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Market Movers

IRISH PAPERS TODAY

Trichet supports Greek plan (*The Irish Times*)

Grafton profits slide 77% to €13m (*The Irish Times*)

Greece crisis forced ECB to keep bank funds cheap (*Irish Independent*)

INTERNATIONAL PAPERS TODAY

Treasury's £2.5bn in bonuses supertax (*Financial Times*)

Weak sterling a blessing, says inward investor (*Financial Times*)

Greece leaps crucial hurdle with debt sale (*The Wall Street Journal*)

Market View

Analyst: Brian Gallagher

European equity markets are stronger this morning after solid gains overnight in Tokyo and Hong Kong. The Nikkei 225 added over 2% on reports that the Bank of Japan would consider plans to ease credit further at its 2 day meeting scheduled for the 16th of March. The news also weakened the Yen against most of its major currency pairs as lower interest rates will encourage traders to re-enter the somewhat out of favour carry trade. Europe's two major central banks also gave support to equity markets yesterday, reiterating comments that reinforce the "lower for longer" theme. There was further positive news from Europe as Greece managed to get away its first major bond auction since the country's fiscal challenges came into focus. Today, the market's focus will firmly be on one event, US non farm payrolls. The consensus estimate which is calculated using the average of all the estimates provided by selected economists points towards 60,000 US jobs lost in February. The number has been very difficult to predict this month with analysts weighing up rising weekly jobless claims and poor weather against strong ISM non manufacturing data and higher government employment as a result of the census. The market will pay close attention to today's number as the consumer continues to be one of the main impediments to a sustained recovery in developed economies.

Greek 10yr Bond Auction

Analyst Oliver Gilvarry

Greece tapped the bond markets yesterday by raising €5bn in 10-year debt. The issue yielded 6.3%, the highest spread for Greek debt since they joined the Euro in 2001. The issue was 3x oversubscribed indicating strong investor demand, but the last 5-year issue was similarly oversubscribed before the market sold off Greek debt. Also most of the large insurance firms that reported in Europe over the last number of weeks indicating that they have been reducing their level of exposure to peripheral countries in Europe. As insurance companies are long-term holders of Government debt, the concern is that "Hot Money" is investing in Greek debt, which could sell off quickly if any uncertainties arise. This time at least the Greeks have put forward proposals on reducing the budget deficit with the announcement earlier this week of further cuts amounting to 2% of GDP. These cuts would seem to have been proposed by the European Commission and therefore reduces the risk of the Commission not accepting the Greek fiscal plan on the 16th of March. The Greek Prime Minister is also meeting with the German Chancellor today and French President tomorrow, which could pave the way for more explicit support for Greece in time. Trichet's spoke out yesterday against the Greek's going to the IMF for help, indicating the ECB also wants this issue to be solved within Europe and therefore means Greece will be supported.

Irish Financials

Analyst Oliver Gilvarry

AIB rallied strongly yesterday and it is reported in the Irish Times that the bank may be able to raise €4bn from assets sales reducing the level of a rights issue to more manageable level and minimising dilution for shareholders. These "Capital Levers" were discussed by Colm Doherty at the results presentation on Tuesday. The first step on using these capital levels is the buyback/exchange of Lower Tier 2 debt by the bank, which is due to be announced in the next few weeks. The Government preference shares are also in place currently and we still expect the payment to be in shares as it is unlikely the Commission will allow payment on Tier 1 instruments. Another factor that helped the banking sector was the release of a S&P report indicating the timeframe for the implementation of Basel 3 would be spread over a much longer period of time than currently expected. Allowing banks, including Irish banks, to increase capital ratios over a much longer timeframe.

Fyffes: Neutral

Previous Close €0.46

Analyst Edward Keeling

Fyffes releases its full year results this morning and it reported group revenue of €598m, down 1.4% year on the year. Earnings before interest and tax came in at €20.7m, up 33% year on year and reflecting the company's success in increasing selling prices to offset the negative impact of higher costs and adverse exchange movements. Volumes were lower in both the banana and pineapple divisions. Management have indicated that trading conditions since the start of the year has been difficult as a result of the negative impact on demand and pricing of the prolonged period of exceptionally cold weather in Europe and the adverse impact of the strengthening of the US dollar. Accordingly, the group has lowered its 2010 guidance to result between the range of €14 - €18m. This is down from the €17 - €22m range previously.

