Dolmen Daily

DOLMEN STOCKBROKERS

Friday 11th,September, 2009

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IRISH PAPERS TODAY

ACC Bank to seek liquidator for Zoe group firms
(The Irish Times)

Inflation returns but outlook still negative
(The Irish Times)

Moody's backs NAMA but outlook is gloomy
(Irish Independent)

INTERNATIONAL PAPERS TODAY

US starts to unwind support for banks

(*Financial Times)*

Pru looks to Asia for capital

(*Financial Times)*

GM to sell Opel, Vauxhall units
(*The Wall Street Journal)*

Market View — Analyst : Stephen Taylor

European equity markets are strong again this morning with the Eurstoxx rising for its 7th straight day. Better than expected weekly jobless claims provided a boost for the US market yesterday while strong data out of China overnight is providing a further boost for the market this morning. While there are some concerns around the validity of Chinese data, the figures themselves continue to show strength. Retail sales data for August were up 15.4% year on year with industrial production increased by 12.3%. On the lending front, banks extended $60.1bn of local currency loans during August up 15% from July. Both China and India remain the shining lights of the global economy and we continue to recommend buying large cap European and US companies with an increasing exposure to these markets. Such companies include; Vodafone, Nokia, BP, Microsoft, Intel and Cisco. The main focus today will be in the US with Michigan Confidence data due to be released at 15.00pm. It is a September reading and is one of the most up to date readings on the consumer in the US. The index is expected to show an increase to 67.5 from 65.7 in August.

NAMA : Revised bill details — **Analyst :** Oliver Gilvarry

In line with recent press speculation the publishing of the NAMA bill contains a number of changes to the preliminary draft. The bill confirms that NAMA can issue subordinated debt to the banks as part payment for the acquired assets in addition to the Government guaranteed debt. As a result, the banks will share a portion of the risks with the tax payer. Subordinated bonds will allow the government to choose to pay or not too pay interest payments depending on whether NAMA recoups loans and makes a profit. Minister for Finance Brian Lenihan will reveal the price to be paid or haircut for the development loans to be placed in NAMA next Wednesday September 16th and will also outline how much the Government will raise in bonds to pay for the loans.

Tesco : Buy — **Current Price** (382p) **Price target** (400p) **Analyst :** Stephen Taylor

Tesco (through its Personal Finance unit) and Fortis have announced that they are to form a new partnership providing motor and household insurance. The partnership will give Tesco responsibility for retail pricing, sales and marketing, customer service and new product development to be sold under the Tesco brand. Fortis will use its expertise to provide underwriting and claims management. The newly formed entity will be known as Tesco Insurance Limited and will be owned 49.9% by Tesco Personal Finance and 50.1% by Fortis. Both companies see initial investment at £100m each. The partnership will initially fun until at least 2015. We view Tesco's further expansion into financial services as a long-term positive for the company.

C&C : Neutral — **Current Price** (€2.86) **Price target** (€2.16) **Analyst :** David Dunk

JD Wetherspoon reported full year results this morning and the British pub group posted an adjusted profit before tax of £66m. This is up 14% from last year and ahead of analysts' expectations of £61m amid revenue growth of 5%. However, the groups fiscal full year earnings post exceptionals were impacted by hefty writedowns on the value of its pubs portfolio, costing the group over £16m. The firm will not pay any dividend to shareholders, opting instead to use the cash to pay down its £388m of borrowings. Sine its fiscal year end, sales have risen again on the year, with total sales increasing by 5.8%. Overall while this a positive trading update from JD Wetherspoon, we would suggest it's read across for C&C is limited, considering much of Weatherspoon's success can be attributed to its food and coffee offerings.

