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### Market Movers

## IRISH PAPERS TODAY

Ryanair's €169m annual loss is first in 20 years  
*(The Irish Times)*

Aryzta sales volumes continue to decline  
*(The Irish Times)*

Cisco hit with \$150m one-off tax charge  
*(The Irish Times)*

## INTERNATIONAL PAPERS TODAY

Mideast sell-off dents Barclays  
*(Financial Times)*

US banks tap investors for billions  
*(The Wall Street Journal)*

## DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	1.2%	-9.3%
BP	1.0%	-1.1%
CRH	2.1%	7.8%
DCC	5.1%	47.8%
E.ON	-0.6%	-9.7%
HPQ	-0.4%	-1.2%
IL&P	-2.3%	128.6%
INM	-10.3%	-32.1%
J&J	0.8%	-6.1%
JPMorgan	-4.5%	9.4%
Microsoft	0.0%	10.1%
Vodafone	0.9%	-18.6%

## Market View

**Analyst : Stephen Taylor**

European equity markets are lower this morning following yesterday's broadly flat session. With little in the way of corporate data at the moment the main focus in markets continues to be on economic data. Last night, GDP figures out of Australia for the first quarter surprised to the upside expanding by 0.4% reversing the previous quarter's 0.6% decline. Economists had expected a 0.2% decline. In the UK, economic data also continues to show signs of stabilisation. This morning's UK consumer confidence figures compiled by the Nationwide Building Society increased to their highest level in six months an indication that the stabilisation in the housing market is improving consumer expectations. In Europe there is however continuing discontent among Euro-Zone members that has not been helped by comments made by German Chancellor Angela Merkel. Merkel criticised central banks around the world pointing out that their unconventional monetary policies (Quantitative Easing) could potentially aggravate the economic crisis. Merkel also commented that she is very sceptical about the extent of the Fed's actions and the way the Bank of England has carved its own little line in Europe. Euro-Zone members will be disappointed by the comments and may increase tensions amongst members which could potentially stifle the economic recovery and leave Europe lagging behind the rest of the world. Focus today will again be on economic data. In the UK PMI services figures are expected to show a rebound, while in the US all focus will be on the ADP Employment report has a read across for Friday's non-farm payrolls number, while ISM non-manufacturing that makes up c. 80% of the US economy will also be in focus. Fed Chief Ben Bernanke is also due to testify at 3pm Irish time and the market will be watching for any comments on the recent rise bond yields.

**FBD : Planning permission not granted Current Price (€7.35) Analyst : Oliver Gilvarry**

FBD announced the planning permission on Tranche II lands at La Cala will not be granted prior to the required deadline of the 21<sup>st</sup> of June. A sale price of €80m had been agreed on the 40 hectares once planning permission was approved. The sale would have resulted in a potential €50m shareholder payout for shareholders. There will be no financial impact from the failure to sell the land as the €80m gain had never been recognised on the group's balance sheet. As part of the terms of the sale agreement the Tranche II lands legal title will be transferred back to the group within 15 working days of June 21<sup>st</sup>. Management have guided that there is potential to develop the site, but FBD has no plans to do anything with it at the moment. The announcement was not a surprise to the market as it was expected the site would not receive planning permission on time. FBD has risen slightly after the news with the shares gaining almost 2% in early Dublin trade.

**BHP : Buy Current Price (1532p) Price target (Under Review) Analyst : David Dunk**

Bret Clayton, CEO of Rio Tinto commented yesterday on the outlook for copper, over the coming months. Mr. Clayton believes that the metal could potentially reverse the gains made in recent months. Copper prices have increased over 50% off their lows. Mr. Clayton noted the uncertain economic outlook as the primary reason for a potential pullback. He also noted that recent higher prices, weren't necessarily been driven by end user demand. The presence of speculators influencing the price of copper or other industrial metals, is legitimate, and may point towards a pullback in prices later in the year. Chinese state bodies have been purchasing large amounts of copper in recent months, effectively compensating for the fall in demand from Western economies. Separately, a potential rights issue from Rio Tinto is looking increasingly likely. At this point, it appears management will seek support for a rights issue that dilutes the Chinalco deal, without eliminating it completely.

**Paddy Power : Buy Current Price (€17.26) Price target (€18) Analyst : Edward Keeling**

Paddy Power has announced this morning that Sportsbet, the Australian gaming company that it recently acquired a 51% stake in, has agreed terms to buy fellow Australian operator International All Sports (IAS). Similarly to Sportsbet, IAS is primarily focused on racing and sports betting services through online and Telephone channels and in June 2008 it reported an EBITDA of €4.8m for the full year. The acquisition is said to have the unanimous support of the directors of IAS and the deal values the company at €22.4m. IAS is expected to have a small net cash position and the maximum funding required from Paddy Power relating to its 51% shareholding in Sportsbet will be €9.1m. We view Paddy Power's further expansion into the Australian market as very attractive. With its net cash position of €96m, Paddy Power is well placed to take advantage of opportunistic acquisitions opportunities and we believe Paddy Power will emerge even stronger when markets recover.



