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## Market Movers

## IRISH PAPERS TODAY

Regulators reiterates short selling ban  
*(The Irish Times)*

AIB raises further €750m from bond sale as ECB signals end of aid scheme  
*(The Irish Times)*

Roubini says bank mergers just create bigger financial monsters  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Bank tries "last heave" with £25bn injection  
*(Financial Times)*

Bank face change to loan losses rule  
*(Financial Times)*

Central banks' split paths  
*(The Wall Street Journal)*

## Market View

Analyst : Stephen Taylor

European equity markets are slightly higher this morning following strong gains in the US last night. We were surprised to see the muted performance of equity markets on Wednesday following the Federal Reserve's equity friendly interest rate decision and corresponding statement. It seems to have taken 24-hours to sink in that interests rates will remain 'extremely low for an extended period of time' which of course is a positive for equity markets. In addition, strong earnings from tech bellwether Cisco and in particular comments from the well respected CEO John Chambers who indicated that the recovery is firmly on track and expects revenue growth. Chambers was one of the first CEO's to warn in relation to the economic downturn and his more upbeat comments should be taken as a significant positive for the global economy. As for today, the main focus will clearly be on the nonfarm payrolls figure that is due out of the US at 1.30pm. The current market consensus is for the decline in nonfarm payrolls figure to -175,000 down from the -263,000 decline seen in September. The unemployment rate is expected to increase to 9.9% from 9.8%.

**Ryanair : Buy**    **Current Price** €2.94    **Price target** €4.00    **Analyst** : Edward Keeling

British Airways released its half year results this morning and the airline's performance was ahead of market expectations. The group posted an operating loss of £111m, down from a loss of £140m a year earlier and ahead of consensus estimates of £143m. Revenue was down 13.7% year on year reflecting an 18.2% decline in passenger yields excluding currency exchange. Net debt at the end of the period stood at £2.4bn. The group has made positive comments in relation to the likelihood of an Iberia merger, while reiterating that that structural change is necessary to secure long term profitability. Meanwhile Aer Lingus has released its October traffic figures this morning and the group continues to aggressively reduce capacity on its long haul operations while moderately increasing short haul capacity. Overall load factor was up 1.3% to 74.6%, on the back of an overall reduction in passenger volume of 10.4%.

**CRH : Buy**    **Current Price** €17.96    **Target Price** €20.30    **Analyst** : Stephen Taylor

CRH peer, Lafarge, has reported third quarter results this morning. The group posted net profit that declined by 38% to €404m beating analysts expectations of €386m. Revenue declined by 20% to €4.25bn. The company has narrowed its outlook for the cement market and now expects a decline of 6% to 8% following previous guidance of 4% to 8% decline. The group has pushed out its outlook for economic improvement until the second half of 2010. CRH are due to issue an interim management on November 10<sup>th</sup>. Given the cautious comments from some its peers recently (particularly US and the potential delays in stimulus), we expect CRH's statement to take a similar tone. We would therefore rather buy CRH post its trading statement following an overly negative reaction to its share price.

**UK Financials : RBS IMS**

**Analyst** : Oliver Gilvarry

Royal Bank of Scotland (RBS) released an Interim Management Statement (IMS) this morning focusing on Q3. The group made a pre-tax loss of £2.1bn. The loan book has fallen by 1% and the group's loan to deposit ratio has improved to 1.42x at the end of September. The outlook for liquidity is "rapidly improving" and management have stated that impairment losses seem to be stabilising, but the group will be loss making through 2010. The statement made comments on the re-structuring plan announced earlier this week. The bank intends to move slowly on the disposal of the insurance business, but will move more quickly on other business and approaches have already been made to the bank. The CEO stated overheads in the bank will have to be cut more than previously expected, which could indicate more job losses. In Ireland, Ulster Bank reported a Q3 operating loss of £85m driven by the increase in impairment charges to £144m. The statement is relatively cautious this morning and highlights the large amount of re-structuring the bank must undertake over the next number of years. Our preference in the UK is Barclays and Lloyds Banking Group.



