



April 20, 2006

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EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7829	↑ 18	0.23%	11.0	6.31%
FTSE 100	6090	↑ 46	0.76%	13.5	8.38%
DAX 30	5994	↑ 91	1.54%	15.0	10.83%
DOW	11279	↑ 10	0.09%	19.5	4.60%
NASDAQ	2371	↑ 15	0.63%	15.6	7.51%
S&P	1310	↑ 2	0.17%	21.0	5.22%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2332	0.6901	145.1500
Dollar	1.2332	1.0000	1.7870	117.6700
Sterling	0.6901	1.7870	1.0000	208.6000
Yen	145.1500	117.6700	208.6000	1.0000
Oil (Nymex)	72.1700			

This Week's Research
Adidas
Petroceltic

Today's Research
Apple

Today's Recommendation

Breaking News

Intel reports 38% drop in profits

Last night Intel reported that its net income fell 38%, hurt by weaker demand for its computer chips as it faces stiffer competition and slowing PC sales growth. The company, citing higher inventory levels, also issued a financial forecast for the June quarter that fell short Wall Street expectations. Intel also lowered its full-year financial targets. Intel reported net income of \$1.35 billion, or 23 cents a share. Intel earned \$2.18 billion, or 34 cents a share, in the same period last year. Sales fell 5% to \$8.9 billion, undercut by fewer sales of desktop PC and flash-memory chips. Intel said the average selling prices of its chip were "slightly lower." Overall, Intel's results were in line with consensus estimates of 23 cents a share on sales of \$8.9 billion.

26 fold growth in Independent's Indian profits

Independent News & Media's Indian business, JPL, announced a spectacular 26 fold increase in its net profit for the year ended 31st March 2006 to Rupees 320.1 million. Personal income growth and the emergence of a consumer class in India helped drive 32% advertising revenue growth to Rupees 3.07 billion. Circulation growth of 8.8% was achieved, as well as a doubling in the cover price of several editions from Rupees 0.50 to Rupees 1.00. With growth like this it is no wonder that JPL's IPO earlier this year was 14 times oversubscribed. Based on current share prices, Independent News and Media's 21% stake in JPL is now worth €53 million, not bad for an investment of €28.5 million a year ago.

Prudential Q1 sales ahead of forecasts

Prudential delivered a better than expected 27 percent increase in first-quarter sales, helped by strong growth in its Asian business. Prudential said group sales for the first three months of 2006 came in at £637m on an annual premium equivalent basis, up from £478m in the same period last year, and ahead of the consensus analyst forecast of £584m. The increase was driven by Prudential's Asian unit, where sales jumped 47 percent on the year to £226m. In the UK, sales rose a more moderate 17 percent to £244m.

Business Press

- IMF frets over global risks and dearer oil (II)
- Clock ticking on Arcelor bid (FT)
- Fixed-income takes shine off JP Morgan (FT)

- Apple (\$66) Q2 Results Owen Turner**
- **Q2 Results:** Apple reported a strong set of Q2 results after the bell last night. The company reported revenues and eps of \$4.36bn and 47c respectively, which were year on year increases of 35% and 38%. The top line figure was slightly below the consensus forecast of \$4.52bn, while EPS beat the expected 43c. Apple also announced that iPod shipments for the quarter came in at 8.53m, at the bottom end of the expected 8.5-9.5 million range.
 - **Reduced risk:** 1.1 million PC units were shipped in the quarter on the back of a strong uptake of new Intel-based iMacs, MacBook Pros and Mac minis. This would suggest that concerns over Apple's transition to Intel microprocessors have been exaggerated. We expect the launch of further Intel-based Macs and demand from the education sector (the majority of US schools purchase their computers for the year ahead in the June-end quarter) to stimulate further growth in this area for Apple. Apple is expected to complete its Intel transition by the end of this year.
 - **Windows deal:** Apple recently announced that it will offer Microsoft's Windows operating system on new Macintosh computers. The company unveiled new software called "Boot Camp" that will enable its computers that use Intel microprocessors to run Windows XP. By allowing Macs to run Windows, the operating system found on more than 90 percent of the world's PCs, Apple could benefit from substantial market share gains with customers who want Macs, but prefer the Windows operating system. It is estimated that earnings will be boosted by c.15% for every one percent of market share gained
 - **High growth:** Apple's guidance for the next quarter was typically conservative. The company said it expects to report revenue of \$4.2 billion - \$4.4 billion for its June-end quarter and earnings of 39 cents - 43 cents a share. Our current 12 month price target of \$75 is based on 25x 2007 eps of \$3. While this would represent a significant premium to sector average of 15x, this would appear justified given Apple's superior earnings growth over its peers (30% vs sector average of 15%) : BUY

Investment Press

- **US inflation:** It was time for another spring break in the inflation data. For the last two years, core consumer prices have recorded an uncomfortably high 0.3 per cent rise during March. This year lived up to its billing.



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