

Weekly Trader

Upcoming Market Opportunities and Events

CANTOR
Fitzgerald

Monday, 21st August 2017

Outlook - H2 17

Jackson Hole - Preview

Market focus will be on Wyoming this week as the world's central bankers gather for the annual Jackson Hole symposium. Fed Chair Yellen and ECB President Mario Draghi will be among the officials addressing this year's conference. This year's conference takes place as the major central banks make the first tentative steps towards policy exit after years of massive quantitative easing programs. The issues of stubbornly low inflation remains and has occupied central banks' thoughts recently. US inflation fell to 1.4% in June and European prices are currently growing at a tepid 1.3%. A widespread fall in unemployment has failed to produce wage inflation of any great measure which has not helped the overall inflation picture.

Analysts have become increasingly worried about the prospect of a policy mistake - central bank raising rates or beginning to taper just as economic growth rolls over. The odds of a Fed or ECB rate hike this year have fallen dramatically, now standing at 35.7% and 2.7% respectively, as core and inflation data have shown little upward momentum. However, central banks are in a bind. They need to raise rates and begin tapering in order to have some wiggle room in the event of another recession. However, with continuing US political volatility and the European recovery still somewhat fragile, they face the risk of moving too quickly too soon. Back in June the majority of world central bankers moved to a significantly more hawkish rhetoric in almost concerted fashion. Markets promptly sold off and volatility ticked up. Since then the Fed and ECB have noticeably retracted their steps and issued more dovish statements. The June move may have been an attempt to test the market's reaction to pulling away the punch bowl.

An unnamed ECB official quoted last week dismissed the chances that Mr Draghi would announce a tapering program at this event. Markets had been expecting some form of announcement but we believed he would wait until after the German election in September. We maintain that belief. We had been [guiding](#) that investors are likely to see more volatility in the second half of the year and so far that has come true. If Mr Draghi [does talk down the euro](#) due to its recent rally our European names should rally. Chair Yellen is expected to speak at 2pm on August 25th with Mr Draghi's address at 8pm on the same day.

Global Markets - Weak Technical Picture

As we had been [guiding](#), we expected the recent bout of volatility to persist in the short term. We had just come through a [period of exceptionally low volatility](#) that historically precedes a tick up in volatility. [Longer term questions](#) are now being asked about the Trump administration's ability to implement pro-growth reforms. From a technical perspective the majority of world indices are in negative patterns with short-term momentum showing risk is definitely skewed to the downside. Most indices are showing lower highs and lower lows, particularly in Europe. Worryingly, the number of stocks above their 50 & 200 day moving average continues to decline. All of this points to negative returns in the immediate short-term.

Stock Coverage This Week

This week we cover off on CRH, Ryanair, INM, & Kingspan. We also reiterate our views on Inditex, Allianz, Siemens and Eurostoxx 50.

Major Markets Last Week

	Value	Change	% Move
Dow	21675	-183.81	-0.84%
S&P	2426	-15.77	-0.65%
Nasdaq	6217	-40.03	-0.64%

UK Index	7319	-51.56	-0.48%
DAX	12124	-56.34	-0.33%
ISEQ	6705	5.09	0.48%

Nikkei	19,393	-143.97	-0.74%
H.Seng	27,195	-55.21	-0.20%
STOXX600	374	-3.08	-0.71%

Brent Oil	52.63	1.83	3.75%
Crude Oil	48.4	0.78	1.70%
Gold	1288	6.11	0.43%

Silver	16.9887	-0.05	-0.54%
Copper	298.85	6.15	2.10%
CRB Index	437.81	-3.16	-0.72%

Euro/USD	1.174	0.00	-0.34%
Euro/GBP	0.9132	0.00	0.49%
GBP/USD	1.2853	-0.01	-0.86%

	Value	Change
German 10 Year	0.405	0.00
UK 10 Year	1.076	0.01
US 10 Year	2.1852	-0.03

