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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9338 ↑	21	0.22%	11.0	-0.75%
FTSE 100	6239 ↑	9	0.14%	12.4	0.29%
DAX 30	6705 ↑	18	0.27%	15.0	1.64%
DOW	12556 ↑	41	0.33%	19.5	0.74%
NASDAQ	2503 ↑	18	0.72%	15.6	3.62%
S&P	1431 ↑	7	0.49%	21.0	0.88%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2953	0.6600	155.6400
Dollar	1.2953	1.0000	1.9621	120.1900
Sterling	0.6600	1.9621	1.0000	235.8400
Interest Rates (%)	3.2500	5.2500	4.7500	0.4800
Oil (Nymex)	52.9900			

This Week's Research

Today's Research C&C

Breaking News

BP chief to step down in July

BP announced on Friday that CEO John Browne, who has faced increasing scrutiny from US regulators, politicians and stakeholders following problems, accidents and scandals within some of the company's business units, will retire at the end of June, more than a year earlier than planned. Tony Hayward, currently head of exploration and production, will succeed the embattled CEO. Hayward, who joined BP in 1982, was named CEO of BP's E&P segment in 2003. In that role he has been responsible for the group's assets and operational activities relating to the discovery and production of hydrocarbons worldwide. He became an executive vice president in 2002 and COO for E&P later that year.

Uniq announce 6.1% rise in UK sales

Uniq announced today that sales for the 13 weeks to 31 December were £213.3m. The 6.1% increase in sales in the last three months of 2006, compared with the same period last year, demonstrates that the company has made significant progress. The level of expenditure required to achieve this result was higher than anticipated, leading to lower than expected margins. In Northern Europe, sales grew by 0.9% overall in the three months to December 31 compared with the prior year, with encouraging growth in Poland and the Netherlands being offset by weakness in Germany.

US consumers still spending strongly

US retail sales growth accelerated to 0.9% month on month in December, from a revised 0.6% in November. This was led by a 3.8% rise in the value of sales at petrol stations, after 2.9% growth a month earlier, and a 3% rise in sales at electronics and appliance stores. Excluding motor vehicles and parts, retail sales growth hit 1%, an 11-month high. The continued strength of retail sales is in line with other recent US data, such as the accelerating pace of job creation and wages rising at the fastest rate in six years. The latest retail sales figure is in line with the Economist Intelligence Unit's expectations that the slowdown in the US economy will not be as pronounced as previously expected.

Business Press

- Rebel union threatens BA pension deal (IE)
- Lloyds chief urges discipline (FT)
- M&S vows to spend £200m going green (FT)

Breaking News

C&C (€12.20) Key AC Nielsen data published Stuart Draper Target : €13 (12/01/07 ; previously €12, issued 12/10/06)

- Outside London : The widely followed AC Nielsen data for the UK on-trade market showed some resilience by Magners in its share of the UK long alcoholic drinks (LAD) market outside of London. While Magners' share of the LAD market in London fell to 2.2% and 1.9% respectively for October and November 2006, from 3.0% and 2.9% respectively for August and September 2006, its market shares in both Scotland and outside of London for the same months were much more resilient.
- YoY progress : Magners' market share in Scotland for both months held quite steady at 3.2%, versus 3.5% for the previous 2 months, and its market share outside London (ex Scotland) was also quite resilient at 2.0% and 1.9% respectively for October and November 2006, versus 2.2% for the previous 2 months. It is also worth noting that even the London market share data showed significant year on year progress on both the October and November 2005 comparatives of 1.3%. This yoy progress supports our view that even though the product is very seasonal, it has still has secular growth prospects.
- Winter data : Therefore, even though further market share data for the winter months could be weaker than some forecasts, and even though the group's full year results for the year ending 28/02/07 may only be in line with current consensus forecasts, driven in part by some winter discounting, we believe in the product's strong medium term secular growth prospects. The target of Magners doubling its market share by 2010 still appears achievable.
- New capacity : Such continued strong growth will be facilitated by spending €200m on doubling the company's cider production capacity, as well as by €30m of current year advertising expenditure. Crucially, this new capacity will be available to supply next summer's demand. As a result, underlying earnings growth of 20% per annum would appear sustainable, supporting a forward multiple of 20x.
- Premium deserved : This would rate the shares at a c.20% premium to the average of 16.6x forward eps at which Heineken and Diageo are currently trading, which appears justifiable given C&C's stronger growth. Therefore, while there may be some further share price weakness in the short term, we would use this weakness as a BUYING opportunity. Our 12 month price target of €13 (7% further upside) is based on 20x forward eps of 65c, and the shares also yield c.2.9% : **BUY**.

Investment Press

- Technology profit warning: Technology companies have a proud tradition of keeping investors on their toes. But should a smattering of profits warnings in the run-up to earnings season be cause for broader alarm in the sector.



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