

## CONTENTS

**Market View** : Dubai debt shock pushes markets lower

**European Financials** : ING announces details of rights issue

**UK Financials** : RBS formally announces GAPS participation

**Market Movers** :

## IRISH PAPERS TODAY

Markets shudder at unforeseen Dubai debt standstill  
*(The Irish Times)*

Nama interim head warns of delays in loan transfers  
*(The Irish Times)*

Bad bank will be open for business within a fortnight  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Dubai sparks market turmoil  
*(Financial Times)*

Trading outage and share price fall hit LSE  
*(Financial Times)*

Dubai crisis shakes markets  
*(The Wall Street Journal)*

## Market View

**Analyst : Edward Keeling**

Equity markets are lower this morning as fears surrounding the impact of a potential Dubai debt default continue to weigh on market sentiment. Dubai's debt problems are a hangover from a property bubble that burst following the financial crisis. Risk aversion has returned to the forefront with a sell off of world shares, oil and other commodities. Crude oil fell to below \$75 this morning and there has been flow into government bonds and the low yielding yen. Concerns have grown that this could signal the beginning of wider global sovereign debt issue. In our view the current fears and the market reaction has been overdone, especially when one considers the quantity of debt involved. Dubai's total debt amounts to just \$80bn, equal to the value of loans being transferred to NAMA. On global scale this is not a significant exposure. We view this correction in equities as a buying opportunity. We reiterate our view that clients should gain exposure to our preferred sectors including the miners, pharmaceuticals, telecoms and technology. Looking ahead to the rest of today's session, we will be paying close attention to reports surrounding black Friday in the US. Black Friday is the day after the Thanksgiving holiday and it represents the busiest shopping day of the crucial holiday season. It accounts for nearly one-fifth of the retail industry's annual sales and is interpreted by the market as a key indicator of the health of the US consumer.

## European Financials : ING announces details of rights issue

**Analyst Oliver Gilvarry**

ING Group, the Dutch financial group, has announced the details of its €7.5bn rights issue aimed at repaying half of the state aid it has received. It will issue new shares at €4.25 representing a 52% discount to yesterday's closing price. The rights issue itself is underwritten by a syndicate of banks led by Goldman Sachs and JPMorgan. This statement follows the news earlier in the week that ING's shareholders had given approval to a radical restructuring of its previous bancassurance business model. In relation to Irish Life & Permanent we are expecting an announcement regarding its restructuring on the 15<sup>th</sup> of December, post a shareholder EGM. We anticipate the group will confirm details regarding the formation of the new holding company, which in our view will allow for the disengagement of its banking arm, permanent TSB.

## UK Financials : RBS formally announces GAPS participation

**Analyst Oliver Gilvarry**

RBS announced today it has signed up to the Government Asset Protection Scheme (GAPS) and will have a shareholders meeting on the 15<sup>th</sup> of December to seek approval. The group is insuring £280bn of risky assets under the scheme and it will issue £25.5bn of new capital to the UK Treasury in the form of B Shares. The Treasury has agreed to sign up for an additional £8bn of capital if required. The group will suspend payments on hybrid debt instruments from the beginning of January for 2-years. The significant Government involvement in RBS contrasts with Lloyds Banking Group. The rights issue it is currently undertaking is limiting the state ownership in the bank. LBG rights begin to trade from today.



### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,792	-2.8%	17.9%
FTSE	5,194	-3.2%	16.6%
Dow Jones	10,464	0.3%	19.2%
S&P	1,111	0.5%	23.0%
Nikkei	9,383	-0.6%	2.5%
Stoxx 50	2,799	-3.4%	13.6%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	256	-4.1%	1.8%
Technology	175	-3.1%	3.6%
Oil & Gas	311	-3.0%	2.7%
Financials	218	-5.0%	2.2%
Retail	238	-2.1%	1.8%
Food & Drink	284	-1.9%	4.1%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	78.0	2.6%	23.9%
Copper	319.7	1.7%	110.6%
Gold	1,188.4	-0.3%	30.5%
Silver	18.8	1.7%	57.9%
Wheat	571.5	3.3%	-19.4%
Cattle	85.8	0.3%	-7.2%

### Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/€	1.502	-0.7%	-6.0%
€/£	0.909	0.3%	5.1%
£/\$	1.653	-1.1%	-10.6%
\$/JPY	86.585	-0.9%	5.1%
€/JPY	130.013	-1.7%	-1.3%
€/SFR	1.506	-0.1%	-0.9%

### 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	89.2	4.4%	-47.5%
High Yield	518.8	3.6%	-47.1%
Financials	79.9	5.1%	-30.1%
BoI	236.0	-0.8%	-4.3%
AIB	267.3	3.9%	27.6%
RBS	132.2	1.7%	-2.0%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.2%	0.9%	0.4%
2-Year	1.7%	1.7%	1.0%
5-Year	2.7%	3.0%	2.5%
10-Year	3.4%	3.7%	3.4%

