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### Market Movers

## IRISH PAPERS TODAY

Anglo Irish appoints seven internal candidates to senior roles in bank  
*(The Irish Times)*

Troubled Greece discounts suggestion of EU bailout  
*(The Irish Times)*

Bank chief demands extensive public probe into financial crisis  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Credit Suisse in \$536m US settlement over Iran *(Financial Times)*

Investment banking safeguards unveiled *(Financial Times)*

Euro falls as debt doubts spread  
*(The Wall Street Journal)*

## Market View

Analyst : Stephen Taylor

European equity markets are stronger this morning marking the fifth straight day that the EuroStoxx 600 index has traded higher. Data out of the US yesterday was mixed with industrial production and capacity utilisation beating expectations, while empire manufacturing data came in below consensus. We expect this trend of mixed data out of the US to continue for the foreseeable future, however we are becoming increasingly more positive about the recovery in the US. Improved expectations for the US are also having a positive effect on the US dollar which is continuing to trade stronger this morning. The correlation between the dollar and equity markets appears to have broken down in the last number of weeks as the dollar has remained firm and equities have continued to push higher, a trend that we expect to continue. As for today the main focus will be on economic data with corporate news remaining muted. In Europe focus will be on PMI figures, while in the UK unemployment data will be closely watched. The key events of the day however will come from the US. US housing data for November is expected to show some improvement, while the Federal Reserve is due to decide on interest rates. We expect the Fed to leave rates on hold and do not expect any change to its current policy outlook whereby rates will be kept at historically low levels for an extended period of time.

**Sovereign Debt** : Greek Treasury sells €2bn in FRNs

Analyst Oliver Gilvarry

Greece sold €2bn of floating rate notes (FRNs) at a level of 250bps over 6-month EURIBOR. The deal was due in the form of a private placement to five banks. The banks were National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, Piraeus Bank and Sanpaolo IMI. Four of the five banks are Greek, providing little detail on the international demand for Greek paper at the moment. The move wider in Greek debt has continued this morning with 10-year yields higher by 26bps to 5.72% since yesterday. Despite the speech by the Greek PM on Monday, the market still isn't convinced Greece is determined to solve its fiscal issues. Concerns over the European banking sector still remain with rumours yesterday of Austrian bank, OeVAG Bank could be nationalised following the nationalisation of Hypo Alpe Adria early in the week. In Ireland the Governor of the Central Bank made statements yesterday on the banks stating 50% State ownership is possible and the bank recapitalisation "will be quite a lot." The Governor also made reference he would prefer more risk sharing in the NAMA bonds that is currently in place. With the uncertainty surrounding still in place, these comments will only add to the volatility in Irish financials share prices.

**C&C : Neutral** Yesterday's Close €2.80 Target Price €2.16 Analyst Edward Keeling

Punch Taverns, the largest UK pub group, released an interim management statement this morning and following on from its last update, the group continues to be materially impacted by the challenging conditions faced across the UK pub industry. It has reiterated that high levels of unemployment, the impending duty and VAT increases and an uncertain UK consumer environment will continue to put downward pressure on spending in pubs. Profit margins remain under pressure due to ongoing volume decline in the on trade and lower rental income from licensee pub returns. Like for like profits in the 16 weeks to 12th December continue to show a similar rate of decline to that reported in the last financial year. Going forward the group has warned that the challenging economic environment and its smaller pub estate will continue to affect profitability in the short term.



## International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,922	-0.2%	23.8%
FTSE	5,286	-0.6%	20.0%
Dow Jones	10,452	-0.5%	19.1%
S&P	1,108	-0.6%	22.7%
Nikkei	10,083	-0.2%	14.9%
Stoxx 50	2,889	0.1%	18.9%

## Sector Performances

Sector	Index	1-Day	YTD
Construction	270	-0.1%	1.8%
Technology	178	-0.2%	3.5%
Oil & Gas	319	0.4%	2.7%
Financials	219	-0.9%	2.2%
Retail	240	0.3%	1.6%
Food & Drink	299	0.6%	3.9%

## Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	70.7	1.7%	19.6%
Copper	314.2	-0.3%	118.9%
Gold	1,125.2	-0.1%	27.7%
Silver	17.5	0.7%	53.4%
Wheat	536.8	-1.2%	-22.2%
Cattle	84.9	1.2%	-7.3%

## Currency Exchange Rates

Currency	Index	1-Day	YTD
€/\$	1.454	-0.8%	-4.0%
€/£	0.894	-0.6%	6.7%
£/\$	1.627	-0.3%	-10.0%
\$/JPY	89.612	1.1%	1.0%
€/JPY	130.285	0.3%	-3.1%
€/SFR	1.513	0.0%	-1.3%

## 5Yr Credit Spreads

Product	Index	1-Day	YTD
Invest Grade	77.9	0.7%	-56.0%
High Yield	475.8	-11.2%	-54.3%
Financials	75.3	0.6%	-38.2%
BoI	249.7	1.3%	-2.2%
AIB	276.1	0.4%	31.5%
RBS	139.4	0.5%	2.4%

## Money Market Rates

Rate	EUR	UK	US
Overnight	0.4%	0.4%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.3%	1.0%	0.6%
2-Year	1.8%	1.9%	1.2%
5-Year	2.7%	3.2%	2.7%
10-Year	3.5%	3.9%	3.7%

## Date Company Region Event

Date	Company	Region	Event
16/12/2009	Aeroports de Paris SA	FR	TRAFFIC
16/12/2009	Drax Group Plc	GB	TRADE
16/12/2009	Kesa Electricals plc	GB	INTERIM
16/12/2009	Petrofac Ltd	GB	Q1 TRADE
16/12/2009	Punch Taverns PLC	AT	EGM
17/12/2009	Austrian Airlines AG	DE	PRELIM
17/12/2009	Escada AG	DE	PRELIM
17/12/2009	Arriva PLC	GB	TRADE
17/12/2009	John Wood Group PLC	GB	YRTRADE
17/12/2009	Travis Perkins PLC	GB	TRADE
17/12/2009	Rexel SA	FR	S/HOLDERS
17/12/2009	Irish Life & Permanent F	IE	S/HOLDERS
17/12/2009	Acergy SA	GB	S/HOLDERS
17/12/2009	General Mills	US	Q2
18/12/2009	Sportingbet PLC	GB	AGM
21/12/2009	Amarin Corp Plc	GB	AGM
21/12/2009	Cairn Energy PLC	GB	EGM
21/12/2009	Walgreen	US	Q1
21/12/2009	ConAgra Foods	US	Q2
22/12/2009	Hornbach Holdings	DE	Q3
22/12/2009	Sinclair Pharma PLC	GB	AGM
22/12/2009	Red Hat	US	Q3

## Date Event Region Estimate

Date	Event	Region	Estimate
16/12/2009	Jobless Claims Change	UK	--
16/12/2009	ILO Unemployment Rate (3mths)	UK	--
16/12/2009	Euro-Zone CPI (MoM)	EC	--
16/12/2009	MBA Mortgage Applications	US	--
16/12/2009	Consumer Price Index (MoM)	US	--
16/12/2009	Current Account Balance	US	--
16/12/2009	Consumer Price Index (YoY)	US	--
16/12/2009	Housing Starts	US	--
16/12/2009	Building Permits	US	--
16/12/2009	FOMC Rate Decision	US	--
17/12/2009	Retail Sales (MoM)	UK	--
17/12/2009	Construction Output SA MoM	EC	--
17/12/2009	Initial Jobless Claims	US	--
17/12/2009	Leading Indicators	US	--
17/12/2009	Philadelphia Fed.	US	--
18/12/2009	Producer Prices (MoM)	GE	--
18/12/2009	IFO - Business Climate	GE	--
18/12/2009	Euro-Zone Current Account nsa	EC	--
18/12/2009	Public Sector Net Borrowing	UK	--
18/12/2009	M4 Money Supply (MoM)	UK	--
18/12/2009	Euro-Zone Trade Balance	EC	--
21/12/2009	Chicago Fed Nat Activity Index	US	--

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