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Market Movers

IRISH PAPERS TODAY

Dukes to succeed O'Connor as chairman of Anglo Irish Bank (*The Irish Times*)

Financial Regulator outlines tougher banking approval (*The Irish Times*)

Regulator oversees stress test of lenders' mortgages (*Irish Independent*)

INTERNATIONAL PAPERS TODAY

France and UK seek hedge fund agreement (*Financial Times*)

Devon deal is key to BP growth targets (*Financial Times*)

Strike mutes Greek business (*The Wall Street Journal*)

Market View

Analyst: Stephen Taylor

European equity markets have opened slightly higher this morning reversing some of yesterday's losses and following a strong finish in the US overnight. One of the main catalysts for the move yesterday was positive comments from Citigroup CEO Vikram Pandit in relation to group profitability over the coming years sending the KBW banking index to its sixth straight day of gains. Credit spreads widened slightly yesterday, however they remain significantly tighter since rising substantially in late January and should continue to be taken as a further positive read across for equity markets. Given the strong run that we have had, we do not discount the possibility of a brief pull back in markets, in particular if China were to raise interest rates over the coming days, however we maintain our positive outlook and would use any corresponding weakness as a buying opportunity of our preferred sectors including basic resources and technology. As for today economic data out of the US will be closely watched with the main focus on the consumer. The headline retail sales figure is expected to show a 0.2% decline for February, while the preliminary Michigan confidence reading for March is expected to show a month on month improvement after declining slightly in February.

US Financials

Analyst Oliver Gilvarry

Overnight Citigroup's CEO Vikram Pandit, presented a very positive outlook for the group. In his presentation he stated international consumer credit trends are improving and the group is moving into 2010 with strong capital and liquidity positions. Pandit commented that the emerging market revenue pool will grow sharply which will help achieve the 5% annual growth he sees as not unreasonable. On the US Government holding, Pramait wouldn't be surprised if they sold their stake in the near future. The Government is free to sell its 27% stake from the 16th of March. Pandit is certain the group will return to long-term sustained profitability, but would not give a date on it. The tone of the conference was very up-beat as can be seen from his comments above. The expectation of such positive comments has supported the share price in the last number of days and will support financials this morning.

Sovereign Credit Ratings

Analyst Oliver Gilvarry

A report in the FT today, states that S&P issued a warning over America's AAA rating yesterday. The report states that America's AAA rating is at risk if it doesn't adopt a medium term plan to reduce the deficit. The S&P report looked at risks such as external holders of US dollar assets reducing their holdings especially if the market believes the Euro-Zone is adopting "stronger macroeconomic policies." The report did state that it takes a significant amount of time for a currency to lose its reserve status and there is no other currency to take that role at the moment. We hold our view that the US will experience faster growth than the Euro-Zone in coming years and the stronger growth will help reduce the US Government deficit. In Europe, weaker growth and peripheral issues will reduce the chances of the Euro taking over as a reserve currency any time soon.

CRH: Buy **Previous Close** €17.90 **Target** €20.50 **Analyst** Stephen Taylor

S&P has revised its rating outlook on CRH to stable from negative. At the same time its short and long term credit ratings were reaffirmed at BBB+. The outlook revision reflects CRH's efforts in reducing its debt and protecting cashflow generation in 2009. Even assuming further mid-single digit sales declines S&P forecast CRH's actions on improving profitability should lead to improvements in margins. S&P has indicated that CRH's credit metrics were ahead of its expectations reflecting exceptional working capital inflow of about €700m and cuts in capital expenditure.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,024	0.5%	1.7%
FTSE	5,617	-0.4%	3.9%
Dow Jones	10,612	0.4%	1.8%
S&P	1,150	0.4%	3.2%
Nikkei	10,665	1.0%	1.9%
Stoxx 50	2,896	-0.5%	-2.2%

