



Weekly Traders Update



Brief Market View

Markets look to be set for another eventful week with full economic & corporate calendars in addition to escalating conflict in Lebanon and Israel.

This week will be heavy again on the data side. On Tuesday, a report on existing home sales is expected to show a drop to an annualised pace of 6.58 million units in June from a pace of 6.67 million in May, according to economists. On Thursday, a report on new home sales is forecast to show a decline to a seasonally adjusted annual pace of 1.160 million units from 1.234 million units in May. On Friday, the Commerce Department's estimate of growth in second-quarter gross domestic product is expected to show that the U.S. economy grew at an annual pace of 3.0 percent in the second quarter, down from 5.6 percent in the first quarter. On Thursday, the government will release a report on U.S. durable goods orders for June, forecast up 1.8 percent after a drop of 0.2 percent in May. The Conference Board's July consumer confidence index is due Tuesday, expected to come in at 104.0, down from 105.7 in June, and the Fed's "Beige Book" report on Wednesday, a look at the regional economies served by the 12 Federal Reserve district banks. Closing out the week's packed economic data calendar will be the University of Michigan's final reading on its July consumer sentiment index on Friday. The forecast is 83.0, down from 84.9 in June.

The week's corporate calendar is equally full with a host of UK companies reporting. On Monday we have Vodafone and Barratt Developments. The energy sector, riding high on record oil prices, may lift the stock market this week. On Tuesday BP and BHP Biliton will report Q2 earnings. In the US Exxon Mobil, and ConocoPhillips also report. On Wednesday Reuters, Northern Rock and GSK report second quarter earnings, while on Thursday it is the turn of Carphone Warehouse and AstraZeneca. To round off the week, Friday will bring reports from BSKyB and Prudential.

Below are our trading ideas for this week.

Petroceltic (18p)

On Friday, Irish oil and gas explorer, Petroceltic, will hold its AGM at what is probably the most important time in the company's history. Petroceltic is due to start drilling its exciting Algerian prospects next month, and Friday's AGM statement could give a more detailed timeframe for this drilling, as well as an update in relation to any recent developments at its offshore Italy and offshore Ireland prospects : **Speculative BUY**.

Vodafone (£1.11)

This morning, Vodafone announced Q1 key performance indicators, in line with market expectations, which caused relief amongst some investors who had feared that market expectations would not be met. Net new customers of 4.5m was in line with the consensus expectation of 4.4m, with organic mobile revenue growth of 6.4% beating the 5% expected. The group's cash return of 15p per share is going ex at close of business this Friday, 28th July, and the shares' c.5.5% dividend yield and sector discount of c.20% makes risk / reward very attractive at current levels : **BUY**.

GSK (£14.91)

GlaxoSmithKline is due to report 2Q06 earnings at midday on Wednesday 26th July. Consensus forecasts point to EPS of 23.5p & sales of £5,730m. The company is currently forecasting FY EPS growth of 'around 10%' and we believe that there is room for some upward revisions to this guidance. **BUY**

BP (£6.20)

BP will report Q2 results on Tuesday. EPS is forecast to be 16.3p, a 17% increase on the previous number. The shares have fallen 14% from their mid-April high of 725p, while oil has remained unchanged at \$74. This is the third time the sector has fallen materially over the last 18 months-the last two sell-offs in April 2005 (-7%) and October 2005 (-11%) proved to be great buying opportunities (May-September +30% and November-April +17%). **BUY**

Legal & General (£1.24)

This Thursday, Legal & General will announce its results for the 6 months ended 30th June, as well as its Q2 sales results. We are forecasting a 30% increase in the pre-tax value of sales to £209m, and pre-tax operating profit of £612m, a year on year increase of 32%. Such results would show that the life insurer is continuing to gain market share in the UK, that its sales margins remain high and could act as a positive catalyst for the share price given its c.10% sector discount. **BUY**

