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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6718 ↑	20	0.30%	11.0	8.38%
FTSE 100	5322 ↓	-22	-0.41%	13.5	10.56%
DAX 30	4884 ↓	-39	-0.78%	15.0	14.75%
DOW	10513 ↓	-121	-1.14%	19.5	-2.50%
NASDAQ	2137 ↓	-30	-1.38%	15.6	2.30%
S&P	1219 ↓	-15	-1.18%	21.0	0.61%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2292	0.6815	135.2100
Dollar	1.2292	1.0000	1.8030	110.0000
Sterling	0.6815	1.8030	1.0000	198.3500
Yen	135.2100	110.0000	198.3500	1.0000
Oil (Nymex)	#NAME?			

This Week's Research

RBS

Today's Research

CRH

Breaking News

Oil steadies at \$66 ahead of US stockpile data

Oil held just above \$66 a barrel on Wednesday ahead of weekly US stockpile data expected to show a drop in gasoline inventories following a string of refinery outages in the world's biggest consumer. U.S. light sweet crude oil traded down a cent at \$66.07 a barrel in midday Asian trading, keeping within \$1 of its record high touched last week. London Brent crude was 4 cents lower at \$65.04 a barrel. Economic data showed that higher costs were being passed through to consumers, with U.S. July consumer prices rising at their fastest rate in three months and British inflation at its highest level since comparable records began in 1997. U.S. oil prices have averaged \$53.60 a barrel this year, about \$12 more than in 2004 but still well below the inflation-adjusted \$82 a barrel level in 1980. Iran's decision to restart uranium conversion is likely to provide a support to holding up oil prices. The move has put OPEC's second-biggest producer at odds with the United Nations nuclear watchdog and the oil market is nervous, even though possible punitive sanctions are a long way off.

US Overnight

Stocks tumbled after Wal-Mart Stores Inc. said higher gasoline prices curbed customer spending. The news sent many retail stocks lower, while government data showing a larger-than-expected jump in inflation also dampened investor enthusiasm. The DJIA dropped 120.93, or 1.14%, to 10,513.45 and the Nasdaq index slid 29.98, or 1.38%, to 2,137.06. Investors also grew nervous over the latest reading of the Labor Department's Consumer Price Index, which rose 0.5% in July -- the biggest increase in three months and larger than the 0.4% hike economists had expected. With food and energy prices removed, "core" CPI rose 0.1%. The dollar was up against the euro and gold prices fell. In one of the few bright spots of the session, investors welcomed the Commerce Department's report on home construction. For July, the number of housing projects started fell slightly to an annualized 2.042 million units, but housing permits issued reached a 21-year high. Overall yesterday, Japan's Nikkei stock average rose 0.48%. The FTSE 100 slipped 0.41, Germany's DAX index lost 0.78%, whilst France's CAC-40 fell 0.49%.

Business Press

- Quinn invests £133 million in Welsh radiator project (II)
- Print and radio help push up APN's profit by 14% (IT)
- Shell to take up new Irish offshore exploration license (IT)
- Quinlan denies move for Jurys (IE)
- Exel offer rumours push logistics group to 5 year high (FT)

CRH (€22.70)

BUY ahead of results

Stuart Draper

- Results preview : On Tuesday week, 30th August, CRH will announce its results for the 6 months ended 30/06/05. We are forecasting profit before tax and eps of €380m and 56c respectively, year on year increases of 19% and 18%.
- US growth : The main drivers of this strong growth will have been the group's US materials division and its US products & distribution division. The profitability of the US materials division will have been driven by volume and price increases, and the US products & distribution division is continuing to be boosted by the very buoyant US housing market. CRH is still forecasting no year on year deterioration in its 2005 margin.
- Dollar strengthening : The strengthening of the US dollar versus the Euro this year may also provide the potential for some earnings upgrades, with almost 50% of group earnings US dollar denominated. The ongoing consolidation within the cement sector also provides a support for the CRH share price over the next 12 months.
- Growth platform : CRH recently positioned itself for further central and eastern European growth with the acquisition of the family-owned, leading Austrian builders' merchant, Quester, which has 31 outlets and 770 employees. With the Austrian company having already prepared the ground for entry into the Slovakian, Czech, Slovenian and Hungarian markets, the acquisition should provide CRH with a key platform for generating further strong earnings growth in this fast growing region of the world.
- European outperformance : Several of CRH's existing European construction markets are also showing healthy growth levels now. Ireland and the Netherlands together account for c.50% of CRH's European profits, with 2005 construction output growth of c.3% forecast for both of these markets.
- Sector consolidation : We continue to be of the view that a multiple of 13x forward earnings is achievable for CRH, given the multiple range of 14x to 16x forward earnings at which deals are continuing to take place in the cement sector, and the group's historic average forward multiple of c.14x.
- Further upside : As a result, we recently raised our 12 month price target for CRH from €24 to €25 (10% further upside), which is based on 13x 2006 eps of €1.92, which we upgraded from €1.86 on the expectation of an increased level of acquisition spending in H2 2005 : BUY.

Investment Press— Lex

CNOOC's bid for Unocal may be dead, but China's oil ambitions are not. PetroChina, the biggest of China's oil and gas trio is targeting PetroKazakhstan. The Canadian listed company looks a blissfully simple deal compared to Unocal, it is more of a single asset than a sprawling corporation and it's \$3.3bn capitalisation is a sliver of PetroChina's \$159 bn



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