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Market Movers

IRISH PAPERS TODAY

Percentage of jobless in workforce rises to 11.4%
(The Irish Times)

Grafton Group's turnover falls by one third in first quarter
(The Irish Times)

ICG falls 25pc as joint bid for ferry firm ends
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Recession takes toll on real economy in Europe
(Financial Times)

US economy sinks again
(The Wall Street Journal)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	0.7%	-6.1%
BP	1.2%	-6.3%
CRH	5.7%	16.9%
DCC	-1.2%	23.9%
E.ON	4.0%	-10.0%
HPQ	2.9%	0.4%
IL&P	5.1%	17.5%
INM*	-5.8%	-40.6%
J&J	0.8%	-14.7%
JPMorgan	5.2%	9.4%
Microsoft	1.6%	4.2%
Vodafone	1.2%	-9.6%

Market View

Analyst : Edward Keeling

Equity markets have opened strongly this morning with the European earnings season in full flow and more encouraging economic data out of the US. Although there was a worse than expected headline US GDP figure yesterday, which showed a 3.1% contraction for the worlds largest economy, there were encouraging underlying trends for the US consumer. US inventories fell by a record \$103.7 billion and consumer spending, which accounts for over two thirds of US economic activity, rose 2.2% after collapsing in the second half of last year. Excluding inventories US GDP contracted by just 3.4%. Positive sentiment was further compounded by the US Federal Reserve who tweaked its policy statement last night to say that the economic outlook was improving, while vowing to keep rates at historic lows. In Asia overnight there was more positive economic data. Japan's industrial output rose 1.6% in March from February, the first increase for six months and follows a small rise in its exports during the same month, the first since May 2008. All in all equity markets are displaying a great deal of strength. They have rose above key technical resistance levels this morning and have brushed off the World Health Organisation's warning that a swine flu pandemic was imminent. In terms of today's outlook, equity markets will keep a close eye on earning releases, with Kelloggs, Procter & Gamble and Exxon Mobil all reporting. The US weekly jobless claims figure will also be in focus at 13:30.

Standard Life: Q1 Trading Update **Current Price (190p)** **Analyst : Oliver Gilvarry**

Standard Life released an up-date on trading for Q1 with sales in Life and Pensions at £3.6bn compared to market estimates of £3.4bn. Management guided the underlying performance was solid, but UK sales were down 27% to £2.5bn. In Ireland, sales fell 36% on a constant currency basis due to the weak domestic economy and sales in Germany were down by a similar amount in the period. The Canadian business performed well with sales rising 6%, as did Asia Pacific increasing by 9% compared to the same period in 2008. The capital position of the group remains robust, the IGD surplus after the payment of the final dividend is £3.2bn compared to £3.3bn at year end. The group has not suffered any corporate bond defaults and the exposure to monoline insurers remains low. The outlook for the remainder of the year is challenging across all markets according to management. The group will continue to focus on maintaining its strong capital position and distribution relationships.

Kerry Group : Buy Current Price (€15.58) Price target (€19.90) Analyst : Oliver Gilvarry

Cadbury released an Interim Management Statement (IMS) this morning where it reiterated its full year target revenue. Sales in the first quarter excluding acquisitions, disposals and currency movements, rose by only 2% compared to 7% in the same period last year. Despite this slowdown management are still guiding underlying sales to grow at the lower end of its 4-6% range in 2009. Emerging markets performed well in the first quarter and a strong chocolate performance off-set lower demand in Europe and North America.

Paddy Power : Neutral Current Price (€14) Price target (€13) Analyst : Edward Keeling

William Hill has released its interim management statement this morning and the group has indicated that trading remains resilient. Net revenue increased 6.5%, despite approximately one third of scheduled UK horse race meetings being cancelled for the period and unfavourable results at the Cheltenham festival. In the groups UK retail estate, forecasted to contribute c.70% of profits this year, gross win is up 2%. Within this over the counter gross win fell by 5%, against gross win margins that were comparable with those experienced in 2008. However gaming machines again displayed a robust performance, delivering an impressive 14% increase in gross win. Its online division performed in line with expectations and registered a 50% rise in net revenue. However this is mainly attributed to the successful integration of the Playtech acquisition. While there is an encouraging read through for Paddy Power, we remain cautious on the stock. With unemployment set to rise to high double digits next year and Ireland forecasted to contribute nearly 60% of groups profits, we reiterate our view that earnings will remain under pressure.

