

## DAVY MORNING EQUITY BRIEFING

02 September 2010

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## RESULTS AND EVENTS

**Thursday September 2nd;** Total Produce interim results. Exchequer returns, Aug. Pernod Ricard FY results. **Friday September 3rd;** Fyffes interim results. **Wednesday September 8th;** Glanbia - ex-dividend - interim dividend rate - 3.03c. Diageo - ex-dividend - final dividend rate - 23.5p. CPL Resources FY results. Barratt Developments FY results. **Thursday September 9th;** Redrow FY results. **Monday September 13th;** Associated British Foods - trading statement. **Wednesday September 15th;** Ryanair Holdings - ex-dividend - special cash - 34.0c.

**Please refer to important disclosures at the end of this report**

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**MARKET COMMENT****Live Register and retail sales data reflect fragile economy****Aidan Corcoran**

Yesterday's double release by the CSO showed an economy struggling to establish an upward trajectory.

The Live Register rose again in August, increasing by 2,500 to 455,000 in seasonally adjusted terms. The rise is more modest than July's 8,500 person increase but was still enough to push the estimated unemployment rate to 13.8%, its highest value since July 1994. The high figure for females joining the register (1,900 this month) suggests that the increase may be largely due to knock-on effects from layoffs in the construction sector and from reduced public expenditure.

It is worth remembering that the Live Register itself does not measure unemployment and that many claiming benefit are not unemployed. But the trend in Live Register figures is used to extrapolate from the latest available unemployment rate (12.9% for Q1 2010). When the Quarterly National Household Survey is published (the Q2 survey is due later this month), it may show that changing migration flows are easing a little of the pressure on the unemployment rate.

Retail sales ex-motor fell 1% month-on-month in volume terms in July (-2.5% on the year). The decline was only 0.6% in value terms, showing that prices have broadly stabilised. Meanwhile, the August Markit Economics manufacturing purchasing managers' index edged down to 51.1 from 51.4 in July. A number above 50 is still consistent with expansion, but the trend has been falling since April. With retail sales and unemployment figures pointing to weak domestic demand, it seems that some boost from global demand may be needed to shore up the Irish recovery.

**FOOD AND BEVERAGE****Kerry Group (KYG ID)**

Price:2580c Rating:Outperform Issued:30/06/09

**Reports stellar set of interims; upgrading FY 2010 and FY 2011 forecasts** **NEW REPORT****Cathal Kenny**

H1 results for Kerry came in 3% ahead of forecast at the revenue and EBITA lines. Continuing volume growth of 5.8% was the key metric that emerged from the interim statement. The H1 performance represented an acceleration on the Q1 out-turn (5.2%) and clearly demonstrates how robust Kerry's strategy and model are. In ingredients, continuing volume growth accelerated by 6.5%. The 4% continuing volume growth in consumer foods must be considered a very good achievement in the context of current grocery market conditions, particularly in Ireland. Organic volume growth in ingredients across regions was Americas +6.2%, EMEA +4.4% and Asia Pacific +15.7%. Group EBITA grew by 13% (ingredients +14%; consumer foods +10%). There was a 40bps rise in group EBITA margin to 8.4%. In ingredients, EBITA margin rose by 50bps to 9.2%. In foods, EBITA margin increased by 40bps to 7.1%.

A better-than-expected revenue and EBITA outcome drive a c.4% upgrade for FY 2010 and FY 2011. Revised 2010 and 2011 EPS forecasts are 191c (previously 184.5c) and 207c (previously 200c) respectively. We believe that the customer-centric nature of the Kerry development model is really paying off. Global customer alliances are deepening, giving Kerry greater visibility on revenues and access to further growth from its existing customer base. As the business returns to mid-teens EPS growth, there is further scope for the stock to bridge the ratings gap with some of its peers. Structurally, the business is moving into a new phase of growth that is not fully priced in. We reiterate our 'outperform' rating.

For further detail, see our research note issued September 1st.

