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## IRISH PAPERS TODAY

Announcement of GDP growth in US lifts spirits  
*(The Irish Times)*

INM trims profit forecast but says advertising is stabilising  
*(The Irish Times)*

AIB fears fallout from "draconian" EU bailout conditions  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

US economy starts to grow  
*(Financial Times)*

Lloyds seeks to raise £21bn  
*(Financial Times)*

U.S. economy returns to growth  
*(The Wall Street Journal)*

## Market View

**Analyst : Edward Keeling**

European equity markets are mixed to slightly lower this morning after yesterday's gains and following strong finishes in the US and Asia overnight. Yesterday's better than expected third quarter GDP data out of the US provided the catalyst for the upward move as equity markets were beginning to look very vulnerable to further declines. US GDP showed a marked improvement rising by 3.5% compared to a decline of 0.7% in the second quarter and beating analyst expectations of 3.2%. Personal consumption figures provided a strong boost to the GDP figure increasing by 3.4%, its largest increase in two years, with a large part of the increase being attributed to the stimulus measures such as the 'cash for clunkers' program that boosted auto sales. With the unemployment rate expected to increase next Friday to 9.9% and with the withdrawal of some stimulus measures we anticipate that the consumer is still likely to remain weak for some time to come. As for today the main focus will be on economic data out of the US with Personal Income and Spending figures due for the month of September. Personal income is expected to be flat month on month while personal spending figures are expected to show a decline. Chicago manufacturing data for October is expected to show a month on month increase for October to 49.0 from a disappointing 46.1 reading in September. The reading will provide a key read across to next weeks ISM manufacturing figures that is for release on Monday. On the corporate side Chevron are due to release earnings out of the US.

**Nama Update: Amendments to be announced next week**

**Analyst: Oliver Gilvarry**

The debate on the committee stage of NAMA legislation was complete early this morning. Minister for Finance Brian Lenihan signalled that he would introduce a number of amendments at the report stage next week. The amendments included a levy on banks through a tax surcharge to cover any potential losses that NAMA may incur. Mr. Lenihan signalled that he would table a provision allowing him to issue guidelines obliging financial institutions to get credit flowing to business which is a key prerequisite to get the economy kick started again. Mr. Lenihan said he would not be moved on the issue to pay economic value for the price NAMA will pay for the loans. Following the completion the committee stage on NAMA legislation, Irish bank shares are stronger this morning with AIB +4%, BoI +5% and Irish Life & Permanent +3%. Irish Life & Permanent remains our preferred Irish financial followed by Bank of Ireland.

**FTSE Miners : Rio Tinto increases 2010 cap ex budgets**

**Analyst : David Dunk**

Rio Tinto released a statement on their website this morning announcing that they intend to spend as much \$6bn on capital expenditure in 2010. This is a marked increase from the \$2.5bn that they had originally intended to spend in 2010 and encouragingly over \$2.5bn will be allocated to growth projects. Rio Tinto also noted in the statement that it had managed to reduce its debt by 42% to \$22.3bn in the first 9 months of the year. This reduction in debt owes a lot to the Chinalco recapitalisation. The company said it is on course to meet its cost savings target of \$2.5bn for 2010. Chief Executive, Tom Albanese stated there are signs of the early signs of economic recovery and expects demand growth over the long term. These comments come ahead of the company's investor seminar at 2.00pm in London today where the management will reaffirm its strategy.

**Lloyds : Confirms GAPS speculation**    **Current Price : (90p)**    **Analyst : Oliver Gilvarry**

Lloyds banking group confirmed speculation yesterday that it is in advanced discussions with regulators about staying out of the government backed asset protection scheme. Details of the proposal are thought to include a rights issue and a debt swap. Reports have suggested that the bank hopes to launch its plans next week, however it must be noted that the bank has yet to receive the official go-ahead from the UK government. It also stated that any decisions by the European Commission over 'business disinvestments' won't be material to the bank. This has eased concerns that Lloyds would have the same fate as Dutch peer ING Group.



### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,937	2.7%	26.6%
FTSE	5,138	1.1%	15.9%
Dow Jones	9,763	-1.2%	13.5%
S&P	1,043	-2.0%	18.0%
Nikkei	9,891	-1.8%	13.3%
Stoxx 50	2,825	1.7%	15.1%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	256	3.5%	1.7%
Technology	180	1.3%	3.7%
Oil & Gas	319	0.7%	2.8%
Financials	228	3.6%	2.4%
Retail	228	1.0%	1.6%
Food & Drink	285	1.7%	4.2%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	79.9	3.1%	35.4%
Copper	303.0	3.4%	109.4%
Gold	1,047.0	1.8%	18.4%
Silver	16.7	2.6%	46.2%
Wheat	503.8	1.8%	-25.0%
Cattle	86.3	-0.7%	-4.6%

### Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.482	0.8%	-5.7%
€/£	0.896	-0.2%	6.5%
£/\$	1.655	1.0%	-11.5%
\$/JPY	91.410	0.8%	-0.3%
€/JPY	135.521	1.6%	-6.0%
€/SFR	1.511	0.0%	-1.1%

### 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	90.8	-3.2%	-49.6%
High Yield	491.0	-2.7%	-52.7%
Financials	71.1	-1.0%	-39.9%
BoI	160.2	-0.4%	-35.5%
AIB	171.6	2.3%	-19.6%
RBS	114.4	0.2%	-15.6%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.3%	1.0%	0.6%
2-Year	1.8%	1.9%	1.3%
5-Year	2.8%	3.3%	2.8%
10-Year	3.6%	3.9%	3.7%

### Date Company Region Event

Date	Company	Region	Event
30/10/2009	Alcatel Lucent SA	FR	Q3
30/10/2009	Sanofi-Aventis SA	FR	Q3
30/10/2009	Audi AG	DE	Q3
30/10/2009	Shire Plc	GB	Q3
30/10/2009	WPP Group plc	GB	Q3 TRADE
30/10/2009	The Estée Lauder Co.	US	Q1
30/10/2009	Ameren Corp.	US	Q3
30/10/2009	Chevron	US	Q3
30/10/2009	Constellation Energy Gr	US	Q3
30/10/2009	ITT Corp.	US	Q3
30/10/2009	NYSE Euronext	US	Q3
30/10/2009	The Washington Post C	US	Q3
02/11/2009	Hugo Boss AG	DE	Q3
02/11/2009	Linde AG	DE	Q3
02/11/2009	Ryanair Holdings PLC	IE	Q2
02/11/2009	TNT N V	NL	Q3
02/11/2009	Pernod Ricard SA	FR	AGM
02/11/2009	Loews Corp.	US	Q3
02/11/2009	The Principal Fincl. Grp	US	Q3
02/11/2009	Vulcan Materials	US	Q3

### Date Event Region Estimate

Date	Event	Region	Estimate
30/10/2009	GfK Consumer Confidence Surve	UK	--
30/10/2009	Retail Sales (MoM)	GE	--
30/10/2009	Euro-Zone CPI Estimate (YoY)	EC	--
30/10/2009	Euro-Zone Unemployment Rate	EC	--
30/10/2009	Personal Income	US	--
30/10/2009	Personal Spending	US	--
30/10/2009	PCE Deflator (YoY)	US	--
30/10/2009	PCE Core (YoY)	US	--
30/10/2009	Chicago Purchasing Manager	US	--
30/10/2009	U. of Michigan Confidence	US	--
02/11/2009	Hometrack Housing Survey (MoM)	UK	--
02/11/2009	PMI Manufacturing	GE	--
02/11/2009	PMI Manufacturing	EC	--
02/11/2009	PMI Manufacturing	UK	--
02/11/2009	ISM Manufacturing	US	53
02/11/2009	Pending Home Sales MoM	US	--
02/11/2009	Construction Spending MoM	US	-0.40%
03/11/2009	PMI Construction	UK	--
03/11/2009	Factory Orders	US	1.10%
03/11/2009	ABC Consumer Confidence	US	--

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