



June 19, 2006

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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	7318 ↑	7	0.10%	11.0	-0.63%
FTSE 100	5597 ↓	-22	-0.39%	12.4	-0.38%
DAX 30	5376 ↓	-46	-0.85%	15.0	-0.60%
DOW	11015 ↓	-1	-0.01%	19.5	2.15%
NASDAQ	2130 ↓	-14	-0.66%	15.6	-3.42%
S&P	1252 ↓	-5	-0.37%	21.0	0.53%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2602	0.6828	145.6000
Dollar	1.2602	1.0000	1.8448	115.5400
Sterling	0.6828	1.8448	1.0000	213.1800
Yen	145.6000	115.5400	213.1800	1.0000
Oil (Nymex)	69.8800			

This Week's Research

Today's Research CRH

Today's Recommendation

Breaking News

Lloyds H1 trading statement

Lloyds TSB has said it is set to deliver 'satisfactory' first half results, helped by cost controls and improved revenues at its core UK retail banking operation. Lloyds said that over the last 12 months it has taken a number of steps to improve sales performance and, as a result, sales volumes through the branch network, telephone and internet banking are "well ahead of the same period last year." Good growth in savings and investment products, especially in bancassurance, has partly offset the expected slowdown in unsecured consumer lending and related insurance products. Lloyds added that while bad debt charges would be higher in the first half compared with the same period last year, the rate of increase would be lower than in the first half of 2005. The bank is scheduled to unveil its interim results on August 2.

BOI to price covered bonds on Wednesday

According to a source close to the situation Bank of Ireland Mortgage Bank is likely to price Wednesday a benchmark-sized offering of asset-covered securities. The size of the offering of Irish covered bonds is undetermined but is expected to be around US\$1.5 billion-US\$2.5 billion and denominated in euros. The tenor is likely to be seven years.

UK house prices rise at fastest pace in a year

Average asking prices for homes in England and Wales rose at their fastest annual pace in more than a year in the period from mid-May to early June, driven by London and the south, a survey showed on Monday. Property Web site Rightmove said asking prices rose 6.4 percent in the period compared with a year earlier, up from a corresponding 5.9 percent gain in the preceding 30-day period and the strongest rise since the March/April survey in 2005.

CRH (€24.11) Upgrading from NEUTRAL to BUY Stuart Draper

- Upcoming statement : CRH's share price has fallen by over 20% during the last 6 weeks, and the company will release its H1 pre-close period trading statement on Wednesday fortnight, 5th July. This statement will contain details of the bolt-on acquisitions completed during H1 2006.
- Headwinds discounted : While our NEUTRAL recommendation of recent months has been based on the earnings headwinds which the group faces this year, in the form of higher energy costs and a slowing US house market, these issues are now quite fairly discounted by the recent share price fall. In the past, CRH has demonstrated an ability to pass on some of the higher energy costs in the form of higher prices, and some recent surveys have forecast a soft landing for the US house market.
- Acquisition upside : However, what may not be fairly discounted by the current share price is the improved acquisition terms which these earnings headwinds for the sector will have enabled CRH to achieve in recent months. Some details in relation to these recent deals will be disclosed in conjunction with the H1 trading statement on 5th July.
- Dollar stabilisation : With c.50% of group earnings US dollar denominated, the recent stabilisation of US dollar / Euro should also help ensure that there are no further earnings downgrades in the aftermath of the upcoming H1 trading statement. As a result, the current consensus 2006 and 2007 eps forecasts of €2.10 and €2.27 respectively now appear achievable.
- Recommendation upgrade : Our view remains that a multiple of 13x forward earnings is a fair rating for CRH, given the multiple range of 14x to 16x forward earnings at which deals have recently taken place in the cement sector. As a result, our current 12 month price target of €27 (12% upside), is based on 13x consensus 2006 eps of €2.10. Therefore, following the 9% fall in the CRH share price since our downgrade of 02/02/06, we now upgrade our recommendation once again to **BUY**.

Business Press

- Another rights issue prospectus at Waterford (IT)
- Less turbulent times ahead for markets (IE)
- Microsoft device to compete with Apple's iPod (IE)

Investment Press

- Catastrophe insurance: As the US braces itself for the onset of the hurricane season, insurance for catastrophe-exposed property has already been rocked by an imbalance between supply and demand.

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