**Company summary and analysis****Total Produce (TOT ID)**

Price:35c Rating:Outperform Issued:14/05/10 Previous:Neutral Issued:30/06/09

**Strong first half; guiding towards the upper end of its full year EPS target range****Aiden O' Donnell**

**FACTS:** Total Produce reported earnings per share for the first half of 2010 of €4.12c, representing an increase of 1.5% year-on-year (yoy).

**ANALYSIS:** After a slow start to the year due to severe weather conditions in Northern Europe, demand recovered for the company's produce as the half progressed. Revenues increased 1.7% yoy on a reported basis and fell marginally on a constant currency basis. The stronger SEK and sterling benefitted the group in the period. Adjusted EBITA, at €27.1m, increased 2.7% yoy.

Its Fresh Produce division performed very well, especially taking into context the weak first quarter. Like-for-like volumes were marginally ahead and selling prices were unchanged. Within the division, eurozone fresh produce performed well and the Scandinavian fresh produce division benefitted from the positive impact of foreign exchange movements. Its UK fresh produce division saw revenues fall 12% with mid-digit decreases in both volumes and average selling prices.

The company's consumer goods business, which is small in the grand scheme of things, lost money in the first half reflecting the tough trading conditions in that space.

The group continues to generate strong free cash flow. Free cash flow for the 12 months ended June 30th amounted to €25.2m. There were yoy decreases in capex and cash flows on acquisitions.

**DAVY VIEW:** Overall this is a strong out-turn for Total Produce, especially given the weak first quarter. We can only assume that the business gained strong momentum as the half progressed. The company is guiding for EPS at the upper end of its target range of 5.5-6.5c. We are currently guiding for EPS of 6.2c, but this may be too low. We reaffirm our 'outperform' rating.

#### Company summary and analysis

### **Pernod Ricard (RI FP)**

Price:6274c Rating:Neutral Issued:27/04/10 Previous:Underperform Issued:11/01/10

### **FY results in line with expectations; continuation of trends seen in Q3; strong FCF and significant increase in A&P spend**

**Brian Fagan, CFA**

**FACTS:** Pernod Ricard has this morning (September 2nd) announced FY 2010 results. As the company had already provided a trading update last month, there were few surprises in the headline numbers. Full-year sales totalled €7,081m (Davy estimate €7,042m) – a reported decline of 2% but organic growth of +2%. Organic sales growth in H2 was +9%.

The Top 14 brands (55% of group sales) grew by 2% in volume and 4% in value. Two of these reported double-digit growth, Martell (+12%) and Jameson (+12%), and seven others continued to grow – in particular The Glenlivet (+7%), Absolut (+6%), Chivas (+5%) and Havana Club (+5%). Mumm (-7%) reported a decline due to the French champagne market, which proved especially difficult in the on-trade channel.

The 18 key local spirits brands grew by 4% in value, driven in particular by continuing strong growth by local whisky brands in India (Royal Stag up 30% and Blender's Pride up 22%) as well as renewed growth by premium Scotch whisky Imperial in South Korea (+12%).

**ANALYSIS:** Q4 sales amounted to €1,755m, an increase of 7%, reflecting organic growth of 3%. The trends observed since the start of the 2010 calendar year were confirmed in the fourth quarter, including strong growth in emerging markets, a rebound in certain markets (Russia, South Korea and Duty Free), a gradual recovery in the US and persisting difficulties in Western Europe – especially in Spain, the UK, Ireland and more recently in Greece. Group sales for this quarter were also affected by the timing of Easter this year and sales achieved ahead of price or excise duty increases.

Advertising and promotion (A&P) spend was up 5% to €1,262m. As announced, Pernod significantly increased investment behind its brands, as reflected in the A&P to sales ratio of 17.8% (compared with 17.2% in 2008/2009 and 17.9% before the crisis in 2007/2008).

Profit from recurring operations rose by 4% to €1,795m. The operating margin was 25.4% of sales compared with 25.6% over the previous financial year. This breaks down as strong growth (+14%) in Asia/Row, driven by Martell in China and local brands in India; marginal growth (+1%) in the Americas; and a marked improvement in the US in H2. PRO in Europe declined by 3% as the situation remains challenging in a number of countries; France grew +7%, driven by improved performance of a number of key brands and a focus on cost control.

