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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8427 ↓	-87	-1.02%	14.1	-10.43%
FTSE 100	6144 ↓	-76	-1.21%	13.2	-1.24%
DAX 30	7425 ↓	-49	-0.66%	14.2	12.55%
DOW	13029 ↓	-208	-1.57%	15.2	4.54%
NASDAQ	2499 ↓	-43	-1.70%	26.1	3.47%
S&P	1427 ↓	-26	-1.82%	15.9	0.58%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3490	0.6782	157.6100
Dollar	1.3490	1.0000	1.9887	116.8400
Sterling	0.6782	1.9887	1.0000	232.3700
Interest Rates (%)	4.0000	5.2500	5.7500	0.5000
Oil (Nymex)	#N/A	NA		

This Week's Research
 British Land
 Grafton Group

Today's Research
 Kingspan

Breaking News

Kingspan (€17.30) Upgrading from NEUTRAL to BUY Stuart Draper
 Target : €20 (18/12/06 ; previously €17, issued 16/10/06)

- Results catalyst : On Monday fortnight, 3rd September, Kingspan Group will announce its results for the 6 months ended 30/06/07. The results should show that the group remains on course to generate full year eps growth of c.13% to €1.02 this year, driven by strong performances from its UK, Western & Central European and US businesses. In Ireland, strong infrastructure and commercial demand should more than offset the impact of a weaker residential market.
- Regulation beneficiary : Kingspan's total exposure to new housing in Ireland represents c.8% of group earnings, split between a 5% Century Homes exposure and a 3% insulation boards exposure. Under UK legislation, by 2016 all homes will need to be carbon neutral. As a result, earlier this year Kingspan announced its first carbon neutral home. The off site manufactured home will come fitted with mechanical ventilation, heat recovery, water-efficient sanitary ware and a roof containing photovoltaic cells.
- Growth segments : Kingspan also has strong market positions within growth segments of the construction industry, such as raised access floors. It is the number 1 producer of raised access floors in the US and Europe, and is currently benefiting from the buoyancy of both country's office markets. Kingspan is also the number 1 producer of structural secondary steel sections in the UK and Ireland, having earlier this year been granted regulatory approval to build steel framed buildings up to 8 stories high, enabling it to enter the apartment market.
- Recommendation upgrade : Following our meeting with Kingspan management in early May, when the share price was above €20, our view was that there would be better entry levels available in the months ahead, on a valuation basis. Our view was that the company's medium term growth prospects were sufficiently strong to justify a price target of €20 (16% upside), based on 20x 2007 eps of €1.02. With attractive upside now to this level, we upgrade our recommendation again from NEUTRAL to BUY, and see the 23% fall in the share price since 01/06/07 as having created an attractive entry level into an earnings stream with continued strong medium term growth prospects. Our current forecast is that the group will generate further 13% eps growth to €1.15 in 2008 : BUY.

Breaking News

Smurfit Kappa Q2 core profit up 18%

Smurfit Kappa reported Q2 results today with core profit rising 18% and stated that it expects continued earnings growth for the second half of the year. The company reported that revenue was up 4.4% to €1.8bn. In the six months to June 30, EBITDA was 28.4% higher at €514m on a 4% increase in revenue to €3.6bn. Smurfit said that if the impact of currency, closure and disposals were excluded, underlying revenue growth would have been 6.2% for the first half and 7% for the second quarter. Despite growth in underlying revenue, there were a number of factors during the first half which delayed EBITDA and EBITDA margin growth. SKG experienced a rapid and higher than anticipated increase in recovered paper prices which contributed to margin compression in SKG's containerboard business.

Britvic gets approval to acquire C&C's soft drinks business

C&C announced today that it has received unconditional approval from the Irish Competition Authority to sell its soft drinks division and related assets to Britvic. Completion of the sale is now planned for 29 August 2007. In related news investment fund Janus Capital has continued to add to its position in C&C and it is now sitting on a 7.7% stake in the company. Janus's stakebuilding followed the slump in C&C shares after two profit warnings in less than three weeks. It is now the second-largest shareholder, behind Morgan Stanley Investment Management, which has a 9.8% holding.

RBS led consortium won't reduce offer despite ABN increasing div

The Royal Bank of Scotland-led consortium vying to buy ABN Amro said it will not reduce its bid for the Dutch bank though ABN has set an interim dividend of €0.58 a share. The RBS-led group, which includes Spain's Banco Santander Central Hispano and Belgo-Dutch bancassurer Fortis, had earlier said it might lower its bid for the bank if ABN Amro declared an interim dividend of more than €0.55 a share. Barclays PLC is pitted in the battle for ABN Amro against the RBS-led consortium.

Business Press

- Grafton jumps 8.4pc as EPS forecasts on target (II)
- US banks refuse to accept subprime collateral (ft)
- Wal-Mart cuts forecasts and blames slump in housing (FT)
- Carlsberg bid talk helps S&N buck the depressing mood (FT)

Investment Press

- Market downturns: To judge by the reactions of some, financial markets have gone completely off the radar. Yet the uncomfortable fact is that, by any historical standard, nothing serious has happened.

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