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## IRISH PAPERS TODAY

Budget to announce spend of billions on bank loans  
*(The Irish Times)*

Aer Lingus may be without CEO for up to six months  
*(The Irish Times)*

€2bn in professor pension funds could be 'rabbit in hat' for Lenihan Budget  
*(Irish Independent)*

## INTERNATIONAL PAPERS TODAY

Investors braced for new wave of rights issues after HSBC success  
*(Financial Times)*

Bank stocks have risen enough  
*(The Wall Street Journal)*

## DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	1.8%	-17.4%
BP	-0.9%	-13.1%
CRH	-3.6%	-0.7%
E.ON	2.0%	-21.9%
HPQ	-1.1%	-7.0%
IL&P	-1.3%	5.4%
INM *	0.0%	-60.0%
J&J	0.1%	-12.8%
JPMorgan	-3.7%	-10.6%
Microsoft	0.1%	-3.5%
Paddy Power	-1.5%	-1.0%
Vodafone	0.6%	-9.3%

\* We are currently Neutral on IN&M

## Market View

**Analyst : Oliver Gilvarry**

Overnight US markets closed weaker following a strong run over the last number of sessions. This weakness followed through into Asia trading as both the Nikkei and Hang Seng both fell slightly. In Australia the Reserve Bank of Australia unexpectedly cut interest rates by 25bps to 3%, a 49-year low. The statement after the cut indicated further small adjustments could be made to interest rates. The central bank also noted in its statement that demand for credit remains weak as does demand for labour. Following on from Morgan Stanley's report yesterday stating that the bear market isn't over, Citigroup recommended investors should remain underweight US equities as the recent rally is likely to end. The report stated this year "may be marked by powerful rallies and meaningful pullback as was evident in the 1930's and 1970's." In Ireland today all focus is on the budget with increases in the income levies and cuts in spending across all departments expected. International investors will watch the budget keenly and the government must provide a plan to repair the state's fiscal position over the next number of years. The release of a detailed and achievable plan to repair the country's finances will increase investor's confidence in the country and make it easier and cheaper for the government to fund the large budget deficits we will face in the next number of years. Also expected to be announced, is details of "Bad Bank" or AMCO, which if managed properly will increase confidence in the Irish banking system and reverse some of the losses in institutional deposits the banks experienced since January. By removing these assets and potentially other problem assets plus the capital injection of €3.5bn into each, could make the Irish banks investable again as clarity on earnings return.

## IMF Report on toxic assets:

**Analyst: Oliver Gilvarry**

The IMF will release a report stating the toxic assets losses on banks and insurers balance sheets could top \$4tr. According to Bloomberg, the level of losses already taken is \$1.3tr, indicating further pain for banks and insurers in this recession. Banks and insurers are facing more losses after the losses taken on sub-prime as the real economy suffers from weakening economic conditions. At the start of the current crisis, the fall in house prices in the US resulted in assets created from sub-prime mortgages falling in value and forcing banks and insurers to take writedowns. The economic slowdown in all major economies has resulted in higher unemployment and lower consumer spending. Both of these factors have resulted in assets on bank and insurers balance sheet coming under renewed pressure and adding to the losses they have already taken.

## Aer Lingus :Neutral Current Price (€0.69) Price Target (€0.65) Analyst: David Dunk

This morning, Aer Lingus, and Air France released traffic figures for the month of March. Aer Lingus saw traffic numbers decline 7% compared to the same month last year. Load factor increased modestly from 75.3% to 75.6%. Long haul passenger numbers declined 21%. Air-France reported a decline in passenger traffic of 9.4%. Load factor declined 5.5% to 75.5%. Given that Easter fell last year in March, and will fall in April this year, March figures are expected to be weak relative to comparable figures last year. Our estimates and ratings are unaffected by today's traffic figures.

## Paddy Power:Neutral Current Price (€13.29) Price Target (€13) Analyst:Edward Keeling

Online gaming firm PartyGaming and peer of Paddy Power have issued an interim management statement this morning and group revenue was down 22% to \$100m. While Casino revenue, Sports betting revenue and bingo revenue remained resilient, Poker revenue deramatically declined. It fell 33% to 53m, suffering from unfavourable currency movements and competitive pressures from US facing sites. Total yield per active player fell 5% to \$16.4m reflecting higher retention costs in response to increased competition. On a positive note total net revenues for the second quarter grew 2% on a daily basis to \$1.1m versus the previous quarter, and yields were up 4% which had been impacted by the relaunch of partypoker.com. In conjunction with the announcement today the group also reported that it has entered into a non-prosecution agreement with US government in respect of its activities prior to the enhancement of the unlawful Interest Gambling Enforcement Act in October 2006. Mangement will be now be reviewing consolidation opportunities in the US that in due course could provide attractive growth opportunities.



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## Michael Page : Q1 Results

Analyst : Edward Keeling

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Michael Page, the UK recruiter, reported first quarter results this morning and they indicate its markets have deteriorated further over the first three months of the year. Its gross profit declined by 33% to £95m from £140 from the same period the previous year. Chief Executive Steve Ingham has said market conditions have continued to weaken during the first quarter of 2009, with the impact of the financial crisis now evident in virtually every market and discipline in which the group operates. First quarter gross profit for its UK division, which accounts for 30% of total profits, fell 39% to £29m. The impact of the economic slowdown is now effecting all regions and disciplines here with only business servicing the public sector and the smallest discipline, Property and Construction, generating growth. In Europe, the Middle East and Africa, the company's largest division making up 70% of the group, profits fell 27% to £48m. In terms of outlook the company is confident that with its strong balance sheet, leading brand and experienced management team, it can maintain its market presence and continue to gain market share. Overall this provides further support to our view that employment conditions are set to remain challenging for some time.

