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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6439 ↑	23	0.36%	11.0	3.89%
FTSE 100	5099 ↑	17	0.34%	13.5	5.93%
DAX 30	4620 ↑	11	0.25%	15.0	8.54%
DOW	10588 ↓	-12	-0.11%	19.5	-1.81%
NASDAQ	2092 ↑	1	0.05%	15.6	0.15%
S&P	1214	0	0.02%	21.0	0.16%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2111	0.6656	131.7500
Dollar	1.2111	1.0000	1.8195	108.7500
Sterling	0.6656	1.8195	1.0000	197.8800
Yen	131.7500	108.7500	197.8800	1.0000
Oil (Nymex)	58.4000			

This Week's Research
Lloyds TSB
Bank of Ireland

Today's Research
IL&P

Today's Recommendations

IL&P (€14.40) Buoyant trading statement Stuart Draper

- Trading statement : Irish Life and Permanent has issued a buoyant trading statement ahead of its close period for the 6 months ending 30/06/05. Overall, it was stated that the group remains on course to meet its full year targets.
- Loan growth : H1 loan growth of over 20% will be achieved, with the H1 net interest margin falling to within the previously targeted 1.3% to 1.33% range, versus 1.4% for 2004. Current account balances will show high teens year on year growth, with c.34,000 new current accounts opened during H1 2005.
- Life margins : Margins at the life business are expected to exceed the full year target of 15%, driven by an improved margin on risk business and a more favourable product mix. Life sales in Ireland are expected to show low teens H1 growth.
- IFRS accounting : Even though the move to IFRS accounting this year will increase the reported level of profits from IL&P's banking activities, and will reduce the reported level of profits from its life assurance activities, over time the two accounting methods will give the same answer. This change will also have no impact on IL&P's capital position, or on its underlying cash flows, which will continue to support strong dividend and business growth. More details on the accounting changes as a result of this move to IFRS accounting will be given in a presentation on 21st July.
- EV accounting : Also, even though IFRS reporting will start for IL&P with the publication of its H1 2005 results in September, in line with other quoted life companies, the company will continue to produce embedded value accounts in conjunction with the IFRS numbers, as such accounts provide greater clarity with regard to measuring business performance.
- Life recovery : 2005 is likely to continue to be a buoyant environment for IL&P's two main businesses, as mortgage loan growth remains strong, driven by low interest rates and increasing employment levels, and sales of life and pension products recover following the weakness of recent years.
- Limited upside : However, our view is that these buoyant trading conditions are now quite fairly reflected in the current share price. When our 2005 price target of €15 was reached earlier this year, we downgraded our recommendation from BUY to NEUTRAL. With limited further upside to this level, we re-iterate this recommendation now, recommending a SWITCH into Aviva (£6.29) as providing more value at current levels in the European insurance sector : **NEUTRAL**.

Breaking News

Reaction to EU sugar reforms

Greencore has spoken out against the E.U.'s sugar price proposals, saying they would adversely impact its profitability. The E.U. yesterday proposed cutting the guaranteed price it pays for sugar by 39% and slashing the price it pays for sugar beet by 42%. Greencore Chief Executive David Dilger said the E.U. proposal comes at a time when its sugar sales were already under pressure with a continued slowdown in demand. The views of Dilger were echoed by the Agriculture Minister, Mary Coughlan. "There is need to reform the sugar regime but the proposals published (yesterday) are unbalanced and could lead to drastic consequences for the sugar beet industry in a number of member states including Ireland," she said in a statement.

CNG CEO resigns

CNG Travel Group announced yesterday that Finbarr Power has resigned as Chief Executive Officer and a director of CNG and has left the Company to pursue other interests, including the possible acquisition of the Business to Consumer (B2C) leisure division of the company. PJ King, currently Chief Operating Officer, has been appointed as acting Chief Executive Officer.

Petroceltic AGM statement

Petroceltic held its AGM yesterday and offered its investors a positive update on its operations. The three most encouraging facts of its statement were:

1. The recently obtained historical well and seismic data in Algeria has confirmed the company's view that it has a large shallow gas play there with the potential to contain a multi trillion cubic feet of gas resource.
2. The recent data has also shown a new potential 400m barrel oil prospect in the south-western part of the block.
3. Its analysis of the data and move to drilling will now be accelerated to taking place as soon as practical.

Business Press

- Central banks flag rate cuts (FT)
- Eircom loses another 25,000 customers in first quarter (IT)
- Petroceltic in talks with BP over venture (IT)
- Soden named as director of energy company Peak (IT)
- CNG chairman accused of 'arrogance' by shareholder (II)

Investment Press— Lex

- Dixons: Changing one's name is a bold step. Even so, Dixons will still be a UK retailer fighting to keep its head above the tide that is engulfing the sector.



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