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(Financial Times)

Financial recruiter sees no sign of let-up in 'brutal job market'
(Financial Times)

ECB frets over pace of loans by banks
(The Wall Street Journal)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	3.0%	5.4%
BP	-2.6%	-11.0%
CRH	-4.1%	-2.4%
DCC	-3.6%	36.9%
E.ON	-2.0%	-16.8%
HPQ	-0.3%	4.0%
IL&P	-0.2%	101.9%
INM	-15.9%	-47.3%
J&J	1.1%	-5.4%
JPMorgan	1.0%	3.4%
Microsoft	-0.7%	19.3%
Vodafone	1.7%	-17.4%

Market View

Analyst : Edward Keeling

Equity markets have opened broadly flat this morning after yesterday's sell off. Risk appetite remained subdued as doubts over the strength of any economic rebound persist. Risk aversion was again the key theme as equities and commodities struggled, while government bond yields fell. The better than expected US ISM non manufacturing index was not enough to spark an intra day rally. Despite rising to 47 in June, up from 44 in May and better than economists' forecasts, it still remains below the all important 50 mark which divides contraction from expansion. However there were some positive comments from the Reserve Bank of Australia overnight. In a statement after announcing it had left interest rates on hold at 3%, it cited diminished risks ahead and improved market conditions. The central bank signalled that the global economy is stabilising as China gains pace and the US economy possibly nears a turning point. In the euro-zone yesterday, finance ministers gathered to discuss fears that the regions ability to grow would fall dramatically after the downturn, with high unemployment posing a threat of social crisis. Jean-Claude Juncker, the Luxemburg finance minister, indicated that the greatest sustainable growth over time could fall below 1% from the 2.2% recorded before the beginning of the recession. Juncker now expects 21 of the 27 euro-zone regions to exceed the EU's deficit ceiling of 3% of gross domestic product this year. We would share these concerns and expect the European economy to lag any global economic recovery. It is relatively quiet on both the corporate and economic front today, with all eyes on Alcoa tomorrow who kick off the US Q2 reporting season

CRH : Buy Current Price (€16.20) Price target (€19.00) Analyst : Stephen Taylor

CRH has this morning issued a trading statement for the six month period ending 30th June 2009. The group pointed out that while the rate of profit decline in the second quarter eased substantially compared with the first three months of the year, the global recessionary environment led to weaker than anticipated trading in May and June. As a result, the company expects EBITDA for the first half of the year to show a decline of c. 40% compared with the same period last year of €1.1bn. Pretax profit is expected to be in the order of €100m after restructuring costs of c. €75m and an adverse translation impact c. €20m. Trading in Europe continued to be difficult over the period with the trading environment further impacted by difficult weather conditions. Overall, CRH expects to show a high-teen percentage decline in revenue with EBITDA falling by c. 40%. In the US, financing constraints have led to delays and cancellations in commercial construction projects that resulted in a sharper than expected slowing in the pace of US private non-residential construction. Overall, CRH expects revenue in the US for the first half of the year to decline by over 20%, with EBITDA declining by 50%. CRH however did indicate that it expects to be a significant beneficiary from the US stimulus package and has seen a strong flow of projects over the last six weeks and expects a further pick up in project announcements over the next four weeks.

First half development spend totalled €300m as expected with the majority of that related to the previously announced purchase of a 26% stake in Yatai cement, the leading cement manufacturer in North Eastern China. CRH also indicated that it has significant financing capacity, boosted by its March rights issue, where it raised €1.24bn to make acquisitions. The company pointed out that it will continue to take its prudent approach to acquisitions that offer compelling value and an exceptional strategic fit.

In light of the continued difficult economic conditions the company has increased its focus on costs savings. The group expects to achieve an additional €555m in savings over the next two years bringing its total annualised savings over the period 2007-2010 to €1.45bn. The cost to implement the additional costs savings will be c. €165m, the bulk of which will be incurred in the second half of 2009. CRH also indicated on the conference call that it may look for further cost savings in the second half of the year.

In relation to the group's outlook, CRH expects that conditions will remain difficult. However, CRH anticipates that the rate of profit decline experienced in the first half of the year to moderate through the second half of the year, with less demanding prior year comparatives. Over all we expect earnings estimates for CRH to decline by c. 5% - 10%. However, given the company's increased cost savings and potential benefits from the US stimulus package, we believe the company is well positioned going forward. We reiterate our buy rating and will be publishing a detailed note tomorrow.



