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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6667	↓ -78	-1.16%	11.0	7.57%
FTSE 100	5265	↓ -77	-1.44%	13.5	9.37%
DAX 30	4950	↓ -32	-0.64%	15.0	16.31%
DOW	10217	0	0.00%	19.5	-5.25%
NASDAQ	2047	↑ 10	0.48%	15.6	-2.00%
S&P	1177	↓ -1	-0.07%	21.0	-2.90%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2019	0.6841	137.6000
Dollar	1.2019	1.0000	1.7456	114.5200
Sterling	0.6841	1.7456	1.0000	200.3800
Yen	137.6000	114.5200	200.3800	1.0000
Oil (Nymex)	63.0800			

This Week's Research
Tullow Oil
C&C Group
Petroceltic

Today's Research
CRH

Breaking News

IFG director share purchase

It was announced yesterday that Hugh McGivern, a director at IFG, has bought 357,000 shares in the company. The shares were purchased at a price of €1.40 over three days: 70,000 shares on Monday, 37,000 on Tuesday and 250,000 on Wednesday.

Providence begins new seismic survey offshore Ireland

Providence Resources said on Thursday it has begun a new Irish offshore seismic survey using a new 'long offset' technique, designed to improve imaging and hydrocarbon detection. The first phase of the survey is expected to target specific structures including Ardmore, Hook Head and Blackrock. Providence said the survey will also provide increased definition on the Pegasus, Dionysus and Apollo prospects in the St George's Channel Basin, where Providence holds a dominant acreage position adjacent to the Marathon-operated Dragon gas field. A second survey phase is expected in 2006, which will involve a further 2,500 km of 2-D seismic data, including some of Providence's prospects in the Porcupine Basin off the west coast of Ireland.

Hilton Group in talks to sell hotels to Hilton Corp

Hilton Group confirmed on Friday it is in talks to sell its hotels to U.S. group Hilton Hotels Corp. "The board confirms that it has received an indicative offer from Hilton Hotels Corporation, which it is currently evaluating. Discussions are ongoing and subject to the resolution of a number of issues," Hilton Group said in a statement. It is believed that the U.S. company was in advanced talks to buy the UK group's 400-plus Hilton and Scandic hotels for around 3.6 billion pounds in cash with UK Hilton shareholders getting cash and continuing to own shares in a renamed Ladbroke's, Britain's largest betting shop operator.

Business Press

- ECB gives warning on inflation (II)
- US trade deficit hits \$59bn on rising oil prices (IT)
- Nokia in \$111m deal with China (IT)
- BP signs \$3bn deal with India (FT)

CRH (€21.89)

Attractive buying level

Stuart Draper

- Buying level : In line with some general equity market weakness, the share price of CRH has fallen by 6% over the past 10 days. Our view is that this weakness is starting to generate attractive entry levels in some Irish stocks which had started to appear quite fairly valued in recent months.
- Dollar strengthening : Another recent positive market dynamic for CRH is the strengthening of the US dollar versus the Euro, with almost 50% of group earnings US dollar denominated. The ongoing consolidation within the cement sector also provides a support for the CRH share price over the next 12 months.
- Recent results : CRH recently announced profit before tax and eps of €383m and 56c respectively for the 6 months ended 30/06/05, largely in line with consensus forecasts of €380m and 56c, and year on year increases of 20% and 17%.
- US growth : The main drivers of this strong growth were the group's US materials division and its US products & distribution division. The profitability of the US materials division was driven by volume and price increases, and the US products & distribution division continued to be supported by the very buoyant US housing market. Crucially, CRH is still forecasting no year on year deterioration in its 2005 margin.
- Acquisition growth : Concerning the more important second half of the year, CRH is expecting to continue to benefit from strong markets at its US operations and price increases, offset to some extent by higher energy costs. Including the Stradal acquisition, CRH has spent €190m on acquisitions since the end of June and continues to work actively on opportunities for acquisitions across all its operations.
- European outperformance : Several of CRH's existing European construction markets are also showing healthy growth levels now. Ireland and the Netherlands together account for c.50% of CRH's European profits, with 2005 construction output growth of c.3% forecast for both of these markets.
- Sector consolidation : We continue to be of the view that a multiple of 13x forward earnings is achievable for CRH, given the multiple range of 14x to 16x forward earnings at which deals are continuing to take place in the cement sector, and the group's historic average forward multiple of c.14x.
- Attractive upside : As a result, our current 12 month price target for CRH of €25 (14% further upside), is based on 13x 2006 eps of €1.92, which we previously upgraded from €1.86 on the expectation of an increased acquisition spend in H2 2005 : BUY.

Investment Press— Lex

- AOL: Time Warner's chief has diverted attention from their campaign to demerge cable and force a huge buyback by claiming rightly that AOL is the big swing factor in the group's valuation. Now he hopes to retain momentum with a deal.



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