### International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,924	0.0%	26.5%
FTSE	5,108	1.4%	15.6%
Dow Jones	9,802	0.3%	14.0%
S&P	1,047	0.1%	18.1%
Nikkei	9,717	-1.3%	10.5%
Stoxx 50	2,763	1.9%	14.1%

### Sector Performances

Sector	Index	1-Day	YTD
Construction	260	3.2%	1.7%
Technology	179	2.0%	3.7%
Oil & Gas	318	1.4%	2.8%
Financials	223	2.5%	2.3%
Retail	237	1.9%	1.7%
Food & Drink	283	0.2%	4.1%

### Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	79.6	-1.0%	36.1%
Copper	296.8	-0.9%	107.5%
Gold	1,090.3	-0.2%	23.8%
Silver	17.4	0.0%	54.5%
Wheat	512.3	-1.7%	-24.0%
Cattle	86.4	0.1%	-4.8%

### Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.487	0.1%	-6.1%
€/£	0.897	-0.1%	6.7%
£/\$	1.658	0.2%	-11.9%
\$/JPY	90.715	0.0%	0.2%
€/JPY	134.940	0.1%	-5.9%
€/SFR	1.511	0.1%	-1.2%

### 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	90.0	-0.4%	-49.6%
High Yield	518.1	1.0%	-49.9%
Financials	73.5	-0.2%	-39.3%
BoI	167.1	0.8%	-31.2%
AIB	180.0	4.5%	-12.5%
RBS	126.9	1.1%	-7.1%

### Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.2%
3-Month	0.7%	0.6%	0.3%
1-Year	1.2%	1.0%	0.5%
2-Year	1.8%	2.0%	1.2%
5-Year	2.8%	3.4%	2.7%
10-Year	3.6%	4.1%	3.7%

Date	Company	Region	Event
06/11/2009	Lafarge SA	FR	Q3
06/11/2009	SAS AB	SE	TRAFFIC
06/11/2009	British Airways PLC	GB	TRAFFIC
06/11/2009	Tate & Lyle PLC	GB	INTERIM
06/11/2009	British Airways PLC	GB	Q2
06/11/2009	Smith & Nephew PLC	GB	Q3
06/11/2009	Rentokil Initial Plc	GB	Q3 TRADE
06/11/2009	Edison Intl.	US	Q3
09/11/2009	Finnair Oyj	FI	TRAFFIC
09/11/2009	Euler Hermes SA	FR	Q3 SALES
09/11/2009	Veolia Environnement S	FR	Q3
09/11/2009	Allianz SE	DE	Q3
09/11/2009	Dyckerhoff AG	DE	Q3
09/11/2009	Inmarsat plc	GB	Q3
09/11/2009	PUMA AG Rudolf Dassl	DE	Q3
09/11/2009	Fluor Corp.	US	Q3
10/11/2009	Austrian Airlines AG	AT	TRAFFIC
10/11/2009	OMV AG	AT	Q3
10/11/2009	Credit Agricole SA	FR	Q3
10/11/2009	Theolia SA	FR	Q3 SALES
10/11/2009	Deutsche Lufthansa AG	DE	TRAFFIC
10/11/2009	Wincor Nixdorf AG	DE	PRELIM

Date	Event	Region	Estimate
06/11/2009	PPI Input NSA (MoM)	UK	--
06/11/2009	PPI Output Core NSA (MoM)	UK	--
06/11/2009	Factory Orders MoM (sa)	GE	--
06/11/2009	Change in Nonfarm Payrolls	US	-175K
06/11/2009	Unemployment Rate	US	9.90%
06/11/2009	Wholesale Inventories	US	--
06/11/2009	Consumer Credit	US	--
09/11/2009	Trade Balance	GE	--
09/11/2009	Current Account (EURO)	GE	--
09/11/2009	Imports SA (MoM)	GE	--
09/11/2009	Exports SA (MoM)	GE	--
09/11/2009	Sentix Investor Confidence	EC	--
09/11/2009	Industrial Production MoM (sa)	GE	--
10/11/2009	RICS House Price Balance	UK	--
10/11/2009	Consumer Price Index (MoM)	GE	--
10/11/2009	CPI - EU Harmonised (MoM)	GE	--
10/11/2009	Total Trade Balance (GBP/Mln)	UK	--
10/11/2009	ZEW Survey (Econ. Sentiment)	GE	--
10/11/2009	ZEW Survey (Econ. Sentiment)	EC	--
11/11/2009	Jobless Claims Change	UK	--
11/11/2009	ILO Unemployment Rate (3mths)	UK	--
11/11/2009	Bank of England Qtrly Inflation R	UK	--

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