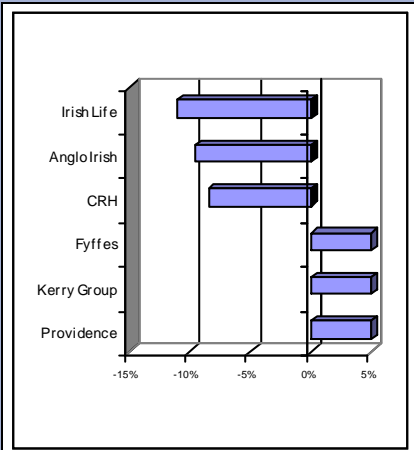




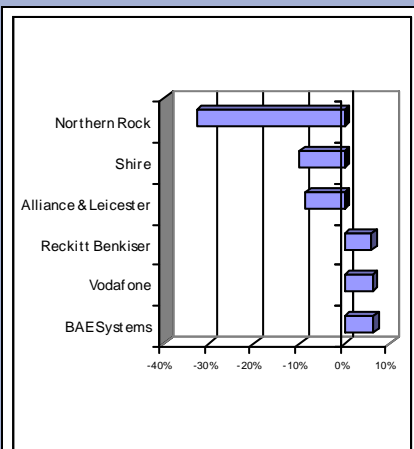
# DOLMEN STOCKBROKERS Traders Update

## Last Weeks Best/ Worst Performers 07/09/07-14/09/07

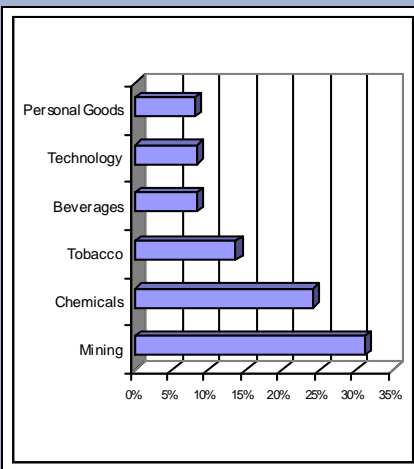
### ISEQ



### FTSE



### Sector changes YTD



## Dolmen Dozen WEEKLY UPDATE

Company	WTD	DD Return*	Relevant news
AIB	-1.86%	-23.89%	AIB confirmed it expects no material impact from rise in funding costs
Aviva	-0.22%	-15.93%	Aviva announced purchase of Romanian asset manager Certinvest for undisclosed price
BP	+1.96%	+5.51%	Benefits from record high oil prices
British Land	-5.55%	-32.64%	The company was continuing its share buyback during the week
CRH	-8.48%	-11.42%	CRH said it may purchase \$4.5m in assets from Cemex
Greencore	-1.03%	+7.66%	Origin recently bought Greencore's 50% stake in Odlum for €35m
GSK	+0.68%	+2.38%	GSK said it will increase shipments of Flu vaccines in the US by at least 20%
IL&P	-11.00%	-15.26%	IL&P said that impact of higher borrowing costs will be 'modest' for the company
Ladbrokes	+3.83%	+9.31%	The EU's top court said that Italy's betting system was illegal
RBS	-0.19%	-15.88%	ABN Amro said that Barclays bid for it is likely to fail as its price trails the RBS led-group's offer
Ryanair	-1.37%	-6.85%	Announced that it is to invest \$1.26bn to expand in Milan
Vodafone	+6.09%	+24.69%	Credit Suisse raised Vodafone's price target to 185p from 170p

DD Unrealised gain YTD	-5.75%	ISEQ YTD	-18.76%
DD Realised gain YTD	0.22%	FTSE YTD	1.79%
DD Total YTD	<u>-5.97%</u>	Average performance	<u>-8.49%</u>
Relative performance YTD	<u>2.52%</u>		

\* DD Return (Includes dividends & FX changes since stocks inclusion)

### What it says in the 'Sundays'

Company	Paper	Headline
Greencore	Sunday Business Post	"Greencore plans to build €50m Athy project"
C&C	Sunday Business Post	"C&C surge renews speculation"
Banks	Sunday Business Post	"Credit crunch is set to hurt bank customers"
Northern Rock	Sunday Times	"Northern Rock takeover blocked"
Kerry	Sunday Times	"Food giant is back on the ball"
Tullow	Sunday Times	"Tullow bid for FTSE glory"
TSB	Sunday Independent	"TSB most exposed in credit crux"
Northern Rock	Sunday Tribune	"Irish customers could lose half their savings"

### Recent Corporate Visits

Company	Change on year	Meeting date	Relevant news
Irish Life	-28.33	11/09/07	Irish life told us that the recent turmoil in credit markets will only have a modest impact on margins
FBD	-28.20%	07/09/07	FBD's CEO Philip Fitzsimons told us that he expects the group to increase its share of the Dublin motor insurance market.
AIB	-26.62%	04/09/07	Group CEO Eugene Sheehy said he expects GB to double profit over the next 5 years and he expects Poland to outdo this.

