

DOLMEN STOCKBROKERS **WEEKLY OUTLOOK**

05.02.2007



Dolmen Stockbrokers

At last a significant move in global equity markets! Having treaded water for the previous two or three weeks equity markets got the news they had wanted last week as the Fed delivered its synopsis on the US economy while keeping rates on hold at 5.25% - "recent indicators have suggested somewhat firmer economic growth, and some tentative signs of stabilisation in the housing market". Throw in the release of a stronger than expected fourth quarter US GDP number and a lower than expected inflation number and equity markets broke out to higher levels. The positive reaction to the Anglo Irish Bank placing and the potential for private equity funded takeover activity in the UK food retailing space were further catalysts for investors. This latter M&A theme is something we have espoused for sometime now and is likely to become more prevalent as the need for returns mounts on private equity houses. A similar assessment of the UK and European economies from the Bank of England and ECB when they both meet on Thursday would be the ultimate Goldilocks scenario.

The Week Ahead

Economic Calendar

Date	Region	Event	Period	Consensus	Prior
05/02/2007	EC	Euro-zone January Composite PMI			
05/02/2007	UK	PMI Services (survey)	JAN	60	60.6
05/02/2007	US	ISM Non-Manufacturing	JAN	57	57.1
06/02/2007	EC	Euro-Zone Retail Sales (MoM)	DEC	1.10%	0.50%
06/02/2007	EC	Euro-Zone Retail Sales (YoY)	DEC	2.30%	1.30%
06/02/2007	US	Bernanke Speaks to Omaha, Nebraska, Chamber of Commerce			
07/02/2007	UK	Nationwide Consumer Confidence	JAN	85	83
07/02/2007	US	US U.S. Companies Expected to Report Earnings Feb 7			
07/02/2007	FR	Central Govt. Balance (Euros)	DEC	--	-54.9B
07/02/2007	UK	Bank of England's Monetary Policy Committee Meets			
07/02/2007	UK	Industrial Production (MoM)	DEC	0.10%	0.50%
07/02/2007	UK	Industrial Production (YoY)	DEC	0.60%	0.80%
07/02/2007	UK	Manufacturing Production (MoM)	DEC	0.10%	0.30%
07/02/2007	UK	Manufacturing Production (YoY)	DEC	2.10%	2.40%
07/02/2007	US	Nonfarm Productivity	4Q P	1.70%	0.20%
07/02/2007	US	Unit Labor Costs	4Q P	2.40%	2.30%
08/02/2007	UK	BOE ANNOUNCES RATES	Feb-08	5.25%	5.25%
08/02/2007	EC	ECB Announces Interest Rates	FEB	3.50%	3.50%

Corporate Calendar

Date	Region	Company	Event
05/02/2007	GB	British Airways	Traffic Figures
05/02/2007	IRE	Ryanair	Q3 Results
06/02/2007	GB	Aviva	New Business Figures
06/02/2007	GB	BP	FY Results
07/02/2007	GB	BHP Billiton	H1 Results
07/02/2007	GB	EasyJet	Trading Statement & Traffic Figures
07/02/2007	GB	Standard Life	New Business Figures
08/02/2007	GB	BG	FY Results
08/02/2007	GB	BT	Q3 Results
08/02/2007	GB	GlaxosmithKline	Q4 Results
08/02/2007	GB	Smith & Nephew	FY Results
08/02/2007	GB	Unilever	FY Results

