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Market Movers

IRISH PAPERS TODAY

German inflation hits negative
(*The Irish Times*)

House prices continue to fall as buyers hold out
(*The Irish Times*)

Retirement fund in €1bn short-fall, AIB staff told
(*Irish Independent*)

INTERNATIONAL PAPERS TODAY

Oil surges to \$63 a barrel as Opec eyes rise
(*Financial Times*)

German regulator ignored
(*The Wall Street Journal*)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	-1.1%	-5.7%
BP	0.0%	-4.3%
CRH	-2.1%	5.5%
DCC	2.1%	36.8%
E.ON	-0.1%	-11.5%
HPQ	-0.4%	-5.4%
IL&P	8.8%	104.4%
INM	5.4%	-29.1%
J&J	-1.9%	-9.4%
JPMorgan	-5.1%	9.9%
Microsoft	-1.0%	3.5%
Vodafone	0.6%	-15.8%

Market View

Analyst : Edward Keeling

European markets have opened lower this morning, following their lead from the US overnight. Despite a better than expected existing home sales figure, US markets closed sharply lower as rising US Treasury yields weighed on market sentiment. Investors are concerned about the appetite for the US governments' ever expanding debt which is needed to fund its \$1.75 trillion budget deficit. In addition, selling by mortgage securities investors, who would sell or buy US Treasuries to hedge their positions when yields move above or below certain levels, added to the bond sell off. Investors fear that rising yields will increase borrowing costs and may undermine any economic recovery. The sell off in both bonds and equities comes as a surprise as the two traditionally move in opposite directions. Treasuries prices generally fall when investors' appetite for riskier assets such as stocks increases and vice versa. However there was some positive news from the US as President Barack Obama reiterated his stance that the US economy is showing signs of stabilisation after suffering the worst economic crisis in decades. Obama reassured the international community that it is safe to say that we have stepped away from the brink. As for today we will be paying close attention to economic releases from the US including weekly jobless claims, new home sales data and durable goods orders.

Bradford & Bingley : Misses payments on hybrid debt

Analyst : Oliver Gilvarry

Bradford & Bingley Plc. announced after the market closed on Tuesday that it will not make payments on a number of its hybrid bank debt. This debt includes Perpetual subordinated bonds and Lower Tier 2 subordinated bonds. The bank will miss payments on £50m of 11.625% Perpetual subordinated bonds, £125m of 6.625% Lower Tier 2 bonds due in June 2023 and £150m of Floating Rate Note (FRN) Lower Tier 2 bonds due in March 2054. Payments on these three bonds were due in June and July of this year. Banks can miss payments on Perpetual bonds without it been classified as a default, but the same doesn't apply to Lower Tier 2 bonds. Bradford & Bingley ability to defer payments on Lower Tier 2 debt was made possible due to a change by the UK Government to the terms of the nationalisation of the lender in February. The decision by Bradford & Bingley to suspend payments on certain debt instruments raises concerns over subordinated debt in other banks and building societies the UK Government owns or may take over. In Ireland, Anglo Irish Bank continued paying coupons on Perpetuities it had issued, but it seems likely these will be suspended due to the rumoured losses the bank will report when it releases its half year results. Lower Tier 2 debt is covered under the Irish Government guarantee up to September 2010 and suspension of these coupons is unlikely by any Irish bank covered under the scheme up to that date.

CRH : Buy Current Price (€17.28)

Price Target (€19.00)

Analyst : Stephen Taylor

Wolseley has issued a trading statement for the 9-month period ended 30/04/2009. The group reported that trading profit for the period was down 58% to £189m with profit before tax and exceptional items down 80% to £72m. Net debt for the group declined to £1,534 from £2,875m last year representing gearing of 38.5% compared to 81.2% last year. The reduction in net debt is primarily as a result of proceeds from the group's recent capital raising in addition to improved working capital efficiency. All of the group's geographic regions continue to show economic weakness. Revenue in the UK and Ireland continued to deteriorate principally due to further weakness in the RMI and recent softening of the commercial and industrial markets. In France and the Nordic markets continued to show deterioration although the rate of decline has showed signs of stabilisation. In the US the group's Ferguson division continued to gain market share, however revenue were down approximately 15% year on year. In relation to its outlook, Wolseley expects business activity to continue to deteriorate in the short-term and the group anticipates that trading conditions will remain challenging until at least early 2010. CRH remains our top pick in the construction sector given its strong balance sheet and it will be a significant beneficiary of the US stimulus package. We would look to buy shares in CRH at c. €16.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,749	1.9%	15.7%
FTSE	4,416	0.1%	-1.4%
Dow Jones	8,300	-2.0%	-5.4%
S&P	893	-1.9%	-1.1%
Nikkei	9,451	0.1%	6.7%
Stoxx 50	2,479	0.4%	0.2%

