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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9222 ↑	131	1.45%	11.0	25.24%
FTSE 100	6260 ↑	32	0.51%	12.4	11.41%
DAX 30	6589 ↑	36	0.55%	15.0	21.83%
DOW	12446 ↑	29	0.23%	19.5	15.42%
NASDAQ	2457 ↑	3	0.14%	15.6	11.42%
S&P	1427 ↑	2	0.11%	21.0	14.63%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3103	0.6695	154.5700
Dollar	1.3103	1.0000	1.9571	117.9300
Sterling	0.6695	1.9571	1.0000	230.8000
Interest Rates (%)	3.2500	5.2500	4.7500	0.4800
Oil (Nymex)	63.4300			

This Week's Research

Today's Research Kingspan

Breaking News

Breaking News

Blackrock acquires 6 office buildings in the Netherlands

Blackrock announced today that it has acquired a portfolio of six office buildings in The Netherlands for a total consideration of €46.5m. Located in several large Dutch cities the properties comprise a total of 24,270 sq metres. More than 85% let, the portfolio generates annual rent, net of landlord's costs, of €2.675m, giving a net initial yield of 5.75%. Assuming full occupancy and allowing for standard indexation of rents, this yield is expected to rise to 7.5% by year five. The purchase takes Blackrock's total investment since its listing in May this year to €142m, bringing its gross property assets to almost €340m.

Petroceltic announces positive flow results

Petroceltic announced "significant" results of flow testing from the recently completed Hassi Tab Tab 2 well. Located 40 kms west of ISAS 1 a total of 15.44 mmscf/d of gas was tested from 3 geological horizons, the Devonian F2, the Carboniferous Tournaisian and the Carboniferous Visean B. All had substantial flows and stabilised wellhead pressures. In accordance with the provisions of the PSC, a Declaration of Discovery for the well has been submitted to Sonatrach. The gas flow rate from the Devonian F2 in HTT 2 is one of the highest for this horizon in the Illizi Basin.

FBD expects FY results to be ahead of expectations

FBD traded strongly in the second half and is on course to deliver full year operating earnings "somewhat ahead" of market expectations, it announced today. In September, FBD reported a smaller-than-expected 13% fall in H1 operating profit to €75.7m on a better-than-forecast underwriting performance. EPS based on a longer rate of investment return, came in at €1.7311 in the six months to end-June, down from €1.9207 a year earlier and above analyst forecasts of around €1.65. The group said its property/leisure and financial services businesses were performing to expectations and the strong performance in equity markets in the year to date has contributed to returns in its capital fund which are ahead of expectations.

Kingspan (€19.16) Trading statement released Stuart Draper Target : €20 (18/12/06 ; previously €17, issued 16/10/06)

- Trading statement : This morning, Kingspan released its year end pre-close period trading statement. Overall, it was stated that full year operating profit would grow by c.33%, driven by strong underlying markets, a contribution from acquisitions and a favourable material pricing environment. Such an operating profit result would translate into a 2006 eps of 87c.
- Further growth : The statement also confirmed that €85m was spent on new bolt-on acquisitions in 2006, which should boost group sales by c.7% in 2007. This should result in further 15% earnings growth being generated in 2007. Our new 12 month price target of €20 is based on 20x 2007 eps of €1, which represents a 5% upgrade to our previous 2007 eps of 95c.
- Insulation growth : Kingspan's results for the 6 months ended 30/06/06 showed overall group eps growth of 32%, driven by 33% profit growth from the insulation products business. This strong insulation profit growth was driven by 17% insulation panels sales growth, 10% insulation boards sales growth, and significant year on year margin expansion to 15.9% from 11.5%.
- Structural growth : 25% profit growth was also achieved from the group's structural business, helped by a full 6 month contribution from Century Homes, 17% sales growth, and expansion in the operating margin to 11% from 10.3%. 61% profit growth was achieved from access flooring, driven by 27% sales growth and margin expansion from 7.6% to 9.6%.
- Growth rate : However, this morning's trading statement also points to a "current upward pressure in raw material prices", driven by higher commodity prices, which may limit the scope for further growth in 2007 from margin expansion. As a result, the rate of earnings growth achieved in 2007 may be more in line with the rate of sales growth achieved.
- Fairly valued : The trading statement also refers to a "potential moderation in activity levels in the Irish construction market". As a result, our view is that the rate of group earnings growth will slow to c.15% in 2007, and our new 12 month price target of €20 is based on 20x 2007 eps of €1. With limited further upside to this level, our current recommendation is NEUTRAL, and we would wait for a correction from current levels before upgrading our recommendation again to BUY. The dividend yield paid by Kingspan of only c.1% is also unattractive by comparison with the yields paid elsewhere : **NEUTRAL**.

Business Press

- Bol raises €2bn from US market (IE)
- Shell nears deal with Gazprom (FT)
- Emissions trading scheme to net airlines €4bn in profits (IE)

Investment Press

- Private equity regulation: As private equity firms have snapped up swathes of corporate Europe and America they were bound to find their activities under the microscope. But is the industry focused on the wrong area of regulatory risk?



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