Contact Details

Stephen Tynan
+353 1 6333 873

Colm O'Reilly
+353 1 6333 870

Suzanne Berkery
+353 1 6333 881

Sheena Coen
+353 1 6333 847

Richard Power
+353 1 6333 891

Paul Kelly
+353 1 6333 867

Mark Kelly
+353 1 6333 883

Main Dealing Line
+353 1 6333 640

Earnings Calendar

Trinity Biotech	24-Jul	Q2
Vodafone	24-Jul	KPIs
Barratt Dev	24-Jul	Trading
BHP	25-Jul	Q4
BP	25-Jul	Q2
Northern Rock	26-Jul	H1
GSK	26-Jul	Q2
Reuters	26-Jul	H1
Bradford & Bingley	27-Jul	H1
AstraZeneca	27-Jul	Q2
Carphone Warehouse	27-Jul	Q1
L&G	27-Jul	H1
Royal Dutch Shell	27-Jul	Q2
Smith & Nephew	27-Jul	H1
Alliance & Leicester	28-Jul	H1
BSKyB	28-Jul	FY
Prudential	28-Jul	H1

Ph:6333 640

Dolmen Stockbrokers Ltd
Dolmen House
4 Earlsfort Terrace, D2.
www.dolmenstockbrokers.ie

Disclosures

This report has been prepared by Dolmen Stockbrokers ('Dolmen') for information purposes only to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations nor provide the sole basis for any evaluation of the securities discussed. Specifically the information contained in this report should not be taken as an offer or solicitation of investment advice or, encourage the purchase or sale of any particular security, option, future or other derivative investment. Not all recommendations are necessarily suitable for all investors and Dolmen recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor. Although the information in this report has been obtained from sources, which Dolmen believes to be reliable and all reasonable efforts are made to present accurate information Dolmen give no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. Nor shall Dolmen, or any of its employees, directors or agents, be liable to for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk.

All estimates, views and opinions included in this report constitute Dolmen's judgement as of the date of the report but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

Unless specifically indicated to the contrary this report has not been disclosed to the covered issuers(s) in advance of publication.

Past performance is not necessarily a guide to future returns. The value of investments and the income from them can fall as well as rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income. Investors may not necessarily recoup the full value of their original investment. Investors should be aware that forwarding looking statements and forecasts may not be realised.

This report may not be reproduced (in whole or in part) altered, transmitted or made available to any other person without the prior written permission of Dolmen.

Dolmen Securities is a Member Firm of the London Stock Exchange, and is authorised by the Financial Regulator under the Investment Intermediaries Act 1995. Dolmen Stockbrokers is a Member Firm of The Irish Stock Exchange, The London Stock Exchange, and is authorised by the Financial Regulator under the Stock Exchange Act 1995. Dolmen Stockbrokers is regulated by the Financial Regulator as a Mortgage Intermediary.

Conflicts of Interest & Share Ownership Policy

Dolmen, its employees, directors or related companies, may have a shareholding in the securities (or related investments/ derivatives) of certain companies covered in this report, or may provide/ solicit investment banking or other services to/ from them.

It is noted that research analysts' compensation is impacted upon by overall firm profitability and accordingly may be affected to some extent by revenues arising other Dolmen business units including Corporate Finance, Fund Management and Stockbroking. Revenues in these business units may derive in part from the recommendations or views in this report. Notwithstanding, Dolmen is satisfied that the objectivity of views and recommendations contained in this report has not been compromised.

Dolmen permits research analysts to own shares and/ or derivative positions in issuers they publish research, views and recommendations on and accordingly analysts involved in the production of this report may own stocks in a company covered in it. Any own account staff trading is undertaken in strict compliance with Dolmen's own account internal rules and therefore Dolmen is satisfied that the impartiality of research, views and recommendations remains assured.

Analyst Certification

Each research analyst responsible for the content of this report, in whole or in part, certifies that: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

For US Persons Only

This report is only provided in the US to major institutional investors as defined by s. 15 a-6 of the Securities Exchange Act, 1934 as amended. A US recipient of this report shall not distribute or provide this report or any part thereof to any other person.