Net debt was €10,584m compared with €10,888m last year. While strong free cash flow of 1,110m was generated during the year, this was largely offset by a €786m negative foreign exchange move primarily due to the dollar rate (€/€ rate of 1.23 compared with 1.41 at June 30th 2009). Excluding foreign exchange movements, the 2009/2010 reduction in debt was very substantial (down €1,090m). Disposals of Tia Maria and Scandinavian assets account for about €200m of the pay-down. The average cost of borrowing came to 4.3% over the full 2009/2010 financial year, which was an improvement compared with the 4.8% noted over the previous financial year. Based on current interest rates, the 2010/2011 target is to maintain the average cost of borrowing below 5%.

**DAVY VIEW:** This is a solid set of numbers from Pernod. The organic sales performance matches that of Diageo (+2%), but Pernod delivered better EBIT growth (+4% versus +2% at Diageo). The company achieved a substantial increase in gross margin due to the Top 14 brands, with virtually all key brands benefiting from a favourable price/mix effect. Pernod continues to benefit from better emerging market exposure and higher operating leverage given its premium portfolio in these markets.

The debt position remains high as despite the strong FCF generation, the absolute level of debt has not changed materially given unfavourable foreign exchange moves. Performance in Asia and other emerging markets remains strong, and it is encouraging that it has confirmed that the improving trends seen since the start of the year in the US, Russia and Duty Free remain in place. However, there is no indication that conditions in Western Europe are set to improve.

As done in the past, Pernod will communicate its earnings guidance for the current year at the AGM to be held on November 10th.

#### Company summary and analysis

### **C&C (GCC ID)**

Price:315c Rating:Outperform Issued:30/06/09

### **Irish bar sales in July decline 11.5% in volumes and 13.8% in value year-on-year**

**Barry Gallagher**

**FACTS:** Irish bar sales volumes declined 11.5% year-on-year (yoy) and 2.6% month-on-month (mom), and value sales declined 13.8% yoy and 2.5% mom.

**ANALYSIS:** The decline in the Irish on-trade continued in July. In the year-to-date, volumes in the on-trade are down 11.6% yoy. Note the overall performance for the Irish drinks market is not as poor. Volumes for the total market (on-trade and off-trade) for beer and cider in the year-to-date to June declined 0.2% and 3.9% yoy respectively – implying that the strong channel shift from on-trade consumption to off-trade consumption in Ireland is continuing.

**DAVY VIEW:** C&C is targeting to defend profitability in the Irish market. This was achieved last year when, despite an 8% decline in revenues, EBIT fell only 1% to €44m. We are forecasting a 5% decline in EBIT (€42m) in Ireland this year.

#### Company summary and analysis

## Big rebound in Fonterra auction prices

**John O'Reilly**

**FACTS:** Average price rises 16.9% month-on-month (mom).

**ANALYSIS:** After four months of price declines (over which period the cumulative decline was 29%), the average or trade weighted index price of dairy product prices at Fonterra's auction rose by 16.9% mom. The auction, which will take place twice a month from here on, is a bellwether for the global dairy industry given New Zealand's 40% share of global trade in dairy products. Also, as New Zealand is the major exporter to Asia, the auction price provides some insight into demand from this region. The whole milk powder (WMP) price rose by 18.8%; skim milk powder (SMP) rose by 15.8%; while the winning bid for milk fat increased 9.5% mom. A record 151 bidders were involved.

**DAVY VIEW:** The monthly auction price has been volatile this year, but even before the latest auction and notwithstanding the price declines of recent months, prices are well ahead of their depressed levels a year ago. The September 1st auction price for WMP of \$3,522/tonne is about double its level of a year ago. The latest result is a surprise given no apparent shortfall in global milk output in leading milk-producing regions, especially in New Zealand whose 2010-2011 milk production season has just begun. Fonterra's global dairy trade manager, in a comment to Radio New Zealand, said that the fires in Russia have caused a ripple effect in the dairy trade and tightened global supplies. Irish milk output is well past peak. From the point of view of Irish processors, the result is a positive to the extent that it has any un-contracted stock on hand. More generally, the auction result will sustain the renewed confidence of the sector here which was battered in 2009.