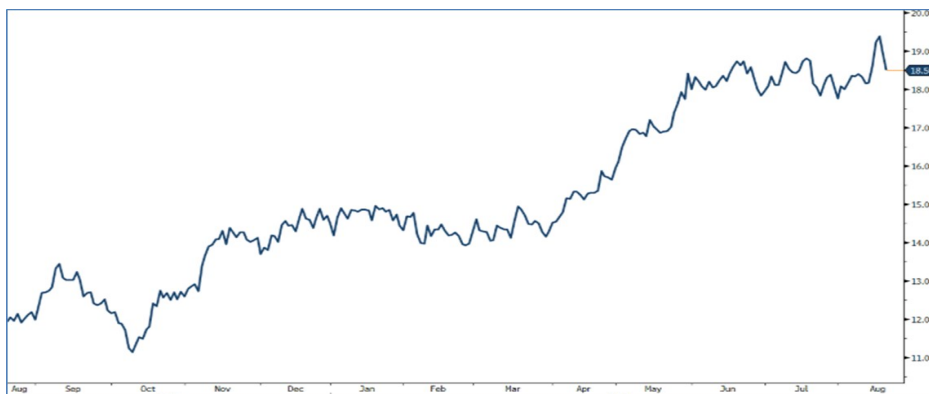
Irish 10 Year	0.741	-0.01
Spain 10 Year	1.543	0.11
Italy 10 Year	2.011	-0.01

BoE	0.25	0.00
ECB	0.00	0.00
Fed	1.25	0.00

Ryanair - Profit taking and Barcelona terror attack led to retracement

Closing Price: €18.595

Stephen Hall, CFA | Investment Analyst



Key Metrics	2018e	2019e	2020e
Revenue (€'bn)	7.04	7.69	8.24
EPS (€)	1.26	1.43	1.58
Price/ Earnings	14.7x	12.9x	11.7x
Div Yield	0.0%	0.0%	0.0%

Share Price Return	1 Mth	3 Mth	YTD
RYA ID	3.55%	10.3%	28.82%

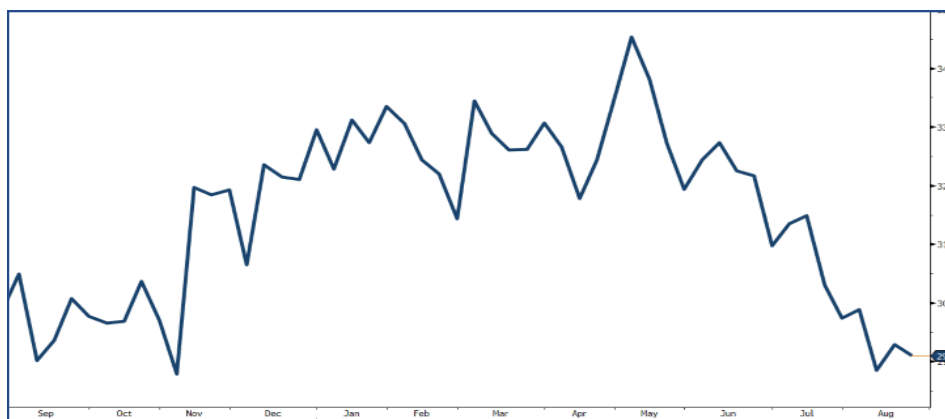
Source: Bloomberg

Last Wednesday, we recommended lightening up on Ryanair positions for shorter term active trading clients following the positive upward move after Air Berlin filed for insolvency. However, for longer term investors, we continue to positive taking a medium term view. This development should lift air fares in Germany due to less supply of routes, while it offers a big growth opportunity for Ryanair (3rd largest operator in Germany) which already has numerous bases across the Germany's key cities now. We could see analysts' lifting their earnings forecasts and target prices on the back of such a development as it seems consolidation in the European airline sector is happening a lot quicker than the market had been anticipating. Ryanair could reach its 20% market share target in Germany earlier than anticipated as a result. We saw general profit taking and the reversal was compounded by the negative reaction to the Barcelona terror attack last Thursday. We'd expect to see a period of profit taking and consolidation in the stock in the near term. However, any meaningful pullbacks should be used as an opportunity to add to existing positions.

