Dolmen Daily

DOLMEN STOCKBROKERS

Friday 20th November 2009

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IRISH PAPERS TODAY

Anglo hires KPMG to cost options including wind-up
(The Irish Times)

Insurance group FBD takes a 3.3% stake in IN&M
(The Irish Times)

Ryanair to challenge directive on airport fees
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Top EU jobs for Belgium and UK
(*Financial Times)*

Matalan draws buy-out group
(*Financial Times)*

EU names bloc's top officials
(*The Wall Street Journal)*

Market View — Analyst : Stephen Taylor

European equity markets are lower this morning adding to yesterday's losses following some profit taking. Sector rotation is continuing to take place with funds coming out of financials and into more defensive sectors like consumer staples. After the US closed last night, Dell reported both profit and revenue that fell below expectations sending its shares down 6% in after hours trade. This earnings season can be taken as a case of the 'haves and have nots'. In the PC arena Dell are continuing to lose market share due in part to their increased focus on corporates who are paring back spending. Hewlett-Packard (our preferred PC Maker) is continuing to take market share from Dell. The same can be seen in the mobile phone market where Apple have increased market share gains against the likes of Nokia and Research in Motion particularly at the higher end of the market. On the positive front for Dell however, was that Chairman and CEO Michael Dell indication that he still expects corporate buyers to embark on a 'powerful upgrade cycle' of PCs and other computer systems sometime in 2010. We would take this as a major positive read across for the likes of Microsoft and Intel as consumer demand for PCs and notebooks has been encouragingly strong. US retailer GAP also reported quarterly earnings that were broadly in line with expectations, however the company did acknowledge that the economic environment remains 'challenging'. Shares in GAP were 1% lower in after hours trade. It is relatively quiet today with little in the way on economic data due for release. The main focus will be on ECB President Jean-Claude Trichet who is due to speak today. On the corporate front, earnings from US house builder D.R. Horton will be closely watched.

Kerry Group Buy **Yesterday's Close** €20.25 **Price Target** €22.50 **Analyst** Oliver Gilvarry

Kerry Group release an Interim Management Statement yesterday afternoon. The progress and momentum reported at the interim results were maintained in the second half of the year. Overall reported revenues were 6% lower than the same period of 2008, impacted by adverse currency moves. Volumes in Ingredients & Flavours were 3% ahead of 2008 levels and Consumer Foods were 0.8% lower. Ingredients & Flavours "Go-to-Market" programme continues to achieve solid growth and positive reaction from leading global food and beverage providers. Across all regions, pricing in the division were lower due lower pricing on raw materials such as diary, wheat and edible oils. In consumer foods, the Irish market remains challenging due to the economic environment and weak sterling was also a negative. The UK part of the business has compensated for the weaker performance in Ireland. The Irish consumer continues to trade down and weaker sales into the UK due to the currency issue. The balance sheet of the group remains strong with net debt at the end of the period of €1.2bn and €160m lower than at the half year. Guidance for the full year remains at the higher end of the previously guided range of 160 to 165c. Kerry continues to be our preferred in the food sector and we reiterate our BUY rating on the stock.

Greencore Buy **Yesterday's Close** €1.40 **Price Target** €1.70 **Analyst :** Oliver Gilvarry

Another Irish food company announced news yesterday with Greencore announcing the sale of its water business to Highland Spring Ltd. The priced paid for the business is up to €19.6m with €11.2m upfront, €3.4m on the second anniversary of completion and the remainder dependent on the future performance of the business. In the release the company stated that year to date the water business made a loss before tax of €4.5m and has net assets of €20.1m. The sale of the business is a positive for the group as the water sector has been under pressure from a consumer retrenchment driven by the recession. The key issue now going forward is what the cash will be used for, repayment of debt or used to fund the expansion of the US business.

FTSE Miners Update — **Analyst :** Stephen Taylor

It has been reported that Rio Tinto's Cloud Peak Energy IPO failed to attract the \$16-\$18 per share that the dual listed miner had hoped for. The IPO raised a total of \$459mln at \$15 a share which was roughly \$30mln less than was expected. Cloud Peak Energy is the third largest coal producer in the US and Rio Tinto will retain a 48% stake in the company following the IPO. Trading in the newly listed company will begin in New York at midday today.