Petroceltic : Buy **Current Price (8.5p)** **Price target (13p)** **Analyst : David Dunk**

Petroceltic announced results this morning. The company had \$43.4m in cash and equivalents at the end of 2008. In addition \$5.6m of the drilling for 2009 is already funded. The company experienced an increase in operating loss of \$3.7m, due to higher administration charges. Revenue increased 75% to \$962,000, as a result of higher gas prices. In addition, Petroceltic has announced a \$40m placing to existing and new institutional shareholders. The placing consists of 392,464,000 ordinary shares, at a price of 7p each. The new issuance will compromise 28.9% of the equity share of the enlarged capital base of the company. The money raised is intended to fund the drilling programme in Algeria, as well as drilling operations in Italy in 2010. Drilling in Algeria, had been due to begin on May 1st, but now appears to be pushed back to a mid-May commencement date. We will review our recommendations on Petroceltic, and release a detailed note tomorrow.

Kazakhmys : Neutral Current Price (532p) Price target (400p) Analyst : David Dunk

Kazakhmys (Kaz) and Anglo American (AA) released Q1 production figures this morning. Kaz saw production of 82,000 tons of copper cathode during the period. Sales were steady in both Europe and China during the period. As we have noted in the past, demand from China has been significantly stronger than expected due to purchases by the Chinese State Reserves Bureau. AA reported production declines across the bulk of its operations, as expected. Platinum and Iron production levels were in-line with management expectations. Rio Tinto moved higher in Australian trading after the announcement that the company was in talks with Bemis, to sell its packaging business. Any news of asset sales by Rio Tinto, is likely to be treated positively, given the company large debt burden.

IN&M : Buy Current Price (€0.23c) Price target (€0.45c) Analyst : Stephen Taylor

Independent News & Media (INM) has reported full year 2008 results for the period ending 31/12/2008 along with an update in relation to its current debt refinancing. The group has also provided a trading statement for the period 1 January 2009 – 25 April 2009.

2008 Results : INM reported a 10% drop in operating profit to €290.3m on a constant currency basis. Revenue declined by 3% to €1.48bn. EPS fell to 12.6c from 18.8c, a year earlier. In January, INM said that it had expected to report revenue of €1.4bn, operating profit of €275m and EPS of 12c. On an adjusted basis the group reported a pretax loss of €161.4m due to an exceptional impairment charge of €373.1m primarily related to a non-cash write-down of €290.9m related to the group's intangible assets due to the current economic downturn, in addition to a €58m exceptional charge relating to restructuring costs. Net debt stood at €1.3bn.

Trading update & Outlook: INM pointed out that there has been a continuation of tough trading conditions experienced in the last four months of 2008. Currently total revenues are down 13.5% year on year on a constant currency basis. Advertising revenue has fallen by 18.4% while group circulation revenue has fallen by 1%. INM continues to focus on cost cutting initiatives and costs are currently 7.9% below the same period last year. Capital expenditure for 2009 is expected to reduce by 50% to €31m. In relation to 2009, the group expects operating profit before exceptionals for 2009 to be within a €200m -€230m range and EBITDA within a €240m - €270m range. INM had previously forecasted operating profit in range of €240m - €270m.

Financing update : INM indicated that as a result of the continuing difficulties in credit markets, it has been unable to raise new debt to fund the maturity of the €200m bond which was due to mature on 18 May 2009. INM said that while it was compliant with banking covenants throughout 2008, there is now a strong likelihood that a breach of financial covenants within its borrowing facilities during 2009, if an amendment or waiver is not granted by the lenders in advance. INM commented that constructive discussions with an ad-hoc committee of its bondholders, banks and two major shareholders are taking place and all parties have indicated a willingness to seek agreement and while subject to material uncertainty, the Directors remain confident that an agreement will be reached that will be acceptable to the company. INM said that it is seeking a financial standstill period from bondholders and banks in order to afford a period beyond 18 May 2009 in which agreement can be reached.

Asset sales : INM reiterated that consistent with its objective to de-leverage, it has identified a number of non-core assets to be disposed with proceeds applied towards debt reduction. INM has indicated that it is selling interests in Cashcade and Veriox with an auction process currently underway. The group said that it expects to complete the sale by the end of the third quarter and expects to receive €100-€150m from the divestitures.