CRH - Earnings Preview

Closing Price: €29.225

Will Heffernan | Investment Analyst



Key Metrics	2017e	2018e	2019e
Revenue (€'bn)	28.54	29.77	31.04
EPS (€)	1.799	2.074	2.341
Price/ Earnings	16.73x	14.52x	12.86
Div Yield	2.27%	2.41%	2.62%

Share Price Return	1 Mth	3 Mth	YTD
CRH ID	-3.96%	-11%	-11.39%

Source: Bloomberg

CRH release S1/17 results this Thursday. We are expecting 0.45c EPS (+41.6% YoY growth) and revenue to come in at €13.361bn (+4.9% YoY). Operating profit is estimated at €749m up 27.4% YoY. EBITDA should be approx. €1.199bn implying growth of 7.04%. CRH's peers have already reported this quarter. The major trend was a continuing tick up in volumes in Europe but a poor Q2 in the US due to inclement weather and temporary reduction in highway spending. The poor weather appears to have mainly taken place in regions where CRH does not have much of a presence, so its impact on CRH's US revenue may be less. However, if the US side disappoints we would expect CRH to sell off on the day. Other things to look out for is management outlook on US volumes for the remainder of the year and the pricing situation in Europe, which was poor last year but seems to be improving. Comments on potential FX headwinds would also be welcome. Despite some possible weakness on the day we continue to believe in the investment case. European volumes have remained resilient and should continue to pick up as European economic growth gathers pace. The US is expected to pick up in the second half the year. Housing data has improved (building permits +7.4% last month vs estimates of +3%) and US construction employment has also increased. The Portland Cement Association has forecast 3.5% annual growth in volumes for 2017 and 2018. This is without any Trump infrastructure program. Net debt/EBITDA is expected to drop to 1.3x by 2017 and there is approx. €2.5bn in cash on the balance sheet. In our view this leaves plenty of scope for M&A activity in the second half of the year. Lastly the valuation case now makes more sense as CRH's FY17 P/E has come down from 21x in January to 16.7x currently. This is below its 10 & 5 year average, 17.7x & 21x respectively. It is also well below its US peers (approx. 28) and a much reduced premium to its European peers (approx. 15.7x).

Kingspan - Very positive reaction to resilient H1/17 Results

Closing Price: €31.50

Stephen Hall, CFA | Investment Analyst



Key Metrics	2017e	2018e	2019e
Revenue (€'bn)	3.59	3.73	3.96
EPS (€)	1.59	1.70	1.80
Price/ Earnings	19.8x	18.6x	17.5x
Div Yield	1.28%	1.42%	1.55%

Share Price Return	1 Mth	3 Mth	YTD
KSP ID	12%	3.09%	24.82%

Source: Bloomberg

Kingspan reported a solid set of H1/17 results last Friday despite facing significant raw material cost pressures during the period and negative read across from some of its peers in the lead up to results. The market extremely favourable to this set of results despite risk off sentiment in the market, rallying 9% on the day. We think its share price might recover all of the weakness experienced since the Grenfell Tower fire in London in June 2017 which impacted investor sentiment towards the stock. Group revenues in H1/17 grew 19% YoY on a reported basis (21% on constant currency basis) to €1.75m bang in line with consensus analyst expectations. Trading profit grew 6% on a reported basis (10% on a constant currency basis) to €177.8m, while trading margins fell to 10.2% which represented a 120bps margin contraction in the period as the Group had to contend with significant raw material price pressures through rising MDI chemical prices. Management expects further MDI chemical price increases in H2/17 due to global supply constraints, however margin recovery is a key focus for management and it forecasts that it will be successful in doing so. The Group increased its interim dividend by 10% to 11c in the period. Overall management said “the first six months of 2017 were strong for Kingspan and we expect end market activity to be broadly positive for the remainder of the year”. Additional it said “at current exchange rates to deliver a fullyear result at least in line with consensus”, which is a positive update.

