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### Market Movers

## IRISH PAPERS TODAY

Latest figures indicate worst of recession may be over

*(The Irish Times)*

75% of voters want a change of Government, poll shows

*(The Irish Times)*

TCD expert to be named as Central Bank chief

*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

BP finds 'giant' US oil field

*(Financial Times)*

Google clears way for YouTube music videos

*(Financial Times)*

Iceland's economy seen recovering in early '10

*(The Wall Street Journal)*

## DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	-0.8%	11.1%
BP	4.3%	3.0%
CRH	-3.0%	4.6%
DCC	-1.5%	53.6%
E.ON	1.1%	0.8%
HPQ	0.9%	21.9%
IL&P	-3.0%	201.6%
INM	-6.7%	-39.4%
J&J	-0.3%	-0.1%
JPMorgan	-1.9%	29.6%
Microsoft	-0.6%	22.7%
Vodafone	-1.4%	-6.2%

## Market View

**Analyst : Oliver Gilvarry**

Overnight Asian markets were mixed with the Nikkei falling 0.64%, but the Hang Seng was up 1%. The futures are calling the US equity market up this morning, but economic data from Europe and the US will be a key driver of the market today. The Fed minutes released overnight highlighted that they are in no rush to move interest rates higher. In the statement the Fed commented that the recovery will be "modest" and inflation will remain "subdued". They also noted the weakness of the labour market is of particular concern and they gave no indication they will increase their QE programme. From the minutes we believe the Fed will complete its QE programme over the next number of months, but will not increase it further. The ECB announce their interest rate decision today at 12.45, at the press conference afterwards the new ECB growth forecasts. We expect Trichet to remain cautious even after announcing more positive ECB growth forecasts will be released and we see it unlikely the ECB will announce any new unconventional monetary policies. In the UK the PMI Services figure was released this morning and was in line with expectations at 54.1, showing a continuing improvement. Later today, a driver for US markets is the ISM Non-Manufacturing at 15:00. The market is expecting a reading of 48.0 for August, with the chance it could be slightly better than this, but we don't expect it to break 50 this month. Any reading above 48 will be taken well by the market, even if it is below 50.

## Irish Economy : Exchequer figures

**Analyst : Oliver Gilvarry**

Exchequer figures for end of August were released yesterday evening with the Exchequer Deficit increasing to €18.7bn from €16.4bn in July. Voted spending by the Government to the end of August is running at €30.8bn, which is 1% better than budgeted. On the revenue side the difference between budget and actual receipts is only 2% worse than planned by the Government compared to 3% behind budget in July. The improvement in the figures was helped by a better than budgeted increase in Corporation tax. For August, Corporation Tax is running 19.4% ahead of what the Government budgeted it to be at this stage of the year. This could be due to the change in timing of Corporation Tax receipts. While the improvement in Corporation Tax is a positive, we will have to see if it continues for the remainder of the year. On the spending side, maintaining spending close to budget targets is a positive and must be maintained into the end of the year. At this stage it is too early to say tax revenues have bottomed out, but at worst it is very close.

## Persimmon : Buy Current Price (470p) Price target (560p) Analyst : Stephen Taylor

Bovis Homes has announced a share placing to raise £60m by the issue of 12.1m shares through an accelerated book build. The bookbuild has begun this morning with a completion time of 4.30 this afternoon at the latest. The aim of the raise is to provide "flexibility to take advantage of attractive opportunities in the short to medium term to acquire land for development as opportunities arise." The group is in a net cash position of £7m following a generation of £115m cash YTD. Bovis have stated the cash will be used to invest in land at a cost effective way and generate returns at or above the group's hurdle rate. Land acquisitions will be financed in a three way mix including cash balances, equity and debt. The placing today indicates the stronger names in the UK homebuilding sector (Bovis, Bellway & Persimmon) are able to take advantage of the falls in land prices to make opportune acquisitions to increase their land banks.

## BP : Buy Current Price (540p) Price target (600p) Analyst : David Dunk

BP yesterday announced the discovery of a giant oil find, in the Gulf of Mexico. The prospect, named Tiber, is the largest US oil discovery in 3 years. The discovery is located almost 31,000 feet below the surface of the ocean, making it one of the deepest discoveries to date. Expectations for the size of the prospect are in excess of 3bn barrels of oil equivalent. BP has the largest stake in the license, with a 62% share, and is also the operator. Following the discovery, an appraisal well will now be drilled to determine the extent of the discovery. The discovery has positive implications for exploration in the area, which has declined in significance in recent years. The find will do little to boost short term production, as Tiber is not likely to come online until 2015. We are leaving our ratings and price targets unchanged following the news.



