

No news is good news' the saying goes and this was certainly the case last week for global equity markets. In a week that saw a distinct lack of economic and corporate newsflow hit the wires, the opportunity was there for markets to attempt a rally off their recent lows, and so it turned out. True there was some news, most notably a second successive month of positive US retail sales data and three US bank CEO's all declaring that their respective banks all had very profitable starts to the calendar year, but it was the absence of any really negative economic data that spurred the rally. Sector rotation was confirmation of this as defensives suffered at the expense of more cyclical sectors such as miners, industrials and energy. Also confirming a more positive tone last week was the pull-back in gold and a better bid to crude oil. The big question for investors is have we seen the bottom? The answer is still somewhat unclear, however it is not inconceivable to see another 4 to 5% added to markets before they meet significant resistance. In order for confirmation that a bottoming is in progress for equity markets we need to see a trend emerge in other key data similar to the one that appears to be emerging in the US retail numbers. In this respect the US housing data that is due for release this week along with regional surveys from New York and Philadelphia will be crucial in determining the strength of the current rally. For the moment however, sentiment has turned more positive, and the scope for a test of the 4,000 and 7,550 resistance levels for the FTSE and the Dow remains, at which point we would look to lock in any trading gains.

TRADING IDEAS, EARNINGS & PREVIEWS

CRH

Price: €15.50

P/E: 9.9x

Div: 4.4%

Target: €19.00

Buy

Fundamental View : Shares in CRH rebounded strongly last week gaining 12% since Monday in addition to the stock trading ex-dividend of 48.5c. CRH remains our preferred pick in the construction sector given its underleveraged balance sheet. The group's recently announced rights issue where it plans to raise \$1.238bn will further shore up its balance and allow it the opportunity to make strategic acquisitions from struggling peers. CRH also expects that it will be a significant beneficiary from the US stimulus package with \$27bn of spending earmarked for infrastructure projects which will start to bare fruit in the second half of 2009. While 2009 will clearly be a challenging year for the group we believe that it is well placed to weather the current downturn. We would look for an entry level sub €13.50.

Next Catalyst: CRH will host its AGM on 06/05/09

Independent News & Media**Update**

On Friday, Independent News & Media announced that Sir Anthony O'Reilly has retired as CEO and will be replaced by the current Chief Operating Officer Gavin O'Reilly with immediate effect. The group has also announced that the Board has been reduced to 10 from 17. Denis O'Brien with a 26% stake in the company has welcomed the changes and provided his support to the company's strategy to de-leverage the business. INM has also said that it will release full year results on 24th April almost a month later than its original date of 31st March. Overall we view the improvement in relationship amongst shareholders as a positive, however we remain cautious on the stock until further details in relation to the refinancing of the group's maturing €200m bond in May.

Miners

The mining sector continues to offer attractive trading opportunities, both from the long and short side. Despite a strong performance in recent weeks, our technical view favors the bullish case, at least, in the short term. We recommend long positions in mining stocks, on weakness, early next week, with an anticipated further move higher over the week. Our preferred in the sector is BHP Billiton followed by Xstrata. Amongst the metals, copper is the one with the most favorable short term prospects due to restocking in China. Kazakhmys, as a copper producer, is well placed to move higher on further short term strength in copper prices, but is considered a higher risk opportunity than our other picks.

Tullow

Price: €770p

Div : 0.77%

Target: 900p

Buy

Tullow announced last Monday, the completion of its \$2bn financing efforts. The facility is split between 13 major global banks. Tullow will use the funding to replace an existing maturing facility, and to fund the first phase of the Jubilee field development, as well as continuing high impact exploration. The company also released initial test results from the Tweneboa prospect in Ghana. The results were positive with a significant quantity of hydrocarbons discovered. Further drilling will now take place to assess the significant nearby prospects, including Owo and Ntomme. There is potential for further significant upside from these prospects. Tullow released its full year results on Wednesday. As we noted in last weeks preview, the operational and production figures had been flagged to the market. We were hoping for further detail on the development of Ugandan assets, but were disappointed in this regard. Given its strong performance in recent weeks, Tullow's share price may pull back in the coming weeks. Clients with existing positions may wish to take profits at current levels, or alternatively sell covered call options. June calls with a strike price of £8.80 are currently trading at £0.70. This strategy would limit potential upside from a long position.