Current Trading Ideas

Trading ideas	
<p>AIB Last rec @ €22.10 Current: €22.70 Target: €24.00 Stop-loss: €21.00</p>	<p>AIB will announce its results for the year ended 31/12/06 on Tuesday 6th March. The current consensus forecast is for 2006 eps growth of 22% to €1.78, driven by particularly strong growth from the group's Capital Markets and Polish divisions. Even though the group's year-end trading statement in December only gave an "in line" update, it did so the same time last year, only for the guidance to be beaten 3 months later when the full year results were announced. Our current 12 month price target of €24 is based on a sum of the parts analysis which takes account of the current market values of the group's publicly quoted US and Polish businesses: BUY.</p>
<p>CRH Last rec @ €31.55 Current: €31.29 Target: €34.00 Stop-loss: €29.50</p>	<p>Three of CRH's US peers announced quarterly results last week, which pointed to a buoyant outlook for US aggregate pricing in 2007. The largest of these, Vulcan Materials, is now expecting 2007 price growth of between 10% and 11%. This could provide the scope for some positive earnings surprises from CRH this year, as current consensus forecasts are only factoring in 2007 aggregate price growth of c.5%. Helped by c.€1.4 bn of acquisitions during H2 2006, CRH is now guiding 2006 profit before tax growth of 23% to €1.58 bn, c.4% stronger than the previous consensus forecast of €1.52 bn. This enabled us to recently upgrade our 2007 and 2008 earnings per share forecasts by c.2% to €2.40 and €2.62 respectively, and our current 12 month price target of €34 is based on 13x 2008 eps of €2.62: BUY.</p>
<p>United Drug Last rec @ €4.10 Current: €4.06 Target: €4.40 Stop-loss: €3.65</p>	<p>United Drug has announced the acquisition of UK specialist medical equipment distributor, Pyramed Limited, for £8.5m. Pyramed, which employs 22 people, specialises in the sale and distribution of interventional cardiology and vascular products. It is United Drug's 6th UK acquisition, and the company's relatively ungeared balance sheet provides the scope for several further such deals in 2007. The uncertainty with regard to the ultimate agreement that will be reached with the Irish government in relation to the pricing of off-patent drugs should be removed by mid 2007, enabling United Drug investors to re-focus on the group's continued acquisition led growth prospects. Once the group's regulatory risk is removed this year, our view is that the share price can return to its historical average rating of c.18x forward eps. Our forecasts are for current year and forward eps of 22c and 24.5c respectively, and so we recently raised our 12 month price target from €4 to €4.40, which is based on 18x eps of 24.5c for the year ending 30/09/08 : BUY</p>
<p>Aviva Last rec @ £8.36 Current: £8.40 Target: £9.00 Stop-loss: £8.05</p>	<p>Tomorrow, Aviva will announce its sales results for the 3 months ended 31/12/06. We are forecasting total life and pension sales, on an annual premium equivalent (APE) basis of £780m, representing overall year on year growth of 4.4%. This growth will have been driven by particularly strong growth in sales of single premium products in the UK (10%), Italy (48%) and Ireland (101%). The Q4 2006 sales result compares with a very strong prior year comparative for Q4 2005 of £747m, and would still mean that overall group sales growth of 15% was generated for full year 2006. Aviva is guiding further strong sales growth of between 15% and 20% for 2007, which should be boosted by the group's August 2006 acquisition of US life insurer, AmerUs Group, for \$2.9 bn in cash. Given that Aviva's forecast 2006 return on embedded value of 16.8% is 21% stronger than the UK sector average of 13.9%, its price to embedded value (EV) should trade at a similar premium. Therefore, our current 12 month price target of £9 is based on 1.7x 2006 EV per share of £5.30 : BUY.</p>
<p>GlaxoSmithKline Last rec @ £13.65 Current: £14.20 Target: £15.00 Stop-loss: £13.45</p>	<p>At noon this Thursday, GlaxoSmithKline will announce its results for the 3 months ended 31/12/06. These results should show full year 2006 earnings per share growth of 15% to 95p, which could act as a catalyst to spark some recovery in the Glaxo share price. With US approval for Tykerb (breast cancer) on course for March 2007, and a US filing for Cervarix (cervical cancer) on course for April 2007, the results' release could also help improve sentiment towards the group's pipeline. At 14.1x consensus 2007 eps of £1, the shares are still trading at a 12% discount to the current EU pharma sector average of 16x 2007 eps, and the share price will also continue to receive some support from the company's ongoing share buyback programme : BUY.</p>
<p>BP Last rec @ £5.44 Current: £5.35 Target: £6.60 Stop-loss: £5.26</p>	<p>Ahead of tomorrow's 2006 full year results' announcement, international investment bank, Goldman Sachs, has upgraded its BP recommendation from NEUTRAL to BUY, stating that the group's outlook for 2007 going into 2008 is improving. Our view is that tomorrow's strategy update should act as a positive catalyst for the share price, as it should either contain details of a major capital distribution or else a new strategy for exposing the hidden value within the group's balance sheet. BP has a large number of new production start-ups coming on stream over the next 12 months, which should result in overall production growth of c.5% being achieved in 2007. Our current 12 month price target for BP of £6.60 is based on 11x 2007 eps of 60p, and BP will also pay a dividend yield of c.3.5% for waiting for this upside to be achieved. BP's ongoing share buyback programme should also continue to support the share price at current levels : BUY.</p>
<p>Ryanair Last rec @ €10.90 Current: €11.22 Target: €11.50 Stop-loss: €11.05</p>	<p>This morning, Ryanair announced very strong results for the 3 months ended 31/12/06. Net profit of €47.7m was significantly ahead of the consensus forecast of €21m, and was a year on year increase of 30%. The stronger than expected result was driven by higher than expected yields, as higher competitor fares, as well as the new baggage check-in costs, resulted in a 7% higher year on year average fare. With the Irish airline now guiding full year net profit of €390m, 11% higher than the previous guidance, the consensus eps for the year ending 31/12/08 is likely to move c.12% higher to 65c, and as a result we upgrade our 12-month price target, based on 20x forward eps, from €11.50 to €13. As a result, in the event of any slight correction from current levels, Ryanair shares would represent a buying opportunity: BUY.</p>

