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Market Movers

IRISH PAPERS TODAY

Lenihan unveils new financial regulatory system
(The Irish Times)

Rate of decline in retail sales slowing
(The Irish Times)

IMF gloomy on recovery predictions from state
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Retail rents to drop by a fifth
(Financial Times)

Geithner defends revamp
(The Wall Street Journal)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	-0.1%	-2.8%
BP	-1.2%	-6.7%
CRH	-0.5%	8.6%
DCC	-4.8%	43.0%
E.ON	2.3%	-11.7%
HPQ	0.3%	3.5%
IL&P	-2.1%	109.5%
INM	-3.6%	-26.7%
J&J	1.1%	-6.8%
JPMorgan	4.4%	8.4%
Microsoft	-0.8%	20.9%
Vodafone	2.4%	-12.4%

Market View

Analyst : Stephen Taylor

European equity markets are strong this morning boosted by financial and commodity stocks that underperformed earlier in the week. There were further upgrades to GDP forecasts for China last night from Barclays adding to the slew of upgrades from various investment banks in addition to the World Bank yesterday. Such upgrades bode well for the mining sector and while trading the sector can be volatile we remain positive overall with BHP Billiton being our top pick. Yesterday's Philly's Fed index provided further support to the recovery in the US with the index well ahead of expectations. While the index as a whole remains in negative territory, it has reached a nine month high, and new orders showed a particularly strong rebound. While data in the US will remain weak for some period of time, we have seen a real stabilisation in many indicators and expect the US to emerge from the current downturn ahead of Europe. In relation to currency markets, the euro continues to weaken against sterling and has broken through the key 0.85 level. We expect this trend to continue over the next few months as the UK economy shows increased signs of stabilisation. As for today there is little in the way of economic or corporate news flow.

Taylor Wimpey : Trading Statement Current Price (34p) Analyst : Stephen Taylor

UK house builder Taylor Wimpey issued a trading statement this morning commenting that it has seen some stability in the UK housing market. The company did however remain cautious on the economy as whole in particular the impact of increasing unemployment. The unemployment rate in the UK currently stands at 7.2%, a decade high. In relation to its US division, Taylor Wimpey pointed out that trading had improved in recent months with higher reservation rates and fewer cancellations. However in Spain the market remained weak.

United Drug : Buy Current Price (€1.90) Price target (€4.30) Analyst : David Dunk

Yesterday the Minister for Health and Children announced changes to its drug reimbursement schemes. This move by the government has been expected for some time and the cost saving measures are anticipated to claw back €55m for the state in 2009. The new proposals the government will implement on July 1st include the following. i) The retail mark up payable under various community drug schemes will be lowered from 50% to 20%. ii) A higher dispensing fee for all schemes based on a sliding structure relating to volumes which will range from €5.00 to €3.50 per item. iii) An end to the special payments to pharmacists relating to the automatic entitlement of over-70s to a medial card and iv) the reduction from 17.66% to 10% in the ex factory mark-up price reimbursed. While there is clear negative read through for the industry, in terms of margin pressure passed on from pharmacies, we believe United Drug will have been well prepared for this announcement and is well placed to deal with any resulting pricing pressures.

Glanbia : 2010 Earnings growth Current Price (€2.37) Analyst : Oliver Gilvarry

Glanbia's Managing Director John Moloney, in an interview with Reuters late yesterday, reiterated that the group expects earnings to drop to a range between 30 and 32c per share this year from 35.9c in 2008. In 2010 however, the group now anticipates a return closer to earnings growth of around 10% to 14%, the company's original guidance before April's profit warning. In relation to the Irish milk processing industry, Maloney believes it is facing inevitable consolidation in order to compete with countries such as New Zealand. Furthermore he indicated that Glanbia would be open to taking part in such a process.