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Market Movers

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International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,189	0.4%	37.3%
FTSE	4,988	-0.3%	13.0%
Dow Jones	9,547	0.5%	9.7%
S&P	1,033	0.8%	15.6%
Nikkei	10,514	2.0%	17.9%
Stoxx 50	2,818	-0.1%	15.8%

Sector Performances

Sector	Index	1-Day	YTD
Construction	261	-0.3%	1.8%
Technology	194	1.4%	3.8%
Oil & Gas	313	0.1%	2.9%
Financials	229	-0.7%	2.5%
Retail	227	-0.9%	1.8%
Food & Drink	265	0.1%	4.1%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	71.9	0.9%	26.0%
Copper	287.7	-1.6%	99.7%
Gold	996.6	0.4%	13.3%
Silver	16.7	1.2%	48.5%
Wheat	458.8	0.5%	-31.6%
Cattle	87.2	-0.4%	-2.2%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/$	1.458	0.2%	-4.3%
€/£	0.876	-0.5%	9.2%
£/$	1.665	0.6%	-12.4%
$/JPY	91.735	-0.3%	-0.2%
€/JPY	133.765	-0.2%	-4.6%
€/SFR	1.514	-0.1%	-1.4%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	101.0	-2.2%	-44.1%
High Yield	636.2	-1.0%	-39.2%
Financials	83.4	-2.3%	-31.2%
BoI	237.1	-1.4%	-3.6%
AIB	254.8	-3.6%	22.6%
RBS	122.0	-0.8%	-10.0%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.2%
3-Month	0.8%	0.6%	0.3%
1-Year	1.1%	0.9%	0.6%
2-Year	1.6%	1.9%	1.2%
5-Year	2.7%	3.3%	2.6%
10-Year	3.5%	4.0%	3.5%

Date	Company	Region	Event
10/09/2009	ESI Group SA	FR	Q2 SALES
10/09/2009	Iberia Lineas Aereas de	ES	TRAFFIC
10/09/2009	Home Retail Group plc	GB	Q2 TRADE
10/09/2009	WM Morrison Supermar	GB	INTERIM
10/09/2009	Kesa Electricals plc	GB	Q1 TRADE
10/09/2009	Redrow PLC	GB	PRELIM
10/09/2009	National Semiconductor	US	Q1
11/09/2009	JD Wetherspoon PLC	GB	PRELIM
11/09/2009	Campbell Soup	US	Q4
14/09/2009	Plethora Solutions Holdi	GB	INTERIM
14/09/2009	Antisoma PLC	GB	PRELIM
15/09/2009	Austrian Airlines AG	AT	TRAFFIC
15/09/2009	Volvo AB	SE	TRAFFIC
15/09/2009	Debenhams Plc	GB	TRADE
15/09/2009	Energetix Group Plc	GB	INTERIM
15/09/2009	Ashmore Group Ltd	GB	PRELIM
15/09/2009	Oxford Instruments PLC	GB	AGM
15/09/2009	Best Buy Co., Inc.	US	Q2
15/09/2009	Pall Corp.	US	Q4
15/09/2009	Adobe Systems	US	Q3
16/09/2009	Aeroports de Paris SA	FR	TRAFFIC
16/09/2009	Alkane Energy PLC	GB	INTERIM

Date	Event	Region	Estimate
10/09/2009	BOE ANNOUNCES RATES	UK	--
10/09/2009	BOE Asset Purchase Target	UK	--
10/09/2009	Trade Balance	US	--
10/09/2009	Initial Jobless Claims	US	--
11/09/2009	ECB Sep. Monthly Report	EC	--
11/09/2009	PPI Input NSA (MoM)	UK	--
11/09/2009	PPI Output n.s.a. (MoM)	UK	--
11/09/2009	Import Price Index (MoM)	US	--
11/09/2009	Wholesale Inventories	US	--
11/09/2009	U. of Michigan Confidence	US	--
14/09/2009	Eurozone Employment (QoQ	EC	--
14/09/2009	Euro-Zone Ind. Prod. sa (Mo	EC	--
14/09/2009	EC Economic Forecasts	EC	--
15/09/2009	CPI (MoM)	UK	--
15/09/2009	RPI (MoM)	UK	--
15/09/2009	ZEW Survey (Econ. Sentime	GE	--
15/09/2009	ZEW Survey (Econ. Sentime	EC	--
15/09/2009	Producer Price Index (MoM)	US	0.80%
15/09/2009	Producer Price Index (YoY)	US	--
15/09/2009	Advance Retail Sales	US	--
15/09/2009	Empire Manufacturing	US	--
15/09/2009	Business Inventories	US	--

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