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**Hays : Full year results**      **Current Price (96p)**      **Analyst : Edward Keeling**

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Hays, the UK's largest recruitment, firm has reported a 43% decline in full year profit to £151m. Overall it is seeing initial signs of stability in the UK and Asia Pacific markets, however there are still no indications of a recovery. Continental Europe, which entered the downturn later than others are still experiencing deteriorating conditions. Net fees in its permanent placing division declined by 29% over the period. While temporary placement was more resilient, with net fees decreasing by just 7%. Going forward the group is expecting 2010 will be another tough year, however, CEO Alistair Cox has reiterated that Hays will continue to take advantage of the downturn to build market share and pursue investment plans to strengthen its operations for the long term. The company maintained a final dividend at 5.8p after cutting its debt by around £82m.

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**Diageo : Buy**      **Current Price (968p)**      **Price target (1150p)**      **Analyst : David Dunk**

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Pernod-Ricard has released full year results this morning. The company reported net profit of €945m, ahead of analyst expectations of €897m. Sales in the period were €7,203m, an increase in organic sales of 9%. The company expects the difficult operating conditions in the market to continue into next year. The company remains focused on cutting debt, with Net Debt to EBITA falling to 5.3x over the period. The company remains committed to investing in its strategic brands. Pernod-Ricard is not going to give guidance for the coming fiscal at this point, until November 2<sup>nd</sup>. Diageo reported results recently, and as a result, today's release from Pernod-Ricard is unlikely to be market moving for Diageo.

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**BlackRock Int.: Interim Results**      **Current Price (€0.08)**      **Analyst : Stephen Taylor**

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Blackrock International has released interim results this morning. Net rental income was €6.9m, compared to €7m for the same period in 2008. Unsurprisingly, the company notes that property markets remain difficult. The company has no plans to dispose of asset's given current levels of market pricing. No independent review of the company's assets was performed in preparation for the interim financial statements, as such the NAV is little changed from the end of 2008, at €0.2507, down from €0.2571. The company notes that based on the decline in investment property indices over the period, net assets per share would decline to €0.186.

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## International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,975	-2.0%	27.5%
FTSE	4,820	-1.8%	8.7%
Dow Jones	9,311	-2.0%	5.7%
S&P	998	-2.2%	10.1%
Nikkei	10,280	-2.4%	15.3%
Stoxx 50	2,704	-0.4%	10.7%

## Sector Performances

Sector	Index	1-Day	YTD
Construction	246	-1.5%	2.4%
Technology	180	-0.9%	4.1%
Oil & Gas	299	1.8%	3.1%
Financials	221	-1.7%	2.7%
Retail	224	0.5%	1.9%
Food & Drink	260	0.2%	4.4%

## Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	68.1	0.0%	20.8%
Copper	151.2	0.3%	97.5%
Gold	843.0	2.3%	11.0%
Silver	11.1	2.0%	37.5%
Wheat	613.3	-0.3%	-27.8%
Cattle	85.8	0.8%	-2.5%

## Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.426	0.3%	-2.2%
€/£	0.877	-0.4%	9.0%
£/\$	1.627	0.7%	-10.3%
\$/JPY	92.219	-0.8%	-1.8%
€/JPY	131.545	-0.5%	-4.0%
€/SFR	1.513	-0.1%	-1.4%

## 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	111.8	3.7%	-37.2%
High Yield	151.2	2.4%	-34.6%
Financials	843.0	5.8%	-21.4%
BoI	11.1	4.3%	-0.2%
AIB	613.3	0.7%	27.4%
RBS	85.8	0.7%	-6.3%

## 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%	2.6%
10-Year	3.4%	3.9%	3.5%

## Date Company Region Event

Date	Company	Region	Event
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
08/09/2009	Finnair Oyj	FI	TRAFFIC
08/09/2009	Ashtead Group Plc	GB	Q1
08/09/2009	DS Smith Plc	GB	TRADE
09/09/2009	Deutsche Lufthansa AG	DE	TRAFFIC
09/09/2009	WS Atkins PLC	GB	TRADE
09/09/2009	Alliance Pharma Plc	GB	INTERIM
09/09/2009	Sports Direct Internatioir	GB	TRADE
10/09/2009	ESI Group SA	FR	Q2 SALES

## 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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