IFG : Buy **Current Price (€0.82)** **Price target (€1.10)** **Analyst : Oliver Gilvarry**

Yesterday management from IFG Group presented to our sales team. CEO, Mark Bourke, re-iterated guidance given last week in the company's Interim Management Statement (IMS) that EPS will be in a range of 18-20c. Unsurprisingly, the Irish division was weak in 2008 with transaction levels falling by 60-70%. Transaction levels have since stabilised, but remain at low levels. Life and pension business has picked up some of this slack and business in this area has doubled over the period, with the division potentially break-even by the end of the year. The International business has performed well and the management see potential regulatory changes affecting off-shore transactions as a positive for the company. The UK business is also performing well and the potential changes in UK regulations banning advisors from receiving commission on the sale of products will be a positive for IFG. As IFG's business model in the UK is mainly an advisory service, it is well positioned to benefit from this change in legislation due to come into effect from 2012. Debt levels in the group have increased from €29.8m in 2007 to the current €55.5m and this is due to recent acquisitions. Debt to EBITDA at 1.8x remains within covenant levels of 2.0x. The dividend of 3.63c in our opinion is safe unless the group comes under pressure on its debt covenant, but current management have a track record of operating within its covenant levels even during the tough times the company went through in the early 2000's. This experience will stand to the company and gives us comfort the dividend will be maintained at current levels. Seventy three percent of income comes from sterling and in our opinion we believe sterling will strengthen against the Euro over the course of the year; this will have a positive impact on earnings for the company and will drive a re-rating of the stock. We reiterate our buy rating on the stock and see the dividend as secure. The stock is a good long term investment play with strong management, good business model, trading at 4.3x forward earnings and provides an attractive yield of 4.43% in a low interest rate environment.

Persimmon : Trading Statement **Current Price (377p)** **Analyst : Oliver Gilvarry**

Persimmon Plc released a trading up-date this morning prior to the release of its interim results on the 25th of August. For the first 6-months of the year, the group completed 4,006 homes with total sales revenues of £625m. Debt levels have fallen from £906m at the end of June 2008 to the current level of £495m. The group believes it will have debt levels of £450m by the end of the year. On sales, volumes have consistently been ahead of the same period in 2008. Forward sales have also improved with £700m of forward sales for the second half of 2009, compared to £458m at the beginning of the year. The group has seen house prices continuing to fall for the first 6-months of the year with a decline of 4% for the group. More recent experience indicates prices are stabilising in some locations and the rate of decline has slowed in others. This would support the housing data released in the UK over the last number of months. Based on the current sales levels, Persimmon has 7-years of supply and there is no need to acquire more land banks. Despite this, the group has entered into a small number of transactions and has agreed terms to purchase new land on favourable terms. Management also believe there is no further requirement for further provisions on landbanks unless there is a "substantial change in current market conditions". Management are encouraged by the improvement in sales rates and the stabilisation of prices, but they still remain cautious until mortgage availability improves and employment prospects stabilises. Overall the statement was positive as prices seem to be stabilising and with the re-structuring of the balance sheet the group is now in a position to make small opportune purchases of landbanks at attractive levels.

Aer Lingus : Neutral **Current Price (€0.50)** **Price target (€0.65)** **Analyst : David Dunk**

This morning Air France and Aer Lingus both released traffic figures for the month of June. Air-France saw passenger traffic fall 6.4% in June, the 6th straight month of traffic declines for the airline. Capacity fell by a further 5% over the month. Load factor for the airline was 80.3%, down 1.1%. Load factor for the month of June was 81.3%, down 0.2% from the previous year. Short haul load factor declined by 0.2% to 82.0%, while long haul load factor was 80.2%, down 1.9%. Short haul capacity increased 12.2%, with long haul capacity declining by 16.3%. Passenger numbers increased by 7.5% to 1,030,000 in June compared to last year. This represented a 10.8% increase on short haul, and a 14.2% reduction on long haul passenger numbers.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,598	-3.5%	13.1%
FTSE	4,195	-1.0%	-4.9%
Dow Jones	8,325	0.5%	-5.1%
S&P	899	0.3%	-0.5%
Nikkei	9,648	-0.3%	8.9%
Stoxx 50	2,344	-1.4%	-3.9%

