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(The Irish Times)

Fitch cuts Ireland 's rating by one level to AA+
(The Irish Times)

Agency gets power to seize developers' land
(Irish Independent)

INTERNATIONAL PAPERS TODAY

Bank creates two-tier market
(Financial Times)

Morgan Stanley takes hit
(The Wall Street Journal)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	5.6%	-12.4%
BP	-0.5%	-15.4%
CRH	1.3%	0.0%
E.ON	0.4%	-20.5%
HPQ	-0.8%	-8.9%
IL&P	7.8%	13.7%
INM *	0.0%	-60.6%
J&J	0.2%	-14.0%
JPMorgan	0.7%	-13.0%
Microsoft	2.3%	-1.3%
Paddy Power	-1.6%	-4.7%
Vodafone	1.3%	-11.3%

* We are currently Neutral on IN&M

Market View

Analyst : Stephen Taylor

European equity markets are higher this morning following strong gains in Asia last night. The move in Asian markets came about as Japan's ruling party proposed a \$154bn economic stimulus package that would be more than the \$100bn Prime Minister Taro Aso had indicated earlier in the week. The markets were also boosted by better than expected machinery orders out of Japan, a possible sign that manufacturing activity may be becoming closer to a bottom. As in every economy however, employment is critical and last night's Australian unemployment figures made for grim reading and is the reason for our continued caution on markets. Australia's unemployment rate rose to its highest level in more than five years rising to 5.7% in March from 5.2% in February. While some economic indicators have stabilised recently, unemployment rates across the world are continuing to rise which will increase the length of time for a recovery to take place. As for today, again it should be a relatively quiet trading session with all markets closed tomorrow and only the US open on Monday. On the economic side the key event will be the Bank of England's interest rate decision due at 12pm with the central bank expected to keep its benchmark interest rate at 0.50%. In the US, weekly jobless claims will be closely watched for any further deterioration in the labour market.

Irish Economy : Fitch downgrades credit rating

Analyst : Oliver Gilvarry

Last night Fitch Rating Agency downgraded Ireland's credit rating from AAA to AA+ with a negative outlook. The rating downgrade followed S&P's move a number of weeks ago. Fitch's reason for the downgrade was due to the outlook for Ireland's public finances as they are no longer consistent with a AAA rating. The rapid increase in gross national debt from 25% of GDP in 2007 to 80% of GDP by government estimates in 2011, excluding funding for NAMA, is a much faster increase than in any other AAA country. Fitch welcomes the measures taken by the government in the budget as it showed "considerable resolve and it will prevent further slippage on the previous deficit target of 9.5% to 10.75%. The rating agency notes that while the government has made tough decisions in the budget it highlights the lack of flexibility the government has in supporting the economy. The government are implementing fiscal tightening due to the collapse in the tax base during the worst recession in recent memory.

On NAMA, Fitch commented the plan is "innovative and bold", but it will require significant issue of government debt despite the assets being purchased at discounts to their face value. The realisation of losses on banks balance sheets from the sale of these loans, in Fitch's opinion; require additional capital support from the government, resulting in further pressure on the fiscal position.

Due to the economic uncertainties facing the country over the next number of years and the government deficit remaining very large Fitch's outlook for Ireland's credit rating is negative.

The downgrade for Ireland's credit rating is not unexpected and Moody's will more than likely be following Fitch in the next number of weeks and lower its rating from AAA. Irish government bond yield spreads against 10-year German bonds have widened since the start of the week and this morning are at 196bps, but this is only an increase of 5bps. The spreads have tightened considerably since the start of April when they were 230bps and from the middle of March when they were at 264bps.

In a separate move yesterday, Moody's downgraded its bank financial strength rating on a number of Irish banks. The senior debt ratings of the domestic financial institutions were left unchanged, but Moody's expectations of credit losses have increased. The rating agency believes the weakening economic environment will result in further pressure on corporate and mortgage books. On the mortgage books, the buy to let portion of these portfolios are of concern to Moody's and loan losses will "significantly weaken the capital positions of most Irish banks and building societies over the next two years."