Elan

Neutral

Current Price : \$7.41

Price Target : \$7.10



Analyst: David Dunk

- Based on Biogen's latest figures on Tysabri, released June 10th, as of the end of March 2009, approximately 39,900 patients were receiving Tysabri treatments. This compares with 37,600 patients at the end of 2008, an increase of 6.1%. Currently 20,800 of Tysabri patients are located in the US, with 18,500 for the rest of the world, and a further 600 receiving treatments as part of global trials. Since the reintroduction of Tysabri in July 2006, 24,900 patients had received at least one year of treatment, 14,400 had received at least 18 months of treatment, and 6800 had received in excess of 24 months of treatment.

- In addition Biogen also released details of an eighth case of progressive multifocal leukoencephalopathy (PML). The patient is located outside the US, and had received 35 doses of the Tysabri treatment. To date this latest case represents the Tysabri patient with the longest development time for PML. To date only a quarter of the PML cases since Tysabri was relaunched have been from patients located in the US.

- Elan finished 2008 with \$426m in cash on its balance sheet, down from \$721m at the end of 2007. Furthermore, the company has guided that it expects to finish 2009 with just \$200m in cash. Elan has \$1.765bn in outstanding debt. \$1.15bn of this amount is due in November of 2011. The remaining portion of the debt, \$615m is due in December 2013.

- Elan announced in January that it would be commencing a strategic review, to consider a range of strategic alternatives. Of the options being considered a minority investment by a large industry investor would be preferable, as it would relieve the balance sheet pressure, in addition to providing support for the development of Elan's Alzheimer's Beta Amyloid treatment bapineuzumab. In press speculation in recent months, there has been speculation of M&A activity with Pfizer, Lundbeck and Bristol Myers. Recent comments from CEO Kelly Martin suggest that the likelihood of a near term solution has increased.

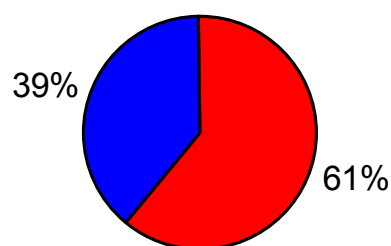
- Upgrade to Neutral Rating:** After taking into account a significantly greater probability of a successful result from the ongoing strategic review we are upgrading Elan to Neutral. We also increased our Tysabri sales expectations slightly to reflect greater levels of patient take-up. While our concerns over balance sheet weakness remain, the likelihood of M&A in the current year, alleviates these concerns somewhat. The stock appears close enough to fair value at current levels to justify a Neutral rating. Our new price target of \$7.10 is based on a sum of parts discounted NAV valuation. Given that we have attributed a value to Tysabri of almost \$4 per share, take-up rates and further PML cases will continue to be a key driver for the stock. Developments in the treatment of Alzheimer's will continue to affect our valuation, given that we value bapineuzumab at \$2.20 per share. Potential take-over activity will be a key driver for the stock, and a positive outcome could see the stock price move significantly higher.

Descriptive Stats		Shareholders	
Year to date	24%	Fidelity	15%
52 Week High	37.45	Wellington	9%
52 Week Low	4.85	T Rowe Price	8%
Bloomberg	ELN US	Goldman Sachs	4%

	FY07	FY08a	FY09e
Revenue	516	762	1,128
Operating Profit	-539	-152	-72
EPS	-1.42	-0.07	-0.46
DPS	n/a	n/a	n/a

Peer Analysis	P/E 08	P/E 09	Div Yield
Wyeth	12.7	12.94	2.7%
Biogen	13.7	12.6	n/a

Revenues by Product



■ Biopharmaceuticals

■ EDT



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,772	-0.4%	20.5%
FTSE	4,281	0.1%	-2.5%
Dow Jones	8,556	0.7%	-2.5%
S&P	918	0.8%	1.7%
Nikkei	9,786	0.9%	10.5%
Stoxx 50	2,414	1.3%	-1.1%

