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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6798 ↑	30	0.44%	11.0	9.69%
FTSE 100	5057 ↑	4	0.08%	13.5	5.06%
DAX 30	4370 ↑	1	0.02%	15.0	2.67%
DOW	10754 ↓	-81	-0.74%	19.5	-0.27%
NASDAQ	2061 ↓	-26	-1.25%	15.6	-1.32%
S&P	1201 ↓	-10	-0.79%	21.0	-0.93%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3068	0.6900	137.5000
Dollar	1.3068	1.0000	1.8936	105.2200
Sterling	0.6900	1.8936	1.0000	199.2300
Yen	137.5000	105.2200	199.2300	1.0000

This Week's Research

CRH Fyffes
RSA
RBOS

Today's Research

Elan

Today's Recommendations

Elan (\$28) Tysabri two year data impressive Stuart Draper

- Disability progression : Elan has released impressive two year data from Tysabri's AFFIRM monotherapy trial. Tysabri reduced the risk of disability progression versus placebo by 42%, stronger than the previous record set by Avonex's 37% reduction, and stronger than Rebif's 30% reduction.
- Relapse rate : Tysabri also demonstrated a 67% reduction in relapse rate versus placebo, consistent with its one year data and stronger than the 30% reduction in relapse rate demonstrated by other agents at two years. The fact that such a strong relapse rate reduction was sustained over two years is ahead of the previous consensus expectation, and the fact that adverse side effects remained modest after two years will also support sales of the drug.
- Recent results : Elan recently reported its results for the 3 months ended 31/12/04. Total sales and loss per share of \$123.8m and \$0.22, were ahead of the consensus forecasts of \$109.1m and \$0.29, and compared with prior year comparatives of sales of \$138.2m and a loss per share of \$0.82.
- Tysabri launch : However, the more important information in the results' announcement were the early details with regard to Tysabri's US launch. This is because with industry data not accurately measuring Tysabri's prescriptions as a result of its speciality distribution channels, the only sources of information available are updates from Elan and Biogen Idec.
- Expectations exceeded : As at 31/01/05, the no. of patients infused with the drug were between 2,000 and 3,000. This level of take-up was not expected until the end of Q1 2005, and so the consensus 2005 sales estimate for Tysabri has increased from c.\$200m to c.\$250m, based on 30,000 patients on the therapy by year end. Reimbursement issues appear not to have been a problem, and combination use of the drug, particularly with Avonex, has also exceeded expectations.
- Trading opportunities : Therefore, Tysabri has got off to a strong start and given Elan's sensitivity to newsflow, and the vast amount of newsflow likely to be announced over the remainder of 2005, the shares are likely to continue to provide attractive short term trading opportunities : **NEUTRAL**.

Breaking News

Outflows at BIAM have 'slowed significantly'

Bank of Ireland said on yesterday the pace of outflows from its asset management business had "slowed significantly." "The pace of loss has slowed significantly," Chief Executive Brian Goggin said at a marketing conference. Bank of Ireland said in November that Bank of Ireland Asset Management (BIAM) saw a net outflow of 2 billion euros in the six months to Sept. 30 and that outflows had continued in October. Goggin also said talks on selling financial advice business Chase de Vere were at an "advanced stage" and he hoped to make an announcement on it soon. Goggin declined to give details on the group's plans for its Bristol & West deposit-taking operation but said the group was close to deciding what to do with the business. "We're at a very advanced stage in deciding which of the options we wish to pursue and I hope to be able to speak further about it very shortly," he said.

Bank of Ireland also said it had mandated BNP Paribas, Davy, Merrill Lynch International and UBS Investment Bank to act as joint lead managers on a Tier 1 debt issue.

European airlines to fight compensation laws

European airlines are to contest new rules forcing them to compensate passengers for cancelled flights or overbooking, saying potential large pay-outs were disproportionate to cheap ticket prices. Airlines will have to pay up to 600 euros to passengers barred from a flight because more tickets were sold than seats available. They must offer food and, if necessary, accommodation, for serious delays or cancellations. European Low-Fares Airlines Association and the International Air Transport Association have challenged the new laws and expect a ruling from the European Court of Justice in September or October. Until then, airlines have agreed to comply with the regulations. Brochures detailing entitlements will be available for passengers at European airports from Thursday.

Business Press

- Core stores weigh on Kingfisher (FT)
- Diageo spirits dampened (FT)
- Eircom granted judicial review in ComReg review (IT)
- Flavin gave 'firm lead' to broker to get buyers (IT)
- Hewlett-Packard makes gains in quarterly profit (IT)

Investment Press— Lex

- Reed Elsevier: "Publish and be damned" is an appropriate description of Reed Elsevier's relative share price performance since last August. But, with strong results and an optimistic outlook, Reed has answered many of its critics.



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