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## International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,364	3.4%	1.5%
FTSE	4,125	4.3%	-6.9%
Dow Jones	7,978	2.8%	-9.1%
S&P	834	2.9%	-7.6%
Nikkei	8,750	0.3%	-1.2%
Stoxx 50	2,216	5.7%	-9.0%

## Sector Performances

Sector	Index	1-Day	YTD
Construction	195	7.2%	-2.4%
Technology	158	5.7%	3.2%
Oil & Gas	269	4.7%	1.4%
Financials	141	9.3%	-5.5%
Retail	199	4.4%	7.3%
Food & Drink	217	2.0%	-7.2%

## Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	52.6	8.8%	2.3%
Copper	189.0	2.2%	33.8%
Gold	904.1	-2.5%	2.2%
Silver	13.0	0.4%	13.9%
Wheat	550.5	4.8%	-11.7%
Cattle	83.0	2.0%	-3.4%

## Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.346	1.6%	3.8%
€/£	0.914	-0.2%	4.9%
£/\$	1.472	1.8%	-1.1%
\$/JPY	99.53	1.0%	-9.3%
€/JPY	133.97	2.7%	-5.9%
€/SFR	1.527	0.6%	-2.2%

## 5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	186.8	-6.3%	7.1%
High Yield	1,136.0	-1.9%	11.3%
Financials	168.7	-8.7%	39.9%
BoI	579.9	-0.6%	138.0%
AIB	554.9	-2.6%	179.2%
RBS	208.1	0.1%	53.0%

## Money Market Rates

Rate	EUR	UK	US
Overnight	1.0%	0.5%	0.3%
3-Month	1.5%	1.6%	1.2%
1-Year	1.7%	1.6%	1.2%
2-Year	1.9%	2.1%	1.4%
5-Year	2.8%	3.1%	2.3%
10-Year	3.5%	3.7%	2.9%

Date	Company	Region	Event
07/04/2009	AerLingus	IE	TRAFFIC
07/04/2009	ALCOA Inc	US	Q1
07/04/2009	EasyJet PLC	GB	TRAFFIC
07/04/2009	Michael Page Internation	GB	TRADE
07/04/2009	Finnair Oyj	FI	TRAFFIC
07/04/2009	Air Berlin PLC	DE	TRAFFIC
07/04/2009	SAS AB	SE	TRAFFIC
08/04/2009	Family Dollar	US	Q2
08/04/2009	Fortis NV	BE	EGM
08/04/2009	Daimler AG	DE	AGM
08/04/2009	PZ Cussons	GB	TRADE
08/04/2009	TNT N V	NL	AGM
09/04/2009	Chevron	US	Q2
09/04/2009	Vedanta Resources PLC	GB	FINAL
09/04/2009	Halfords Group Plc	GB	TRADE
09/04/2009	Hays PLC	GB	TRADE
09/04/2009	SIG PLC	GB	EGM
14/04/2009	Intel Corporation	US	Q1
14/04/2009	Johnson & Johnson	US	Q1
14/04/2009	W.W. Grainger	US	Q1
14/04/2009	Iberia Lineas Aereas de	ES	TRAFFIC
14/04/2009	Banco Santander SA	ES	S/HOLDERS

Date	Event	Region	Estimate
06/04/2009	Euro-Zone PPI (MoM)	EU	--
07/04/2009	BOJ Target Rate	JN	--
07/04/2009	Industrial Production (MoM)	UK	--
07/04/2009	Manufacturing Production (M	UK	--
07/04/2009	Euro-Zone GDP s.a. (QoQ)	EU	--
07/04/2009	Consumer Credit	US	--
07/04/2009	ABC Consumer Confidence	US	--
08/04/2009	Nationwide Consumer Confic	UK	--
08/04/2009	Trade Balance	GE	--
08/04/2009	Current Account (EURO)	GE	--
08/04/2009	Imports SA (MoM)	GE	--
08/04/2009	Exports SA (MoM)	GE	--
08/04/2009	Factory Orders MoM (sa)	GE	--
08/04/2009	MBA Mortgage Applications	US	--
08/04/2009	Wholesale Inventories	US	--
09/04/2009	Consumer Price Index (MoM)	GE	--
09/04/2009	ECB Publishes Apr. Monthly	EU	--
09/04/2009	PPI Input NSA (MoM)	UK	--
09/04/2009	PPI Output n.s.a. (MoM)	UK	--
09/04/2009	Industrial Production MoM (s	GE	--
09/04/2009	BOE ANNOUNCES RATES	UK	--
09/04/2009	Trade Balance	US	--

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## DOLMEN SECURITIES LTD

75 St. Stephen's Green, Dublin 2, Ireland.  
45 South Mall, Cork, Ireland  
Theatre Court, Mallow St, Limerick, Ireland.

Tel : +353 1 633 3800/1890 400 300  
Tel : +353 21 422 2122  
Tel : +353 61 436 500

E-mail: [info@dsl.ie](mailto:info@dsl.ie)  
E-mail: [cork@dsl.ie](mailto:cork@dsl.ie)  
E-mail: [Limerick@dsl.ie](mailto:Limerick@dsl.ie)