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### Market Movers

## IRISH PAPERS TODAY

Windows 7 finds warm reception on release  
*(The Irish Times)*

European banks must raise capital say Fitch  
*(The Irish Times)*

AIB to raise €2bn as part of blueprint for restructuring  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Nokia sues Apple over iPhone patents  
*(Financial Times)*

Robust earnings at Credit Suisse  
*(Financial Times)*

US unveils rules on bank pay  
*(The Wall Street Journal)*

## Market View

**Analyst : Stephen Taylor**

European equity markets are higher this morning following a strong finish to US markets last night. Better than expected earnings results from Dow components McDonalds, Travellers and 3M were the main catalyst for the strong finish in the US and a further indication that large multinational companies with diverse geographic exposure continue to outperform. The strong earnings continued after the market closed with both Amazon and American Express reporting exceptionally strong earnings reports. Amazon continues to outperform with sales of its Kindle product topping expectations, while American Express indicated that it was seeing broad-based improvements in credit quality. As for today, on the corporate front the main focus will be on quarterly earnings from Microsoft. Earnings for its fiscal first quarter are likely to have been under pressure, however all focus will be on the group's outlook and the impact that the release of Windows 7 will have on earnings over the next 12-months. On the economic side, third quarter GDP data out of the UK will be closely watched. Also in focus today will be German business confidence figures in the form of the IFO in addition to New Home Sales figures out of the US that are expected to show a 5% increase for September.

**CRH: Buy**    **Current Price: (€19.10)**    **Target Price: (€20.30)**    **Analyst : Stephen Taylor**

Yesterday reports on Bloomberg suggested that Anglo American may raise \$7bn through a number of assets sales including its Tarmac division, a UK based heavy building materials producer for \$4bn. Recall that in 2007 there had been speculation that CRH may bid for Tarmac for c. \$6bn just before the economic downturn really kicked in. Following CRH's recent successful rights issue that company has indicated that it has c. €1.5bn to spend on acquisitions over the next 18-months and that it is looking at potential deals. Tarmac produced EBITDA of \$487m in 2008 and \$732m in 2007. With Tarmac's name on the blocks it is possible that CRH's name may be in the frame again. Any speculation surrounding a deal could potentially weigh on CRH's share price given the potential size and the fact that Tarmac is largely UK based where growth will remain subdued. We would look to buy CRH closer to the €18 - €18.50 level.

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

Danone has announced Q3 sales of €3.78bn this morning, up 4.1% on a constant currency year on year and in line with expectations. There were strong performances across all divisions, with Medical nutrition and fresh dairy registering growth of 6.5% and 2.3% respectively. Geographically Asia was the best performer, posting a year on year sales increase of 8.5%. Going forward it has indicated that second half sales growth will be close to 4%, with a like for like improvement in operating margin of 60-70 basis points. The group has reiterated its guidance for 2009 earnings per share to rise by 10%.

**Tullow Oil: Under Review**    **Current Price: (1270p)**    **Analyst: David Dunk**

It was reported yesterday that BP has hired Goldman Sachs to advise on a potential bid for Kosmos's stake in the Jubilee field. This follows an accepted \$4bn bid by Exxon Mobil which was put on hold after it emerged that the Ghanaian government said that they would block Exxon's approach. The Ghanaian government hold a 13.75% share in the Jubilee licence via the GNPC which means that they have the right to launch a counter bid should they wish to do so. It was also reported in The Times that BP has held talks with the Ghanaian government suggesting that a joint bid is not out of the question. On the whole the emergence of a new bidder is a positive for Tullow Oil as it reaffirms the potential of the Jubilee licence. Tullow's stake stands at 34.7%.



### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,253	0.0%	35.8%
FTSE	5,258	0.3%	17.4%
Dow Jones	9,949	-0.9%	14.9%
S&P	1,081	-0.9%	21.0%
Nikkei	10,267	-0.6%	16.1%
Stoxx 50	2,937	0.4%	18.6%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	267	-0.4%	1.6%
Technology	185	-0.1%	3.7%
Oil & Gas	320	0.8%	2.8%
Financials	236	0.5%	2.3%
Retail	227	1.2%	1.5%
Food & Drink	281	0.8%	4.0%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	81.2	-0.2%	38.7%
Copper	299.8	-1.3%	110.5%
Gold	1,060.1	0.1%	20.2%
Silver	17.5	-1.6%	56.1%
Wheat	551.8	1.7%	-17.1%
Cattle	87.4	0.3%	-3.3%

### Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.503	0.1%	-6.9%
€/£	0.904	0.0%	5.9%
£/\$	1.662	0.1%	-12.1%
\$/JPY	91.295	0.3%	-1.3%
€/JPY	137.230	0.4%	-8.1%
€/SFR	1.510	0.0%	-1.2%

### 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	89.0	-0.6%	-51.7%
High Yield	478.5	1.2%	-54.3%
Financials	68.7	-0.4%	-42.5%
BoI	157.8	-2.4%	-33.9%
AIB	164.9	-1.0%	-19.4%
RBS	110.2	-0.4%	-18.5%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	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%	3.3%	2.7%
10-Year	3.6%	4.0%	3.6%

Date	Company	Region	Event
23/10/2009	Danone SA	FR	Q3
23/10/2009	Saab AB	SE	Q3
23/10/2009	Volvo AB	SE	Q3
23/10/2009	BRIT Insurance Holding	GB	TRADE
23/10/2009	Provident Financial Plc	GB	TRADE
23/10/2009	British Sky Broadcasting	GB	Q1
23/10/2009	Microsoft	US	Q1
23/10/2009	Exelon Corporation	US	Q3
23/10/2009	Fortune Brands	US	Q3
23/10/2009	Honeywell	US	Q3
26/10/2009	Merck KGaA	DE	Q3
26/10/2009	Electrolux AB	SE	Q3
26/10/2009	Scania AB	SE	Q3
26/10/2009	McBride plc	GB	TRADE
26/10/2009	National Oilwell Varco	US	Q3
26/10/2009	The McGraw Hill Co.	US	Q3
26/10/2009	Verizon	US	Q3
27/10/2009	Vestas Wind Systems A	DK	Q3
27/10/2009	Bayer AG	DE	Q3
27/10/2009	Daimler AG	DE	Q3
27/10/2009	Friends Provident PLC	GB	Q3 TRADE
27/10/2009	BP Plc	GB	Q3

Date	Event	Region	Estimate
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	--
29/10/2009	GDP QoQ (Annualized)	US	2.30%
29/10/2009	Personal Consumption	US	--
29/10/2009	GDP Price Index	US	--
29/10/2009	Core PCE QoQ	US	--
29/10/2009	Initial Jobless Claims	US	--

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