Ryanair: Buy

Previous Close €3.46

Target €4.30

Analyst Edward Keeling

Aer Lingus released its February traffic figures this morning and overall the airline carried 664,000 passengers over the period, a decrease of 3.9% when compared with 2009. Its load factor in the month was 69.9%, a decrease of 2.1% points compared to February 2009. Separately short haul load factor was weak at 70.8%, down 6.7 points on the month.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,965	0.9%	-0.2%
FTSE	5,527	-0.1%	2.6%
Dow Jones	10,444	0.5%	0.2%
S&P	1,123	0.4%	0.7%
Nikkei	10,146	-1.0%	-1.7%
Stoxx 50	2,816	-0.2%	-4.6%

Sector Performances

Sector	Index	1-Day	YTD
Construction	265	0.6%	-3.7%
Technology	201	0.3%	9.2%
Oil & Gas	322	0.0%	-2.6%
Financials	213	0.9%	-3.3%
Retail	250	0.8%	2.9%
Food & Drink	317	0.2%	3.6%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	80.2	-0.8%	0.0%
Copper	337.6	-1.7%	1.1%
Gold	1,132.2	-0.7%	3.4%
Silver	17.2	-0.9%	2.3%
Wheat	502.3	-2.6%	-9.2%
Cattle	93.0	0.1%	3.4%

Currency Exchange Rates

Currency	Index	1-Day	YTD
€/\$	1.358	-0.8%	5.4%
€/£	0.903	-0.4%	-2.0%
£/\$	1.503	-0.4%	7.6%
\$/JPY	89.020	0.6%	4.2%
€/JPY	120.920	-0.2%	9.8%
€/SFR	1.463	0.0%	1.4%

5Yr Credit Spreads

Product	Index	1-Day	YTD
Invest Grade	80.4	0.8%	11.8%
High Yield	451.7	0.9%	5.0%
Financials	81.8	-2.7%	14.4%
BoI	220.5	-0.6%	-11.5%
AIB	228.4	-2.2%	-16.4%
RBS	144.1	1.0%	4.0%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.5%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.1%	0.9%	0.5%
2-Year	1.5%	1.7%	1.1%
5-Year	2.5%	3.0%	2.5%
10-Year	3.3%	3.9%	3.6%

Date	Company	Region	Event
05/03/2010	Veolia Environnement SA	FR	Q4
05/03/2010	Air Berlin PLC	DE	TRAFFIC
05/03/2010	SAS AB	SE	TRAFFIC
05/03/2010	Michael Page International Plc	GB	PRELIM
05/03/2010	WPP Group plc	GB	PRELIM
08/03/2010	Banca Generali SpA	IT	Q4
08/03/2010	Bovis Homes Group PLC	GB	PRELIM
08/03/2010	Petrofac Ltd	GB	PRELIM
08/03/2010	Tullett Prebon Plc	GB	PRELIM
09/03/2010	Audi AG	DE	FINAL
09/03/2010	Aer Lingus Group Plc	IE	FINAL
09/03/2010	Antofagasta PLC	GB	PRELIM
09/03/2010	Inmarsat plc	GB	PRELIM
09/03/2010	Liberty International PLC	GB	PRELIM
09/03/2010	Prudential Plc	GB	PRELIM
09/03/2010	Ashtead Group Plc	GB	Q3
09/03/2010	Austrian Airlines AG	AT	TRAFFIC
09/03/2010	Finnair Oyj	FI	TRAFFIC
09/03/2010	Deutsche Lufthansa AG	DE	TRAFFIC
09/03/2010	Greencore Group PLC	IE	EGM
09/03/2010	The Kroger Co.	US	Q4
10/03/2010	Fortis SA/NV	BE	Q4

Date	Event	Region	Estimate
05/03/2010	PPI Input NSA (MoM)	UK	--
05/03/2010	PPI Output n.s.a. (MoM)	UK	--
05/03/2010	Factory Orders MoM (sa)	GE	--
05/03/2010	Change in Nonfarm Payrolls	US	--
05/03/2010	Unemployment Rate	US	--
05/03/2010	Consumer Credit	US	--
08/03/2010	Sentix Investor Confidence	EC	--
08/03/2010	Industrial Production MoM (sa)	GE	--
09/03/2010	RICS House Price Balance	UK	--
09/03/2010	Total Trade Balance (GBP/Mln)	UK	--
09/03/2010	ABC Consumer Confidence	US	--
10/03/2010	Trade Balance	GE	--
10/03/2010	Imports SA (MoM)	GE	--
10/03/2010	Current Account (EURO)	GE	--
10/03/2010	Exports SA (MoM)	GE	--
10/03/2010	Consumer Price Index (MoM)	GE	--
10/03/2010	Industrial Production (MoM)	UK	--
10/03/2010	Manufacturing Production (MoM)	UK	--
10/03/2010	MBA Mortgage Applications	US	--
10/03/2010	Wholesale Inventories	US	--
10/03/2010	Monthly Budget Statement	US	--
10/03/2010	ECB Publishes Mar. Monthly Rep	EC	--

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