



We see the potential for a pull back in equity markets this week with European equities underperforming the US due to the larger concentration of mining and oil companies on the FTSE. With the Euro's failure to make a new yearly high against the dollar of \$1.5032/€ we see the potential for the currency pair to trade back to the \$1.4700/€ level which in turn will likely weigh on commodity prices. Last week's unexpected builds in crude oil and gasoline inventories, in addition to the EIA's threat to increase production supports our view that commodities may trade lower in the short-term and in-turn weigh on the FTSE. On a sector view, we expect technology to continue its outperformance as increased M&A activity with Hewlett-Packard's \$2.7bn acquisition of 3Com in addition to improved revenue guidance from the company is likely to support the sector. Despite our short-term caution on markets, we retain our positive long-term stance as monetary policy is likely to remain accommodative for an extended period of time. This point was further emphasised by Bank of England Governor Mervyn King last week who did not rule out the possibility of further quantitative easing. As a result we recommend using any short-term weakness as a buying opportunity. Next week the main focus will be on the consumer in the US with retail sales today (Monday) expected to show a month on month increase for October. In addition earnings from large-cap retailers including Home-Depot and Target will also be closely watched.

TRADING IDEAS, EARNINGS & PREVIEWS

CRH

Price: €17.65
P/E: 15x
Div: 3.6%
Target: €19.00
Buy

We continue to like CRH as a long-term recovery play and recommend its inclusion in all long-term portfolios. However in the short-term we think that its price over the next three months will be capped at c. €19.00. We believe the market will award the stock a lower EV/EBITDA multiple than its historical average and peers Lafarge and Holcim (who both have emerging market exposure) as the two main markets with which it operates in, the US and Europe, are likely to remain under pressure. That being said with the company continuing to take costs out of the business, we expect EBITDA margins to return to c. 14% over the next couple of years that will result in significant operating leverage for the company. **Next Catalyst:** CRH will issue a full year trading statement on January 5th and we expect further updates on its cost savings initiatives. **Optimum entry level:** €16.50.

Intel

Price: \$19.82
P/E: 13x
Div: 2.9%
Target: \$23
Buy

Last week Hewlett-Packard pre-released quarterly earnings and increased its full year revenue guidance thanks to strong demand for technology products in particular from China. The improved guidance from Hewlett-Packard reinforces our positive stance towards Intel's recent results and guidance were also ahead of expectations and we believe that the release of Windows 7 by Microsoft (one of our top technology picks) will continue the positive demand for PCs. For the semiconductor industry in general the order book appears strong with a current book to bill ratio of 1.17. Shares in Intel also provide an attractive dividend yield of c. 3%. **Next Catalyst:** PC maker Dell is due to report earnings November 19th, while Hewlett-Packard will provide its full-earnings report (following pre-release last week) on November 23rd. **Optimum entry level:** \$18.70

Vodafone

Price: 137p
P/E: 9x
Div: 6%
Target: 150p
Buy

We reiterate our buy rating on Vodafone following its interim results last week where the company reported strong numbers and reiterated full year earnings guidance. The most positive part of the results was the stabilisation seen in Vodafone's European markets. On the negative side the group's emerging markets division in which includes India while showing strong revenue growth saw margin erosion due to pricing competition. The group did however increase clients in India by 14 million and we continue to see this is a significant growth driver for the company. Vodafone is a strong defensive play and provides a well covered dividend yield in excess of 5%. **Next Catalyst:** Vodafone will issue a trading statement on February 3rd. The group shares are also due to go ex-dividend this Wednesday (2.6p). **Optimum entry level:** 133p.

Ryanair

Price: €2.99
P/E: 16x
Div: 0%
Target: €3.20
Buy

We believe there are several catalysts which may move Ryanair's share price higher over the coming week. Firstly peer easyJet will be releasing its full year results this Tuesday 17th November. Any indications of an improved pricing outlook will provide a positive read across for Ryanair. Trends in this area have started to improve of late as seen by Aer Lingus in its IMS and by Ryanair itself at its half year results. It raised its average fare guidance from -20% for the full year, to -18%. The news of further consolidation within the market through the merger of British Airways and Iberia last Friday is also very significant. With Ryanair continuing along its expansionary policy, further capacity being withdrawn by competitors will help ease the pressure on Ryanair's average fare. In addition we forecast oil prices will come under pressure over the short term and as fuel makes up c.35% of its overall cost base this is clearly a positive for the group. **Next Catalyst:** easyJet full year Results Nov 17th. **Optimum entry level:** €2.92

