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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9601	↑ 59	0.61%	14.1	2.05%
FTSE 100	6469	↑ 8	0.12%	13.2	4.00%
DAX 30	7387	↑ 44	0.60%	14.2	11.98%
DOW	13106	↑ 16	0.12%	15.2	5.15%
NASDAQ	2554	↑ 7	0.26%	26.1	5.76%
S&P	1494	↓ -1	-0.08%	15.9	5.36%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3592	0.6839	162.6200
Dollar	1.3592	1.0000	1.9885	119.5400
Sterling	0.6839	1.9885	1.0000	237.8900
Interest Rates (%)	3.7500	5.2500	5.2500	0.4800
Oil (Nymex)	65.0600			

This Week's Research
 Deutsche Bank GSK
 Aviva
 RBS

Today's Research
 C&C

Today's Recommendation

C&C (€12.50) UK data shows cider acceleration Stuart Draper
Target : €13.50 (27/04/07 ; previously €13, issued 12/01/07)

- UK data : The UK custom and excise data for February has been released. It shows an acceleration of growth in cider clearances, which is considered a proxy for cider volumes. On a three-month moving average basis, cider clearances increased by 18% in February, an acceleration on January's 17% and December's 15%, and showing major year on year progress on the 9% rate of growth of February 2006.
- S&N expansion : Given that imitation is the highest form of flattery, comments at yesterday's Scottish & Newcastle AGM that it is to introduce its Strongbow and Bulmers brands into a number of European markets, provides further evidence of the potential opportunity for Magners in Spain and Germany. Significant progress in these two new European markets could be a positive catalyst for the C&C share price this year.
- Management meeting : C&C management recently visited us as part of its pre-close period series of investor meetings. The meeting provided strong reassurance with regard to Magners' medium term sales growth prospects from increased share of the UK LAD market. Our current forecasts are based the achievement of overall Great Britain average LAD market share of 2.5% for the year ended 28/02/07, increasing to 4% for the year ending 28/02/08.
- Upcoming results : On Wednesday week, 9th May, C&C will announce its results for the year ended 28/02/07. We are forecasting 80% year on year growth in earnings per share to 54c, growing by a further 25% to 67.5c for the year ending 28/02/08. At the time of the release of the group's year end trading statement, the company stated that it would clarify its plans with regard to the return of capital to shareholders at its full year results' announcement. As a result, there is a high probability of a share buyback of c.€200m being announced.
- Further upside : Given such strong earnings growth and the fact that peers such as Diageo and Heineken, with significantly lower growth prospects, currently trade at c.17x forward earnings, our new 12 month price target for C&C of €13.50 (8% further upside) is based on 20x forward eps of 67.5c. The shares will also pay a dividend yield of c.2.6% for waiting for this upside to be achieved. C&C's share price has risen by 28% since our last BUY note of 16/03/07 : **BUY**.

Breaking News

Friends Provident sales up 12%

Friends Provident announced today that total life and pensions new business for Q1 rose 12% on strong results for group pensions in the UK, although sales for the international business declined. Total life and pensions new business was £1.5bn, up from £1.3bn year on year and just ahead of consensus at £1.46bn. UK life and pensions new business rose 22% to £1.04bn from £856m driven by a 30% rise in sales of group pensions, the largest UK business line, to £598m from £460m. Annuities performed well in the UK too, with sales growing by 44% to £75m from £52m. Total international new business was down 4% to £455m from £475m. Sales at Friends Provident International fell 2% to £237m from £241m and Lombard's sales results declined 7% to £218m from £234m.

Ryanair considering establishing new hub in central Europe

Ryanair said yesterday that it is considering establishing a hub in Central and Eastern Europe within the next two years. A spokesman for the company said that they are looking at quite a few airports adding that the Slovakian capital Bratislava and sites in Poland are hot contenders. Ryanair has 19 bases in Europe and none in former Eastern Bloc countries. Ryanair currently flies out of Bratislava to destinations including Milan, Frankfurt, Bremen and a number of UK cities. Bratislava is the home base to Slovakia-based low-cost airline SkyEurope Holding.

Apple announce that profits are up 88%

Apple announced on Wednesday that profits soared 88% in its Q2 earnings thanks to booming sales of iPods as well as the company's line of Mac computers. The company said earnings for the quarter came in at \$770m, or 87c a share, compared to earnings of \$41, or 47c a share, for the same period last year. Sales for the quarter grew more than 20% to hit \$5.26bn for the period ended March 31. Investors cheered the news, sending shares of Apple past the \$100 mark in after-hours trading to a new all-time high. During the quarter, the company said it shipped more than 10.5 million iPods, its popular digital music player. More than 1.5 million units of its Macintosh computer line were also shipped during the period.

Business Press

- Microsoft sees earnings rise by 65% (IE)
- Ericsson profits rise 27% on higher mobile phone demand (IE)
- FBD wants €100m stake in One51 (II)
- Diageo lifts spend to boost falling sales (II)

Investment Press

- Private equity stubs: The latest playbook for a private equity buy-out is pretty attractive. Instead of lining up with a consortium of bidders, the preferred option is to buy businesses alone.

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