For buyers, who perceived that the auction results between May and July inclusive represented the beginning of a downward trend in prices, the latest result will be a shock.

#### Sector valuations

## MEDIA AND TECHNOLOGY

### Independent News & Media (INM ID)

Price: 65c

Rating: Outperform

Issued: 29/03/10

Previous: Neutral

Issued: 30/06/09

### Delivering on guidance; upgrading 2010 earnings but leaving 2011 forecasts unchanged

**Simon McGrotty**

The first-half results of Independent News & Media (INM) showed that the group performed well, growing profitability in all divisions despite top-line declines in Ireland and South Africa. Revenue came in at €656.5m, representing growth of 8% year-on-year (yoy) or 1% on a like-for-like (lfl) basis. EBIT grew 29.2% to €94.6m (12.7% lfl), with effective cost-cutting more than offsetting top-line declines.

The National Newspapers of Ireland reports a first-half advertising rate decline of 10%. This compares with a Q1 decline of 15%, resulting in the Q2 fall slowing to 4%. Recent guidance from other media companies in Ireland reinforces this trend. INM is targeting a full-year decline in Irish advertising rates of c.10%, but this could prove conservative.

We are upgrading our 2010 EBITDA forecasts by €13.7m to €264.9m, driven by the good momentum in cost savings evident from the first half. Net debt/EBITDA currently stands at 4.1x on a pro-forma basis. We are forecasting this to decline to 3.6x by year-end, falling below 3.0x in 2012. While the company trades on 6.9x 2010 EBITDA, on a sum-of-the-parts basis the current market price of €0.66 would imply a multiple of 5.7x for the core group. We estimate a fair value for the stock of €0.92, representing 39% upside from current levels. We reiterate our 'outperform' rating.

For further detail, see our research report issued this morning.

#### Company summary and analysis

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**RESOURCES AND ENVIRONMENT**
**Tullow Oil (USc) (TLW LN)**

Price: \$19.02 Rating: Outperform Issued: 30/06/09

**Extending its African footprint****Job Langbroek**

**FACTS:** Tullow Oil has acquired a 50%-operated interest in six contiguous licences covering the East African rift basins, an area of 97,000 sq km. Blocks acquired are 10BB, 10A, 12A and 13T in Kenya and the South Omo block in Ethiopia. The cost is payment of pro-rata past costs on the blocks and a carry for \$23.75m. The work programme is to undertake seismic and commence drilling in 2011. The licences are being acquired from Africa Oil Corp., a Canadian-based company with a 17% shareholding held by the Lundin Group.

**ANALYSIS:** The purchase by Tullow of these blocks for a cost that will likely end up no more than \$35m (including an estimate of past costs) puts Tullow in a front line position in the eastern basins of the East African rift system. It has acquired a very large acreage position at relatively low cost that has evidence of live oil and the other features (reservoir, structure and seal) that make up a working petroleum system. A well exists (Ioperot-1) on Block 10BB in Kenya that recovered live oil. This means that Tullow now has an operated and material position in possibly the next onshore tertiary basin to be closely explored in Africa. It is directly analogous to the Lake Albert geological architecture with the same type of processes and target genesis created by the (geological) history of the region. It means that Tullow is again in a first mover position.

**DAVY VIEW:** The purchase sits well with Tullow's expertise in rift basin geology and also its desire to build its African footprint. The blocks require a good deal of work, but even at this early stage the comparison with the Ugandan Lake Albert is compelling. We see the news as a very worthwhile build-up of its African licence inventory and should be viewed positively by the market.

