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### Market Movers

## IRISH PAPERS TODAY

Eurozone signals support for Greece bailout  
*(The Irish Times)*

Aer Lingus may offer more Shannon routes  
*(The Irish Times)*

Airline passengers traffic records slump in capital  
*(The Irish Independent)*

## INTERNATIONAL PAPERS TODAY

EU signals last-resort backing for Greece *(The Financial Times)*

JPMorgan to launch global corporate bank unit *(The Financial Times)*

Greeks beg market's support  
*(The Wall Street Journal)*

## Market View

**Analyst : Stephen Taylor**

European equity markets are higher this morning reversing some of yesterday's losses however sentiment remains negative despite the broadly better than expected earnings season. While there has been a number of disappointing results like Qualcomm yesterday, for the most part earnings have been relatively strong. Yesterday Procter & Gamble, Nokia, Microsoft and Amazon's better than expected earnings provide us with confidence that the consumer is back spending again and the outlook for recovery is improving. Ben Bernanke's reappointment as Chairman of the Federal Reserve should also be taken as a positive. All that been said short-term concerns continue to remain surrounding sovereign debt in particular Greece in addition to the recent dip in some economic numbers. We do remain positive on equity markets longer-term, however volatility is likely to remain until issues surrounding Greece are resolved. As for today the main focus will be on economic data out of the US with fourth quarter GDP due for release. Expectations are for a 4.7% increase quarter on quarter following a 2.2% increase in the third quarter. On the earnings front, results from Chevron and Honeywell will also be closely watched.

## Greek Sovereign Debt

**Analyst: Oliver Gilvarry**

Concerns over Greece continued to come to the forefront yesterday impacting ion financial markets. Spreads on Greek debt over German 10-year bonds moved to levels not seen since the late 90's. Greek CDS levels are now 407bps compared to 270bps at the start of January. The difference between Greek and German Government debt has tightened slightly this morning and is now 382bps. This has been helped by comments by European officials that Europe will not abandon Greece and let its fiscal problems endanger the Euro project. Comments by the officials indicate Greece would receive emergency support as a last resort. This support would come from Euro-Zone Governments and the European Commission. We would expect this support will come with significant strings attached such as severe fiscal rectitude programmes enforced on Greece. We believe the Greek issue will remain in the forefront over the next couple of weeks as Europe will not implement any bailout until all hopes of the Greeks solving this problem themselves are exhausted. Ireland has remained out of focus in the current crisis, but our spreads over Germany have moved out to 164bps from 147bps a week ago.

**Microsoft : Buy** Yesterday's Close \$29.15 Price Target \$35.00 Analyst Stephen Taylor

Last night Microsoft reported a strong set of fiscal second quarter results that were ahead of expectations on both the top and bottom line boosted by the release of Windows 7. Net profit increased by 60% to \$6.66bn or 74c per share beating consensus of 59c. Revenue increased by 14% to \$19bn also beating expectations of \$17.9bn. The group noted that the strength from results was boosted by consumer purchases rather increased corporate demand. We expect that as corporate demand picks up in the second half of the year, this will provide a further boost to Microsoft's earnings. We maintain our buy recommendation on Microsoft and would use any weakness as a buying opportunity. We will publish a detailed note on Microsoft next week.



### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,948	-0.1%	-0.1%
FTSE	5,146	-1.4%	-4.3%
Dow Jones	10,120	-1.1%	-2.9%
S&P	1,085	-1.2%	-2.7%
Nikkei	10,414	1.6%	-3.3%
Stoxx 50	2,737	-1.8%	-6.9%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	259	-1.6%	-5.5%
Technology	191	1.8%	4.3%
Oil & Gas	319	-1.4%	-2.8%
Financials	204	-1.2%	-6.6%
Retail	248	0.9%	1.8%
Food & Drink	304	-0.1%	0.1%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	73.6	0.0%	-7.5%
Copper	309.8	-3.9%	-7.4%
Gold	1,087.1	-0.1%	-1.2%
Silver	16.2	-1.4%	-3.4%
Wheat	487.0	0.7%	-10.5%
Cattle	89.2	0.3%	-0.9%

