

CONTENTS

Market View : Today we will see results from Caterpillar, Du Pont, Pfizer and Coca-Cola

Barclays : Qatar to sell 379.2m shares

Petroceltic : Algerian flow rates better than forecasts

BHP Billiton : Xstrata interim management statement

Sterling Energy : Announces the sale of its US business

Market Movers

IRISH PAPERS TODAY

Bermuda regulator appointed to Central Bank role
(The Irish Times)

Ryan warns Aer Lingus over carbon disclosure
(The Irish Times)

Google to up investment and hire more workers at HQ
(Irish Independent)

INTERNATIONAL PAPERS TODAY

General Motors slams protectionism
(Financial Times)

GM still confident of Opel deal with Magna
(Financial Times)

Earnings give stocks a lift
(The Wall Street Journal)

Market View

Analyst : Stephen Taylor

European equity markets are higher this morning adding to yesterday's gains and higher closes in the US and Asia overnight. Daimler's pre released better than expected earnings was one of the main catalysts for the strong move and a further indication that corporates are seeing improved demand for their products. Overnight the positive earnings trend continued with both Apple and Texas Instruments providing further positive sentiment for the tech sector with both companies reporting better than expected quarterly earnings sending shares up c. 5% after hours. Apple said that it had sold more Macs and iPhones during its fiscal fourth quarter than any previous quarter. On the currency front there is continued concern around the weakness in the US dollar with ECB president Jean Claude Trichet reiterating that exchange-rate volatility is bad for stability. With major European economies such as Germany large exporters to the US, the weakness of the dollar has the potential to become a major problem. As for today the focus will again be on economic data and corporate earnings. Building Permits and Housing starts data out of the US are expected to show monthly increases while the Bank of Canada is expected to leave interest rates on hold at 0.25% today. On the earnings front, results from Caterpillar, DuPont, Pfizer and Coca-Cola will be closely watched.

Barclays: Buy **Current Price:** (365p) **Price Target:** (415p) **Analyst :** Oliver Gilvarry

Qatar Holding announced this morning it is exercising half of its warrants in Barclays and will sell the resulting 379.2m shares. The warrants had a strike price of 197.775p with the shares to be sold in an accelerated book build with the aim for it to be completed by the close of business today. Qatar Holdings stated the reason for the disposal was for portfolio management reasons and does not impact on their current intention to remain "long-term strategic shareholder in Barclays." The transaction will result in proceeds for Barclays of £750m, adding to capital levels. Barclays are Lead Manager for the transaction and the CEO of Barclays stated the transaction will broaden the base of the share register, but Qatar Holdings will remain a key partner for the group. We expect the stock to remain weak today as the overhang of stock, almost 3.4% of the outstanding shares, is sold into the market. We remain positive on the stock and we see the current fall back as a buying opportunity.

Petroceltic: Buy **Current Price:** (19p) **Price Target:** (24p) **Analyst :** David Dunk

This morning Petroceltic has provided an update on the latest results from the testing of the AT-1 well from the Ain Tsila well in Algeria. Following the use of hydraulic fracturing, flow rates improved dramatically. Flow rates of up to 33.78mmscf/d were recorded using an 80/64 inch choke setting for the testing. The highest flow rate previously recorded was 11.40mmscf/d using the larger choke setting of 128/64. The original testing produced volumes significantly above that deemed commercially viable for the area. The results from this morning suggest that production from the reservoir can be significantly increased through the use of hydraulic fracturing. The results also suggest a slightly lower risk for the other well tests on the same prospect. In addition, Petroceltic has also announced that the AT-2 well on the same prospect has logged a gas column of 100m. The AT-2 well will be tested following the completion of testing on the INE-2 well. In addition Petroceltic has announced that it has rescheduled its drilling programme, bringing the AT-3 well forward. The news today from Petroceltic is strongly positive, news flow from the Algerian license, is likely to remain the key driver in the near term.

BHP Billiton: Xstrata IMS **Current Price:** (1857p) **Analyst :** David Dunk

This morning Xstrata released an Interim Management Statement and Production Report for Q3. The production results were solid with the highlight a 9% increase in coal production driven by the acquisition of coal mines from Glencore and increased Chinese demand for coking and semi soft. Copper production was down slightly due to poorer than expected extraction levels from mines in Argentina, Peru and Australia. However, the company said last week that it plans to increase copper production next year with new investments in Chile and South Africa. In the IMS Xstrata noted its recent sale of the El Morro copper/gold mine to Barrick for \$465m and provided final confirmation that they will not pursue a merger with Anglo American.