Airlines**Update**

Aer Lingus released its full year earnings last week. Results were broadly in line with expectations, but guidance was weak. The company previously guided for an operating profit in 2009 back in January. This was revised to a forecasted loss in 2009 that would be greater than that seen in 2008. This resulted in a steep sell off in the Aer Lingus share price, and our downgrading of rating and target price. We currently have a Neutral rating on Aer Lingus with a €0.65 price target. Meanwhile, Ryanair is our preferred pick in the sector, with a buy rating and a price target of €3.65. We expect Ryanair to return to significant profitability in the current calendar year, and reiterate our buy recommendation around current levels.

Paddy Power

Price: €12.02

P/E: 11.3x

Div: 4.5%

Target: €16.00

Buy

In our view Paddy Power remains a compelling investment for several reasons. While bookmakers are not immune from the current slowdown, Paddy Power's business mix (c.70% of profits derived from its online division; still a huge growth market) leaves it well placed to weather the current downturn. Furthermore its UK division is set to increase dramatically over the next few years. Paddy Power plans to grow its UK estate to 150 shops from 68 shops by 2011. Its also worth noting the cost of such expansion has sharply declined in the current climate. In its Irish division, while there is no doubt its turnover per shop and its Gross Win will deteriorate, it will emerge even stronger when markets recover. Paddy Power will delay expansion and as such reduce capex spend, opting instead to capture market share as now loss making capacity exit the industry. With its unique brand, massive growth prospects and strong balance sheet (Net cash position of €77m) we reiterate our Buy recommendation with a reduced price target of €16.

Earnings Week Ahead

Mon: Clarkson (Prelim),Aeroports de Paris(Traffic), Gladstone (Meeting).
Tues: RD Shell (Trade),Friends Provident(Prelim), Hikma Pharma(Prelim), Tribal Group(Prelim), Macromedia(Q1), Escada(Q4).
Wed: BMW (Q4), Eirx Therapeutics(Interim), Alliance Pharma (Prelim), French Connection Group(Prelim), Nike(Q3).
Thurs: Prudential (Final), Investec (Trade), T Clarke(Prelim), Premier Farnell(Final), FedEx(Q3), Hermes International(Q4), Heidelberg Cement(Q4).
Fri: Iberdrola (S/holders).

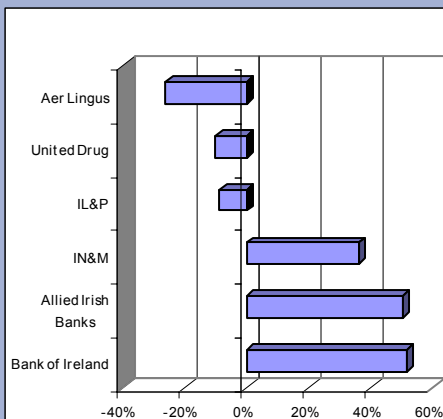
Economic Week Ahead

Mon: UK R'move House Prices(00:01),EU CPI&Unemployment(10:00), US Empire Manuf (12:30),US Ind.Prod(13:15),US NAHB Index(17:00).
Tues: Ger&EU ZEW Survey(10:00),US PPI &Housing Starts (12:30) US ABC Consumer Confidence (21:00).
Wed: BOJ Target Rate, BoE Mins & UK Jobless Claims(09:30), UK ILO Unemployment(09:30), US MBA M'gage Apps(11:00), US CPI (12:30), US FOMC Rate Decision(18:15).
Thurs: Irl PPI (11:00), UK M4 & Public Sector Net Borrowing(09:30), US Jobless Claims (12:30), US Phil Fed (14:00).
Fri: Irl Retail Sales (11:00), Ger PPI (07:00), EU Trade Balance(10:00).

