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Market Movers

IRISH PAPERS TODAY

- Lebedev declares interest in IN&M titles
(The Irish Times)
- Ryanair rises despite wider market weak condition
(The Irish Times)
- AIB signals new boss won't be found by autumn
(Irish Independent)

INTERNATIONAL PAPERS TODAY

- BP chief sees little sign of upturn in demand
(Financial Times)
- Banco Santander looks to spin off Brazilian arm in \$3bn IPO
(Financial Times)
- Housing data offer hope
(The Wall Street Journal)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	-0.9%	5.3%
BP	-3.1%	-3.6%
CRH	-1.9%	3.1%
DCC	-0.4%	46.4%
E.ON	-0.5%	-8.5%
HPQ	0.3%	15.7%
IL&P	-1.8%	102.2%
INM	4.8%	-47.9%
J&J	-0.6%	1.8%
JPMorgan	-0.1%	20.8%
Microsoft	1.6%	20.7%
Vodafone	-1.2%	-13.7%

Market View

Analyst : Edward Keeling

European equity markets have rebounded this morning after some profit taking and disappointing US consumer confidence data sent indices lower yesterday. The US consumer sentiment index fell to 46.6 in July from 49.3 in June and below the economists' forecasts of 49. It appears higher oil prices are continuing to weigh on consumer sentiment. Decliners outnumbered advancers on the NYSE by a ratio of about 8 to 7. However the Nasdaq, the predominantly technology orientated index, bucked the trend and posted some modest gains. Bonds also came under some pressure yesterday as weak results in an auction of a record \$42bn of two year notes raised fears that investor appetite for US debt is weakening. There was a weak session in Asia overnight again pointing towards profit taking. Reports that China's two largest state owned banks have lowered their 2009 lending targets also spooked investors. Looking ahead to today's session, the main focus will be on economic releases in the form of US durable goods orders at 13:30 and the Fed's Beige book release after the close.

Banco Santander : First Half results

Analyst : Oliver Gilvarry

Banco Santander following on from its peer BBVA has released first half results this morning. Net profits beat expectations at €4.52bn driven by growth in revenues, up 14%. Following on from the acquisitions last year, the group generates 50% of its profit in continental Europe, 34% in Latin America and 16% in the UK. In continental Europe, loans grew by 1% and deposits grew by 17% and in the UK loan growth was 43% with deposits growing by 66%. For the group as a whole, loans increased by 16% and deposits increased by 36%. This highlights the ability of the bank to attract deposits and its capability to write business in the current difficult economic environment. On credit quality, non-performing loans were 2.82% of the book with the coverage rate falling to 72% from 80% in Q1. Capital ratios are strong with core tier 1 increasing by 20bps from the end of March to 7.5%. Management stated in the results release that the group expects to match the level of ordinary net profit generated in 2008 this year. Management also expect to maintain shareholder remuneration of €4.812bn this year. Today the group also announced it is combining its consumer finance business in Poland with AIG. Santander will own 70% of the new entity and will be assuming management control.

Cadbury: Strong first half profits

Analyst : Oliver Gilvarry

Cadbury released first half results this morning, which were better than expected. First half profits from continuing activities increased by 35% to £319m, higher than the £304m consensus estimates. Revenue increased 4% on a constant currency basis and 13% taking into account currency moves. Management reiterated guidance on full year revenue growth towards the lower end of the range of 4-6%, they believe it is "too early to call" if volumes will improve in the second half of the year. On margins, full year margins should increase by 80-100bps on a constant currency basis and the group is on target to deliver mid-teen margin guidance by 2011. The group also increased the first half dividend by 8% to 5.7p.