**Company summary and analysis**


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**PAPER AND PACKAGING**
**Smurfit Kappa Group (SKG ID)**

Price: 720c Rating: Outperform Issued: 30/06/09

**Positive price and volume trends continue in Q3; debt reduction remains the main focus from strong cash flow generation; stock looks cheap****Barry Dixon**

**FACTS:** SKG management hosted a sell-side meeting in London during which it gave an update on market conditions. Positive corrugated box volume demand trends have continued in Q3 at the same pace as in Q2 with growth of 3-4%. Demand growth is broadly based across Europe, with Spain and Ireland the only markets continuing to show weakness. Corrugated prices also continue to rise with 15% expected by year-end, up from 9.6% at the end of Q2 and in line with our forecasts. Testliner and kraftliner price increases will be implemented in September/October (as previously announced), which will drive a further 5% box price increase in Q1 2011 – again in line with our forecasts. Management's focus remains on debt pay-down with the aim to reduce leverage levels to circa 3 times trough EBITDA (€740m in the last cycle), implying net debt of just over €2bn versus €3bn currently.

**ANALYSIS:** The latest round of containerboard price increases has been driven by a combination of low inventory levels, growing demand and rising input costs (primarily starch and chemicals). Assuming the increases are successful, this will take prices close to the peak prices achieved in late 2007. The spread between the testliner price and that of the main raw material input, OCC remains well off its previous peak – implying that a further €50/tonne increase in containerboard prices is likely over the next 6-12 months which will drive further box price increases in 2011. Every 1% increase in corrugated prices raises SKG's EBITDA by circa €35m. Based on our current EBITDA forecasts of €903m in 2010 and €1184m in 2011, SKG should generate free cash flow of close to €150m this year and potentially up to €400m in 2011. This will result in a rapid reduction in debt levels.

**DAVY VIEW:** The call on SKG is now down to demand. Supply constraints (no new capacity until 2012 at the earliest), low inventory levels (circa 430,000 tonnes) and rising input costs (chemicals and starch) are all supportive of further price increases. Demand remains the last element of the story. We are forecasting 4% volume growth for this year and 3% in 2011. If these growth levels are achieved, the stock is very cheap – trading on a 2011 EV/EBITDA of less than 4 times. With rapid debt pay-down, equity accretion is significant. We remain very positive on the outlook for the share price and reiterate our 'outperform' rating and 1200c price target.

**Company summary and analysis**

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**CONSTRUCTION AND BUILDING MATERIALS**
**SIG plc (SHI LN)**

Price: 99p      Rating: Neutral      Issued: 12/07/10      Previous: Outperform      Issued: 30/06/09

**Eaga cautious on near-term prospects but sees CERT-related demand beginning to improve**  
**Flor O'Donoghue**

**FACTS:** Eaga plc, the UK green support services business, has announced results for the year to end-May. The group has reported a 3.1% rise in revenues (to £762m); a 10% improvement in EBITA (to £52m, implying a 40 basis points improvement in the trading margin to 6.8%); and a 7.4% increase in diluted adjusted EPS (to 14.4p). Eaga ends the year with net cash of £38m, a near-£7m increase.

**ANALYSIS:** Despite the solid results, Eaga is cautious on the near-term outlook for the business. This is not a surprise: much of the group's activities are dependent, at least to some extent, on the public sector. This has clearly impacted the group's rating. The stock has fallen 28% so far this year and is trading on a trailing P/E multiple of under 7.5x. Moreover, reflecting the challenges faced by Eaga, a voluntary redundancy programme has been completed since fiscal year-end.

**DAVY VIEW:** Eaga is of most relevance from a SIG perspective. Both businesses have exposure to the CERT programme in the UK. Commentary from Eaga suggests that it is already seeing encouraging signs of improving demand since the confirmation of the extension of the CERT programme was announced at the end of June. From a SIG perspective, it commented recently that revenues in its Miller Pattison business were down over 20% this year because of the delay in the extension of CERT, but that it is hopeful of a similar percentage increase in 2011. Based on the Eaga comments, this appears fair.