Sector Performances

Sector	Index	1-Day	YTD
Construction	204	-2.2%	0.7%
Technology	167	-0.6%	9.4%
Oil & Gas	274	-2.8%	3.2%
Financials	175	-1.7%	17.4%
Retail	209	-0.5%	14.6%
Food & Drink	241	0.1%	3.6%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	64.1	-4.0%	15.5%
Copper	226.3	-1.9%	56.4%
Gold	925.0	-0.8%	4.7%
Silver	13.2	-1.3%	16.4%
Wheat	519.3	-1.8%	-19.9%
Cattle	84.4	-0.5%	-1.6%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.398	0.0%	-0.3%
€/£	0.859	0.3%	-10.8%
£/\$	1.629	-0.3%	9.6%
\$/JPY	95.35	-0.7%	4.7%
€/JPY	133.35	-0.7%	4.4%
€/SFR	1.517	-0.2%	1.6%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	134.4	-6.3%	-24.1%
High Yield	846.4	2.8%	-18.3%
Financials	113.8	3.5%	-3.9%
BoI	371.5	-0.5%	55.5%
AIB	375.3	1.4%	82.7%
RBS	168.1	0.9%	23.0%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.3%	0.4%	0.3%
3-Month	1.0%	1.1%	0.6%
1-Year	1.3%	1.2%	0.8%
2-Year	1.7%	2.1%	1.3%
5-Year	2.8%	3.6%	2.8%
10-Year	3.6%	4.1%	3.7%

Date Company Region Event

Date	Company	Region	Event
07/07/2009	CRH PLC	IE	TRADE
07/07/2009	Finnair Oyj	FI	TRAFFIC
07/07/2009	Air Berlin PLC	DE	TRAFFIC
07/07/2009	SAS AB	SE	TRAFFIC
07/07/2009	Michael Page Internatio	GB	TRADE
07/07/2009	Persimmon PLC	GB	TRADE
08/07/2009	Tullow Oil PLC	IE	TRADE
08/07/2009	ALCOA Inc	US	Q2
08/07/2009	Family Dollar	US	Q3
08/07/2009	Axis AB	SE	Q2
08/07/2009	Touchstone Group PLC	GB	PRELIM
08/07/2009	Laurent-Perrier SA	FR	S/HOLDERS
08/07/2009	Schwarz Pharma AG	DE	AGM
08/07/2009	Holcim Ltd	CH	EGM
08/07/2009	3i Group Plc	GB	AGM
08/07/2009	Marks and Spencer Gro	GB	AGM
09/07/2009	Chevron	US	Q2
09/07/2009	Netgem SA	FR	Q2 SALES
09/07/2009	Deutsche Lufthansa AG	DE	TRAFFIC
09/07/2009	Associated British Food	GB	TRADE
09/07/2009	Barratt Developments P	GB	YRTRADE
09/07/2009	Man Group Plc	GB	Q1 TRADE

Date Event Region Estimate

Date	Event	Region	Estimate
07/07/2009	Industrial Production (MoM)	UK	0.20%
07/07/2009	Manufacturing Production (M	UK	0.20%
07/07/2009	Factory Orders MoM (sa)	GE	0.50%
07/07/2009	ABC Consumer Confidence	US	-51
08/07/2009	Nationwide Consumer Confir	UK	55
08/07/2009	Euro-Zone GDP s.a. (QoQ)	EC	-2.50%
08/07/2009	Industrial Production MoM (s	GE	0.50%
08/07/2009	MBA Mortgage Applications	US	-
08/07/2009	Consumer Credit	US	-\$10.0B
09/07/2009	Trade Balance	GE	9.0B
09/07/2009	Current Account (EURO)	GE	3.7B
09/07/2009	CPI - EU Harmonised (MoM)	GE	0.00%
09/07/2009	Imports SA (MoM)	GE	0.80%
09/07/2009	Exports SA (MoM)	GE	1.50%
09/07/2009	ECB July Monthly Report	EC	
09/07/2009	Total Trade Balance (GBP/M	UK	-£2850
09/07/2009	BOE ANNOUNCES RATES	UK	0.50%
09/07/2009	Initial Jobless Claims	US	-
09/07/2009	Wholesale Inventories	US	-1.00%
10/07/2009	PPI Input NSA (MoM)	UK	0.80%
10/07/2009	PPI Output n.s.a. (MoM)	UK	0.30%
10/07/2009	Trade Balance	US	-\$30.0B

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