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Market Movers

IRISH PAPERS TODAY

House prices in England and Wales on the rise, study shows
(*The Irish Times*)

Bernanke says US recession 'is very likely over'
(*The Irish Times*)

NTMA borrows €700m as bond yields drop
(*Irish Independent*)

INTERNATIONAL PAPERS TODAY

King rules out rapid economic recovery

(*Financial Times*)

US recession 'over'

(*Financial Times*)

Ireland to detail plan for distressed banks

(*The Wall Street Journal*)

Market View

Analyst : Stephen Taylor

European equity markets are higher this morning adding to yesterday's gains and following a strong finish in the US and Asia overnight. Yesterday's US retail sales figures surprised to the upside rising by the most in three years. The main positive from the release was that it was not only the expected boost from the cash for clunkers program that led to the strong reading. Service stations, clothing, sporting goods and department stores all recorded gains of more than 2%, with only furniture and building-material stores showing decreases on the month. Also in focus yesterday was the positive Empire state manufacturing reading that showed its second straight positive reading and provides further evidence of the rebound in manufacturing in the US. As for today, UK unemployment data will be closely watched with the unemployment rate expected to have increased to 8% in July from 7.8% in June. In the US CPI data for August is expected to show a rebound, while the key number will be industrial production that is expected to show its second straight monthly increase. On the corporate side, Oracle is due to report quarterly earnings after the US market closes tonight.

NAMA : Minister's speech

Analyst : Oliver Gilvarry

All focus will be on the Minister for Finance's speech this afternoon on the introduction of the NAMA bill to the Dáil. His speech is expected to start between 3 - 4pm, and will begin before the Irish and London markets close. No individual information will be released on each bank except for the book value of loans to be transferred from each, which in some cases such as AIB and EBS, management have provided guidance on previously. No indication of the minimum equity tier 1 that will be required by each bank going forward will be released and this would imply no comments will be made on capital required by each bank. We believe some reference will be made to the new Super Mutual, with the minister commenting on the institutions that could take part in its formation. Following the Minister's speech this afternoon, there is a potential for statements to be released from AIB and BOI but there has been no confirmation of this. Today's speech could be a key catalyst for the Irish banking system depending on the level of information given. Lack of detail on the individual haircuts applied to the banks will delay ending the uncertainty over the Irish banking system. In our opinion, the main beneficiary from today's announcement will be Irish Life and Permanent, due to expected comments on a proposed Super Mutual.

Lloyds : Under Review

Current Price (106p)

Analyst : Oliver Gilvarry

Comments in the press this morning indicate Lloyds Banking Group (LBG) may be forced by the European Commission to dispose of Halifax. This could be the penalty imposed following the large level of direct government support the group has received over the last number of months. A large part of the benefits from the takeover of HBOS comes from Halifax and any forced disposal would be a negative for the group. The ability of LBG to find a buyer for Halifax at a reasonable price in the current market is unlikely and we would expect the UK Government to back the group in any attempt to block such a decision being imposed by the Commission. A previous decision by the Commission forced Commerzbank to sell EuroHypo, but gave Commerzbank till 2014 to sell the unit. There have also been indications that Commerzbank will not be forced to sell EuroHypo unless a minimum price is obtained, but this was never confirmed. Providing flexibility on the timing of the sale of Halifax would be likely as forcing LBG to sell the operation at firesale prices would undo some of the UK Government's work on stabilising the UK's banking system.

Tullow Oil : Under Review

Current Price(1131p)

Analyst : David Dunk

The Financial Times has reported this morning that Tullow and Anadarko are expected to announce a successful drilling result from the Venus-B well in Sierra Leone. The two oil explorers are also expected to announce the establishment of a new oil frontier, 1,100km in length, including the coast lines of Sierra Leone, Liberia, Ivory Coast, and Ghana. The newspaper cites sources close to US based Anadarko. Tullow has a relatively low 10% stake in the Sierra Leone license that contains the Venus prospect. Nevertheless a positive result would be very positive for Tullow due to the reduction in exploration risk for its other licenses in the area.



BHP Billiton : Under Review **Current Price (1745p)** **Analyst : David Dunk**

BHP management has made comments this morning, in relation to the company's outlook. BHP sees the economic upswing in China as being well advanced. The demand for iron ore is expected to be robust, with BHP's preferring floating rate mechanism's as opposed to the traditional annual contracts. Negotiation on pricing with customers for the coming year will begin in October. BHP sees global steel demand doubling over the next 15 years. This will be particularly bullish for coking coal, as new Chinese blast furnaces will require higher quality of coal than has been used in the past. Developed nation restocking has commenced, but it will be 2010 before true demand emerges. BHP expects shortages of copper and energy over the medium to long term. Scrap copper is expected to gain market share within the copper market. BHP warns that short term and medium term uncertainty will always exist, but overall, the comments from BHP are bullish.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,309	1.1%	41.8%
FTSE	5,042	0.5%	14.7%
Dow Jones	9,627	0.2%	10.3%
S&P	1,049	0.6%	16.5%
Nikkei	10,218	0.2%	15.9%
Stoxx 50	2,843	0.5%	17.0%