Other live trading ideas

Date of Rec	Company	Price (at time of Rec)	Last Close	Source	Analyst	Target Price
04-Dec	IN&M	2.60	3.08	Daily	SD	3.10
07-Dec	RBS	18.63	20.53	Daily	SD	22.50
11-Dec	Lloyds	5.56	5.90	Daily	SD	6.10
15-Dec	Irish Life & Permanent	20.80	22.10	Daily	SD	23.00
20-Dec	Greencore	4.45	4.40	Daily	SD	4.80
08-Jan	Tullow Oil	3.70	4.05	Daily	SD	4.20
15-Jan	C&C	12.20	11.82	Daily	SD	13.00
22-Jan	Prudential	7.18	7.06	Weekly	SD	8.20
22-Jan	Sterling Energy	0.17	0.17	Daily	SD	0.28
23-Jan	UK Coal	4.06	4.12	Daily	SD	4.50
25-Jan	BHP Billiton	9.65	9.76	Daily	SD	11.50
29-Jan	British Land	16.07	16.43	Weekly	SD	17.50
30-Jan	Ryanair	11.03	11.22	Daily	SD	11.50
31-Jan	Vodafone	1.47	1.48	Daily	SD	1.60
02-Feb	Anglo Irish Bank	16.05	16.20	Daily	SD	17.50

Sunday Papers

Paper	Company	Comment
Sunday Times	Waterford Wedgwood	Davy cuts WW forecasts
Sunday Times	BP	BP to reveal slump in profits
Sunday Times	Ryanair	Ryanair- low-cost carrier ready to take off
Sunday Times	Smith & Nephew	Smith & Nephew - buy
SBP	Anglo Irish Bank	To raise up to €5bn with cheaper ACS funding
SBP	NTR	NTR on the road to flotation?
Sunday Independent	Elan	Elan's slow motion recurring nightmare
Sunday Tribune	ACC/First Active	Tracker savers have lost out on millions
Sunday Tribune	Pfizer	Announce review of Irish operations
Sunday Tribune		Positive outlook for Corporate Deals under the Hammer

Dolmen Dozen Weekly Update

Company	Change on week	Relevant news
AIB	2.71%	Following the recent announcement of much stronger than expected results from the Polish banking sector.
Aviva	0.60%	Ahead of full year 2006 sales results due to be announced tomorrow.
BHP Billiton	3.83%	Ahead of H1 results this Wednesday, which are expected to show 40% year on year earnings growth.
BP	-0.56%	Ahead of tomorrow's Q3 results' announcement and strategy update.
British Land	2.88%	Ahead of the group's Q3 results due to be announced on 13th February.
CRH	1.76%	Following recent upbeat aggregate pricing guidance from some of the group's US peers.
Greencore	1.15%	Ahead of the group's AGM due to be held on 15th February.
GSK	2.31%	Ahead of full year 2006 results due to be announced tomorrow.
INWS	2.67%	Following the recent announcement of quarterly net profit growth of 144% from its Indian business.
RBS	1.03%	Ahead of 2006 results due to be announced on 1st March.
Ryanair	2.94%	After the airline announced significantly stronger than expected Q3 results this morning.
Vodafone	-0.67%	Following the announcement of key performance indicators for the 3 months ended 31/12/06 last week.