Date	Company	Region	Event
27/11/2009	ThyssenKrupp AG	DE	FINAL
27/11/2009	Carphone Warehouse G	GB	INTERIM
27/11/2009	Vectura Group Plc	GB	INTERIM
27/11/2009	VP PLC	GB	INTERIM
30/11/2009	Aryzta AG	CH	Q1 TRADE
30/11/2009	Aberdeen Asset Manag	GB	PRELIM
30/11/2009	Pursuit Dynamics Plc	GB	PRELIM
30/11/2009	Vinci SA	FR	S/HOLDERS
30/11/2009	St Ives PLC	GB	AGM
30/11/2009	Alloy	US	Q3
30/11/2009	Inergy Hldngs, L.P.	US	Q4
01/12/2009	Laurent-Perrier SA	FR	Q2
01/12/2009	OMG PLC	GB	PRELIM
01/12/2009	Staples	US	Q3
02/12/2009	Sage Group PLC	GB	PRELIM
02/12/2009	France Telecom SA	FR	S/HOLDERS
02/12/2009	Compagnie de Saint Go	FR	S/HOLDERS
03/12/2009	Siemens AG	DE	FINAL
03/12/2009	British Airways PLC	GB	TRAFFIC
03/12/2009	Kingfisher PLC	GB	TRADE
03/12/2009	Volkswagen AG	DE	EGM
03/12/2009	Novell	US	Q4

Date	Event	Region	Estimate
27/11/2009	Business Climate Indicator	EC	--
27/11/2009	Euro-Zone Consumer Confidence	EC	--
30/11/2009	GfK Consumer Confidence Surve	UK	--
30/11/2009	Hometrack Housing Survey (MoM)	UK	--
30/11/2009	Retail Sales (MoM)	GE	--
30/11/2009	Net Consumer Credit	UK	--
30/11/2009	M4 Money Supply (MoM)	UK	--
30/11/2009	Euro-Zone CPI Estimate (YoY)	EC	--
30/11/2009	Chicago Purchasing Manager	US	--
30/11/2009	Dallas Fed Manf. Activity	US	--
01/12/2009	Nat'wide House prices sa (MoM)	UK	0.30%
01/12/2009	Unemployment Change (000's)	GE	--
01/12/2009	PMI Manufacturing	GE	--
01/12/2009	PMI Manufacturing	EC	--
01/12/2009	PMI Manufacturing	UK	--
01/12/2009	Euro-Zone Unemployment Rate	EC	--
01/12/2009	ISM Manufacturing	US	55
01/12/2009	Pending Home Sales MoM	US	0
01/12/2009	Construction Spending MoM	US	-0.50%
01/12/2009	ABC Consumer Confidence	US	--

## Regulatory Information

Dolmen Securities Limited is regulated by the Financial Regulator. Dolmen Securities Limited is a member firm of the London Stock Exchange. Dolmen Stockbrokers is regulated by the Financial Regulator. Dolmen Stockbrokers Limited is a member firm of the Irish Stock Exchange and the London Stock Exchange.

This report has been prepared by Dolmen Stockbrokers ('Dolmen') for information purposes in order to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations nor provide the sole basis for any evaluation of the securities discussed. Specifically the information contained in this report should not be taken as an offer or solicitation of investment advice or, encourage the purchase or sale of any particular security, option, future or other derivative investment. Not all recommendations are necessarily suitable for all investors and Dolmen recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

Although the information in this report has been obtained from sources, which Dolmen believes to be reliable and all reasonable efforts are made to present accurate information Dolmen give no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. Nor shall Dolmen, or any of its employees, directors or agents, be liable to for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk.

All estimates, views and opinions included in this report constitute Dolmen's judgment as of the date of the report but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

Unless specifically indicated to the contrary this report has not been disclosed to the covered issuer(s) in advance of publication.

Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income. The income you get from your investment may go down as well as up. Figures quoted are estimates only, they are not a reliable guide to the future performance of this investment. Investors should be aware that forward-looking statements and forecasts may not be realised.

This report is the property of Dolmen and may not be reproduced (in whole or in part) altered, transmitted or made available to any other person without the prior written permission of Dolmen.

## Conflicts of Interest & Share Ownership Policy

Dolmen, its employees, directors or related companies, may have a shareholding in the securities (or related investments / derivatives) of certain companies covered in this report, or may provide/ solicit investment banking or other services to/ from them.

It is noted that research analysts' compensation is impacted upon by overall firm profitability and accordingly may be affected to some extent by revenues arising other Dolmen business units including Corporate Finance, Fund Management and Stockbroking. Revenues in these business units may derive in part from the recommendations or views in this report. Notwithstanding, Dolmen is satisfied that the objectivity of views and recommendations contained in this report has not been compromised.

Dolmen permits research analysts to own shares and/ or derivative positions in the companies they publish research, views and recommendations on. Accordingly analysts involved in the production of this report may have positions in any securities herein. Dolmen ensures that all staff dealing is undertaken in strict compliance with Dolmen's internal staff dealing procedures. Therefore Dolmen is satisfied that the impartiality of research, views and recommendations remains assured.

## Analyst Certification

Each research analyst responsible for the content of this report, in whole or in part, certifies that: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report. Oliver Gilvarry, Stephen Taylor and Edward Keeling are responsible for the production of this report. Oliver Gilvarry is Head of Research and Stephen Taylor and Edward Keeling are equity analysts.

## For US Persons Only

This report is only provided in the US to major institutional investors as defined by s. 15 a-6 of the Securities Exchange Act, 1934 as amended. A US recipient of this report shall not distribute or provide this report or any part thereof to any other person.

Dolmen Stockbrokers, 75 St. Stephen's Green, Dublin 2, Ireland.



## DOLMEN SECURITIES LTD

75 St. Stephen's Green, Dublin 2, Ireland.  
45 South Mall, Cork, Ireland  
Theatre Court, Mallow St, Limerick, Ireland.

Tel : +353 1 633 3800/1890 400 300  
Tel : +353 21 422 2122  
Tel : +353 61 436 500

E-mail: info@dsl.ie  
E-mail: cork@dsl.ie  
E-mail: Limerick@dsl.ie