CRH: Buy Current Price (€16.85) Price target (€19.00) Analyst : Stephen Taylor

Last night peer of CRH, Cemex, reported second quarter net profit that declined to \$187m. Revenue declined by 34% to \$4.19bn. Revenue was expected to come in at \$4.77bn. The group pointed out that lower sales in the quarter were primarily attributable to lower volumes, mainly from its US and Spanish operations. Cemex's sales in the US dropped by 43% to \$745.9m, while cement shipments declined by 37%. Spanish sales declined by 54% as cement shipments dropped by 43%. In the UK, sales declined by 40%. The group's total debt increased to \$19.3bn at the end of June, up from \$18.8bn in the previous quarter. Overall we take Cemex's results as a negative read across for CRH this morning. However, given the underleveraged nature of CRH's balance sheet the group has scope to make earnings acquisitions. CRH will also be a significant beneficiary for the US stimulus package. We would look to buy shares in CRH sub €16.00.

MSFT: Buy Current Price (\$23.38) Price target (Under Review) Analyst : Stephen Taylor

German business software maker SAP has reported second quarter earnings. Second quarter EBIT declined by 2% to €714m beating expectations of €634m. The beat in expectations can be attributed to increased cost savings. Software revenue declined by 40% to €543m, while software and software related service revenue fell by 8% to €1.95bn. SAP raised its full year operating margin forecasts and now expects it to be in the range of 25.5% to 27% versus its previous forecast of 24.5% to 25.5%. The group did however lower its software and service related revenue forecast to fall by 4% to 6% versus its previous forecast of being 'flat' to 1% lower. Like many of the large cap technology stocks that have reported, SAP pointed out that while the operating environment remains difficult, the company is beginning to see signs of increased visibility for the second half of the year.



Ryanair : Under Review

Current Price (€3.21)

Analyst : David Dunk

This morning easyJet has released its third quarter interim statement. Total revenue increased 12% to £721m. Total revenue per seat increased 10.9% to £51.42, an increase of 4.8% on a constant currency basis. Easter fell in the third quarter of this reporting period, which would have improved performance for the period. Passenger numbers increased 2.9% to 11.9m, with a 12% increase in passengers originating from mainland Europe. EasyJet's balance sheet remains strong, with £962m of cash and money market deposits, and un-drawn facilities of \$0.5bn. On a constant currency basis, total revenue and costs excluding fuel continue to perform in line with previous guidance. Additionally over 75% of available summer seats are now booked. EasyJet expects to deliver on underlying pre-tax profit of between £25m to £50m.

BHP: Buy

Current Price (1523p)

Price target (1800p)

Analyst : David Dunk

Steelmaker ArcelorMittal has released its second quarter earnings this morning. Net loss was \$792m, greater than analyst expectations of a loss of \$375m. The company sees the first half of the current year as the bottom of the cycle, and expects strong demand growth from emerging markets going forward. The company is seeing initial signs of recovery in global markets. ArcelorMittal expects to increase production in the third quarter, and is guiding for EBITDA of \$1.4bn-\$1.8bn for the quarter. Separately, BHP Billiton has released an update on its iron ore negotiations. BHP has fixed one year contracts for 23% of its production at a 33% discount to previous year. A further 30% of the production has been sold on a mix of quarterly negotiated pricing, spot market, and index based pricing. Negotiation for the remaining 47% of production is ongoing. While BHP did not specify which of its customers it had yet to reach agreements with, a Chinese steel industry official has stated that the major Chinese steel mills had yet to reach agreement with suppliers. Although the big miners have not yet reached agreements with Chinese steel mills, we are expecting a positive outcome, in the near future.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,758	-0.5%	17.7%
FTSE	4,529	-1.2%	2.8%
Dow Jones	9,097	-0.1%	3.6%
S&P	980	-0.3%	8.5%
Nikkei	10,113	0.3%	14.2%
Stoxx 50	2,573	-1.1%	6.3%

