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Market Movers

IRISH PAPERS TODAY

Index shows fall in contraction rate of manufacturing
(The Irish Times)

Clinical research giant Icon reports 8% rise in first-half operating profit
(The Irish Times)

Ulster Bank buoyed by €280m capital injection from RBS
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Insurers fear need for \$50bn cash call
(Financial Times)

Ebay to offload majority of Skype
(Financial Times)

World manufactures a recovery
(The Wall Street Journal)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	-0.8%	11.3%
BP	-2.3%	-1.1%
CRH	-0.5%	5.3%
DCC	-3.6%	56.2%
E.ON	-4.1%	-0.8%
HPQ	-2.3%	20.9%
IL&P	10.3%	221.9%
INM	-4.5%	-39.4%
J&J	-0.8%	0.2%
JPMorgan	-4.1%	32.2%
Microsoft	-2.6%	23.5%
Vodafone	-0.6%	-5.0%

Market View

Analyst : Stephen Taylor

European equity markets are slightly lower this morning adding to their losses yesterday and sell off in the US with financial and commodity stocks the main losers. Both sectors had been the main drivers of the recent rally in equities and will likely underperform on a downward leg. Despite better than expected ISM Manufacturing data and a particularly strong new orders figure equity markets were not able to build on their recent gains. We saw a trend emerging last week as economic data in the US continued to show signs of improvement particularly on the housing front equity markets were not able to rally further. We are now concerned that any disappointing figures particularly on the employment side could lead to a further pull back. As for today the main focus will be on economic data out of the US. ADP Employment figures will be in focus and will provide a key read across for the non-farm payrolls figure due this Friday. Current market consensus for the ADP figure is for a further 250,000 jobs to have been lost in August adding to the 371,000 lost in July. Factory Orders will also be in focus, while FOMC minutes from its August meeting will be released after the European close tonight at 7pm.

US financials : US financial rumours

Analyst : Oliver Gilvarry

US markets were weak yesterday in part due to rumours over a large bank in trouble. The rumour focused on Wells Fargo and the bank has made comments overnight. They stated they have plans to repay the US TARP funds "shortly" without raising external equity. The CEO stated they would "pay it back in a shareholder-friendly way". The concerns over the US banking sector remain in the background with the "Troubled Bank" list issued by the Federal Deposit Insurance Corporation (FDIC) increasing from 305 banks at the end of March to 416 at the end of June. Even last weekend three banks failed in the US and these banks had €1.9bn in total assets. The "Troubled Bank" list is now at 15-year highs and this will continue to worry the market in case a larger mid-tier bank in the US gets into difficulty

IN&M : Neutral Current Price (€0.25) Price target (€0.45) Analyst : Stephen Taylor

Denis O'Brien, Independent News & Media (INM)'s second largest shareholder has called for an EGM to vote on the disposal or closure of the company's loss making London Independent newspaper, The Independent and The Independent on Sunday. Denis O'Brien has also commented that he wants INM to stop its planned disposal of its South African outdoor advertising business in addition to the removal of current Chairman Brian Hillery. Last week, INM announced that it has conditionally agreed to dispose of its INM South African Outdoor operations that would yield gross proceeds of c. €98m. In addition, the company also announced that it had reached agreement to extend its 'standstill' with creditors on its €200m bond refinancing until September 25th.

BHP Billiton : Buy Current Price (1557p) Price target (1800p) Analyst : David Dunk

Vedanta has lost a ruling in a complex legal case to take control of Asarco, the bankrupt US copper miner. Grupo Mexico will gain control of the business, in exchange for a \$2.5bn payment to creditors. As part of the deal Asarco will dismiss its \$7.8bn lawsuit against Grupo Mexico. Given the rally in commodity prices in the last few months, pure copper assets have become particularly desirable. Although the acquisition would have been positive for Vedanta, the ruling was largely expected. Separately the Chinese steel association has warned of lower economic growth, based on a curb in credit availability in China. Thus far metal prices have pulled back this week, on increased market risk aversion, and concerns that economic expectations may be too optimistic. We remain of the view that the long term outlook for the mining sector remains compelling, but still expect to see a further pullback.

Commodity ETNs : Deutsche Bank to close its oil PowerShares Analyst : David Dunk

Deutsche Bank (DB) has announced that it will close its PowerShares Double Long Oil ETN. The ETN aims to replicate a two-times leveraged position in oil futures. DB markets 3 other oil ETN's through PowerShares that will remain unaffected by the move. It appears that DB has experienced a regulatory event, in that their total commodity positions have, or are close to breaching regulatory limits, forcing it to close down an ETN, or reduce its own trading activities. In recent months, the CFTC has become increasingly focused on the role of speculators in commodity markets. A number of ETN's have been refusing applications for new subscriptions, in recent weeks, due to concerns on regulatory limits, but this is the first time that these concerns has led to a closure of an ETN. There may well be further ETN closures in the coming weeks and months, if the CFTC continues to impose tighter trading constraints on trading positions. The PowerShares Double Long Oil ETN had an almost \$900m exposure to oil markets, which will be unwound shortly. The announcement today may lead to an increase in short term volatility in oil markets