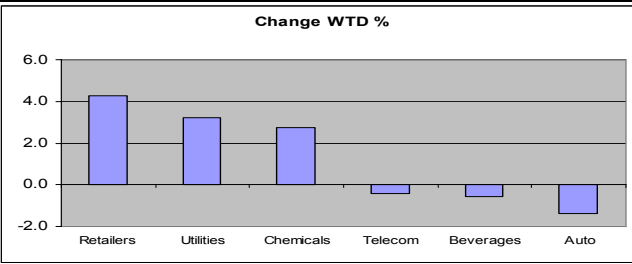
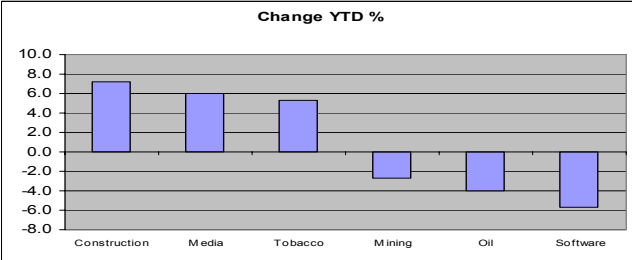
Chart View

Chart	Trend	Comment	Key	Second	Key	Second	Current	Recent
			Support	Support	Resist	Resist	Position	Position
Iseq	Up	Remains strong and set for new highs	9200		9430		No position	No position
Ftse100	Up	Positive chart but may tread water this week before moving higher but any shorts should have tight stop	6180		6325		Buy order @ 6180, 6135, stop @ 6030	No position
Nasdaq	Up	Traded sideways – if takes out 1825 –will move a lot higher	1775	1785	1860		Long 1 lot @ 1807 stop @1740	No Position
Dax	Up	Trades well but overbought- and at top of channel	6790		6950		Short @ 6899, stop @ 6965	Short 1 lot @ 6715 stopped @ 6770
Dow	Up	Uptrend strong but likely to consolidate as overbought- buy the dip	12200	12530	12700	12900	Buy order @12530, stop @ 12250	No position
Euro/USD	Up	Divergence weekly vs daily RSI's – argues for buying the dip.	1.2875	1.2910	1.3050	1.32	Buy order @ 1.29, @1.28, stop @ 1.2750	Short @ 1.3020 closed out at 1.2968
Euro/GBP	Down	Would be a seller- short term bounce and 0.6630 should contain	0.6585		.6630		Sell @0.6625 with 0.6660 stop	No position
Bunds	Down	Good break out- see further bounce	114.60		115.65	115.80	Long at 114.97- stop 114.25- take profit @ 115.60, 115.80, 116	No position
Oil	Down	Short squeeze – needs to convincingly break 60 to reverse	55.10		60		Short 2 lots at 55 with 61 stop	No position
Vodafone	Up	Trading sideways- overbought on weekly chart- entry level is 1.46 with 1.41 stop	146	142	154.5		Long @148.50 stop @ 1.41	No position
Lloyds	Up	Top of range- needs to break strongly through 605 to suggest further move	551	585	605		Short @ 5.98:6.20 stop,take profit 5.75	No position
BHP	Up	Good entry level for short- but rally could run to 10.50	890	942	1020	1050	Short @ 9.90 with 10.55 stop	No position
Tullow	Sideways	Inclined to consider a short- has failed at this level a few times	399	360	409		Short @ 408, 415 stop	No position
Anglo	Up	Traded well- but inclined to consider taking profits	15.75		16.40		Sell @ 16.40, 16.85 stop	Long @ 15.60 took profit @ 16.30
C&C	Up	Divergence on chart- daily shows upside breakout- weekly less positive- trade with tight stops till get above 12.50	11.45	11.20	12.50		Sell @ 12.40 with 13.10 stop	Long @11.56, closed at 11.69
Ryanair	Up	Trading a lot higher- inclined to take profits between 12.20 & 12.40	11.00		12.40		No position	No position
AIB	Up	Trading well- but at top of range- limited upside this week.	22.10		22.80	23.10	Buy order @ 22, 21.50 with 21.00 stop	No position
BOI	Up	Positive chart – but trade the ranges and may hit shorting levels above 18.00	17.25		18.10		Sell order @ 17.95 with 18.50 stop	No position
CRH	Up	Still a positive chart but range bound	30.25		31.50	32.20	No position	Long @ 30.45 sold @ 31.45
Prudential	Up	Still in uptrend but be careful of 690 break	6.90		721		Buy order @ 6.95 with 6.85 stop	No position
BP	Down	Not a good chart- but gets oversold @ 520p	519		560		Sell order @ 5.58 with 5.95 stop	No position
Aviva	Up	Trades well	805	821	865		Long @ 8.435 stop 7.95	No position