HMV

Price: 113p
P/E: 9x
Div: 6%
Target: 145p
Buy

HMV Group retails music, books, DVDs and video games. The group owns and operates the HMV Music Stores, located in the United Kingdom, Asia and North America, plus the Waterstones Book Stores located in the UK and Ireland. The company has underperformed this year around the potential structural decline in its business with consumers able to download music and DVDs. Games sales are becoming an increasing part of the group and the liquidation of Zavvi group last year one of its closets peers in the UK, will enable HMV to grow its market share significantly. HMV also importantly benefits from a strong balance sheet with a small net cash position. The group's shares look attractive trading at 9x 2010 earnings and an EV/EBITDA of less than four. The group also provides a 6% dividend yield that is covered 1.5x. HMV is due to report interim results on December 11th. **Next Catalyst:** HMV will report interim results on December 11th. **Optimum entry level:** 112p

Short

Antofagasta

As detailed in our market comment, we are forecasting that equities will trade lower this week. Consequently, we are proposing that intraday traders should consider shorting one of the **FTSE miners** in order to take advantage of this pullback. The stock that we have selected is Antofagasta as we feel that it is the weakest from a technical perspective. It is important to note that the mining sector remains one of our preferred sectors and this short recommendation does not reflect our long term outlook on basic resource companies. A full technical note on Antofagasta is available in our Weekly Technical Update.

Earnings Week Ahead

Mon: Kingspan(Trade),Lonmin(Prelim),Cranswick(Interim),Persimmon(Trade).
Tues: IL&P(Trade),Glanbia(Interim),Covidien(Q4),Barratt Developments(Trade), ICAP(Int),Burberry(Int),ITV(Trade),easyJet(Prelim),Enterprise Inns(Prelim), Home Depot(Q3), Target(Q3), Vitec Group(Trade).
Wed: AirFrance-KLM(Q2), United Drug(Prelim), AIB (IMS), Bovis Homes(Trade), Close Bros(Q1),Land Securities(Int),Wolseley(Trade),Limited Brands(Q3).
Thurs:Kerry Grp(Trade),Air Berlin(Q3),Halfords Grp(Int),Pennon Grp(Int),Gap(Q3), National Grid(Int),Investec(Int), SABMiller(Int),Morrison(Trade).
Fri: Suez Environment(S' Holders),JM Smucker(Q2),DR Horton(Q4).

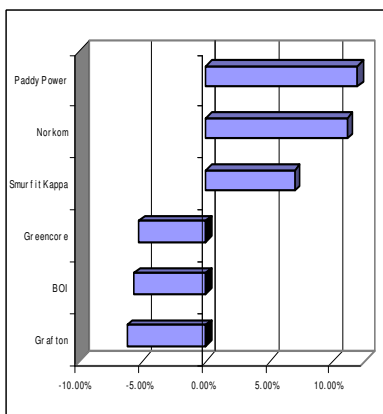
Economic Week Ahead

Mon: Ger&EU PMI,US Existing Home Sales(15:00).
Tues: Ger GDP(07:00),Ger Imports/Exports(07:00),Ger IFO(09:00), EU Industrial New Orders(10:00),US GDP & Personal Consumption(13:30), US S&P Case Schiller(14:00), US Richmond Fed(15:00).
Wed:Ger GfK ConsConfid(07:00),UK GDP, Exports/Imports(09:30), US PCE(13:30), US initial Jobless Claims&Durable Goods Orders(13:30), US New Home Sales & Uni Michigan Confid(15:00), Fed Minutes(19:00).
Thurs:Eurozone M3 (09:00), Ger CPI.
Fri: EU Business Climate Indicator & Consumer Confidence(10:00).