# Last Weeks Moves

## Equities

	Level	Change WTD	Change YTD	Div Yield	P/E
ISEQ	7,821	-4.5%	-16.9%	2.4%	12.1
FTSE 100	6,289	+1.6%	+1.1%	3.9%	12.6
DAX	7,498	+0.8%	+13.7%	2.6%	13.3
DOW JONES	13,418	+2.3%	+7.7%	2.2%	16.2
S&P 500	1,482	+2.0%	+4.5%	1.9%	17.2
NASDAQ	2,598	+1.3%	+7.6%	0.7%	37.1
EuroStoxx 50	3,723	+1.1%	+0.7%	3.6%	12.4
NIKKEI 225	16,127	+0.0%	-6.4%	1.2%	34.1

## Sector

	Weekly move%	YTD move %
Mining	+2.7	+31.1
Chemicals	+2.1	+24.0
Tobacco	+3.2	+13.7
Beverages	-0.3	+8.4
Technology	-6.8	+8.4
Personal Goods	+3.9	+8.3
Telecoms	+4.7	+7.2
Leisure Goods	+7.5	+6.8
Oil & Gas	+1.7	+5.6
Media	+0.0	+4.4
Construction	+0.2	+4.4
Autos	+2.5	+1.9
Utilities	+3.3	+0.0
Food Producers	+1.1	-1.2
General Industrials	-1.0	-2.1
Software	+1.3	-3.7
Pharmaceuticals	-1.5	-4.5
Insurance	+0.3	-8.9
General Retailers	-2.0	-11.3
Banks	-1.9	-14.2

## Commodities

	Current	Change YTD
Crude Oil	\$79.76	24.09%
Gold spot	\$712.9	12.24%

## Exchange Rates

	Current	YTD Change	Year End (est)
EUR-USD	1.385	+4.71%	1.35
EUR-GBP	0.689	+2.33%	0.665
EUR-JPY	159.6	+1.60%	145.0

## GDP Growth

	Current	Year End (est)
Ireland	6.00%	5.00%
Euro Zone	2.70%	2.50%
UK	3.00%	3.00%

## Central Bank Interest Rates

	Current	Year End (est)
Euro Zone	4.00%	4.00%
UK	5.75%	6.00%
US	5.25%	4.75%

## Credit Market Summary

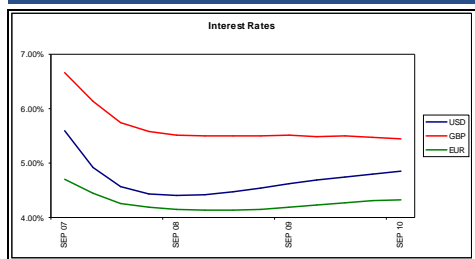
Corporate credit markets saw some volatility early in the week however closed the week slightly wider, +4bps (1%) in the high yield index, unchanged in the investment grade index. Credit markets are seeing fairly thin trading volumes; the market is dominated by short term trading rather than strategic positioning. Markets are subdued ahead of next week, as uncertainty continues, particularly in light of Northern Rocks emergency funding from the BOE and the US investment banks disclosures of sub-prime exposure.

## Credit Sector Movements

**Airlines:** Wider in the sector – biggest mover was BAE Systems, widening 5bps (13%) this week despite announcing lucrative contracts, while Rolls Royce widening 1bps (3%) despite a rating upgrade from Fitch, from BBB+ to A-due to improved geographic diversification and operating cost cuts. Airlines BA and Lufthansa both widened 2bps and 3bps respectively - BA this week announced they will delay a possible bid for Iberia, most likely in the hope that debt markets will calm down.

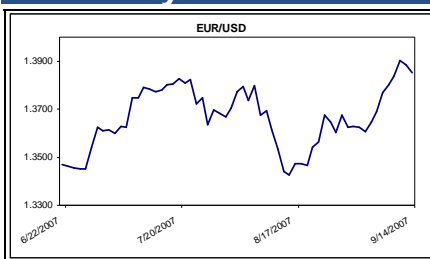
**Media:** Mixed in the sector – biggest mover was WPP, following downgrades from Citi Group analysts on possible medium term earnings weakness on the advertising sector, particularly after the peak spend over the 2008 Olympics. Reuters tightened 1bps this week despite a one notch downgrade by Moody's on higher leverage following the Thomson merger. Elsewhere Merrill Lynch said Reed Elsevier and Wolters Kluwer should merger given 'compelling strategic and financial logic of such a move'.

## Interest Rate Outlook

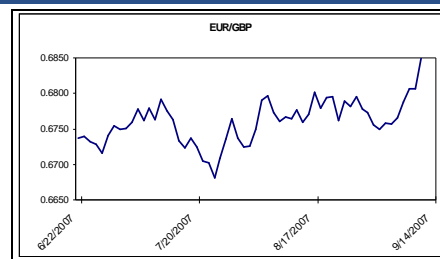


The US 10-year treasury lost ground last week, however yields continue to trade at recent lows in expectations the Fed will lower interest rates on Tuesday. The market which is currently pricing in a 50 basis point easing in rates, will also be paying attention the Fed's statement following the decision with investors looking for some reassuring comments on the current turbulent state of the financial markets.

## Currency Comment



The \$ fell to a record low against the € last week on expectations that the Federal Reserve will lower interest rates on Tuesday 18<sup>th</sup> September. The market is expecting the Fed to reduce rates by 50 basis points to 4.75%, however inflation is still a key concern of the Fed and with energy & commodity prices at record levels the reduction may be limited to 25 basis points.



The £ weakened against the € last week after the Bank of England had to provide Northern Rock with emergency funding in the largest bailout of a British lender for 30 years following the turmoil in credit markets caused by defaults on US subprime markets. The key focus will be on Wednesday when the BoE is due to release minutes from its September 6<sup>th</sup> meeting where it left interest rates on hold at 5.75%.



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## 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