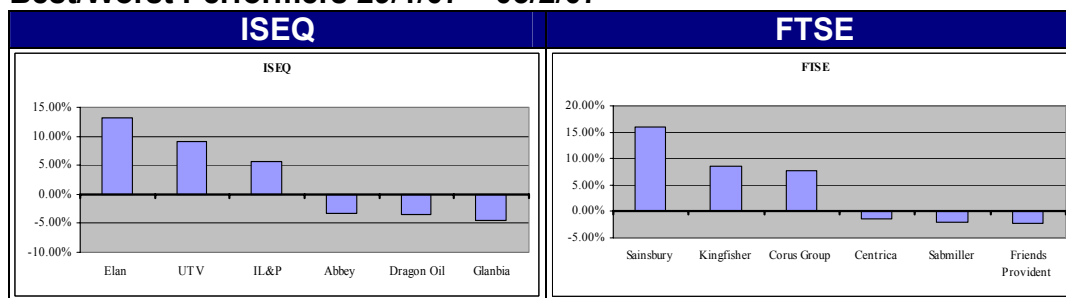
Last Week's Moves

	Levels	Last week's moves	YTD Move
Equities			
DJ INDUS. AVG	12668.55	1.38%	1.57%
S&P 500	1448.32	1.77%	2.05%
NASDAQ	2475.96	1.59%	2.44%
DJ	3819.34	1.60%	3.30%
FTSE 100	6310.9	1.33%	1.45%
DAX	6885.76	2.92%	4.38%
ISEQ	9490.39	2.04%	0.87%

	Div Yield-2007	EPS Growth 2007	P/E-2006	P/E-2007
ISEQ	2.4%	11.0%	13.3	11.8
UK	2.45%	2.71%	12.55	12.27
US	1.96%	9.49%	17.75	16.46
Euro	4.75%	6.24%	13.58	12.72

Sector*	Weekly Move %	YTD Move %	*Perf based on capital price moves only
Construction	1.10	7.18	
Media	1.96	5.97	
Tobacco	1.88	5.33	
Leisure Goods	0.40	4.73	
Chemicals	2.73	4.44	
Personal Goods	2.58	4.37	
Industrials	0.74	3.52	
Banks	1.65	2.84	
Retailers	4.29	2.76	
Pharmaceuticals	0.83	2.73	
Insurance	1.82	2.69	
Autos	-1.38	2.28	
Utilities	3.24	1.59	
Telecom	-0.43	1.18	
Technology	-0.20	-0.44	
Beverages	-0.56	-1.13	
Food Producers	1.86	-2.40	
Mining	2.03	-2.70	
Oil & Gas	0.33	-3.95	
Software	-0.08	-5.65	

Best/Worst Performers 29/1/07 – 05/2/07



The market started off badly again this week once again affected by lack of stock specific news, which resulted in low volumes being traded. However Anglo Irish Bank's placement of 35.7 million shares on Thursday at €15.20 helped boost the market. The placing, which was c.8 times oversubscribed, led the whole market forward as Bank of Ireland, AIB, Aer Lingus Ryanair and C&C all posted respectable gains.

