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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9165 ↑	104	1.15%	11.0	-2.59%
FTSE 100	6133 ↑	133	2.21%	12.4	-1.41%
DAX 30	6585 ↑	138	2.14%	15.0	-0.17%
DOW	12160 ↑	26	0.22%	19.5	-2.44%
NASDAQ	2379 ↑	7	0.29%	15.6	-1.51%
S&P	1392 ↑	5	0.37%	21.0	-1.83%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3304	0.6852	155.4500
Dollar	1.3304	1.0000	1.9419	116.8000
Sterling	0.6852	1.9419	1.0000	226.8500
Interest Rates (%)	3.5000	5.2500	5.2500	0.4800
Oil (Nymex)	57.5500			

This Week's Research

IAWS Smurfit Kappa
Aer Lingus
Bank of Ireland

Today's Research

C&C Group

Today's Recommendation

C&C (€9.80) Weakest month's data now released **Stuart Draper**
Target : €13 (12/01/07 ; previously €12, issued 12/10/06)

- On-trade data : The widely followed AC Nielsen data for the UK on-trade market for the December-January period has been released. As January is seasonally the weakest month for on-trade cider sales, accounting for 5-6% of annual sales, versus 8-9.5% from February onwards, the data was expected to show some month on month weakness, which it did. However, the data also showed some significant year on year progress, supporting the view that even though the product is very seasonal, it still has strong market share growth prospects.
- YoY progress : Even though Magners' overall Great Britain long alcoholic drinks (LAD) market share for December 2006 and January 2007 of 1.8% and 1.6% respectively showed seasonal monthly declines on the October 2006 and November 2006 comparatives of 2.1% and 2.0%, they showed strong year on year progress on the December 2005 and January 2006 comparatives, both of 0.5%.
- Regional variation : There was some variation between the year on year market share growth between England (outside of London) and Scotland, with the former showing strong progress (1.7 % and 1.5% versus 0.1% and 0.1%), but Scotland showing some year on year weakness for January (3.1% and 2.5% versus 2.6% and 2.7%). However, the January cold snap in Scotland may at least partially explain this and with the January data relatively minor in the context of full year sales, as explained above, C&C would still appear on target to achieve its current year overall Great Britain average LAD market share target of 2.5%, increasing to 4% for the year ending February 2009.
- Strong growth : As a result, we are currently expecting 80c eps growth to 54c for the year ended 28/02/07, and further 20% growth to 65c for the year ending 28/02/08. Given such strong earnings growth and the fact that peers such as Diageo and Heineken, with significantly lower growth prospects, currently trade at c.17x forward earnings, our current 12 month price target for C&C of €13 (33% upside) is based on 20x forward eps of 65c. The shares will also pay a dividend yield of c.3.4% for waiting for this upside to be achieved.
- Share buyback : Other potential positive catalysts for the C&C share price this year could be the achievement of progress in its 2 new European markets, and the announcement of a share buyback programme, perhaps in conjunction with the full year results' announcement on 9th May : **BUY**.

Breaking News

CPL acquires Kate Cowhig International Recruitment

CPL Resources, has announced the acquisition of Kate Cowhig International Recruitment Ltd. The company is a leading healthcare direct placement company which has been in operation since 1990. The company specialises in the recruitment of registered nurses, midwives and allied health professionals, for many of the largest teaching hospitals in Ireland and the UK. Located in Dublin it also has local agents in India, Philippines, the Middle East and Eastern Europe. In response to the acquisition, Kate Cowhig, who will remain on as Managing Director, welcomed the acquisition adding that "the company is looking forward to new and exciting times ahead in this rapidly expanding and changing market.

US PPI figure comes in way above expectations

Yesterday US producer prices data came in way above expectations, pointing to a sharp build in inflationary pressures, but this was offset by news that a key survey on manufacturing activity in the New York region unexpectedly slumped in March. US PPI jumped a massive 1.3% in February from January, almost triple what analysts had expected. Other data out yesterday showed US weekly jobless claims dropped 12,000 to 318,000, the lowest level in five weeks during the latest week.

European banana prices continue to weaken

Last week the EU blocked a WTO investigation into European banana tariffs, temporarily delaying the re-opening of a decade-old dispute with Latin American and the US over claims of unfair trade practices. The WTO has consistently ruled against how the EU sets tariffs for bananas. The EU says that a new banana tariff established last year has brought its rules for banana imports in line with WTO rulings. This week the latest data for wholesale banana prices in Germany was released showing a 9% year on year decrease for the first 10 weeks of the year. The removal of volume restriction on imports into the EU is seen as the major reason behind this. The extra volume has increased competition within the sector while also putting pressure on margins. Such an environment could limit Fyffes 2007 earnings growth.

Business Press

- Cadbury bows to pressure with split plan (FT)
- Action taken to avoid break-up (FT)
- Smurfit jumps 8% on back of demand surge (II)

Investment Press

- Imperial tilts for Altadis: In today's tobacco industry, it's eat or be eaten. Following its €970m takeover of US cigarette maker Commonwealth Brands, Imperial Tobacco now hopes to buy Altadis, the Franco-Spanish tobacco group.



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