Sector Performances

Sector	Index	1-Day	YTD
Construction	225	0.8%	7.7%
Technology	173	1.3%	11.6%
Oil & Gas	295	0.4%	9.8%
Financials	184	1.2%	19.8%
Retail	214	2.2%	15.1%
Food & Drink	235	-0.3%	-0.1%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	63.5	1.6%	15.9%
Copper	212.1	-0.9%	46.4%
Gold	949.9	-0.2%	7.4%
Silver	14.9	1.8%	30.2%
Wheat	625.8	2.2%	-2.2%
Cattle	83.1	-0.9%	-3.0%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.382	-1.1%	-1.0%
€/£	0.867	-1.3%	-9.5%
£/\$	1.595	0.2%	7.8%
\$/JPY	95.33	0.3%	6.4%
€/JPY	131.82	-0.8%	5.4%
€/SFR	1.511	-0.3%	1.3%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	137.9	-6.3%	-22.0%
High Yield	884.9	2.0%	-16.2%
Financials	122.7	0.1%	2.6%
BoI	319.4	2.1%	29.7%
AIB	312.3	2.5%	47.9%
RBS	180.9	0.1%	30.5%

Money Market Rates

Rate	EUR	UK	US
Overnight	1.1%	0.4%	0.2%
3-Month	1.3%	1.3%	0.7%
1-Year	1.5%	1.3%	0.9%
2-Year	1.8%	1.9%	1.4%
5-Year	2.8%	3.3%	3.0%
10-Year	3.7%	4.0%	4.1%

Date Company Region Event

Date	Company	Region	Event
27/05/2009	Trintech Group PLC (IRI	IE	Q1
27/05/2009	Ubisoft Entertainment S	FR	Q4
27/05/2009	Air Berlin PLC	DE	Q1
27/05/2009	BSS Group Plc	GB	PRELIM
27/05/2009	Northern Foods Plc	GB	PRELIM
27/05/2009	3I Group Plc	GB	MEETING
27/05/2009	Legal and General Grou	GB	AGM
27/05/2009	Taylor Wimpey Plc	GB	EGM
27/05/2009	Staples, Inc.	US	Q1
27/05/2009	AutoZone Inc.	US	Q3
27/05/2009	Polo Ralph Lauren Corp	US	Q4
28/05/2009	Tullow Oil PLC	IE	S/HOLDERS
28/05/2009	Man Group Plc	GB	PRELIM
28/05/2009	United Utilities Group Pl	GB	PRELIM
28/05/2009	Antofagasta PLC	GB	Q1
28/05/2009	Wolseley plc	GB	TRADE
28/05/2009	Tate & Lyle	GB	FINAL
28/05/2009	Scisys Plc	GB	AGM
28/05/2009	Sears Hldngs Corp	US	Q1
28/05/2009	Novell, Inc.	US	Q2
28/05/2009	H.J. Heinz Co.	US	Q4
29/05/2009	Premier Oil PLC	GB	AGM
29/05/2009	Tiffany & Co.	US	Q1

Date Event Region Estimate

Date	Event	Region	Estimate
27/05/2009	CPI - EU Harmonised (MoM)	GE	0.10%
27/05/2009	MBA Mortgage Applications	US	--
27/05/2009	Consumer Price Index (MoM)	GE	0.10%
27/05/2009	House Price Index MoM	US	0.20%
27/05/2009	Existing Home Sales MoM	US	1.80%
28/05/2009	ILO Unemployment Rate	GE	7.70%
28/05/2009	Unemployment Rate (s.a)	GE	8.40%
28/05/2009	Business Climate Indicator	EC	-3.05
28/05/2009	Euro-Zone Consumer Confid	EC	-30
28/05/2009	Durable Goods Orders	US	0.50%
28/05/2009	Initial Jobless Claims	US	635K
28/05/2009	New Home Sales MoM	US	1.50%
28/05/2009	Industrial Production sa (MoI	IE	--
29/05/2009	GfK Consumer Confidence S	UK	-25
29/05/2009	Euro-Zone M3 s.a. (YoY)	EC	4.60%
29/05/2009	Euro-Zone CPI Estimate (Yo	EC	0.20%
29/05/2009	Euro-Zone Unemployment R	EC	9.10%
29/05/2009	GDP QoQ (Annualized)	US	-5.50%
29/05/2009	Personal Consumption	US	2.00%
29/05/2009	Core PCE QoQ	US	1.50%
29/05/2009	Chicago Purchasing Manage	US	42
29/05/2009	U. of Michigan Confidence	US	68
01/06/2009	PMI Manufacturing	GE	--

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