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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6130 ↑	27	0.44%	11.0	-1.10%
FTSE 100	4923 ↑	13	0.26%	13.5	2.26%
DAX 30	4344 ↑	27	0.63%	15.0	2.07%
DOW	10486 ↑	43	0.41%	19.5	-2.76%
NASDAQ	1993 ↑	2	0.08%	15.6	-4.62%
S&P	1174 ↑	3	0.28%	21.0	-3.11%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2943	0.6915	138.5800
Dollar	1.2943	1.0000	1.8717	107.0500
Sterling	0.6915	1.8717	1.0000	198.8500
Yen	138.5800	107.0500	198.8500	1.0000

## This Week's Research

## Today's Research IFG Group

## Today's Recommendations

## Breaking News

### Ahold earnings disappoint

Dutch food retailer Ahold made an operating profit of 207 million euros in the fourth quarter of 2004, missing analysts' expectations, but said its retail operating profit margin had improved to nearly three percent from 2.24 percent a year earlier.. It had a fourth-quarter net income of 96 million euros and a full-year loss of 443 million euros due to charges for disposals in Latin America, the company said this morning. "2004 was our year of transition, 2005 is turing into a year of execution," chief executive officer Anders Moberg said in a statement.

### BBVA confirms bid for Italy's BNL

Spanish bank BBVA confirmed its intention on Monday to go ahead with a 6.4 billion euro bid for Italy's BNL in an attempt to establish a foothold in the Italian market. It is believed that BBVA, which already owns 14.7 percent of BNL, will bid for the rest of Italy's sixth-biggest bank on the same terms it had proposed earlier, one new BBVA share for every five in BNL. A successful bid would be Italy's first foreign bank takeover and vault BBVA from eighth place to sixth among Europe's biggest banks by market capitalisation. It would also enable BBVA to narrow the gap with Spanish arch-rival Santander Central Hispano, which recently acquired Britain's Abbey for 9.65 billion pounds to become Europe's number four bank.

### US stocks close higher

U.S. stocks edged up on Monday, gaining ground after 3 weeks of losses, as a drop in crude oil eased concern that high energy prices will cut into profits and a strengthening dollar also gave investors cause for optimism. AIG was among the top gainers on the Dow after Merrill Lynch reiterated its 'buy' recommendation on the stock.

### IFG Group (€1)

### Upgrading price target

Stuart Draper

- Results preview : Next Monday, 4th April, IFG Group will report results for the year ended 31/12/04. Earnings per share of 10c is forecast, a very similar result to the 10.5c of 2003, with the strong growth of the International and Irish businesses being held back by some year on year profit declines at the group's UK businesses.
- UK recovery : However, helped by the recent appointment of a new CEO for its UK businesses, this division which contains pension release, actuarial and IFA units, is likely to show some recovery in 2005.
- Debt reduction : When combined with further growth at the international and Irish businesses, this means that strong overall group growth is likely to resume in 2005. Next Monday's results are also likely to show net debt reduction of c.€20m over the course of 2004, leaving year end net debt at c.€38m.
- 2005 growth : The consensus forecast is that IFG will generate earnings per share of 12c in 2005, representing strong growth on the likely flat result for 2004. If the market becomes comfortable next week that such earnings growth will resume in 2005, the shares could achieve another re-rating.
- Further upside : As a result of the prospect of this growth resuming in 2005, we now upgrade our current 12 month share price target for IFG from €1 to €1.20 (20% further upside), which is based on 10x consensus 2005 earnings per share of 12c. IFG's share price has risen by 28% since our last BUY note of 26/11/04 : BUY.

## Business Press

- BT's chief hits back over rivals' complaints (FT)
- Stocks may face limbo without dollar-oil tie (WSJE)
- Dollar hits a six-month high on euro (II)
- Oil price eases to \$54.44 a barrel (II)
- British house market stabilising (IE)

## Investment Press— Lex

- M&A: The market for mergers and acquisitions is hotter than it feels. Worldwide deal volumes for the first quarter, at \$513bn, are up just 3 per cent on last year. But annualising the figure puts 2005 on course for the fourth-highest total ever.



DOLMEN SECURITIES

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