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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	7306	↑ 116	1.62%	11.0	-0.79%
FTSE 100	5655	↑ 92	1.66%	12.4	0.65%
DAX 30	5464	↑ 81	1.50%	15.0	1.03%
DOW	10892	↓ -47	-0.43%	19.5	1.01%
NASDAQ	2135	↓ -10	-0.48%	15.6	-3.19%
S&P	1252	↓ -6	-0.45%	21.0	0.59%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2644	0.6855	144.2300
Dollar	1.2644	1.0000	1.8448	114.0100
Sterling	0.6855	1.8448	1.0000	210.3500
Yen	144.2300	114.0100	210.3500	1.0000
Oil (Nymex)	71.6300			

This Week's Research

Today's Research INWS

Today's Recommendation

Breaking News

Alliance & Leicester trading update

Alliance & Leicester has announced that lending jumped in the first quarter but net interest margins continued down due to a focus on more lower-margin assets. In a trading update, the bank said gross lending more than doubled to £3.2bn in the first quarter of 2006 from £1.5bn a year earlier. Net lending rose to £1.4 bn from £300m in the year ago period. The bank said it expects total costs in the first half to be "broadly similar" to the same period last year. The net interest margin continued to decline in the first quarter of 2006, due to a lower mortgage and savings margin and a change in business mix towards lower margin assets, the company said.

Waterford Wedgwood FY results & rights issue

This morning Waterford Wedgwood said operating losses after exceptional items narrowed to €130.8m in the year to the end of March from 178.6 million euros a year earlier. Its loss for the year on continuing operations fell to €188.9m from €258.1m. The company added that with a new exciting range of products and cost savings achieved under the restructuring programme it is on course for improved profitability. The company also unveiled a 3-for-13 rights issue to provide additional working capital for the restructuring and to help fund new marketing initiatives as the group introduces more contemporary products to update its image.

Petroceltic: issue of equity

On Friday Petroceltic announced its intention to issue more equity. The company applied for for 4,997,982 new Ordinary Shares to be admitted to trading on the AIM Market of the London Stock Exchange. Dealing is expected to commence in these shares on 12 June, 2006. These Ordinary Shares have been allotted pursuant to the exercise of share options and in satisfaction of sales and underwriting commissions payable pursuant to the placing announced by the Company on 3 April 2006. These Ordinary Shares rank pari passu in all respects with the existing Ordinary Shares of the Company.

INWS (€2.25) Trading statement 26th June Stuart Draper

- Trading update : Even adjusting for the final dividend per share of 7c, which went ex on 19/04/06, INWS' share price has still fallen by over 10% in the last 2 months. This would appear to have generated an attractive buying opportunity ahead of the group's interim pre-close trading statement, which is due to be released this day fortnight, 26th June.
- Forecasts re-iterated : This is because following confirmation last Thursday at its AGM that the group's performance year-to-date remains in line with current market expectations, the upcoming trading statement is unlikely to contain any major negative surprises, but instead should provide some detail in relation to the continued strong advertising growth of the group's South African and Irish markets, as well as more cost savings to ensure further operating margin expansion in 2006.
- Earnings growth : INWS generated an eps of 15.62c for the year ended 31/12/05, representing year on year growth of 17.2%. Further circulation and advertising revenue growth (10.7% was generated for 2005), when combined with an expansion of the operating margin from 19.3% to 20%, should ensure that further double digit earnings growth is achieved in 2006. The consensus market forecast is for further 11% eps growth in 2006 to 17.4c.
- Advertising growth : The Irish market accounts for a quarter of all INWS' revenues and nearly a third of all profits. Irish newspaper advertising is expected to continue to experience double-digit growth in 2006 and 2007, with consumer spending expected to grow here by at least 6% per annum in both years.
- Product launches : Even though the 6.4% circulation growth of 2005 represented a slowing on the 10% growth achieved in 2004, further modest circulation growth should continue to be generated in 2006, helped by some new product launches.
- Attractive yield : Given these continued double digit earnings growth prospects, it is reasonable that the shares should trade at an 8% premium to the current European newspaper sector average of 13.9x 2006 eps. As a result, our current 12 month price target of €2.60 (16% upside) is based on 15x 2006 eps of 17.4c. The shares also remain on course to pay a dividend yield of c.5.2% to shareholders over the next 12 months for waiting for this upside to be achieved : **BUY**.

Business Press

- Doubts remain on robustness of New Norkom (IT)
- ISE is not too small for hungry buyers (II)
- Builders had growth in May (II)

Investment Press

- World economy: The warning signs are familiar, starting with the massive US current account deficit. April's trade figures were better than expected, partly because the US paid less than thought for oil. But the real trade deficit still hit a record, after stripping out petroleum.



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