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Government aims to cut €1.3bn from public sector wage bill
(The Irish Times)

Fiscal expert say Nama plan is right approach
(The Irish Times)

Permanent TSB needs €500m ahead of merger
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Darling fires back at King
(Financial Times)

Cadbury increases pressure on Kraft with sweet results
(Financial Times)

As dollar slides, fears rise
(The Wall Street Journal)

Market View

Analyst : Stephen Taylor

European equity markets are lower this morning following a big reversal in the US overnight that saw the Dow Jones give up 125points in the last hour. While Morgan Stanley's results boosted the market initially, a further look into Wells Fargo's results led to downgrades late in the day that weighed on financial shares. In addition the Federal Reserve's Beige Book while indicating signs of stabilisation across the US economy was relatively subdued. This is a further indication that the consumer remains weak a trend that we have seen in the current earnings season. After the US closed last night eBay reported a disappointing set of results sending its shares lower by c. 5% in after hours trade, while this morning there has been some disappointing earnings reports from the likes of Ericsson and home improvement group Praktiker in Germany. We remain positive on equity markets given the amount of liquidity and favourable monetary policy in the market. For markets to continue their push higher we will need to see an improvement in consumer activity. The consumer will be the main focus today with McDonalds, UPS and AT&T all due to report before the US market opens. On the economic front, focus will be on retail sales out of the UK that are expected to show a month on month increase for September. In the US, the market will be looking for a further improvement in Jobless figures which is key for an economic recovery, while leading indicators will also be closely watched.

Deutsche Bank: Buy Current Price:(€52.82)Target Price:(€64) Analyst : Oliver Gilvarry

Credit Suisse released Q3 earnings this morning that were ahead of expectations. Pre-tax profit for the quarter was CHF2.62bn compared to market estimates of CHF2.38bn. The main drivers of the beat were higher net interest income and lower provisions than expected. Investment Bank earnings were better than expected, helped by lower costs. The bank experienced strong inflows into its Private Banking division. The strong inflow of new money into Private Banking was offset by lower margins. The capital position remains very strong with tier 1 capital at the end of Q3 of 16.4%. On outlook, management have stated they remain confident in their business model and believe they can add to the current momentum. Another positive is that the bank is starting to accrue for normalised dividends from this year. The results were better than expected by the market, but the stock has opened weaker this morning due to weakness in the US banking sector overnight. We remain positive towards banks with significant Investment Banking and trading exposure with our preferences being Barclays and Deutsche Bank.

Kerry Group: Buy Current Price:(€19.50)Target Price:(€22.50) Analyst:Oliver Gilvarry

Nestle has reported nine month sales this morning with overall group sales falling 2.2% to CHF79.5bn over the period. This result can be attributed to the strength of the Swiss franc compared to most other currencies and the fact that its divestitures, net of acquisitions, had a negative impact of -0.6% on group sales. The group achieved organic growth of 3.6% over the period boosted by strong performances in Asia, Oceania and Africa. On a positive note and reflecting the group's strong financial position, it has agreed to increase its 2009 share buyback programme from CHF4bn to CHF7bn. This will allow the company to complete its current CHF25bn share buyback earlier than initially expected. Going forward the group expects volume driven organic growth to further accelerate as well as an EBIT margin improvement in constant currencies for the full year.

Dragon Oil: IMS Release

Current Price: (408p)

Analyst : David Dunk

Dragon Oil has released an interim management statement this morning. Gross field production for Q3 2009 averaged 46,060 barrels of oil per day. This represents a 9% increase on last year's production rate of 42,320. It sold 3mln barrels of oil in Q3, which is 121% higher than the volume sold during the same period in 2008. It exported about 90% of its crude oil via Neka, Iran with the remaining balance going through Baku, Azerbaijan. Since the beginning of the second half of 2009 Dragon has completed four wells, with two additional wells currently being drilled which look set to come on stream by the end of the year. In total, the group expects to have drilled and completed eight wells in 2009. In relation to the approach about a possible offer by Emirates National Oil Company, Dragon has reaffirmed that no bid has yet been made and that there can be no certainty that any offer will come or as to the terms of any offer. Nevertheless, the company's financial position remains sound with cash and cash equivalents of \$962 at September 30th. In terms of guidance, it remains positive on its outlook for the remainder of the year, expecting to achieve an increase in average gross field production of about 10% in 2009.