Sector Performances

Sector	Index	1-Day	YTD
Construction	264	0.4%	1.7%
Technology	195	1.1%	3.8%
Oil & Gas	311	0.2%	2.9%
Financials	230	0.5%	2.4%
Retail	227	-0.8%	1.9%
Food & Drink	267	-0.1%	4.1%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	70.9	3.0%	24.0%
Copper	284.5	1.4%	99.5%
Gold	1,007.6	0.7%	15.1%
Silver	17.0	2.3%	52.9%
Wheat	470.5	3.6%	-30.4%
Cattle	86.8	0.2%	-4.0%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.466	0.3%	-4.9%
€/£	0.889	0.9%	7.1%
£/\$	1.649	-0.6%	-11.2%
\$/JPY	91.035	0.1%	0.4%
€/JPY	133.485	0.4%	-4.5%
€/SFR	1.517	0.3%	-1.6%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	98.1	-1.9%	-45.8%
High Yield	600.3	-0.9%	-42.3%
Financials	80.0	-2.1%	-34.1%
BoI	212.2	-3.7%	-12.4%
AIB	221.2	-2.6%	7.1%
RBS	113.6	-1.5%	-18.0%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.4%	0.4%	0.2%
3-Month	0.8%	0.6%	0.3%
1-Year	1.2%	0.8%	0.6%
2-Year	1.7%	1.8%	1.3%
5-Year	2.7%	3.2%	2.8%
10-Year	3.5%	3.9%	3.7%

Date Company Region Event

Date	Company	Region	Event
16/09/2009	Aeroports de Paris SA	FR	TRAFFIC
16/09/2009	Alkane Energy PLC	GB	INTERIM
16/09/2009	Cape PLC	GB	INTERIM
16/09/2009	Next Plc	GB	INTERIM
16/09/2009	Northgate PLC	GB	TRADE
16/09/2009	Synergy Health Plc	GB	AGM
16/09/2009	Oracle	US	Q1
17/09/2009	French Connection Gro	GB	INTERIM
17/09/2009	Kingfisher PLC	GB	INTERIM
17/09/2009	Investec Plc	GB	TRADE
17/09/2009	FedEx	US	Q1
18/09/2009	Fortis SA/NV	BE	EGM
21/09/2009	Alliance Trust PLC	GB	INTERIM
21/09/2009	Total Systems PLC	GB	AGM
22/09/2009	Bank of Ireland	IE	TRADE
22/09/2009	AGI Therapeutics Plc	IE	INTERIM
22/09/2009	Imperial Tobacco Group	GB	TRADE
22/09/2009	JD Sports Fashion PLC	GB	INTERIM
22/09/2009	Ridge Mining Plc	GB	INTERIM
22/09/2009	ConAgra Foods	US	Q1
23/09/2009	Game Group PLC	GB	INTERIM
23/09/2009	TEG Group (The) PLC	GB	PRELIM

Date Event Region Estimate

Date	Event	Region	Estimate
16/09/2009	Jobless Claims Change	UK	23.0K
16/09/2009	ILO Unemployment Rate (3m	UK	8.00%
16/09/2009	Euro-Zone CPI (MoM)	EC	0.30%
16/09/2009	MBA Mortgage Applications	US	--
16/09/2009	Consumer Price Index (MoM)	US	0.30%
16/09/2009	Current Account Balance	US	-\$92.0B
16/09/2009	Industrial Production	US	0.70%
16/09/2009	Capacity Utilization	US	69.10%
16/09/2009	NAHB Housing Market Index	US	19
17/09/2009	Retail Sales (MoM)	UK	0.30%
17/09/2009	Euro-Zone Trade Balance	EC	6.4B
17/09/2009	Construction Output SA MoM	EC	--
17/09/2009	Housing Starts	US	595K
17/09/2009	Initial Jobless Claims	US	561K
17/09/2009	Building Permits	US	580K
17/09/2009	Philadelphia Fed.	US	7.8
18/09/2009	Producer Prices (MoM)	GE	0.20%
18/09/2009	ECB Euro-Zone Current Aco	EC	--
18/09/2009	Public Sector Net Borrowing	UK	18.0B
18/09/2009	M4 Money Supply (MoM)	UK	0.60%
21/09/2009	Rightmove House Prices (M	UK	--
21/09/2009	Leading Indicators	US	--

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Dolmen Stockbrokers, 75 St. Stephen's Green, Dublin 2, Ireland.



DOLMEN SECURITIES LTD

75 St. Stephen's Green, Dublin 2, Ireland.
45 South Mall, Cork, Ireland
Theatre Court, Mallow St, Limerick, Ireland.

Tel : +353 1 633 3800/1890 400 300
Tel : +353 21 422 2122
Tel : +353 61 436 500

E-mail: info@dsl.ie
E-mail: cork@dsl.ie
E-mail: Limerick@dsl.ie