DOLMEN DAILY

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EQUITIES	Close		Change	% +/-	P/E '06	YTD
ISEQ	7816	↓	-81	-1.03%	11.0	6.13%
FTSE 100	6099	↓	-34	-0.55%	13.5	8.54%
DAX 30	6079	↓	-16	-0.26%	15.0	12.40%
DOW	11336	↓	-11	-0.10%	19.5	5.13%
NASDAQ	2333	↓	-9	-0.40%	15.6	5.81%
S&P	1308	↓	-3	-0.24%	21.0	5.07%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2375	0.6928	141.9200
Dollar	1.2375	1.0000	1.7880	114.6700
Sterling	0.6928	1.7880	1.0000	206.2000
Yen	141.9200	114.6700	206.2000	1.0000
Oil (Nymex)	73.3300			

This Week's Research

Sterling Energy

Today's Research

GSK

Breaking News

BP Q1 results

BP today that its net profits rose 7 percent in the first quarter compared to last year, thanks to high oil prices and a better refining result than expected. BP said in a statement that the replacement cost result, which excludes changes in inventory values, fell 4 percent to $5.265 billion on Tuesday. Excluding a $17 million charge for non-operating items, BP's underlying net profit was $5.282 billion, compared with an average forecast of $5.21 billion. As usual, it was BP's upstream oil and gas production unit which powered the strong results, with higher oil prices more than compensating for lower volumes. The upstream unit underperformed analysts's forcasts, but this was more than compensated for by the refining unit.

Tesco plans to return £1.5bn to investors

Tesco posted a better-than-expected 17 percent rise in annual profit and said it plans to step up shareholder returns over the next five years after agreeing sale and leaseback deals on its property portfolio. But the company revealed underlying sales growth had slowed in its key UK market in recent weeks amid increasing competition. Tesco said pretax profit in the year to February 25 rose to a record £2.21bn from £1.89bn, ahead of consensus forecasts of £2.18bn. Tesco said same-store sales in the UK, excluding petrol, rose by 4 pct in the final seven weeks of the period, compared with a 5.5 pct rise in the previous seven weeks. Tesco added that £1.5 bn of the funds released from the property deals will be returned to shareholders via a share buyback programme.

CRH not in contention to buy Uniland

CRH is not in the running to buy the remaining 73.7 percent stake in Uniland, according to a source close to the situation. There are believed to be over 20 candidates looking to buy the Spanish cement maker. Last February Uniland said CRH's 26.3%, €300m purchase was "unlawful" and presented a writ in the Barcelona Commercial Court to force CRH to relinquish more than a quarter of Uniland's shares.

Today's Recommendation

GSK (£14.77) Reporting Q1 results on Thursday Owen Turner

- Q1 results: At noon on Thursday GSK will report its first quarter results. We are expecting sales of £5,625m and eps of 23p, and will confirm that GSK is on track to meet its current earnings guidance of 10% eps growth. The spotlight will be on the performance of company's key growth drivers, namely Advair (£860m +25%), Lamictal (£240m +23%), Coreg (£170m +28%) and the Avandia franchise (£320m +38%).
- Cancer data: GSK is expected to present important Phase III data at a high-profile cancer conference in the first week of June and we believe that this will be the next major catalyst for GSK's share price. The company will announce data for its key cancer drug, Tykerb. The drug is estimated to have potential for over $3bn in sales, and in anticipation of good news we can see shares enjoying a decent run in the weeks leading up to this conference.
- Upgraded guidance: In February GSK reported better than expected results for year ended 31st December 2005 and the company also increased its guidance for 2006 EPS growth. Consensus forecasts had indicated high single digit earnings growth for 2006, but the company now expects this figure to be around 10%.
- R&D upside: The company also reiterated its exciting R&D outlook for 2006. The next 12 months will see a host of key updates hitting the market, including 8 new products expected to enter Phase III development, 7 regulatory filings and 7 important product launches. These updates will keep sales forecasts ticking upwards over the course of 2006.
- Further upside: Given that the sector is currently trading at 19x 07 EPS we believe that no more than a 10% discount for GSK is appropriate to reflect its slightly slower than average earnings growth and therefore, our 12-month price target target price of 1,650p is based on 17x 07 EPS of 97p. The strength of GSK's pipeline remains the key driver of our investment case, and we expect to receive further evidence of its positive impact on earnings over the coming months, and therefore we reiterate our BUY recommendation on the stock

Business Press

- Readymix site expected to raise €16m (IT)
- Bank of Scotland ahead in survey of business fees (IT)
- Glencar eyeing Komana partner (II)

Investment Press

- Cendant: Like many break-ups, Cendant's has hardly set the world alight. Will the conglomerate's decision to investigate a sale of the travel business, while continuing to push forward the spin-off plans, help reverse the negative share price momentum?

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