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Market Movers

IRISH PAPERS TODAY

O'Reilly wins bond support for €200m bond settlement plan
(The Irish Times)

Wolseley's Irish business lost €32.5m in past year
(The Irish Times)

Aryzta's tasty results to go sour as recession bites
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Orange wins UK iPhone deal
(Financial Times)

Chinese seek huge stake in Nigeria oil
(Financial Times)

M&A is poised for rebound
(The Wall Street Journal)

Market View

Analyst : Edward Keeling

In the US equity indices finished higher overnight as an increase in merger & acquisition activity raised hopes of a sustained economic recovery. Three consecutive sessions of declines were reversed as a spur of corporate takeovers suggested that companies are becoming more positive on the economic outlook. Xerox Corp is to buy Affiliated Computer Services, and as we noted yesterday, Abbott Laboratories is to pay \$6.6 billion for Solvay's drug unit. Such corporate activity has traditionally been seen as an indicator of value in the market as it suggests it is more efficient for companies to expand through acquisitions as opposed to organically. One note of caution does arise from the noticeable drop off in volume. However we remain positive on equity markets and continue to expect asset reflation, with the continued unwinding of the credit crunch and exceptional monetary easing measures as key catalysts for moves higher. Another positive yesterday was the announcement from the International Monetary Fund's deputy managing director that it is set to increase its forecast for global growth next year to about 3% from 2.5% in the next few days. Looking ahead to today's session we will be closely watching Euro-zone consumer confidence data at 10:00, while in the US the CaseShiller home price index at 14:00 and US consumer confidence data at 15:00 will also be of importance. On the corporate front there will be a key insight into the global consumer when Nike reports its Q1 results.

IN&M : Neutral Current Price (€0.25) Price target (€0.45) Analyst : Oliver Gilvarry

Independent News & Media (INM) has reached an outline agreement on Financial Restructuring. The deal involves the conversion of debt into equity by the unsecured bondholders, a rights issue, sale of INM Outdoor Advertising business in South Africa and new senior debt bank facilities with new covenants and 4.5-year term. The bondholders are converting €123m of outstanding debt into 723.2m shares, a price of 17c per share. After this conversion, shareholders will be allowed to participate in a rights issue to raise €94m at 5c per share. This will be used to repay bondholders the remaining part of their debt. They will underwrite this rights issue and are charging a 5% underwriting fee. Once the conversion and rights issue is complete the bondholders will have a 47% stake in INM assuming the rights issue is fully taken up by shareholders. If shareholders don't take the rights issue, bondholders will own 76% of the outstanding equity of the company. The rights issue based on our calculations will be circa 1.203 shares for each existing share after the debt conversion. CEO of INM, Gavin O'Reilly, stated he expects all parties will move forward in implementing the restructure without delay. He also stated he believes the company is well positioned to benefit from cyclical recovery following this restructure. For the financial restructure to be approved, 75% of bondholders must agree and shareholders have to approve the rights issue at an EGM.

BOI : Neutral Current Price (€3.25) Price target (€3.35) Analyst : Oliver Gilvarry

Bank of Ireland is following AIB in issuing 3.5 year senior unsecured debt with a maturity date outside the guarantee period. Price is rumoured to be between 250 and 260 over midswaps. Following on from the AIB issue last week, we would expect the issue amount to be in the region of €1bn. The successful issuance of this bond by BOI will be another positive for the Irish banking system

Elan: Neutral Current Price (\$7.34) Price target (\$7.40) Analyst : David Dunk

Elan has announced a tender offer for its USD denominated bonds, scheduled to mature in 2011. The tender offer consists of a payment of \$1,019.38 per \$1,000 of notional and includes a \$30 per \$1,000 premium for tenders received by October 13th. The tender offer is scheduled to end on October 28th. At the same Elan has announced that it is seeking to issue \$600m of senior debt. The new issue will have a maturity date in 2016. Elan has given no guidance on the coupon that the new issue will pay, but we anticipate a yield greater than the 7.75% fixed coupon of the 2011 issue. Following on from the strategic investment by J&J, we do not anticipate any difficulties in Elan extending the maturity profile of its debt.

