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### Market Movers

## IRISH PAPERS TODAY

€3bn state cash injection for Anglo  
*(The Irish Times)*

Consumer confidence highest in 14 months  
*(The Irish Times)*

C&C pays out €4.73m to ex-directors  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Cheers as Madoff jailed for 150 years  
*(Financial Times)*

GM seeks alternative Opel bids  
*(Financial Times)*

Porsche rebuffs VW, gets offer from Qatar  
*(The Wall Street Journal)*

## DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	0.7%	0.0%
BP	2.0%	-7.5%
CRH	1.1%	0.0%
DCC	2.0%	42.7%
E.ON	2.3%	-9.8%
HPQ	3.6%	7.4%
IL&P	7.0%	115.9%
INM	-7.0%	-39.4%
J&J	0.6%	-4.8%
JPMorgan	0.4%	9.7%
Microsoft	2.2%	22.7%
Vodafone	1.2%	-15.5%

## Market View

**Analyst : Stephen Taylor**

European equity markets are higher this morning adding to yesterday's gains and strong finishes in the US and Asia overnight. The higher beta sectors including Basic Resources and Financials are driving the out-performance boosted by higher commodity prices and tighter credit markets. Crude oil has continued its upward trend to \$72.40 a barrel after Royal Dutch Shell shut its Estuary oil field in Nigeria's southern delta region after a militant attack. The continued weakness in the dollar has also led to some speculative buying of dollar denominated commodities. The €/£ is continuing to show weakness falling to 0.8449 this morning after some better than expected economic data out of the UK. Nationwide's housing survey showed its second gain in a month increasing 0.9% for June, its second monthly increase in a row adding further weight to the stabilising UK housing market. UK consumer confidence also showed a further increase rising to its highest level in over 14-months. We expect the UK to come out of the current downturn ahead of the Eurozone and forecast that the sterling will continue to strengthen over the rest of the year with the euro falling to the .8000 level. As for today, the main focus will be on the economic front. In the UK, the final revision of first quarter GDP is due for release. In the US, the main focus will be on Chicago PMI data which is expected to show a strong rebound, while consumer confidence data will also be closely watched.

**AIB : Neutral**    **Current Price (€1.73)**    **Price target (€1.55)**    **Analyst : Oliver Gilvarry**

Standard & Poors has raised its ratings on six hybrid securities issued by AIB. The six hybrid securities in question refer to those that AIB offered to exchange for new 10 year lower tier 2 debt recently. The ratings on the securities were raised from "C" to "B". Although positive the move does not have material implications for AIB. The key rating for banks is the long term rating of the senior debt, which for AIB is "A", down from "A+" in February, and is currently on negative outlook. Separately, the Anglo Irish Bank has announced that the Irish Government has injected €3bn of capital into the bank. The move follows EU regulatory approval. The capital injection was to consist of €4bn, but €1bn has been withheld ahead of discussions between the Department of Finance and Anglo Irish Bank regarding a debt repurchase programme. Such a programme would benefit the Irish taxpayer by providing a once off gain that would increase capital reserves of the bank without an external capital injection.

**Vodafone : Buy**    **Current Price (118p)**    **Price target (150p)**    **Analyst : Stephen Taylor**

Press speculation over the weekend suggests that Vodafone may bid for Deutsche Telekom's T-Mobile UK unit. Today, speculation has also centred around Telefonica's O2 and France Telecom's Orange entering the race to buy T-Mobile UK. We would view a tie up between Vodafone and T-Mobile UK as a positive due to the cost synergies that it would produce. However, there would be regulatory issues involved as a combination would provide Vodafone with 40% of the UK market. We would also not like to see Vodafone entering into a major bidding war as they have a history of paying up for acquisitions. T-Mobile's UK division is estimated to be worth c. €3.5bn

**DCC: Buy**    **Current Price (€14.80)**    **Price target (€21.70)**    **Analyst : David Dunk**

HMV, the UK music, book and game retailer, has posted full year pre-tax profits of £61.3m, up 17% from a year earlier. Total group sales were up 4.4% on the year, while revenue increased to £1.96bn from £1.87bn. The group benefited from increased market share as many competitors such as Woolworths scaled back operations. Of relevance for DCC's SerCom business, HMV's games and technology division in the UK & Ireland, which were boosted by its pre-played games initiative, performed well and now accounts for a quarter of all sales, up from 20% a year earlier. In terms of outlook, the group remains understandably cautious about the economic environment but are confident in its plans for the current financial year.