Sector Performances

Sector	Index	1-Day	YTD
Construction	210	0.4%	4.4%
Technology	171	0.6%	11.8%
Oil & Gas	288	-0.3%	9.1%
Financials	179	1.6%	19.4%
Retail	206	-0.5%	12.9%
Food & Drink	233	0.5%	1.6%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	71.4	0.5%	32.4%
Copper	228.2	0.6%	58.7%
Gold	933.1	-0.6%	5.9%
Silver	14.2	-0.3%	25.7%
Wheat	560.3	-1.0%	-10.7%
Cattle	81.7	0.4%	-4.6%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.390	-0.3%	-0.4%
€/£	0.851	0.1%	-12.4%
£/\$	1.633	-0.4%	10.7%
\$/JPY	96.55	0.8%	6.4%
€/JPY	134.20	0.5%	6.0%
€/SFR	1.510	0.3%	1.2%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	137.9	-6.3%	-22.0%
High Yield	832.5	1.4%	-18.1%
Financials	120.0	2.2%	0.9%
BoI	366.4	0.4%	51.4%
AIB	366.4	0.4%	76.1%
RBS	178.3	0.3%	33.4%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.9%	0.4%	0.3%
3-Month	1.2%	1.3%	0.6%
1-Year	1.5%	1.5%	1.0%
2-Year	2.0%	2.4%	1.7%
5-Year	3.0%	3.7%	3.3%
10-Year	3.8%	4.3%	4.1%

Date Company Region Event

Date	Company	Region	Event
19/06/2009	Ashtead Group Plc	GB	Q4
19/06/2009	France Telecom SA	FR	S/HOLDERS
19/06/2009	Koenig & Bauer AG	DE	MEETING
19/06/2009	Porsche Automobil Holc	DE	RESULTS
19/06/2009	Taylor Wimpey Plc	GB	AGM
22/06/2009	Escada AG	DE	Q2
22/06/2009	Walgreen	US	Q3
23/06/2009	Chemring Group PLC	GB	INTERIM
23/06/2009	OMG PLC	GB	INTERIM
23/06/2009	Alstom SA	FR	S/HOLDERS
23/06/2009	PGI Group PLC	GB	AGM
23/06/2009	The Kroger Co.	US	Q1
23/06/2009	Oracle	US	Q4
24/06/2009	Irish Continental Group	IE	AGM
24/06/2009	Monsanto Co.	US	Q3
24/06/2009	Nike	US	Q4
24/06/2009	Celsis International Plc	GB	PRELIM
24/06/2009	Kesa Electricals plc	GB	PRELIM
25/06/2009	DSG International Plc	GB	PRELIM
25/06/2009	Bauer AG	DE	AGM
25/06/2009	ConAgra Foods	US	Q4

Date Event Region Estimate

Date	Event	Region	Estimate
19/06/2009	Producer Prices (MoM)	GE	0.00%
22/06/2009	Rightmove House Prices (M)	UK	--
22/06/2009	IFO - Business Climate	GE	--
23/06/2009	GfK Consumer Confidence	GE	--
23/06/2009	PMI Manufacturing	GE	--
23/06/2009	PMI Services	GE	--
23/06/2009	OECD May Economic Outlook	EC	--
23/06/2009	Richmond Fed Manufact. Inc	US	--
23/06/2009	House Price Index MoM	US	--
23/06/2009	Existing Home Sales MoM	US	--
23/06/2009	ABC Consumer Confidence	US	--
24/06/2009	Euro-Zone Current Account r	EC	--
24/06/2009	MBA Mortgage Applications	US	--
24/06/2009	Durable Goods Orders	US	--
24/06/2009	New Home Sales MoM	US	--
24/06/2009	FOMC Rate Decision	US	--
25/06/2009	Industrial New Orders SA (MEC	US	--
25/06/2009	GDP QoQ (Annualized)	US	--
25/06/2009	Personal Consumption	US	--
25/06/2009	Core PCE QoQ	US	--
25/06/2009	Initial Jobless Claims	US	--

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