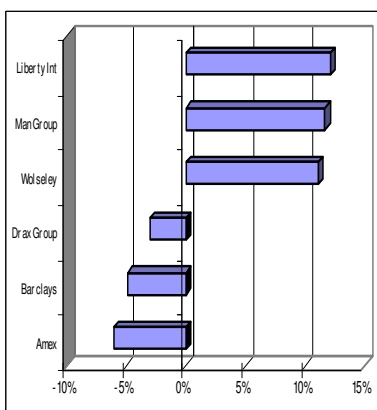
DOLMEN STOCKBROKERS Traders Update

Last Weeks Best/ Worst Performers

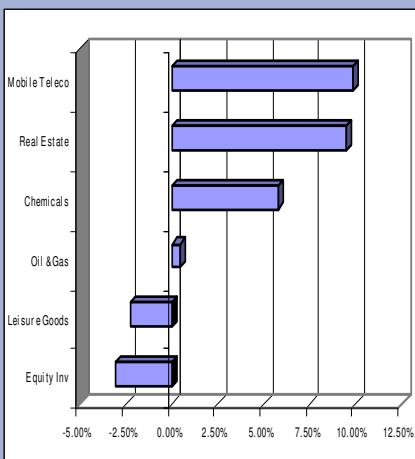
ISEQ



FTSE



Sector changes WTD



Dolmen Dozen

WEEKLY UPDATE



Company	YTD	Relevant news
Aryzta	13.7%	UBS raises Aryzta price target by 8%
BP	10.4%	BP reports better than expected Q3 results due to strong up stream performance and a drop unit cost
CRH	8.63%	Q4 EBITDA expected to be weaker than Q3
DCC	87.8%	Positive gaming read-through from Microsoft results
E.ON	-5.2%	HSBC raises the stock to overweight from underweight
Hewlett-Packard	37.5%	Q3 results slightly ahead of consensus estimates
IL&P	192.7%	Mutuals start talks without Irish Life
IN&M	-55.7%	Bondholders accept restructuring
J&J	2.7%	Q3 results inline with expectations
JPMorgan	36.1%	Makes an approach for Cazenove
Microsoft	52.4%	Report blockbuster Q3 results
Vodafone	-0.3%	Q3 results show solid revenue

What it says in the 'Sundays'

Company	Paper	Headline
British Airways	FT Weekend	BA looks beyond Iberia for new deals
European Economy	FT Weekend	Eurozone crawls out of recession
Irish Economy	S. Business Post	Central Bank's role fuelled property bubble
Anglo Irish Bank	Sunday Times	Anglo Irish says it needs €5.7bn to start lending
JP Morgan	S. Telegraph	JP Morgan's bid for Cazenove

Corporate Visits

COMPANY

PRESENTATION DATE

Bank of Ireland

6th of October



Last Weeks Moves

Equities	Level	Change WTD	Change YTD	Div Yield
ISEQ	2,987	0.5%	22.4%	1.8
FTSE	5,296	2.99%	14.3%	3.6
DAX	5,686	3.62%	13.5%	3.8
DOW	10,270	2.5%	11.0%	2.9
S&P	1,093	2.3%	14.7%	2.4
NASDAQ	2,167	2.6%	30.0%	0.8
EUROSTOXX	2,883	3.1%	17.1%	3.7
NIKKEI	9770	-0.2%	13.1%	1.7

Sector	Weekly move%	YTD move %
Basic Resources	2.20	86.62
Banks	0.73	56.66
Chemicals	0.90	34.03
Industrials	0.91	33.77
Retail	-0.74	32.75
Construction & Materials	1.15	32.23
Personal & Household Goods	0.49	31.73
Financial Services	0.55	31.11
Food&Bev	0.42	23.91
Technology	0.78	20.85
Oil & Gas	0.39	20.74
Autos	1.00	18.16
Insurance	0.75	14.00
Media	-0.45	12.08
Travel & Leisure	0.21	11.17
Telecom	0.49	9.62
Healthcare	0.17	6.33
Utilities	0.44	-4.22

Commodities

	Current	Change YTD
Crude	76.35	71.6%
Gold	1118	20.0%

Exchange Rates

	Current	YTD Change	Year End (est)
eur usd	1.495	0.9%	1.40
eur gbp	0.895	-6.4%	0.85
eurjpy	134	4.1%	120

GDP Growth

	2008	2009 (est)
Ireland	-1.70%	-8.50%
Euro Zone	1.20%	-2.00%
UK	1.00%	-4.25%

Central Bank Interest Rates

	Current	3 month	Year End (est)
Euro Zone	1.00%	0.72%	1.00%
UK	0.50%	0.59%	0.50%
US	0.00% - 0.25%	0.28%	0.0% - 0.25%



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