CPL Resources : Full year Results **Current Price (€1.72)** **Analyst : Edward Keeling**

CPL Resources have reported full year results this morning and the recruitment firm has posted pretax profit of €1.7m, down from €20.7m a year earlier. Group revenue declined by 18% to €212.4m, operating expenses fell €26.8m from €32.7m and its gross margin fell to 16.5% from 20.4%. Permanent placement represented 35% of total gross profits, down from 47%, while temporary placements constituted 65%, up from 53%. The balance sheet of the group remains robust with net cash of €42.5m and as a result the company is paying a final dividend of 1.5c. In terms of outlook, CPL's chairman has said that despite commentators suggesting the worst of the economic downturn is over, its recent experience on the ground indicates that these observations may be somewhat optimistic. Overall it expects demand for recruitment will remain weak through 2010.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,037	-1.9%	28.0%
FTSE	4,820	-1.8%	8.6%
Dow Jones	9,496	-0.5%	6.1%
S&P	1,021	-0.8%	10.5%
Nikkei	10,530	0.4%	16.0%
Stoxx 50	2,716	-2.1%	10.4%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	68.1	-2.7%	19.8%
Copper	151.2	-0.3%	91.9%
Gold	843.0	0.5%	8.3%
Silver	11.1	0.9%	32.3%
Wheat	613.3	-2.3%	-27.9%
Cattle	85.8	-0.7%	-3.4%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	107.8	2.7%	-37.2%
High Yield	151.2	2.0%	-33.9%
Financials	843.0	2.1%	-23.6%
BoI	11.1	-0.1%	-0.2%
AIB	613.3	0.0%	29.1%
RBS	85.8	0.7%	-7.6%

Sector Performances

Sector	Index	1-Day	YTD
Construction	250	-2.2%	2.0%
Technology	181	-1.4%	4.0%
Oil & Gas	294	-1.8%	3.1%
Financials	225	-3.0%	2.7%
Retail	223	-1.4%	1.9%
Food & Drink	260	-0.8%	4.4%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.422	-0.8%	-1.7%
€/£	0.880	0.0%	8.4%
£/\$	1.616	-0.8%	-9.4%
\$/JPY	92.925	-0.2%	-2.4%
€/JPY	132.165	-1.0%	-4.1%
€/SFR	1.516	-0.2%	-1.6%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.2%
3-Month	0.8%	0.7%	0.3%
1-Year	1.2%	1.0%	0.6%
2-Year	1.7%	1.9%	1.3%
5-Year	2.7%	3.3%	2.7%
10-Year	3.4%	3.9%	3.6%

Date Company Region Event

Date	Company	Region	Event
02/09/2009	DSG International Plc	GB	AGM
02/09/2009	American Software	US	Q1
02/09/2009	Collective Brands Inc.	US	Q2
02/09/2009	Brown Forman	US	Q1
02/09/2009	Zale Corporation	US	Q4
03/09/2009	Pernod Ricard SA	FR	FINAL
03/09/2009	British Airways PLC	GB	TRAFFIC
03/09/2009	HMV Group PLC	GB	TRADE
03/09/2009	Hays PLC	GB	PRELIM
03/09/2009	Go-Ahead Group PLC	GB	PRELIM
03/09/2009	Premier Farnell plc	GB	Q2
03/09/2009	Del Monte Foods	US	Q1
03/09/2009	Ciena Corporation	US	Q3
04/09/2009	EasyJet PLC	GB	TRAFFIC
04/09/2009	RG Barry Corp	US	Q4
05/09/2009	Air Berlin PLC	DE	TRAFFIC
05/09/2009	SAS AB	SE	TRAFFIC
05/09/2009	Associated British Food	GB	TRADE
06/09/2009	Finnair Oyj	FI	TRAFFIC
06/09/2009	Ashtead Group Plc	GB	Q1
06/09/2009	DS Smith Plc	GB	TRADE

Date Event Region Estimate

Date	Event	Region	Estimate
02/09/2009	PMI Construction	UK	48
02/09/2009	Euro-Zone GDP s.a. (QoQ)	EC	-0.10%
02/09/2009	Euro-Zone PPI (MoM)	EC	-0.80%
02/09/2009	MBA Mortgage Applications	US	--
02/09/2009	ADP Employment Change	US	-250K
02/09/2009	Nonfarm Productivity	US	6.10%
02/09/2009	Factory Orders	US	1.50%
02/09/2009	Fed Minutes	US	--
03/09/2009	PMI Services	GE	54.1
03/09/2009	PMI Services	EC	49.5
03/09/2009	PMI Services	UK	53.9
03/09/2009	Euro-Zone Retail Sales (MoM)	EC	0.10%
03/09/2009	ECB Announces Interest Rat	EC	1.00%
03/09/2009	Initial Jobless Claims	US	565K
03/09/2009	ISM Non-Manf. Composite	US	48
04/09/2009	Change in Nonfarm Payrolls	US	-225K
07/09/2009	Sentix Investor Confidence	EC	--
07/09/2009	Factory Orders MoM (sa)	GE	--
08/09/2009	RICS House Price Balance	UK	--
08/09/2009	Trade Balance	GE	--
08/09/2009	Imports SA (MoM)	GE	--

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