Sector Performances

Sector	Index	1-Day	YTD
Construction	273	-0.1%	-1.0%
Technology	206	-0.5%	11.6%
Oil & Gas	331	-0.1%	-0.3%
Financials	218	-0.7%	-1.3%
Retail	255	0.5%	4.6%
Food & Drink	319	-0.2%	4.7%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	82.1	0.0%	2.0%
Copper	337.7	0.3%	0.9%
Gold	1,109.5	0.1%	1.5%
Silver	17.2	0.8%	2.0%
Wheat	478.8	-0.6%	-13.5%
Cattle	92.0	0.2%	4.8%

Currency Exchange Rates

Currency	Index	1-Day	YTD
€/\$	1.368	0.2%	4.5%
€/£	0.908	-0.4%	-2.4%
£/\$	1.506	0.6%	7.1%
\$/JPY	90.510	0.0%	2.6%
€/JPY	123.800	0.1%	7.3%
€/SFR	1.462	0.0%	1.5%

5Yr Credit Spreads

Product	Index	1-Day	YTD
Invest Grade	74.3	1.8%	4.1%
High Yield	424.1	2.6%	-0.9%
Financials	75.5	0.7%	3.8%
BoI	202.0	0.8%	-17.3%
AIB	217.3	1.1%	-20.9%
RBS	132.6	2.3%	-3.7%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.1%	0.9%	0.5%
2-Year	1.6%	1.6%	1.2%
5-Year	2.5%	3.0%	2.7%
10-Year	3.4%	3.9%	3.8%

Date	Company	Region	Event
12/03/2010	JD Wetherspoon PLC	GB	H1
15/03/2010	ESI Group SA	FR	Q4 SALES
15/03/2010	Bulgari SpA	IT	FINAL
15/03/2010	UBS AG	CH	FINAL
15/03/2010	Aryzta AG	CH	INTERIM
15/03/2010	TT Electronics PLC	GB	PRELIM
16/03/2010	Aeroports de Paris SA	FR	TRAFFIC
16/03/2010	Deutsche Bank AG	DE	FINAL
16/03/2010	Deutsche Post AG	DE	FINAL
16/03/2010	UniCredit SpA	IT	FINAL
16/03/2010	Debenhams Plc	GB	H1 TRADE
16/03/2010	Close Brothers Group PLC	GB	INTERIM
16/03/2010	G4S Plc	GB	PRELIM
17/03/2010	Ingenico SA	FR	Q4
17/03/2010	BMW Bayerische Motoren Werke	DE	FINAL
17/03/2010	Linde AG	DE	FINAL
17/03/2010	EFG International AG	CH	FINAL
17/03/2010	French Connection Group PLC	GB	PRELIM
17/03/2010	Xaar PLC	GB	PRELIM
17/03/2010	Vestas Wind Systems A/S	DK	AGM
17/03/2010	Chemring Group PLC	GB	AGM
17/03/2010	Nike	US	Q3

Date	Event	Region	Estimate
12/03/2010	Euro-Zone Ind. Prod. sa (MoM)	EC	--
12/03/2010	Advance Retail Sales	US	--
12/03/2010	Retail Sales Less Autos	US	--
12/03/2010	U. of Michigan Confidence	US	--
12/03/2010	Business Inventories	US	--
15/03/2010	Rightmove House Prices (MoM)	UK	--
15/03/2010	Eurozone Employment (QoQ)	EC	--
15/03/2010	Empire Manufacturing	US	--
15/03/2010	Industrial Production	US	--
15/03/2010	Capacity Utilization	US	--
16/03/2010	DCLG UK House Prices (YoY)	UK	--
16/03/2010	ZEW Survey (Econ. Sentiment)	GE	--
16/03/2010	Euro-Zone CPI (MoM)	EC	--
16/03/2010	ZEW Survey (Econ. Sentiment)	EC	--
16/03/2010	Import Price Index (MoM)	US	--
16/03/2010	Housing Starts	US	--
16/03/2010	Building Permits	US	--
16/03/2010	FOMC Rate Decision	US	--
16/03/2010	ABC Consumer Confidence	US	--
17/03/2010	Bank of England Minutes	UK	--
17/03/2010	Jobless Claims Change	UK	--
17/03/2010	ILO Unemployment Rate (3mths)	UK	--

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