



## Market rallies after European Bond auctions

US markets started the day off in the red before gaining traction over an hour into the trading day. The market saw a little rally after the EU close but again topped out at 1100 and drifted in to the bell.

M&A also helped put a bid underneath the market as POT +3.32% extended gains as BHP took its \$130/share offer directly to shareholders; WIN -0.78% to acquire Q-Comm for \$782M and Life Tech to acquire Ion Torrent for \$375M in cash and stock.

In the UK, estimates put public sector net borrowing, excluding the effect of financial sector interventions, at £3.8bn. Once the impact of financial sector interventions is taken into account, this figure falls to £3.2bn, a better number than the market had expected (consensus: £4.8bn).

Commodity	Price	1 Day Change
Brent Crude	76.88	0.54%
Baltic Dry	2,558.00	1.71%
Gold	1,229.50	-0.02%
Copper	7,390.00	0.11%
Silver	18.48	0.60%
Dollar Index	82.24	0.02%

Currency	Price	1 Day Change
Eur / Usd	1.2844	-0.07%
Eur / Gbp	0.8213	0.34%
Eur / Yen	109.90	-0.05%
Gbp / Usd	1.5638	0.28%
Usd / Yen	85.57	-0.13%

Stock Index	Latest	1 Day Change
ISEQ	2,851	-0.14%
FTSE 100	5,307	0.09%
NIKKEI 225	9,363	1.32%
DOW JONES	10,416	0.09%
S&P 500	1,094	0.15%
NASDAQ	2,216	0.28%
CAC 40	3,673	0.68%
DAX 30	6,217	0.49%
EUROSTOXX	2,747	0.68%

10 Year Benchmark	Yield %	1 Day Change
United States	2.66	1.23%
United Kingdom	3.05	0.60%
Germany	2.37	1.15%
Japan	0.94	1.73%
Ireland	5.26	0.59%

## BOI planning on issuing new bond

As some of you may have read in the Times this morning, Bank of Ireland is understood to be planning a new bond issue on the back of Tuesday's successful Government bond auction. The strong response indicates a level of interest in Irish debt which BOI will attempt to exploit.

It's believed they will be looking to raise in the region of €500-€1 billion. The big question is how much of the issuance will be Government Guaranteed. Last week Bank of Ireland chief executive Richie Boucher said he wanted the bank to "disengage" from the Government guarantee of bank debt "in a safe and prudent manner . . . as market conditions allow". The suggestion is that BOI will attempt to raise as much of the issuance as is possible outside of the Government guarantee, meaning the issuance of two bonds one with the guarantee and one without. To attract interest the bond without the Government Guarantee is likely to have a higher coupon.

If BOI can successfully raise the higher end of the target (coupled with their rights issue) they would be some way towards their target capital requirements of €3.4 billion. It's something to keep an eye on as it'll be a good indicator of investor sentiment towards the banks and Ireland in general.

Elsewhere the weekly jobless claims number is out in the US today. Investors will be watching closely to get an indication of monthly numbers.

## Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
AZN	AstraZeneca Plc	2760	3281.50	+18.89%
LGF	Lions Gate	5.59	6.41	+14.67%
EMC	EMC Corp	16.83	18.94	+12.54%
QQQ	Nasdaq Trust ETF	42.6	45.04	+6.67%
SKG	Smurfit Kappa	7.27	7.73	+6.33%

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