the early stages of a recovery". Going forward the company has reiterated its guidance for low single digit organic operating profit growth for the full year.

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### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,922	1.3%	-1.2%
FTSE	5,132	0.4%	-4.0%
Dow Jones	10,038	-0.2%	-3.7%
S&P	1,068	-0.2%	-4.2%
Nikkei	9,933	-0.2%	-5.5%
Stoxx 50	2,700	1.2%	-8.1%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	256	0.4%	-6.9%
Technology	188	-0.5%	2.2%
Oil & Gas	311	0.2%	-4.7%
Financials	201	2.6%	-8.6%
Retail	243	0.2%	0.1%
Food & Drink	297	0.5%	-2.3%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	74.5	1.0%	-6.6%
Copper	298.9	0.1%	-9.3%
Gold	1,072.1	-0.6%	-1.6%
Silver	15.3	-0.9%	-8.3%
Wheat	496.8	3.0%	-8.8%
Cattle	91.6	0.1%	2.0%

### Currency Exchange Rates

Currency	Index	1-Day	YTD
€/\$	1.374	-0.4%	4.1%
€/£	0.881	0.3%	0.3%
£/\$	1.560	-0.8%	3.9%
\$/JPY	89.950	0.3%	3.3%
€/JPY	123.570	-0.1%	7.6%
€/SFR	1.467	-0.1%	1.1%

### 5Yr Credit Spreads

Product	Index	1-Day	YTD
Invest Grade	86.6	-4.9%	22.2%
High Yield	487.0	-1.2%	12.0%
Financials	93.2	-6.0%	35.1%
BoI	229.5	-3.4%	-6.7%
AIB	241.6	-4.3%	-11.1%
RBS	145.7	-6.5%	5.7%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.6%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.2%	0.8%	0.5%
2-Year	1.6%	1.6%	1.2%
5-Year	2.6%	3.0%	2.7%
10-Year	3.4%	3.9%	3.8%

Date	Company	Region	Event
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
11/02/2010	Danone SA	FR	Q4
11/02/2010	Renault SA	FR	Q4
11/02/2010	Credit Suisse Group AG	CH	FINAL
11/02/2010	Smith & Nephew PLC	GB	FINAL
11/02/2010	Diageo PLC	GB	INTERIM
11/02/2010	Rolls-Royce Group PLC	GB	PRELIM
11/02/2010	BT Group PLC	GB	Q3
11/02/2010	Rio Tinto PLC	GB	Q4
11/02/2010	Thomas Cook Group Plc	GB	TRADE
11/02/2010	Greencore Group PLC	IE	AGM
11/02/2010	Prudential Fincl.	US	Q4
11/02/2010	Boston Scientific Corp.	US	Q4
11/02/2010	Marriott Intl.	US	Q4
11/02/2010	McAfee	US	Q4
11/02/2010	PepsiCo	US	Q4
11/02/2010	Philip Morris Intl.	US	Q4

Date	Event	Region	Estimate
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	--
17/02/2010	Bank of England Minutes	UK	--
17/02/2010	ILO Unemployment Rate (3mths)	UK	--
17/02/2010	Construction Output SA MoM	EC	--
17/02/2010	Euro-Zone Trade Balance	EC	--
17/02/2010	MBA Mortgage Applications	US	--
17/02/2010	Import Price Index (MoM)	US	--

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