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**Microsoft** : Microsoft to go on acquisition spree

### Market Movers

## IRISH PAPERS TODAY

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*(The Irish Times)*

Kerry Group wins appeal over Breeo  
*(The Irish Times)*

'US jobless toll up again but rise is less than feared  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

AIG bonus row spills on to Wall Street  
*(Financial Times)*

US moves to take back bonuses  
*(The Wall Street Journal)*

## DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	-1.3%	-28.0%
BP	0.2%	-12.3%
CRH	-0.3%	-1.3%
E.ON	-0.3%	-32.0%
HPQ	0.4%	-19.8%
IL&P	17.4%	-39.7%
INM *	3.9%	-52.1%
J&J	-1.2%	-16.3%
JPMorgan	-8.0%	-20.9%
Microsoft	1.1%	-11.8%
Paddy Power	0.0%	-7.6%
Vodafone	-2.5%	-13.5%

\* We are currently Neutral on IN&M

## Market View

Analyst : Stephen Taylor

European equity markets are weaker this morning following lower closes in the US and Asia overnight on what is a quiet day on both the corporate and economic side. As we pointed out yesterday we are at critical resistance levels in equity indices across the board and if markets fail to break these levels we would expect some weakness. As a result we are reviewing our short trading calls and reinitiating sell ratings on **BMW** and **Thomson Reuters** (recommending selling TR from Monday March 30<sup>th</sup> following completion of Woodbridge share buying in UK line). We are also reiterating short calls on **BASF**, **Siemens** and **WPP**. We believe that all of these companies are highly exposed to the current downturn and expect shares to underperform. As for today, Federal Reserve Chairman Ben Bernanke is due to speak this afternoon however we do not expect any new comments from him given we already had the Fed's announcement on quantitative easing this week.

### Kerry Group: Buy Current Price (€14.90) Price target (€19.90) Analyst : Oliver Gilvarry

Yesterday evening Kerry Group announced the High Court had ruled in its favour to overturn the decision by the Competition Authority preventing the purchase of Breeo Foods from Reox Holdings. The purchase gives Kerry Foods brand names such as Dairygold, Galtee, Shaws, Roscrea, Mitchelstown, Calvita and Sno. Kerry Group has welcomed the decision and they believe they can achieve significant synergies from combining the operation with its current consumer food businesses. The purchase price has also been renegotiated with the price falling from €165m to €140m, and the €140m includes the original €20m paid as deposit. The transaction will be EPS neutral in 2009 and will be earnings positive in 2010.

The deal provides Kerry with a dominant position in the branded rasher meat market in Ireland under the Denny, Galtee and Shaws brands. This will give Kerry control over significant parts in the chilled cabinets of Irish retailers. Breeo had outsourced the production of the majority of its product range except for processed cheese and dairy spreads. Kerry will have the ability to bring production in house and gain synergies from their existing production facilities through this purchase.

We retain our buy rating on Kerry with a 12-month target of €19.90 and re-iterate that Kerry will be one of the very few Irish companies that will generate increased earnings in 2009 and pay a dividend. The current price level of €14.95 is an attractive entry level for investors.

### Microsoft : Buy Current Price (\$16.90) Price target (\$24.00) Analyst : Stephen Taylor

Microsoft said yesterday that it will probably make 15-20 acquisitions this year ranging in value from \$10 million - \$500 million this year. The company also said that a partnership with Yahoo remains a compelling prospect and an important step to better compete with Google. We would view a tie up with Yahoo as a positive development for Microsoft as the company has been investing heavily in its online advertising division with no major success as it continues to lag in search market share.


**International Equity Markets**

Index	Value	1-Day	YTD
ISEQ	2,110	-0.5%	-10.0%
FTSE	3,805	-0.2%	-14.2%
Dow Jones	7,396	0.0%	-15.5%
S&P	778	0.0%	-13.0%
Nikkei	7,972	0.3%	-10.0%
Stoxx 50	2,019	-1.1%	-17.5%

**Sector Performances**

Sector	Index	1-Day	YTD
Construction	173	-0.6%	-15.9%
Technology	147	-1.1%	-3.6%
Oil & Gas	254	-0.6%	-6.6%
Financials	116	0.6%	-22.5%
Retail	183	0.2%	-0.9%
Food & Drink	206	-1.1%	-13.1%