## International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,818	3.5%	21.3%
FTSE	4,477	-0.6%	-0.6%
Dow Jones	8,741	0.2%	-0.4%
S&P	945	0.2%	4.6%
Nikkei	9,742	0.4%	10.0%
Stoxx 50	2,534	-0.1%	2.6%

## Sector Performances

Sector	Index	1-Day	YTD
Construction	229	1.6%	10.9%
Technology	178	0.6%	14.5%
Oil & Gas	310	0.4%	14.7%
Financials	186	-1.2%	21.3%
Retail	212	-0.2%	16.6%
Food & Drink	234	1.1%	0.8%

## Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	68.6	0.0%	25.8%
Copper	229.8	-0.9%	62.9%
Gold	981.9	0.7%	11.6%
Silver	16.0	1.4%	42.6%
Wheat	669.5	-0.7%	5.0%
Cattle	80.7	-1.2%	-5.8%

## Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.430	1.0%	2.1%
€/£	0.863	0.2%	-11.1%
£/\$	1.658	0.8%	11.9%
\$/JPY	95.77	-0.9%	5.7%
€/JPY	136.97	0.1%	7.7%
€/SFR	1.519	0.2%	1.6%

## 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	122.6	-6.3%	-33.3%
High Yield	831.6	-0.6%	-26.6%
Financials	105.8	-8.3%	-12.0%
BoI	313.3	-1.6%	27.7%
AIB	306.0	-2.9%	52.6%
RBS	170.1	-6.9%	27.6%

## Money Market Rates

Rate	EUR	UK	US
Overnight	0.7%	0.4%	0.3%
3-Month	1.3%	1.3%	0.7%
1-Year	1.4%	1.3%	0.9%
2-Year	1.7%	2.0%	1.4%
5-Year	2.9%	3.4%	3.0%
10-Year	3.7%	4.1%	3.9%

Date	Company	Region	Event
03/06/2009	Laurent-Perrier	FR	Q4
03/06/2009	British Airways	GB	Traffic
03/06/2009	Sportingbet	GB	Q3
04/06/2009	easyJet	GB	Traffic
04/06/2009	WM Morrison Supermar	GB	Q1
04/06/2009	WH Smith	GB	Trade
04/06/2009	Vallourec SA	FR	AGM
04/06/2009	Great Portland Estates I	GB	MEETING
04/06/2009	GAP	US	May Sales
05/06/2009	<b>Lloyds Banking Group</b>	<b>GB</b>	<b>AGM</b>
05/06/2009	Bellway PLC	GB	TRADE
05/06/2009	Carphone Warehouse C	GB	PRELIM
05/06/2009	<b>Aer Lingus Group Plc</b>	<b>IE</b>	<b>S/HOLDERS</b>
05/06/2009	Wendel SA	FR	S/HOLDERS
10/06/2009	Iberdrola SA	ES	S/HOLDERS
10/06/2009	Antofagasta PLC	GB	AGM
11/06/2009	Iberia Lineas Aereas de	ES	Traffic
11/06/2009	Home Retail Group plc	GB	Trade
11/06/2009	France Telecom SA	FR	S/HOLDERS
11/06/2009	National Semiconductor	US	Q4

Date	Event	Region	Estimate
02/06/2009	Net Consumer Credit	UK	--
02/06/2009	M4 Money Supply (MoM)	UK	--
02/06/2009	PMI Construction	UK	--
02/06/2009	Pending Home Sales MoM	US	--
02/06/2009	ABC Consumer Confidence	US	--
02/06/2009	Total Vehicle Sales	US	--
03/06/2009	PMI Services	GE	--
03/06/2009	PMI Services	EC	--
03/06/2009	PMI Services	UK	--
03/06/2009	Euro-Zone PPI (YoY)	EC	--
03/06/2009	Euro-Zone GDP s.a. (QoQ)	EC	--
03/06/2009	MBA Mortgage Applications	US	--
03/06/2009	Challenger Job Cuts YoY	US	--
03/06/2009	ADP Employment Change	US	--
03/06/2009	ISM Non-Manf. Composite	US	--
03/06/2009	Factory Orders	US	--
04/06/2009	Euro-Zone Retail Sales (MoM)	EC	--
04/06/2009	BOE ANNOUNCES RATES	UK	--
04/06/2009	ECB Announces Interest Rate	EC	--
04/06/2009	Initial Jobless Claims	US	--

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