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EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7951 ↑	72	0.91%	11.0	7.97%
FTSE 100	5953 ↑	45	0.76%	13.5	5.94%
DAX 30	5855 ↑	50	0.87%	15.0	8.26%
DOW	11076	0	0.00%	19.5	2.72%
NASDAQ	2267 ↑	5	0.22%	15.6	2.80%
S&P	1284 ↑	3	0.20%	21.0	3.14%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1971	0.6899	141.8900
Dollar	1.1971	1.0000	1.7347	118.5100
Sterling	0.6899	1.7347	1.0000	205.5700
Yen	141.8900	118.5100	205.5700	1.0000
Oil (Nymex)	61.7700			

This Week's Research
IAWS

Today's Research
Anglo Irish Bank

Today's Recommendation

Breaking News

Vodafone: Speculation surrounds US & Japan units

Press reports in the UK have suggested that Verizon Communications has made an informal offer of around \$40 billion to acquire Vodafone's 45% interest in Verizon Wireless. Meanwhile separate media reports over the weekend indicated that private equity firms including Kohlberg Kravis Roberts & Co. and Cerberus Capital Management are considering a challenge to Softbank Corp.'s reported offer for Vodafone's Japanese mobile phone unit. Christopher Gent, who built Vodafone Group into the world's largest mobile phone company before retiring as chief executive in 2003, said Sunday that he had resigned from the honorary position as the company's president for life. Gent said he was resigning because of reports that he had interfered in the work of his successor as chief executive, Arun Sarin.

Smart Telecom welcomes High Court decision

Smart Telecom has announced that, at a hearing of the High Court Commercial Court on Monday, relating to the attempt by ComReg to withdraw the offer to Smart of the 3G License, it was given the go-ahead to proceed with its case against ComReg in the manner in which it wanted. The motion submitted by ComReg seeking direction that Smart Mobile Ltd be required to prosecute its case against ComReg by way of judicial review was refused. The High Court's decision means that the case will go ahead by means of a plenary summons, which involves the presentation of evidence and cross examination, in the Commercial Court.

BOI appointment

Bank of Ireland yesterday announced the appointment of Austin Jennings as Chief Executive of its Global Markets division. Jennings joined the group in 1988 and has held various management roles in Global Markets, including Head of Customer Business, Head of Finance and Risk and Head of Global Customer Business

Business Press

- IWP to pay its chairman's firm €240,000 to end lease (IT)
- Aer Lingus chief warns of delay to flotation (IT)
- More oil at Tullow well in Uganda (IT)
- Further results for African Diamonds (IT)

Anglo (€13.70) A seasonal correction ahead? Stuart Draper

- Seasonal correction : In recent years, Anglo's share price has underperformed during the months of March and April and given the 21% rise in the bank's share price since the end of October 2005, there may be some risk of a modest correction taking place now over the coming weeks. In 2005, the bank's share price was €9.95 at the end of February, but had fallen by 10% to €8.95 by the end of April. In 2004, the share price was €6.83 at the end of February, but had fallen by 5% to €6.48 by the end of May.
- Light news-flow : The rationale for such seasonal weakness is that Anglo goes into its interim close period at the end of March, and there is typically an absence of news-flow between then and the H1 results' announcement in May. Anglo's investor road-show activity, particularly important for a highly rated bank which is very sensitive to future loan growth expectations, also takes place following results' announcements.
- Rate risk : The absence of significant news-flow over the coming weeks could result in some fears that the ECB interest rate increases this year will result in a slowing in the bank's rate of Irish loan growth in 2007. Ireland accounted for 58% of group profits in the bank's most recent full year results. Anglo's staff costs are also expected to increase by c.30% this year as the bank recruits more staff to expand further in the UK.
- IFRS impact : Anglo's results' announcement for the 6 months ending 31/03/06 will be the first results' announcement reported under the new IFRS accounting standards. As a result of loan arrangement fees being spread over the life of loans rather than being recognised up front as they were previously accounted, these new accounting rules will reduce the bank's reported eps by c.4%.
- Downside risk : Therefore, we would expect a correction in the share price to take place over the coming weeks, and would need to see the share price back below €13 (c.5% correction) before considering upgrading our current NEUTRAL recommendation to BUY. At €13.70, Anglo is currently trading at 15.9x 2006 earnings per share of 86c and at 4.5x 2006 book value per share of €3.05 : NEUTRAL.

Investment Press

- Bank of England: Politics and economics are uneasy bedfellows. The UK's Conservative party proposal for more external members on the Bank of England's Monetary Policy Committee owes much to the opposition's desire to be seen as even more pro-independence than the Labour government.



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