Sector Performances

Sector	Index	1-Day	YTD
Construction	225	-1.5%	11.4%
Technology	168	-0.6%	10.3%
Oil & Gas	294	-2.3%	10.8%
Financials	197	-1.6%	31.7%
Retail	224	0.0%	22.5%
Food & Drink	252	0.3%	9.4%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	67.2	-1.7%	16.8%
Copper	252.1	-1.0%	72.6%
Gold	937.5	-1.7%	6.2%
Silver	13.7	-1.8%	19.8%
Wheat	516.3	-0.8%	-21.0%
Cattle	90.6	0.4%	1.1%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.417	-0.5%	1.4%
€/£	0.862	-0.1%	-10.4%
£/\$	1.643	-0.4%	10.7%
\$/JPY	94.55	-0.7%	4.0%
€/JPY	133.95	-1.1%	5.3%
€/SFR	1.524	0.0%	1.9%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	108.6	-6.3%	-37.2%
High Yield	694.1	0.1%	-29.3%
Financials	84.6	3.7%	-27.7%
BoI	349.8	0.0%	44.6%
AIB	358.2	1.5%	77.8%
RBS	131.8	0.9%	-3.7%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.2%
3-Month	0.9%	0.9%	0.5%
1-Year	1.3%	1.2%	0.8%
2-Year	1.8%	2.2%	1.5%
5-Year	2.9%	3.7%	3.0%
10-Year	3.7%	4.3%	3.9%

Date Company Region Event

29/07/2009	Peugeot SA	FR	INTERIM
29/07/2009	SAP AG	DE	PRELIM Q2
29/07/2009	Bayer AG	DE	Q2
29/07/2009	Daimler AG	DE	Q2
29/07/2009	Deutsche Bank AG	DE	Q2
29/07/2009	ArcelorMittal SA	LU	INTERIM
29/07/2009	Banco Santander SA	ES	Q2
29/07/2009	EasyJet PLC	GB	Q3 TRADE
29/07/2009	Halfords Group Plc	GB	TRADE
29/07/2009	Cadbury PLC	GB	INTERIM
29/07/2009	BG Group plc	GB	Q2
29/07/2009	Reckitt Benckiser Group	GB	Q2
29/07/2009	Symantec	US	Q1
29/07/2009	Coca-Cola Enterprises I	US	Q2
29/07/2009	Hertz Global Hldngs Inc	US	Q2
29/07/2009	ConocoPhillips	US	Q2
29/07/2009	Moody's Corporation	US	Q2
29/07/2009	Time Warner Inc.	US	Q2
29/07/2009	Watson Pharma.s, Inc.	US	Q2
29/07/2009	WellPoint, Inc.	US	Q2
30/07/2009	L'Oreal SA	FR	INTERIM SALES
30/07/2009	AIR France-KLM	FR	Q1

Date Event Region Estimate

29/07/2009	Euro-Zone M3 s.a. (YoY)	EC	--
29/07/2009	Net Consumer Credit	UK	0.3B
29/07/2009	M4 Money Supply (MoM)	UK	--
29/07/2009	MBA Mortgage Applications	US	--
29/07/2009	Durable Goods Orders	US	-0.50%
29/07/2009	Consumer Price Index (MoM)	GE	0.20%
29/07/2009	Fed's Beige Book	US	--
30/07/2009	Retail Sales (MoM)	GE	--
30/07/2009	Unemployment Rate (s.a)	GE	8.40%
30/07/2009	Business Climate Indicator	EC	-2.86
30/07/2009	Euro-Zone Consumer Confid	EC	-24
30/07/2009	Initial Jobless Claims	US	588K
31/07/2009	GfK Consumer Confidence S	UK	-23
31/07/2009	Euro-Zone CPI Estimate (Yo	EC	-0.40%
31/07/2009	Euro-Zone Unemployment R	EC	9.70%
31/07/2009	GDP QoQ (Annualized)	US	-1.50%
31/07/2009	Personal Consumption	US	-0.50%
31/07/2009	Core PCE QoQ	US	2.40%
31/07/2009	Chicago Purchasing Manage	US	42
03/08/2009	PMI Manufacturing	GE	--
03/08/2009	PMI Manufacturing	EC	--
03/08/2009	PMI Manufacturing	UK	--

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