Petroceltic: Buy Current Price (17.5p) Price target (Under Review) Analyst : David Dunk

Petroceltic has released its interim results this morning. The company recorded a loss of \$2.1m over the period. This amounted to negative earnings per share of \$0.20. The company had \$81m of cash at the 30th of June 2009. The \$41m placing earlier this year boosted cash balances from \$43m at the end of the year. This allows Petroceltic the flexibility to commit to exploratory activities beyond Algeria in 2010. Following the farm out on its Ksar Hadada license in Tunisia, Petroceltic is preparing for seismic and drilling operations in 2010. PetroAsian Energy Holdings will finance Petroceltic's commitments for seismic testing and two wells up to \$14.5m. In Italy, Petroceltic intends to drill the Elsa prospect in the second half of 2010. In Algeria testing on the Ain Tsila ridge is set to continue, with test results from the INE-2 well scheduled following the completion of drilling on the AT-2 well. We will update our valuation of Petroceltic following today's announcement, and release a note later in the week.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,332	0.7%	43.2%
FTSE	5,082	0.1%	16.2%
Dow Jones	9,665	-0.4%	11.5%
S&P	1,044	-0.6%	17.7%
Nikkei	10,010	-2.5%	14.0%
Stoxx 50	2,899	2.4%	18.1%

Sector Performances

Sector	Index	1-Day	YTD
Construction	266	2.3%	1.7%
Technology	193	1.3%	3.7%
Oil & Gas	307	1.5%	2.9%
Financials	237	2.1%	2.4%
Retail	226	1.2%	1.5%
Food & Drink	269	0.7%	4.0%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	66.8	1.2%	15.5%
Copper	272.7	-0.5%	88.1%
Gold	991.1	0.0%	12.6%
Silver	16.2	0.8%	43.1%
Wheat	455.8	1.3%	-31.8%
Cattle	85.8	0.5%	-5.3%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.462	-0.5%	-4.2%
€/£	0.920	0.0%	4.0%
£/\$	1.588	-0.4%	-7.8%
\$/JPY	89.636	0.0%	1.0%
€/JPY	131.053	-0.5%	-3.2%
€/SFR	1.510	0.0%	-1.1%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	96.0	-0.8%	-46.0%
High Yield	550.0	0.4%	-47.5%
Financials	72.5	-0.3%	-40.2%
BoI	175.1	-0.9%	-33.5%
AIB	167.7	-2.2%	-17.2%
RBS	105.9	2.5%	-22.7%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.2%	0.8%	0.6%
2-Year	1.7%	1.8%	1.3%
5-Year	2.7%	3.3%	2.6%
10-Year	3.5%	3.9%	3.4%

Date Company Region Event

Date	Company	Region	Event
29/09/2009	Compass Group PLC	GB	TRADE
29/09/2009	Daily Mail and General T	GB	TRADE
29/09/2009	Enterprise Inns PLC	GB	TRADE
29/09/2009	A.G. Barr PLC	GB	INTERIM
29/09/2009	Barratt Developments P	GB	PRELIM
29/09/2009	Close Brothers Group P	GB	PRELIM
29/09/2009	France Telecom SA	FR	S/HOLDERS
29/09/2009	Walgreen	US	Q4
29/09/2009	Nike	US	Q1
30/09/2009	ESI Group SA	FR	Q2
30/09/2009	Mulberry Group PLC	GB	INTERIM
30/09/2009	Sibir Energy PLC	GB	INTERIM
30/09/2009	Man Group Plc	GB	TRADE
30/09/2009	Smiths Group PLC	GB	PRELIM
30/09/2009	Marks and Spencer Gro	GB	Q2 TRADE
30/09/2009	Misys PLC	GB	AGM
01/10/2009	Domino's Pizza UK & IR	GB	TRADE
01/10/2009	Constellation Brands, In	US	Q2
02/10/2009	Helphire Group plc	GB	PRELIM
02/10/2009	Hammerson PLC	GB	INTERIM

Date Event Region Estimate

Date	Event	Region	Estimate
29/09/2009	GDP (QoQ)	UK	-0.60%
29/09/2009	Net Consumer Credit	UK	0.0B
29/09/2009	M4 Money Supply (MoM)	UK	--
29/09/2009	Euro-Zone Consumer Confid	EC	-21
29/09/2009	S&P/CaseShiller Home Price	US	--
29/09/2009	Consumer Confidence	US	57
29/09/2009	ABC Consumer Confidence	US	--
30/09/2009	GfK Consumer Confidence S	UK	-24
30/09/2009	Retail Sales (MoM)	GE	0.20%
30/09/2009	Unemployment Change (000	GE	20K
30/09/2009	Euro-Zone CPI Estimate (Yo	EC	-0.20%
30/09/2009	MBA Mortgage Applications	US	--
30/09/2009	ADP Employment Change	US	-190K
30/09/2009	GDP QoQ (Annualized)	US	-1.20%
30/09/2009	Personal Consumption	US	-0.90%
30/09/2009	Core PCE QoQ	US	2.00%
30/09/2009	Chicago Purchasing Manage	US	52
01/10/2009	PMI Manufacturing	GE	49.6
01/10/2009	PMI Manufacturing	EC	49
01/10/2009	PMI Manufacturing	UK	50.1

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