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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8196 ↓	-217	-2.58%	14.1	-12.89%
FTSE 100	6102 ↓	-118	-1.89%	13.2	-1.91%
DAX 30	7430 ↓	-56	-0.74%	14.2	12.63%
DOW	13042 ↓	-280	-2.10%	15.2	4.64%
NASDAQ	2501 ↓	-61	-2.37%	26.1	3.53%
S&P	1432 ↓	-34	-2.35%	15.9	0.99%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3617	0.6772	156.2600
Dollar	1.3617	1.0000	2.0096	114.8700
Sterling	0.6772	2.0096	1.0000	230.7400
Interest Rates (%)	4.0000	5.2500	5.7500	0.5000
Oil (Nymex)	71.7300			

This Week's Research
Cadbury Schweppes
CRH

Today's Research
IL&P

Breaking News

IL&P (€17.56) Strong H1 results announced Stuart Draper
Target : €20 (24/08/07 ; previously €23, issued 15/12/06)

- Results announced : This morning, Irish Life & Permanent (IL&P) announced its results for the 6 months ended 30/06/07. Operating profit before tax and eps of €321m and 102.8c respectively, were c.5% ahead of consensus forecasts of €305m and 98c, and were year on year increases of 33% and 26%. The strong earnings growth was driven by 41% life sales growth to €350m, with particularly strong pension and investment products sales. The H1 dividend was increased by 12% to 22.5c.
- Life growth : As life and pensions sales contribute c.52% of group profits, and banking c.38%, IL&P was able to further upgrade its guidance for % full year growth in pre-tax operating profit from "high teens" to "over 20%". This follows a previous profit guidance upgrade as recently the group's June trading statement. This would indicate that the slowdown in the Irish mortgage market is not as major as some currently fear. The strong life growth is also being achieved against a favourable margin outlook, as higher margin products such as property bonds make up a greater portion of the life sales product mix.
- Bank growth : The lower level of Irish mortgage loan growth was also offset by 30% UK mortgage loan growth and 27% commercial loan growth, and as a result, full year loan growth of mid to high teens % is still expected. The abolishment of stamp duty for first-time buyers in June, in removing a major uncertainty from the Irish housing market, should also help prevent any major H2 2007 slowdown in Irish mortgage lending. Gross new inflows of €2.4 bn were also achieved at ILIM, versus €1.1 bn for H1 2006, which was boosted by €679m of EBS Summit Funds acquired during the period.
- SOTP valuation : Valuing the group's banking business at 10x 2007 eps of 63c to reflect its continued solid earnings growth prospects gives a per share value of €6.30, valuing the group's life business at 1.7x 2007 embedded value per share of €6.95 to reflect its above average future growth prospects gives a per share value of €11.82, and valuing the group's 30% interest in Allianz Ireland at 10x 2007 eps of 20c, gives a per share value of €2. Summing these 3 different parts gives a per share value for the group on a stand-alone basis of €20.12, and our current conservative price target of €20 (14% upside), which takes account of the downward move in peer valuations in recent months. When combined with a dividend yield of c.4.2%, this provides an attractive total return from current levels : **BUY**.

Breaking News

FBD reports 8.5% drop in first half earnings

FBD reported an 8.5% drop in operating earnings per share (EPS) to €1.58 and below analyst expectations of €1.70. Revenues from premiums increased to €205.4m from €204m a year earlier. FBD said that this outcome had been achieved through volume growth which offset the effect of premium reductions, however the group pointed out that the market had remained 'soft' during the period. Net operating expenses rose to €26.7m from €23m in the previous year due to investment in staff, training and technology. FBD announced an interim dividend of €0.275, representing a 14.6% increase. On its outlook, FBD commented that it continued to achieve strong and profitable growth enhancing the further development potential of its business. As a result, it expects to achieve the market's expectations for full year operating EPS of €3.21.

Glanbia's first half earnings rise by 26%

Glanbia reported first half EPS that rose by 26% to 11.47c and ahead of consensus of 11.15c. Revenue increased by 13% to €1.04bn. The company commented that its performance was driven by strong results from its Food Ingredients USA and the global nutritional businesses. Buoyant world dairy markets were also a contributing factor, as expanded demand coupled with constrained supply, saw global markets rise to record levels. Glanbia's CEO John Moloney commented that he expects the group to deliver full year earnings growth in the high teens, which is an upgrade to current market expectations. The company also said it has €100m for acquisitions.

Ryanair resolves row with Charleroi airport

Ryanair has resolved a dispute with Belgium's Charleroi airport removing its threat to suspend operations there from November 12th. The company said it had reached agreement with airport authorities over the weekend and had resumed talks about further growth and route development. Ryanair had demanded a guarantee that there would be no wildcat strikes at the airport like the one that closed it for a weekend in June stranding 22,500 passengers. Ryanair welcomed the recent agreement between the Ministry of Transport and public service unions that will guarantee any strikes in the future to be accompanied by a minimum of 48 hours notice.

Business Press

- CRH may buy €6bn rival Tarmac (IT)
- Profit results put Blackrock on track for €1bn in assets (IT)
- Great leap forward for VW in China (FT)
- Nokia set to strike a fresh strategic note (FT)

Investment Press

- Housing pain: It keeps coming back to US housing, at least as far as the markets are concerned

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