The market was help along on Monday by strong gains at British Airways after cabin crew at the U.K. carrier called off a strike. Prudential was also in focus after agreeing to sell its Egg online banking unit to Citigroup. On Thursday the market came within whiskers of a triple-digit advance, as a combination of the Federal Reserve's interest-rate decisions, AstraZeneca's job cut plan and earnings from Royal Dutch Shell and Rio Tinto, sent London stocks surging.

Section

3 Commodity, Currency & Credit Markets

	Current			YTD Change		
	EURO	GBP	USD	EUR	GBP	USD
Base Rate	3.50%	5.25%	5.25%	0.00%	0.25%	0.00%
3 Month	3.79%	5.60%	5.26%	0.01%	0.38%	0.13%
12 Month	4.09%	5.92%	5.15%	0.02%	0.36%	0.21%
5 Year	3.98%	5.37%	4.82%	0.06%	0.24%	0.12%
10 Year	4.06%	5.00%	4.82%	0.11%	0.26%	0.12%
CRUDE OIL FUTR Mar 07	57.42			-7.92%		
NAT GAS FUTR Mar 07	7.474			15.29%		
GOLD SPOT \$/OZ	644.15			1.30%		
SILVER SPOT \$/OZ	13.28125			2.80%		
LME ALUMINUM 3MO (\$)	2753			-1.78%		
LME COPPER 3MO (\$)	5600			-11.53%		

Exchange Rates

	Current	YTD change	Year End Forecasts
EUR-USD X-RATE	1.29665	-1.80%	1.350
EUR-GBP X-RATE	0.659221	-2.19%	0.665

Forecast 2007

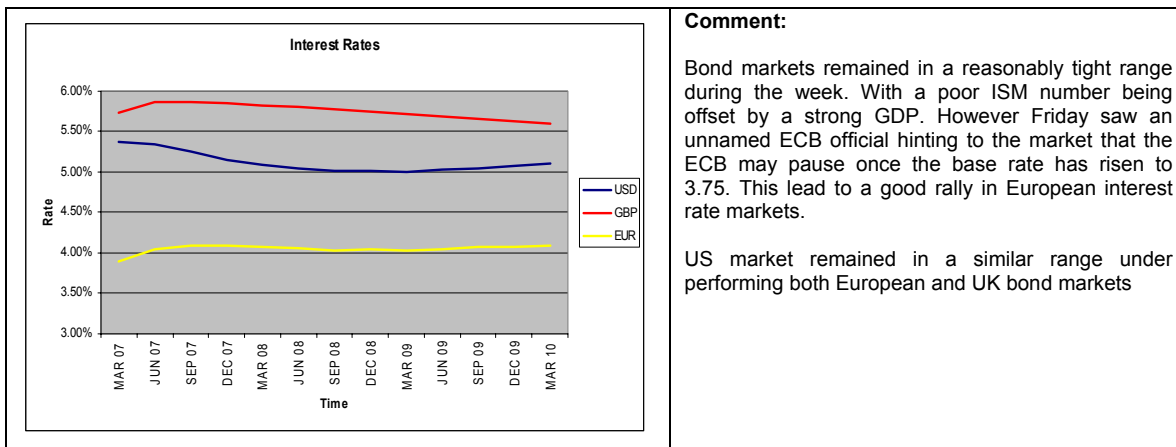
GDP	Current	2007(e)
Ireland	7.70%	6.00%
Euro Zone	2.70%	2.50%
UK	2.90%	3.00%
US	3.00%	2.00%

Central Bank Interest Rates	Current	2007(e)
Ireland	3.50%	3.75%
Euro Zone	3.50%	3.75%
UK	5.00%	5.25%
US	5.25%	4.75%

Inflation	Current	2007(e)
Ireland	4.40%	5.50%
Euro Zone	1.90%	2.10%
UK	2.70%	2.90%
US	2.00%	1.20%