**BHP Billiton: Buy**    **Current Price (1380p)**    **Price target (1800p)**    **Analyst : David Dunk**

Chinalco is reportedly planning to take up its portion of the Rio Tinto rights issue. Rio Tinto \$15.2bn rights issue has been well received by the market, and will greatly strengthen the company's balance sheet. Chinalco is the largest shareholder in Rio Tinto with a 9% stake, with its participation in the rights issue costing about £880m. There were concerns that Chinalco would not be taking part in the rights issue after a \$19.5bn planned investment in Rio Tinto was cancelled. Separately, Xstrata CEO Mick Davis made some comments in relation to previous successful nil-premium mergers. Xstrata's merger bid with Anglo American was quickly rejected by management. Given the relative market cap of the two companies, Xstrata will find it difficult to increase its bid to include premium. In our view, Xstrata will not succeed in a merger bid. It is likely however, that Anglo American will now pursue some form of corporate restructuring, and or strategic partnerships, to appease investors.



### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,724	1.2%	16.7%
FTSE	4,294	1.3%	-3.5%
Dow Jones	8,529	1.1%	-2.8%
S&P	927	0.9%	2.7%
Nikkei	9,958	1.8%	12.4%
Stoxx 50	2,438	2.0%	-0.7%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	216	2.5%	5.6%
Technology	172	1.3%	12.8%
Oil & Gas	287	2.3%	8.4%
Financials	180	2.2%	19.5%
Retail	212	0.9%	15.2%
Food & Drink	240	1.0%	2.8%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	71.5	3.4%	31.0%
Copper	232.6	0.7%	64.4%
Gold	938.0	-0.2%	6.9%
Silver	14.0	-1.3%	24.2%
Wheat	528.5	-1.1%	-15.5%
Cattle	85.4	3.6%	-0.2%

### Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.408	0.2%	1.0%
€/£	0.850	-0.1%	-12.9%
£/\$	1.657	0.2%	12.3%
\$/JPY	96.07	0.9%	5.1%
€/JPY	135.30	1.1%	6.0%
€/SFR	1.524	0.1%	2.0%

### 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	134.1	-6.3%	-27.6%
High Yield	828.8	-0.9%	-22.1%
Financials	119.2	0.6%	-3.6%
BoI	367.3	-0.7%	51.4%
AIB	372.0	-0.3%	79.0%
RBS	174.6	-0.7%	27.1%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.4%	0.4%	0.3%
3-Month	1.1%	1.2%	0.6%
1-Year	1.4%	1.4%	0.9%
2-Year	1.8%	2.3%	1.5%
5-Year	2.9%	3.6%	2.9%
10-Year	3.6%	4.1%	3.7%

### Date Company Region Event

Date	Company	Region	Event
30/06/2009	Telecom Italia Media SpA	IT	Q2
30/06/2009	Diageo	GB	INTERIM
30/06/2009	Arriva PLC	GB	TRADE
30/06/2009	Drax Group Plc	GB	TRADE
30/06/2009	Safestore Holdings Plc	GB	INTERIM
30/06/2009	HMV Group PLC	GB	PRELIM
30/06/2009	Endesa SA	ES	S/HOLDERS
30/06/2009	Sterling Energy PLC	GB	AGM
30/06/2009	SYNNEX Corp	US	Q2
30/06/2009	FSI International	US	Q3
01/07/2009	John Wood Group PLC	GB	TRADE
01/07/2009	Marks and Spencer Gro	GB	Q1 TRADE
01/07/2009	IFG Group PLC	IE	S/HOLDERS
01/07/2009	Home Retail Group plc	GB	AGM
01/07/2009	Constellation Brands, In	US	Q1
01/07/2009	General Mills, Inc.	US	Q4
02/07/2009	Donegal Creameries	IE	AGM
02/07/2009	NCC Group Plc	GB	PRELIM
02/07/2009	Game Group PLC	GB	AGM
03/07/2009	British Airways PLC	GB	TRAFFIC
03/07/2009	Bank of Ireland	IE	AGM

### Date Event Region Estimate

Date	Event	Region	Estimate
30/06/2009	GfK Consumer Confidence	€ UK	-25
30/06/2009	Unemployment Rate (s.a)	GE	8.30%
30/06/2009	Euro-Zone M3 s.a. (YoY)	EC	4.60%
30/06/2009	GDP (QoQ)	UK	-2.20%
30/06/2009	Current Account (BP)	UK	-6.4B
30/06/2009	Euro-Zone CPI Estimate (YoY)	EC	-0.20%
30/06/2009	S&P/CaseShiller Home Price	US	--
30/06/2009	Chicago Purchasing Manage	US	39
30/06/2009	Consumer Confidence	US	55.1
30/06/2009	ABC Consumer Confidence	US	-47
01/07/2009	Retail Sales (MoM)	GE	0.10%
01/07/2009	PMI Manufacturing	GE	40.5
01/07/2009	PMI Manufacturing	EC	42.4
01/07/2009	PMI Manufacturing	UK	46
01/07/2009	MBA Mortgage Applications	US	--
01/07/2009	Challenger Job Cuts YoY	US	--
01/07/2009	ADP Employment Change	US	-374K
01/07/2009	ISM Manufacturing	US	44
01/07/2009	Construction Spending MoM	US	-0.50%
01/07/2009	Pending Home Sales MoM	US	1.10%
02/07/2009	PMI Construction	UK	--

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