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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	7192 ↓	-114	-1.56%	11.0	-2.33%
FTSE 100	5621 ↓	-34	-0.61%	12.4	0.04%
DAX 30	5396 ↓	-69	-1.25%	15.0	-0.24%
DOW	10793 ↓	-99	-0.91%	19.5	0.09%
NASDAQ	2091 ↓	-44	-2.05%	15.6	-5.17%
S&P	1236 ↓	-16	-1.27%	21.0	-0.69%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2563	0.6830	144.1000
Dollar	1.2563	1.0000	1.8392	114.6600
Sterling	0.6830	1.8392	1.0000	210.9000
Yen	144.1000	114.6600	210.9000	1.0000
Oil (Nymex)	70.3600			

This Week's Research
INWS

Today's Research
RBS

Today's Recommendation

Breaking News

ABC figures show further declines for Daily Mail Ireland

The latest Audit Bureau of Circulations (ABC) figures have shown that circulation of the UK Independent increased by 1.7% in May. The Guardian and the Times also experienced similar growth over the month, while the FT suffered a 2.4% decline in circulation. In line with weakness across the UK Sunday newspaper sector, circulation of the The Independent on Sunday dropped by 12% in May. Meanwhile, the latest entrant into the Irish newspaper market, the Daily Mail Ireland, has continued to show declines in its circulation figures.

Reuters announces \$41m acquisition

Reuters said yesterday that it has acquired Application Networks, a risk management software provider, for \$41m in cash to accelerate the growth of Reuters Trade and Risk Management. Application Networks provides the cross-asset derivatives trading platform, JRisk, which is already in use at leading banks. It recently signed a distribution agreement with GlobeOp - a leading provider of packaged services to hedge funds. Application Networks brings significant expertise to Reuters in a growing market where management of risk is the key differentiator for top performing global banks.

Minco finds new mineral zone in Mexico

Minco has said it has discovered a new zone of sulphide mineralisation on its Bilbao project, in central Mexico. Minco entered into joint venture agreement on the Bilbao project in March, and is carrying out a \$500,000 first-stage due diligence programme, to investigate the potential for sulphide mineralisation, and update an earlier pre-feasibility study.

RBS (£17.19) Trading statement released Stuart Draper

- Trading statement : This morning, Royal Bank of Scotland (RBS) released its H1 2006 pre-close period trading statement, which confirmed that its results for the 6 months ending 30/06/06 are anticipated to be in line with current market expectations.
- Credit quality : One of the main features of the trading statement was that credit quality not only remained robust, but actually improved slightly, with overall credit metrics showing growth in impairment losses lower than loan growth.
- Low risk : Despite recent press coverage of the Q1 rise in UK personal insolvencies, RBS has suffered no material deterioration in personal lending credit quality recently. Its lower than sector average exposure to unsecured personal lending of c.7% of global loan book provides some important protection from this risk.
- Savings growth : In line with recent results from the UK life assurers, it was confirmed that sales of savings and deposit products are very strong currently, with Wealth Management performing particularly well. This helped ensure that margin erosion was no greater than the guidance given at the full year results' presentation in February.
- Corporate Markets : Strong income growth is also being generated in Corporate Markets, particularly Global Banking & Markets, as well as at Ulster Bank. The one area of slightly lower growth was the group's US business, where income growth is being constrained by the continuing impact of the flatter yield curve.
- Share buyback : RBS recently re-iterated that all of its growth targets could be achieved organically from its UK and Irish, US and Chinese operations and that the current share buyback programme would continue. It anticipates that its Tier 1 ratio at the end of June will be between 7% and 8%.
- Attractive upside : Our current 12 month price target of £19 (11% upside) is based on 10x 2006 underlying eps of £1.90. This would represent 8% growth on the 2005 eps result of 175.9p. The recent Bank of China IPO showed a trebling of the initial value of the RBS investment a year ago : **BUY**.

Business Press

- Lundin Mining output increase now 'on track' (IT)
- NI firm's (Viridian) electricity spend cut (IT)
- Regulator to assess Eircom takeover bid (IT)

Investment Press

- Merck/Schering/Bayer: Merck, the German pharmaceuticals company, is playing a dangerous game. The increase in its Schering stake to 18.6 per cent, announced over the weekend, is not enough to block Schering's agreed deal with Bayer.



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