10 Year Bond Yields	Current	2007(e)
Ireland	4.01%	3.65%
Euro Zone	4.01%	3.65%
UK	4.81%	4.50%
US	4.69%	4.35%

Bund Comment

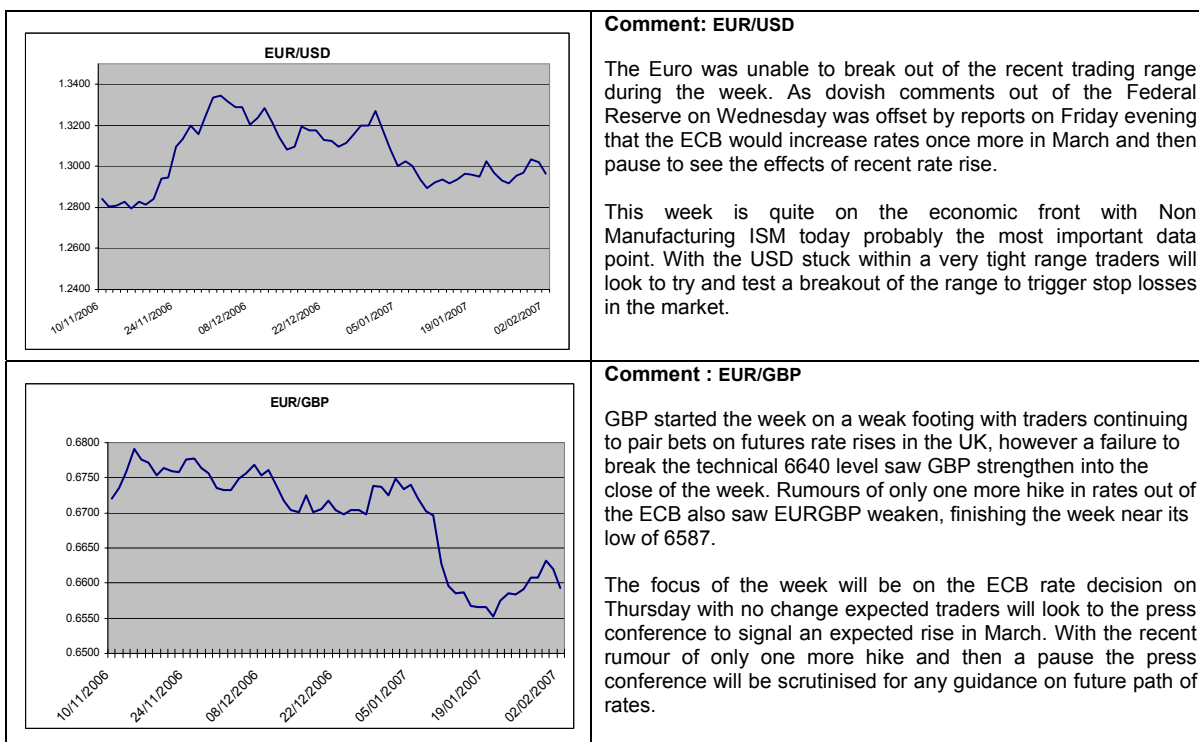


Comment:

Bond markets remained in a reasonably tight range during the week. With a poor ISM number being offset by a strong GDP. However Friday saw an unnamed ECB official hinting to the market that the ECB may pause once the base rate has risen to 3.75. This led to a good rally in European interest rate markets.

US market remained in a similar range under performing both European and UK bond markets

Currency Comment



Comment: EUR/USD

The Euro was unable to break out of the recent trading range during the week. As dovish comments out of the Federal Reserve on Wednesday was offset by reports on Friday evening that the ECB would increase rates once more in March and then pause to see the effects of recent rate rise.

This week is quite on the economic front with Non Manufacturing ISM today probably the most important data point. With the USD stuck within a very tight range traders will look to try and test a breakout of the range to trigger stop losses in the market.

Comment : EUR/GBP

GBP started the week on a weak footing with traders continuing to pair bets on futures rate rises in the UK, however a failure to break the technical 6640 level saw GBP strengthen into the close of the week. Rumours of only one more hike in rates out of the ECB also saw EURGBP weaken, finishing the week near its low of 6587.