BHP Billiton: Neutral Current Price (1384p) Price target (1200p) Analyst : David Dunk

Indian based miner Vedanta has released details of its Q4 production results this morning. The company has reported significant increases in iron ore and zinc. These increases stem from the completion of new facilities that had been commissioned as a result of the commodities boom. As a result of the decline in metal prices over the last few months, the mining industry is likely to see significant closure of existing production facilities, particularly those with relatively high marginal cost profiles. During the period, Vedanta shutdown the high cost aluminium smelter at MALCO, and part of the BALCO plant. The Nkana copper smelter was also shut down. Our ratings and targets for the sector remain unchanged

Hays : Current Price (73p)

Analyst : Edward Keeling

Hays, the UK's largest recruitment firm, has released an interim management statement this morning. The company has indicated that market conditions in each of the countries in which it operates have deteriorated further during the quarter, with group net fees falling by 27% over the period. As a result the group is attacking its cost base, reducing its headcount by a further 11% during the recent quarter. This brings the total headcount reduction since the start of the year to 19%. During the reporting period demand for temporary assignments have been broadly stable, while demand for permanent placements has continued to fall, down 46% year on year. In the UK & Ireland specifically, net fees fell 37% year on year in the private sector business, while the public sector continues to be resilient, achieving 3% growth on the quarter. Another strong performance came from its German operations which are mainly focused on the IT contracting market. This operation managed to achieve good growth albeit at a slower pace.



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,311	1.6%	-0.9%
FTSE	3,926	-0.1%	-11.0%
Dow Jones	7,837	0.6%	-10.7%
S&P	825	1.2%	-8.6%
Nikkei	8,916	3.7%	0.6%
Stoxx 50	2,187	1.0%	-10.0%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	49.4	0.5%	-2.2%
Copper	199.9	0.4%	42.4%
Gold	880.5	-0.1%	0.0%
Silver	12.3	1.1%	8.6%
Wheat	532.0	-1.4%	-13.7%
Cattle	83.8	0.0%	-1.7%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	185.9	-6.3%	3.0%
High Yield	1,133.1	-1.1%	10.3%
Financials	164.2	1.1%	35.8%
BoI	502.0	-5.4%	108.5%
AIB	508.3	2.7%	153.2%
RBS	200.4	3.0%	43.9%

Sector Performances

Sector	Index	1-Day	YTD
Construction	192	1.4%	-5.2%
Technology	158	1.6%	4.4%
Oil & Gas	254	-1.1%	-4.2%
Financials	139	1.1%	-6.9%
Retail	194	1.2%	6.6%
Food & Drink	216	-0.9%	-7.2%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.328	0.1%	5.1%
€/£	0.902	0.2%	5.9%
£/\$	1.472	-0.1%	-0.7%
\$/JPY	99.76	-0.7%	-9.5%
€/JPY	132.46	-0.6%	-4.9%
€/SFR	1.523	0.4%	-2.0%

Money Market Rates

Rate	EUR	UK	US
Overnight	1.0%	0.4%	0.3%
3-Month	1.4%	1.6%	1.1%
1-Year	1.7%	1.5%	1.2%
2-Year	2.0%	2.2%	1.5%
5-Year	2.9%	3.2%	2.4%
10-Year	3.6%	3.8%	3.1%

Date	Company	Region	Event
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
15/04/2009	Kenmare Resources PL	IE	PRELIM
15/04/2009	Rio Tinto PLC	GB	AGM
15/04/2009	Anglo American PLC	GB	AGM
15/04/2009	Abbott	US	Q1
16/04/2009	Experian PLC	IE	TRADE
16/04/2009	Rio Tinto PLC	GB	Q1 OUTPUT
16/04/2009	BP Plc	GB	AGM
16/04/2009	Baxter Intl. Inc.	US	Q1
16/04/2009	Harley-Davidson	US	Q1
16/04/2009	JP Morgan Chase & Co.	US	Q1
16/04/2009	Nokia Oyj	FI	Q1
16/04/2009	Carrefour SA	FR	Q1 SALES

Date	Event	Region	Estimate
09/04/2009	Consumer Price Index (MoM)	GE	-0.10%
09/04/2009	ECB Publishes Apr. Monthly	EU	
09/04/2009	PPI Input NSA (MoM)	UK	0.90%
09/04/2009	PPI Output n.s.a. (MoM)	UK	0.10%
09/04/2009	Industrial Production MoM (s)	GE	-3.00%
09/04/2009	BOE ANNOUNCES RATES	UK	0.50%
09/04/2009	Trade Balance	US	-\$36.5B
09/04/2009	Import Price Index (MoM)	US	0.90%
09/04/2009	Initial Jobless Claims	US	655K
09/04/2009	CPI (MoM)	IE	0.10%
09/04/2009	Industrial Production sa (MoI)	IE	--
14/04/2009	RICS House Price Balance	UK	--
14/04/2009	Producer Price Index (MoM)	US	--
14/04/2009	Advance Retail Sales	US	--
14/04/2009	Business Inventories	US	-1.10%
14/04/2009	ABC Consumer Confidence	US	--
15/04/2009	MBA Mortgage Applications	US	
15/04/2009	Consumer Price Index (MoM)	US	--
15/04/2009	Empire Manufacturing	US	--
15/04/2009	Industrial Production	US	--
15/04/2009	NAHB Housing Market Index	US	--
15/04/2009	Fed's Beige Book	US	--

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