### Currency Exchange Rates

Currency	Index	1-Day	YTD
€/\$	1.397	-0.4%	2.5%
€/£	0.866	-0.2%	2.5%
£/\$	1.614	-0.2%	0.1%
\$/JPY	89.920	-0.1%	3.0%
€/JPY	125.630	-0.5%	5.6%
€/SFR	1.470	-0.2%	1.1%

### 5Yr Credit Spreads

Product	Index	1-Day	YTD
Invest Grade	76.1	0.2%	10.0%
High Yield	447.7	-0.8%	5.8%
Financials	82.8	3.1%	16.2%
BoI	210.0	5.3%	-13.6%
AIB	227.1	-2.5%	-17.8%
RBS	134.8	3.4%	-2.3%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.5%	0.2%
3-Month	0.7%	0.6%	0.2%
1-Year	1.2%	0.9%	0.5%
2-Year	1.7%	1.7%	1.1%
5-Year	2.6%	3.1%	2.7%
10-Year	3.4%	3.9%	3.8%

Date	Company	Region	Event
29/01/2010	Chevron	US	Q4
29/01/2010	Fortune Brands	US	Q4
29/01/2010	Honeywell	US	Q4
01/02/2010	Ryanair Holdings PLC	IE	Q3
01/02/2010	Gannett	US	Q4
01/02/2010	Humana	US	Q4
02/02/2010	Vinci SA	FR	Q4 SALES
02/02/2010	Muenchener Rueckversicherungs	DE	PRELIM
02/02/2010	ARM Holdings PLC	GB	Q4
02/02/2010	BP Plc	GB	Q4
02/02/2010	Gladstone PLC	GB	EGM
02/02/2010	Imperial Tobacco Group PLC	GB	AGM
02/02/2010	D.R. Horton	US	Q1
02/02/2010	Emerson Electric	US	Q1
02/02/2010	Automatic Data Processing	US	Q2
02/02/2010	News Corp.	US	Q2
02/02/2010	Cummins	US	Q4
02/02/2010	Marathon Oil Corp.	US	Q4
02/02/2010	The Dow Chemical Co.	US	Q4
02/02/2010	United Parcel Service	US	Q4
03/02/2010	Axis AB	SE	Q4
03/02/2010	Electrolux AB	SE	Q4

Date	Event	Region	Estimate
29/01/2010	GfK Consumer Confidence Surve	UK	--
29/01/2010	Euro-Zone M3 s.a. (YoY)	EC	--
29/01/2010	Euro-Zone Unemployment Rate	EC	--
29/01/2010	GDP QoQ (Annualized)	US	4.20%
29/01/2010	Personal Consumption	US	--
29/01/2010	Core PCE QoQ	US	--
29/01/2010	Chicago Purchasing Manager	US	--
29/01/2010	U. of Michigan Confidence	US	--
01/02/2010	Hometrack Housing Survey (MoM)	UK	--
01/02/2010	PMI Manufacturing	GE	--
01/02/2010	PMI Manufacturing	EC	--
01/02/2010	Net Consumer Credit	UK	--
01/02/2010	M4 Money Supply (MoM)	UK	--
01/02/2010	PMI Manufacturing	UK	--
01/02/2010	Personal Income	US	0.30%
01/02/2010	PCE Core (MoM)	US	--
01/02/2010	ISM Manufacturing	US	--
01/02/2010	Construction Spending MoM	US	--
02/02/2010	PMI Construction	UK	--
02/02/2010	Euro-Zone PPI (MoM)	EC	--
02/02/2010	Pending Home Sales MoM	US	--
02/02/2010	ABC Consumer Confidence	US	--

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