FTSE Miners: Production Updates

Analyst : David Dunk

Anglo American released better than expected Q3 production figures this morning. The results included strong performance in copper and iron ore with both production lines increasing by 13.4% and 15.7% respectively. Platinum production was in line while coal and diamond production fell back slightly. Lonmin also released a production update this morning. The figures were significantly lower than the prior year with the South African miner producing 20% less minerals. This drop off in production had been anticipated but analysts will be worried by the platinum miner's cautious 2010 outlook statement. Lonmin noted that the company is still facing challenges which include mining inflation, disruption from safety stoppages and a strong rand. As such management do not foresee sales growth in 2010.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,253	-0.8%	37.2%
FTSE	5,258	0.3%	17.3%
Dow Jones	10,041	-0.5%	13.4%
S&P	1,091	-0.6%	19.7%
Nikkei	10,333	0.0%	15.9%
Stoxx 50	2,937	0.4%	18.4%

Sector Performances

Sector	Index	1-Day	YTD
Construction	271	-0.4%	1.6%
Technology	189	-0.1%	3.7%
Oil & Gas	324	0.8%	2.8%
Financials	240	0.5%	2.3%
Retail	230	1.2%	1.5%
Food & Drink	281	0.8%	4.0%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	81.4	2.8%	37.3%
Copper	303.6	3.5%	107.8%
Gold	1,059.0	0.4%	19.9%
Silver	17.8	1.5%	55.1%
Wheat	542.5	4.8%	-20.0%
Cattle	87.1	1.1%	-4.3%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.502	0.5%	-6.7%
€/£	0.904	-0.9%	5.6%
£/\$	1.661	1.4%	-11.7%
\$/JPY	90.990	0.2%	-0.8%
€/JPY	136.620	0.7%	-7.4%
€/SFR	1.511	-0.1%	-1.2%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	89.5	-1.0%	-48.5%
High Yield	472.8	0.4%	-53.0%
Financials	69.0	-0.1%	-40.4%
BoI	161.6	-1.6%	-34.8%
AIB	166.6	-4.1%	-19.4%
RBS	110.7	1.1%	-18.8%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.4%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.3%	1.0%	0.6%
2-Year	1.9%	2.0%	1.3%
5-Year	2.8%	3.4%	2.7%
10-Year	3.6%	4.0%	3.6%

Date	Company	Region	Event
22/10/2009	Pernod Ricard SA	FR	Q1 SALES
22/10/2009	Schneider Electric SA	FR	Q3 SALES
22/10/2009	Schwarz Pharma AG	DE	Q3
22/10/2009	Nestle SA	CH	Q3 SALES
22/10/2009	Novartis AG	CH	Q3
22/10/2009	Debenhams Plc	GB	PRELIM
22/10/2009	3M Co.	US	Q3
22/10/2009	AT&T	US	Q3
22/10/2009	Black & Decker Corpora	US	Q3
22/10/2009	Bristol-Myers Squibb	US	Q3
22/10/2009	Broadcom	US	Q3
22/10/2009	Chubb Corporation	US	Q3
22/10/2009	EMC Corporation	US	Q3
22/10/2009	Kimberly Clark	US	Q3
22/10/2009	McDonald's Corporation	US	Q3
22/10/2009	Merck & Co., Inc.	US	Q3
22/10/2009	Philip Morris Intl.	US	Q3
22/10/2009	The Hershey Co.	US	Q3
22/10/2009	Union Pacific	US	Q3
22/10/2009	United Parcel Service, I	US	Q3
22/10/2009	Wyeth	US	Q3
22/10/2009	Xerox Corporation	US	Q3

Date	Event	Region	Estimate
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%
26/10/2009	Hometrack Housing Survey (MoM)	UK	--
26/10/2009	Chicago Fed Nat Activity Index	US	--
26/10/2009	Dallas Fed Manf. Activity	US	--
27/10/2009	Euro-Zone M3 s.a. (YoY)	EC	--
27/10/2009	S&P/CaseShiller Home Price Ind	US	--
27/10/2009	Consumer Confidence	US	--
27/10/2009	Richmond Fed Manufact. Index	US	--
27/10/2009	ABC Consumer Confidence	US	--
28/10/2009	Consumer Price Index (MoM)	GE	--
28/10/2009	MBA Mortgage Applications	US	--
28/10/2009	Durable Goods Orders	US	0.5
28/10/2009	New Home Sales MoM	US	--

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