**Company summary and analysis**


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**FINANCIALS**
**Mortgage arrears have not yet peaked****Emer Lang**

**FACTS:** Figures published by the Financial Regulator confirm that the level of Irish owner-occupied residential mortgage arrears continues to rise steadily. Total arrears cases over 90 days increased from 4.1% at end-March to 4.6% at end-June. This compares with arrears of 3.6% at the beginning of 2010.

**ANALYSIS:** The statistics show that there were 789,814 owner-occupied mortgages outstanding at end-June with an aggregate balance of €117.7bn, an average of €149,000 per loan. In value terms, mortgages in arrears account for 5.9% of the total outstanding debt compared with 4.5% at the start of the year. Arrears balances stand at €559m, or 8% of those mortgages which are in arrears. The increase in the quarter was anticipated following recently reported increases by lenders. On August 31st, IPM reported a rise in its 90 day+ arrears from 3.9% at the end of 2009 to 5.2% at the end of June. The latter exceeds the Regulator's figure although it includes the buy-to-let (BTL) segment, which is typically more risky. In value terms, IPM's arrears are equivalent to 6.9% of mortgages. BKIR's arrears are below the market level; it reports arrears on a value basis and experienced an increase in past 90 day arrears from 3.5% at the year-end to 4.4% at the half-year stage (including BTL). ALBK's arrears are well below the market average; in value terms, its arrears stood at 3.21% at the end of June. Within this, owner-occupied arrears rose from 1.58% to 2.12% at the end of June while BTL arrears rose from 3.28% to 5.92%, highlighting clearly the relatively higher risk profile of this segment.

**DAVY VIEW:** Unemployment is a key determinant of mortgage arrears. The increase in the Live Register in August takes the estimated unemployment rate to 13.8% (broadly in line with peak estimates). Previous cycles show the peak in arrears typically lags the peak in unemployment by a few quarters; hence arrears levels are likely rise further from here. IPM reports that early arrears are rising 'more slowly' and is signalling a peak in its arrears at the end of the current year. From a provisioning perspective, the Irish policy of forbearance will elongate the tail of mortgage losses this time around; the banks will have reflected this in their recently reiterated (BKIR, IPM) and initial (ALBK) through the cycle non-NAMA loan loss estimates.

**Sector valuations**


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**TRAVEL AND LEISURE**
**German departure tax close to implementation****Stephen Furlong**

**FACTS:** The German ministry has indicated the forthcoming implementation of air departure tax, which will generate up to €1bn in revenue.

**ANALYSIS:** This move was expected, although there are some changes from the original proposal with the levy moving from €13 short haul, €26 long haul to €8 short haul, €25 medium haul and €45 long haul. Exemptions are for transit and freight. We clearly think this will be detrimental to German traffic as consumers and businesses potentially use alternative airports/hubs. There may be changes to the legislation, which still needs to go through the parliament, but it could be implemented as early as next week for flights from January 1st. While originally proposed as a precursor for the European emission trading scheme (ETS), we doubt if the tax will be removed. Those most affected will be the German airlines –

Lufthansa has not given a figure but did indicate at its investor day that ETS expenses range from €100-300m; Air Berlin originally indicated potentially a cost of up to €200m. Lufthansa Passenger Airlines alone has a revenue base of close to €12bn, and this could mean a loss of traffic at its Munich hub to Zurich. For the low-cost carriers, any rises in ticket prices clearly have an impact if absorbed, albeit they will likely try to pass on taxes and/or consolidate their German networks. At its full-year results, Ryanair indicated that German traffic was c.9% of the network for the month of March; in summer and with growth elsewhere, this is likely down to c.7% and will be reduced further on a relative basis (Ryanair has three bases – Frankfurt Hahn, Dusseldorf and Bremen). easyJet has a base in Berlin (Germany accounts for a mid-single-digit percentage of traffic). For Ryanair, financial exposure on total system-wide traffic next year of c.80m passengers is c.€50m if absorbed; exposure for easyJet with system-wide passengers of c.53m is c.£25m.