The focus of the week will be on the ECB rate decision on Thursday with no change expected traders will look to the press conference to signal an expected rise in March. With the recent rumour of only one more hike and then a pause the press conference will be scrutinised for any guidance on future path of rates.

Corporate Credit Markets

Rating-5 Yr Bonds	Sample Names	Dec 2005 Yield	Current Yield	
AAA	Rabobank	3.65%	4.18%	<p>Unchanged in the investment grade ITRAXX at 23bps after a week of unchanged FOMC statements and strong US GDP figures are giving credit markets a happy disposition. However, the high yield market was had a more volatile week, widening early in the week to above 200bps and tightening back again to close the week at 196bps after the afore mentioned GDP and FOMC announcements on Wednesday.</p> <p>*ITRAXX is an index of the 125 most liquid investment grade corporate names in the European market</p>
AA	Deutsche Bank	3.95%	4.34%	
A	Tesco	3.83%	4.29%	
BBB	MKS	5.30%	5.97%	
BB	Royal Caribbean Cruise lines	5.73%	6.01%	

Sector Movements in week ended 02/02/2007:

- Automotive:** German and US automakers were the only movers this week, while the French, Renault and Peugeot, were unchanged. Both VW and DCX were 1bps tighter as a result of improved US auto sales. DCX reported 3.2% increase in sales, led by the luxury Mercedes-Benz brand while VW saw the Audi brand increase sales by 5.2% in the US. Elsewhere Ford and GM both widened slightly following reports of further erosion in US market share and a fall in January auto sales. GM widened 8bps in both the 1yr and 5yr CDS; while Ford curve steepened further, widening 18bps in the 5yr and tightening 1bps in the 1yr CDS.
- Building materials:** Mixed in the sector with both LaFarge and Pilkington unchanged, while Heidelberg was 1bps wider. The biggest mover, Saint Gobain, tightened another 2bps this week following the strong full year reports last week and the announcement this week that the company is to acquire the remaining shares of a Turkish firm it doesn't already own.
- Chemicals:** A mixed sector – Bayer was unchanged, BASF was 1bps wider and Linde was 1bps tighter. BASF this week announced it is to spend €15m moving chemical production plants from Western European countries to Turkey. Linde announced plans to sell a \$150m stake in a Chilean plant to its JV partner.
- Airlines:** Mixed in the sector – the only two movers were BAA and British Airways who tightened 2bps and 4bps respectively. BAA announced plans to securitise at least \$15.7m of future cash flows and use the proceeds to refinance acquisition debt placed by Ferrovial. While this is a form of secured debt investors are comforted by the extension of the debt maturities as a result of this issue. BA tightened this week despite a 12% fall in 3Q net profit and an averted strike, which still cost the airline £80m due to the late hour of the agreement with unions. Elsewhere LHA, Rolls Royce and BAE were unchanged.
- Food/Beverages:** Quiet in the sector – both Cadbury's and Compass widened 1bps this week most likely on LBO fears, while Diageo was unchanged over the week.
- Telecoms:** Mixed in the sector - BT 2bps tighter and DT 2bps wider over the week. BT reported a £100m acquisition of a North American software services firm, evidence of BT's expansion into that market. DT widened 4bps by mid-week after the company revised the 2007 earnings forecast downwards however the name saw some tightening after Moody's said the revised earnings outlook had no impact on ratings. Vodafone was unchanged.
- Retail:** A volatile sector this week following the announcement that Sainsbury is being courted, by private equity suitors. Spreads blew out 40bps (150%) over the week on the LBO threat, and caused ripples of fear across other supermarket names in the sector including Tesco (+1bps) and Morrisons (+10bps) and MKS (+1bps). Other retailers also saw some widening with Boots and Dixons both 1bps wider and only Kingfisher bucking the trend by moving 1bps tighter.
- Media:** Mixed in the sector – both BSKyB and WPP tightened 1bps. BSKyB reported improved sales, beating median analysts estimates despite reporting net income 3% lower year on year due to higher promotion costs for the broadband initiative. WPP tightened on news the company had acquired a mobile advertising company, which will give WPP access to mobile phone advertising channels. EMI widened another 1bps this week.

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