**Commodity Prices**

Commodity	Index	1-Day	YTD
Crude Oil	49.2	3.8%	-5.3%
Copper	172.4	-1.3%	21.0%
Gold	915.4	-0.8%	2.6%
Silver	12.7	-1.7%	6.2%
Wheat	552.5	1.5%	-15.0%
Cattle	81.9	-0.2%	-5.3%

**Currency Exchange Rates**

Commodity	Index	1-Day	YTD
€/\$	1.302	0.4%	5.4%
€/£	0.927	0.5%	1.1%
£/\$	1.404	-0.2%	4.2%
\$/JPY	98.59	0.4%	-6.5%
€/JPY	128.34	0.8%	-1.3%
€/SFR	1.539	0.1%	-2.5%

**5Yr Credit Spreads**

Commodity	Index	1-Day	YTD
Invest Grade	188.5	-6.3%	7.7%
High Yield	1,102.1	3.1%	10.1%
Financials	181.8	1.5%	56.3%
BoI	639.7	-0.2%	149.5%
AIB	621.3	0.1%	197.9%
RBS	209.3	-3.2%	54.9%

**Money Market Rates**

Rate	EUR	UK	US
Overnight	0.9%	0.4%	0.3%
3-Month	1.6%	1.8%	1.3%
1-Year	1.8%	1.8%	1.4%
2-Year	2.0%	2.3%	1.7%
5-Year	2.8%	3.0%	2.6%
10-Year	3.5%	3.6%	3.2%

Date	Company	Region	Event
20/03/2009	Iberdrola SA	/HOLDER	ES
23/03/2009	McInerney Holdings PLC	PRELIM	IE
23/03/2009	Walgreen	Q2	US
23/03/2009	Tiffany & Co.	Q4	US
23/03/2009	Dyckerhoff AG	Q4	DE
23/03/2009	Daily Mail and General T	TRADE	UK
24/03/2009	Deutsche Bank AG	Q4	DE
24/03/2009	Severn Trent Plc	TRADE	GB
24/03/2009	Sportech PLC	PRELIM	GB
24/03/2009	McCormick & Co., Inc.	Q1	US
24/03/2009	Volvo AB	TRAFFIC	SE
25/03/2009	Imperial Tobacco Group I	TRADE	GB
25/03/2009	Smiths Group PLC	INTERIM	GB
25/03/2009	J Sainsbury PLC	Q4 TRADE	GB
25/03/2009	Legal and General Group	PRELIM	GB
26/03/2009	Hypo Real Estate Holding	FINAL	DE
26/03/2009	Northern Foods Plc	TRADE	GB
26/03/2009	Kingfisher PLC	PRELIM	GB
26/03/2009	Next Plc	PRELIM	GB
26/03/2009	Premier Oil PLC	PRELIM	GB
26/03/2009	Scisys Plc	PRELIM	GB
26/03/2009	United Utilities Group Plc	TRADE	GB

Date	Event	Region	Estimate
20/03/2009	Retail Sales(Volume) (MoM)	IE	--
20/03/2009	Producer Prices (MoM)	GE	-0.20%
20/03/2009	Euro-Zone Trade Balance	EC	-9.0B
23/03/2009	Existing Home Sales MoM	US	--
24/03/2009	PMI Manufacturing	GE	--
24/03/2009	PMI Services	GE	--
24/03/2009	ECB Euro-Zone Current Accc	EC	--
24/03/2009	PMI Manufacturing	EC	--
24/03/2009	PMI Services	EC	--
24/03/2009	CPI (MoM)	UK	--
24/03/2009	RPI (MoM)	UK	--
24/03/2009	Industrial New Orders SA Mo	EC	--
24/03/2009	House Price Index MoM	US	--
24/03/2009	Richmond Fed Manufact. Indr	US	--
24/03/2009	ABC Consumer Confidence	US	--
25/03/2009	Import Price Index (MoM)	GE	--
25/03/2009	IFO - Business Climate	GE	--
25/03/2009	MBA Mortgage Applications	US	--
25/03/2009	Durable Goods Orders	US	--
25/03/2009	New Home Sales MoM	US	--
26/03/2009	GfK Consumer Confidence S	GE	--
26/03/2009	Euro-Zone M3 s.a. (YoY)	EC	--

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