**DAVY VIEW:** Airport departure taxes inevitably distort competition and have proven to be counter-productive and negative for tourism (e.g. Ireland) as airlines will shift their capacity accordingly. That said, at this stage we think the airlines can manage this de facto cost increase.

#### Sector valuations

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## EQUITY MARKETS

### Equity markets

#### Poor month for equities; global markets fall 3.6% with ISEQ losing 7.3%

**NEW REPORT**

Jim O' Neill

The ISEQ's August fall of 7.3% was its worst performance for the month since 1998. It resulted in an underperformance of 5.7% against the E300. Irish financials suffered another dreadful month, falling a further 11.5%. They are now down 26.0% for 2010. Unsurprisingly, breadth remained negative with 30 stocks falling, 22 rising and four unchanged.

The E300 declined 1.7% in August (-1.9% ytd) with all key national benchmarks also falling. E300 breadth was sharply negative for the month: 101/210. The three primary US indices fell between 4.3% and 6.2% despite a strong earnings season. Only two of the ten S&P 500 super sectors returned a positive performance. Concerns regarding the fragility of the US and global economies weighed on investors' minds throughout the month.

For further detail, see the latest issue of Davy's *Monthly Market Monitor* issued this morning.

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## THE DAY IN NUMBERS

	<i>Index value</i>	<i>Change</i>	<i>% Change</i>
<b>IRISH MARKET</b>			
Total Market (ISEQ)	2760.7	56.9	2.1
ISE Financials Index	784.7	0.8	0.1
ISE General Index	3461.1	79.0	2.3
ISE Small Cap Index	1666.0	-4.4	-0.3
<b>SECTOR INDICES</b>			
FTSE E300 Constr. & Mats.	1265.3	46.3	3.8
FTSE E300 Food Producers	1545.8	23.6	1.6
FTSE E300 Travel & Leisure	1137.9	23.3	2.1
<b>EUROPEAN MARKETS</b>			
FTSE Eurofirst 300	1055.7	29.4	2.9
FTSE 100	5366.4	141.2	2.7
CAC 40	3623.8	133.1	3.8
DAX	6083.9	158.7	2.7
<b>US MARKETS</b>			
S&P 500	1080.3	31.0	3.0
Nasdaq	2176.8	62.8	3.0
DJIA	10269.5	254.8	2.5
<b>REST OF THE WORLD</b>			
ASX All Ordinaries	4526.8	87.9	2.0
FTSE/JSE Africa All Share	27253.9	0.0	0.0
NZ All Ordinaries	716.0	3.8	0.5
Hang Seng	20886.1	262.3	1.3
Shanghai SE Composite	2622.9	-15.9	-0.6
Nikkei 225	9029.90	102.9	1.2
<b>COMMODITIES</b>			
Brent Oil \$/bbl	75.8	1.5	2.1
CRB Commodity Index	457.4	1.9	0.4
Gasoline US\$/gal	190.0	4.2	2.3
Gold \$/t oz	1244.8	-3.7	-0.3
Natural Gas GBp/therm	42.9	-1.0	-2.2
<b>EXCHANGE RATES</b>			
Stg/EUR	0.8285	0.0024	0.3
USD/EUR	1.2804	0.0123	1.0
USD/Stg	1.5450	0.0105	0.7
<b>INTEREST RATES</b>			
Euro 3 Mth Money Rate	0.89	0.00	0.0
UK 3 Mth Money Rate	0.73	0.00	0.1
US 3 Mth Money Rate	0.30	0.00	0.0
<b>BOND YIELDS</b>			
Ireland 10 Yr Bond Yield	5.86	0.21	3.6
Euro 10 Yr Bond Yield	2.23	0.12	5.4
UK 10 Yr Bond Yield	2.94	0.11	3.8
US 10 Yr Bond Yield	2.57	0.11	4.2

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			Count	Percent
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Neutral	22	26	8	21
Underperform	5	5	0	0
Under Review	0	0	0	0
Suspended	0	0	0	0
Restricted	0	0	0	0

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