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Market Movers

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International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,868	-1.3%	22.9%
FTSE	5,268	-1.4%	18.8%
Dow Jones	10,426	-0.1%	17.7%
S&P	1,110	0.0%	21.2%
Nikkei	9,549	-1.3%	7.2%
Stoxx 50	2,860	-1.7%	16.7%

Sector Performances

Sector	Index	1-Day	YTD
Construction	263	-2.6%	1.7%
Technology	181	-2.9%	3.6%
Oil & Gas	320	-1.4%	2.7%
Financials	230	-1.8%	2.2%
Retail	240	-1.0%	1.7%
Food & Drink	285	-1.0%	4.0%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	77.5	-2.7%	31.5%
Copper	310.8	-0.9%	114.5%
Gold	1,144.6	-0.1%	29.4%
Silver	18.5	0.2%	61.8%
Wheat	584.0	-0.7%	-15.2%
Cattle	85.4	0.5%	-6.8%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/$	1.493	-0.2%	-6.1%
€/£	0.896	0.2%	6.0%
£/$	1.667	-0.5%	-11.4%
$/JPY	88.975	-0.4%	2.0%
€/JPY	132.812	-0.6%	-4.2%
€/SFR	1.512	0.0%	-1.3%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	86.8	2.4%	-50.9%
High Yield	512.0	2.0%	-49.8%
Financials	73.3	2.0%	-36.0%
BoI	196.4	5.9%	-20.5%
AIB	222.9	7.1%	5.5%
RBS	132.2	2.6%	-4.5%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.4%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.2%	0.8%	0.4%
2-Year	1.7%	1.7%	1.0%
5-Year	2.7%	3.1%	2.5%
10-Year	3.5%	3.8%	3.4%

Date	Company	Region	Event
20/11/2009	D.R. Horton	US	Q4
23/11/2009	Electricite de France SA	FR	S/HOLDERS
23/11/2009	Analog Devices	US	Q4
23/11/2009	Hewlett-Packard	US	Q4
23/11/2009	Tyson Foods	US	Q4
24/11/2009	BSS Group Plc	GB	INTERIM
24/11/2009	Severn Trent Plc	GB	INTERIM
24/11/2009	SSL International PLC	GB	INTERIM
24/11/2009	Banca Generali SpA	IT	EGM
25/11/2009	Remy Cointreau SA	FR	Q2
25/11/2009	Porsche Automobil Hold	DE	FINAL
25/11/2009	Greencore Group PLC	IE	PRELIM
25/11/2009	Trintech Group PLC (IRI	IE	Q3
25/11/2009	French Connection Grou	GB	TRADE
25/11/2009	GB Group PLC	GB	INTERIM
25/11/2009	Johnson Matthey PLC	GB	INTERIM
25/11/2009	United Utilities Plc	GB	INTERIM
25/11/2009	Britvic Plc	GB	PRELIM
25/11/2009	Compass Group PLC	GB	PRELIM
25/11/2009	ING Groep NV	NL	EGM
25/11/2009	Tiffany & Co.	US	Q3
25/11/2009	Deere & Co.	US	Q4

Date	Event	Region	Estimate
20/11/2009	BOJ Target Rate	JN	0.10%
20/11/2009	Producer Prices (MoM)	GE	0.10%
23/11/2009	PMI Manufacturing	GE	- -
23/11/2009	PMI Services	GE	- -
23/11/2009	PMI Manufacturing	EC	- -
23/11/2009	PMI Services	EC	- -
23/11/2009	Chicago Fed Nat Activity Index	US	- -
23/11/2009	Existing Home Sales MoM	US	- -
24/11/2009	GDP s.a. (QOQ)	GE	- -
24/11/2009	IFO - Business Climate	GE	- -
24/11/2009	Industrial New Orders SA (MoM)	EC	- -
24/11/2009	GDP QoQ (Annualized)	US	- -
24/11/2009	Personal Consumption	US	- -
24/11/2009	GDP Price Index	US	- -
24/11/2009	Core PCE QoQ	US	- -
24/11/2009	S&P/CaseShiller Home Price Ind	US	- -
24/11/2009	Consumer Confidence	US	- -
24/11/2009	Richmond Fed Manufact. Index	US	- -
25/11/2009	GfK Consumer Confidence Surve	GE	- -
25/11/2009	GDP (QoQ)	UK	- -
25/11/2009	Exports	UK	- -
25/11/2009	Imports	UK	- -

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