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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6644 ↑	4	0.06%	11.0	7.20%
FTSE 100	5228 ↓	-28	-0.53%	13.5	8.60%
DAX 30	4784 ↓	-72	-1.49%	15.0	12.40%
DOW	10397 ↓	-53	-0.51%	19.5	-3.58%
NASDAQ	2121 ↓	-14	-0.64%	15.6	1.52%
S&P	1205 ↓	-7	-0.60%	21.0	-0.57%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2334	0.6824	136.0300
Dollar	1.2334	1.0000	1.8074	110.2500
Sterling	0.6824	1.8074	1.0000	199.2800
Yen	136.0300	110.2500	199.2800	1.0000
Oil (Nymex)	69.8200			

This Week's Research

Today's Research Kerry Group

Breaking News

DCC announces Belgian acquisition

On Friday DCC said it has completed the acquisition of Belgium's Advanced Business Computing SA for a total €7.82m, expanding its IT distribution activities into the Benelux region. The company said it bought the trade, goodwill and certain of the assets of AB Computing and AB Computers (Luxembourg) SA for €5.72m in cash. In addition a further investment in working capital of €2.10m will be required. Chief executive and deputy chairman Jim Flavin said: 'The current strength of AB Computing in its core Belgian and Luxembourg markets allied with the experience and product portfolio of Distrilogie is a strong combination that should deliver synergistic organic growth opportunities in the future.'

Wife of new WW CEO purchases shares

It has been revealed that last week, Lynn Cameron, the wife of Waterford Wedgwood's incoming chief executive Peter Cameron, has bought 13m shares in the group. The purchase gives her a 0.3% holding in the company. The shares were bought at a price of 6.1 cent each.

US consumer optimism weaker in August

U.S. consumer sentiment fell more than expected in August from July due to record gasoline prices, a report said on Friday. The University of Michigan said its reading on consumer confidence at the end of August was 89.1, down from a 96.5 final reading for July. The final August figure was below an initial reading of 92.7, which was what analysts had also expected for the final reading.

Business Press

- Precinct hopes to restart Jurys talks following Halifax deal (IT)
- Asda cuts prices and targets Tesco (II)
- Somerfield bids expected after pensions agreement (FT)
- Yield curve on US Treasuries close to inverting (FT)

Kerry (€20.65) Take profits before results Stuart Draper

- Results preview : Tomorrow morning, 30th August, Kerry Group will announce results for the 6 months ended 30/06/05. We are forecasting a 9% increase in profit before tax to €96m. The main features of the results are likely to be strong volume growth being offset by some slight margin erosion and negative sterling and US dollar currency effects.
- Margin erosion : Margin erosion is being driven currently by ferocious competition in the UK and Irish retail sectors where price deflation is a common theme, as well as a weakening of consumer spending in continental Europe.
- European consumer : Earlier this month, Kerry Group bought UK ready-made Indian food producer, Noon Group, for £124m in an expansion of its UK chilled ready-meals business. Financed through existing lines of credit, such deals continue to be a reliable source of earnings growth.
- Fairly valued : However, our view is that the high single digit level of such continued earnings growth is now quite fairly valued by the current share price, which is trading at 15.3x consensus 2005 eps of €1.35.
- Recommendation downgrade : Therefore, following the 20% rise in the share price since our last BUY note of 30/08/04, we downgrade our Kerry recommendation from BUY to NEUTRAL ahead of tomorrow's results. Even though the results are unlikely to contain any significant negative surprises, our view is that the share price may now have limited further upside potential in the medium term from current levels : **NEUTRAL**.

Investment Press— Lex

- Gilts: Why is the UK yield curve inverted? Despite clear indications from the Bank of England that base rates are unlikely to move much lower than 4.5 per cent, yields on gilts out to five years remain at about 4.15 per cent.



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