Overall : The lack of clarity in relation to the group's refinancing has led the stock to fall by 15% this morning. We do expect that the company will come to agreement with stakeholders and rate the company as a speculative buy ahead of further details on its refinancing.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,500	4.3%	8.6%
FTSE	4,190	2.3%	-4.4%
Dow Jones	8,186	2.1%	-6.7%
S&P	874	2.2%	-3.3%
Nikkei	8,828	3.9%	-0.4%
Stoxx 50	2,335	2.4%	-3.3%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	51.0	2.1%	-2.5%
Copper	200.5	4.6%	43.3%
Gold	898.0	0.5%	1.9%
Silver	12.8	2.8%	13.1%
Wheat	532.0	1.9%	-15.8%
Cattle	83.0	1.2%	-4.0%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	169.6	-6.3%	-7.5%
High Yield	971.5	-3.2%	-6.0%
Financials	152.4	-3.4%	24.4%
BoI	376.1	-1.6%	52.6%
AIB	379.2	-0.4%	86.7%
RBS	197.6	-1.5%	44.5%

Sector Performances

Sector	Index	1-Day	YTD
Construction	217	2.6%	8.5%
Technology	170	1.8%	10.6%
Oil & Gas	275	1.4%	4.1%
Financials	162	3.8%	9.1%
Retail	206	1.2%	13.0%
Food & Drink	216	0.9%	-6.5%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.327	0.9%	-4.6%
€/£	0.898	0.0%	-6.4%
£/\$	1.477	0.9%	1.7%
\$/JPY	97.65	1.3%	7.1%
€/JPY	129.57	2.2%	2.9%
€/SFR	1.508	0.4%	1.2%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.6%	0.4%	0.2%
3-Month	1.4%	1.5%	1.0%
1-Year	1.6%	1.5%	1.1%
2-Year	1.8%	2.1%	1.5%
5-Year	2.7%	3.1%	2.6%
10-Year	3.4%	3.7%	3.2%

Calendar of Events

Date	Company	Region	Event
30/04/2009	Exxon Mobil Corporatio	US	Q1
30/04/2009	Kellogg Co.	US	Q1
30/04/2009	Marathon Oil Corporatio	US	Q1
30/04/2009	Motorola Inc.	US	Q1
30/04/2009	Noble Energy, Inc.	US	Q1
30/04/2009	NYSE Euronext	US	Q1
30/04/2009	The Dow Chemical Co.	US	Q1
30/04/2009	Procter & Gamble Co.	US	Q3
30/04/2009	Pernod Ricard SA	FR	Q3 SALES
30/04/2009	BASF SE	DE	Q1
30/04/2009	Deutsche Lufthansa AG	DE	Q1
30/04/2009	MAN AG	DE	Q1
30/04/2009	Schwarz Pharma AG	DE	Q1
30/04/2009	Standard Life Plc	GB	Q1 TRADE
30/04/2009	Cadbury PLC	GB	TRADE
30/04/2009	AstraZeneca PLC	GB	Q1
30/04/2009	BG Group plc	GB	Q1
30/04/2009	Shire Plc	GB	Q1
30/04/2009	Smith & Nephew PLC	GB	Q1
30/04/2009	British Sky Broadcasti	GB	Q3
01/05/2009	Allergan	US	Q1

Calendar of Events

Date	Event	Region	Estimate
30/04/2009	ILO Unemployment Rate	GE	--
30/04/2009	Producer Prices (MoM)	FR	-0.40%
30/04/2009	Unemployment Rate (s.a)	GE	8.20%
30/04/2009	Euro-Zone CPI Estimate (Yo	EC	0.70%
30/04/2009	Euro-Zone Unemployment R	EC	8.70%
30/04/2009	Personal Income	US	-0.20%
30/04/2009	Initial Jobless Claims	US	--
30/04/2009	Chicago Purchasing Manage	US	34
30/04/2009	GfK Consumer Confidence S	UK	-28
01/05/2009	Retail Sales(Volume) (MoM)	IE	--
01/05/2009	Net Consumer Credit	UK	0.1B
01/05/2009	PMI Manufacturing	UK	40.2
01/05/2009	Mortgage Approvals	UK	40K
01/05/2009	M4 Money Supply (MoM)	UK	--
01/05/2009	U. of Michigan Confidence	US	61.5
01/05/2009	ISM Manufacturing	US	37.8
01/05/2009	Factory Orders	US	-0.70%
04/05/2009	PMI Manufacturing	GE	--
04/05/2009	PMI Manufacturing	EC	--
04/05/2009	Sentix Investor Confidence	EC	--
04/05/2009	Pending Home Sales MoM	US	--
04/05/2009	Construction Spending MoM	US	--

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