Sterling Energy: Sale of US business **Current Price:** (4.9p) **Analyst :** David Dunk

Sterling Energy has this morning announced the sale of its US assets for an initial consideration of \$90m. In addition, Sterling Energy retains an entitlement to a share of the annual excess net production under certain oil & gas price conditions. If the average realised price for oil exceeds \$90 per barrel, and gas exceeds \$9 per mcf, for any of the years 2010-2012, than Sterling will receive 40% of the proceeds. The price achieved by the sale of the assets is somewhat disappointing. The inability to sell the US assets has been a significant drag to the share price in the last year. The sale will also relieve pressure on the company's balance sheet. The entitlement conditions also provides for further upside, in the case of energy price appreciation over the next three years. We will review our valuation, and release a note in the coming days.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,322	1.5%	42.2%
FTSE	5,256	2.0%	18.5%
Dow Jones	9,871	-0.1%	14.1%
S&P	1,073	-0.3%	20.9%
Nikkei	10,060	-0.2%	15.6%
Stoxx 50	2,951	2.5%	20.8%

Sector Performances

Sector	Index	1-Day	YTD
Construction	277	2.0%	1.5%
Technology	198	1.7%	3.7%
Oil & Gas	312	2.7%	2.8%
Financials	240	3.5%	2.3%
Retail	223	0.8%	1.5%
Food & Drink	270	0.1%	3.9%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	75.2	1.4%	30.4%
Copper	284.5	1.8%	97.0%
Gold	1,062.4	-0.2%	19.8%
Silver	17.9	0.4%	57.2%
Wheat	513.0	0.3%	-24.4%
Cattle	85.6	1.1%	-5.2%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.492	0.5%	-6.5%
€/£	0.934	0.1%	3.0%
£/\$	1.598	0.3%	-9.2%
\$/JPY	89.445	-0.3%	1.4%
€/JPY	133.464	0.2%	-5.3%
€/SFR	1.515	-0.2%	-1.4%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	88.0	-7.1%	-50.8%
High Yield	488.5	-6.4%	-54.6%
Financials	69.6	-7.1%	-42.0%
BoI	172.1	-0.5%	-31.3%
AIB	176.2	-0.4%	-12.4%
RBS	106.7	-3.3%	-20.2%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.6%	0.4%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.3%	0.9%	0.6%
2-Year	1.8%	1.8%	1.3%
5-Year	2.7%	3.1%	2.7%
10-Year	3.5%	3.8%	3.6%

Date	Company	Region	Event
20/10/2009	Rathbone Brothers PLC	GB	TRADE
20/10/2009	Total SA	FR	S/HOLDERS
20/10/2009	Forest Laboratories, Inc	US	Q2
20/10/2009	Supervalu Inc.	US	Q2
20/10/2009	BNY Mellon	US	Q3
20/10/2009	DuPont	US	Q3
20/10/2009	Caterpillar	US	Q3
20/10/2009	M&T Bank Corporation	US	Q3
20/10/2009	Pfizer	US	Q3
20/10/2009	State Street Corporati	US	Q3
20/10/2009	The Coca-Cola Co.	US	Q3
20/10/2009	United Tech.	US	Q3
20/10/2009	UnitedHealth Group Inc.	US	Q3
20/10/2009	Western Union Co.	US	Q3
20/10/2009	Yahoo, Inc.	US	Q3
21/10/2009	ICON Plc	IE	Q3
21/10/2009	Peugeot SA	FR	Q3 SALES
21/10/2009	Fiat SpA	IT	Q3
21/10/2009	Iberdrola SA	ES	Q3
21/10/2009	Cadbury PLC	GB	TRADE
21/10/2009	Drax Group Plc	GB	TRADE

Date	Event	Region	Estimate
20/10/2009	Producer Prices (MoM)	GE	--
20/10/2009	Public Sector Net Borrowing	UK	--
20/10/2009	M4 Money Supply (MoM)	UK	--
20/10/2009	Producer Price Index (MoM)	US	-0.30%
20/10/2009	Housing Starts	US	607K
20/10/2009	Building Permits	US	590K
20/10/2009	Bank of Canada Rate	CA	0.25%
20/10/2009	ABC Consumer Confidence	US	--
21/10/2009	Bank of England Minutes	UK	--
21/10/2009	MBA Mortgage Applications	US	--
21/10/2009	Fed's Beige Book	US	--
22/10/2009	Euro-Zone Current Account nsa	EC	--
22/10/2009	Retail Sales (MoM)	UK	0.60%
22/10/2009	Initial Jobless Claims	US	515K
22/10/2009	Leading Indicators	US	0.80%
22/10/2009	House Price Index MoM	US	--
23/10/2009	IFO - Business Climate	GE	--
23/10/2009	IFO - Expectations	GE	--
23/10/2009	GDP (QoQ)	UK	0.10%
23/10/2009	Industrial New Orders SA (MoM)	EC	--
23/10/2009	Existing Home Sales MoM	US	5.40%

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