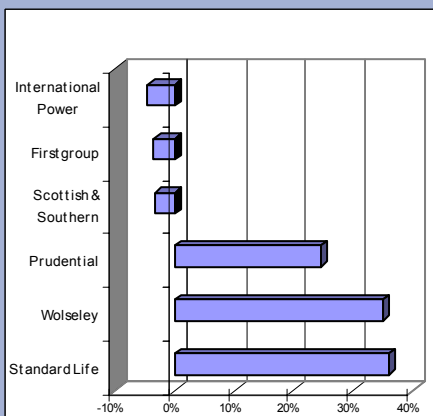
DOLMEN STOCKBROKERS Traders Update

Last Weeks Best/
Worst Performers
02/03/09-06/03/09

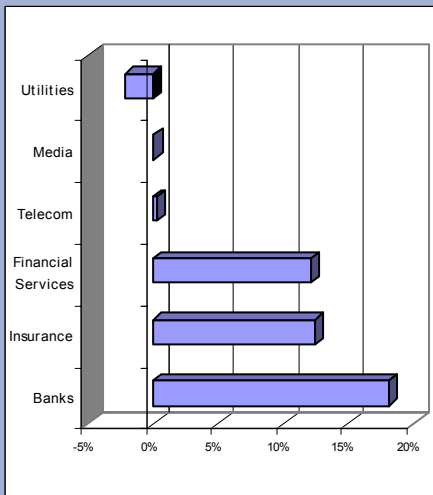
ISEQ



FTSE



Sector changes WTD



Dolmen Dozen

WEEKLY UPDATE

Company	YTD	Relevant news
Aryzta	-23.3%	Aryzta reports half year results ahead of market expectations.
BP	-14.8%	BP indicate it will continue to invest in future production and pay dividends despite falling oil price.
CRH	-8.1%	CRH announce a 2 for 7 rights issue in conjunction with its full year results.
E.ON	-28.4%	E.On says it is looking to buy back €4.25bn of bonds to make more efficient use of cash.
Hewlett-Packard	-19.0%	HP reports first quarter net income slightly below expectations.
IL&P	-57.3%	Negative sentiment towards the Irish economy persist.
IN&M	-65.5%	Tony O'Reilly steps down as CEO.
J&J	-14.7%	Johnson & Johnson reports fourth quarter earnings of \$2.71bn, compared with \$2.37bn a year earlier.
JPMorgan	-27.2%	Goldman Sachs adds JP Morgan to conviction buy list.
Microsoft	-16.1%	Microsoft discloses its plans for marketing its next generation windows operating system.
Paddy Power	-16.2%	Paddy Power reports a better than expected set of full year results.
Vodafone	-9.9%	Peer Deutsche Telekom reports fourth quarter loss.

What it says in the 'Sundays'

Company	Paper	Headline
IN&M	S.Tribune	Shake-up at IN&M to reinvigorate media group
Irish Economy	S.Tribune	Bank gautantee a blow to Ireland's credit, says ECB
Irish Economy	S. Buss Post	April budget worries over tax changes
Aer Lingus	S.Times	Aer Lingus urged to take foot off the throttle
Mainstream	S.Times	Wind farm chief seeks €100m for new projects

Corporate Visits

COMPANY

PRESENTATION DATE

AIB	1st April
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Last Weeks Moves

Equities	Level	Change WTD	Change YTD	Div Yield	P/E09
ISEQ	2016	3.4%	-14.0%	6.5%	6.1
FTSE 100	3754	6.3%	-15.3%	5.7%	16.1
DAX	3954	7.8%	-17.8%	6.4%	19.4
Dow Jones	7224	9.0%	-17.7%	4.3%	8.8
S&P 500	757	10.8%	-16.2%	3.7%	11.3
Nasdaq	1432	10.6%	-9.2%	1.4%	18.8
EuroStoxx 50	1731	6.3%	-16.9%	6.8%	12.7
Nikkei 225	7569	5.5%	-14.6%	2.9%	23.9

Sector	Weekly move%	YTD move %
Banks	18.06	-27.80
Insurance	12.44	-35.46
Financial Services	12.08	-17.66
Autos	11.62	-14.69
Technology	10.42	-7.47
Basic Resources	8.58	-0.65
Construction & Materials	6.91	-17.50
Industrials	6.44	-11.09
Oil & Gas	6.05	-5.46
Retail	5.20	-2.32
Chemicals	5.00	-9.22
Travel & Leisure	3.16	-13.8
Personal & Household Goods	2.90	-7.28
Healthcare	2.72	-13.54
Food&Bev	0.92	-12.06
Telecom	0.25	-11.45
Media	0.05	-9.429
Utilities	-2.16	-23.17

Commodities

	Current	Change YTD
Crude Oil	\$46.25	3.7%
Gold spot	\$929.75	5.7%

Exchange Rates

	Current	YTD Change	Year End (est)
EUR-USD	1.293	-11.4%	1.40
EUR-GBP	0.924	-3.4%	0.93
EUR-JPY	126.72	-0.5%	120

GDP Growth

	2008	2009 (est)
Ireland	-1.70%	-5.00%
Euro Zone	1.20%	-2.00%
UK	1.00%	-2.00%

Central Bank Interest Rates

	Current	3 month	Year End (est)
Euro Zone	2.00%	1.64%	1.50%
UK	1.0%	1.87%	1.00%
US	0.00% - 0.25%	1.32%	0.0% - 0.25%



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