Comment

On a divisional product basis, its Insulated Panels business which accounts for 63.5% of Group revenues and 65% of Group profitability. Management said activity was strong in Benelux, France and the Nordics. Penetration rates in these regions remains relatively low and should improve over time. Quotation activity remains encouraging in the UK, and intake in Q3/17 is expected to improve as sectors such as data, online retail and continental retailers continue to develop their physical infrastructure across the UK. In the US, encouragingly market penetration continues to advance. Australasia demonstrated encouraging growth, and the energy efficiency of buildings in the region lags Europe and should improve in the long term. Its Insulated Panels division accounts for 21.3% of Group revenues and 22% of Group profitability saw modest overall growth in the UK, but a noticeable increase in conversion to Kooltherm which should be supportive of margin expansion through improved mix. Kooltherm represents 35% of rigid board sales globally. Growth in mainland Europe has also been encouraging, while additional capacity needs to be added in the US. Its newly formed “Light and Air” division which specialised in efficient day-lighting, smoke management and ventilation systems should contribute €200m towards Group revenues in 2017 (c. 5% of Group sales) at a 7% trading margin. Management expects revenues in this division to grow to €500m within 5 years, and this will be achieved through organic and inorganic growth.

We remain positive on the long term growth potential of the business due to the structural shift towards ever increasing demand for greater energy efficient buildings. It is a global leader in creating energy efficient buildings and manufactures innovative and high performance products. The Group completed an acquisition in Columbia which opens up yet another brand new sales region in South America for the Group which may present attractive growth opportunities over the long term. The company also began manufacturing in Mexico and this region will likely be a focus of future growth. Kingspan is becoming a truly global company given its expansion into Australia and Asia in recent years opening up new end-users markets.

Fire safety of its products was big concern following the Grenfell Tower fires. Management said its products have been tested 1,700 times over the past 10 years and some of its products are now achieving standards that were previously reserved for fibre containing materials often referred to as “non-combustible”. The Group remains focus on innovation which has been a cornerstone of Kingspan’s strategy for many years and has enabled to produce best in class products which helps it differentiate itself from its peers. Its Net Debt position was €440.3m compared to €457m at March 2017. Management said “its balance sheet is strong and ready to support our development agenda as opportunities unfold”. From a valuation perspective, following a 15.5% retracement in Kingspan’s share price between June 2017 – August 2017 meant it had de-rated to 17.5x FY17e earnings at its low. It had re-rated to 19.8x at last Friday’s close and we the see potential for small earnings upgrades to come through. We think its share price can re-test the high of the year at €33.

INM - AGM likely to be lively

Closing Price: 11c

Will Heffernan | Investment Analyst



Key Metrics	2017e	2018e	2019e
Revenue (€Mn)	303.67	291.67	287.5
EPS (€c)	2.1	2.2	2.3
Price/ Earnings	5.24x	5.24x	5.79x
Div Yield	0	0	0

Share Price Return	1 Mth	3 Mth	YTD
INM	7.84%	-14.7%	-13.7%

Source: Bloomberg

Independent News & Media holds its AGM this week on Wednesday 23rd of August. This AGM has taken on increasing importance following the profit warning by management on 20th July. In that release guidance for reduction in print advertising revenue, circulation revenue and total revenue was increased from previous estimates. Management also hinted at an increase in costs that would likely impact its cost savings plans. Lastly, the release also appeared to put the brakes on any potential M&A activity. Since then management have confirmed resolution of the pension issue by injecting an additional €50m into the pension scheme. This is welcome as it potentially clears the way towards proceeding with the capital restructuring that will allow the company to address legacy issues and potentially pay a dividend. Management have previously stated that they do not wish to go down the dividend route. There has been widespread speculation that the Chief Executive Robert Pitt will vote against resolutions at this AGM. Chairman Leslie Buckley said in a letter issued to shareholders that Mr Pitt has "reserved his position" on how he will vote on several resolutions at the AGM. If Mr Pitt does vote against some resolutions this would be a highly unusual action for a CEO. Speculation is that it centres on the re-election of Mr Buckley as Chairman. Mr Pitt and Mr Buckley's differences of opinion are well known at this stage and have resulted in Mr Pitt making protected disclosures to the ODCE. It remains to be seen who will come out on top in this boardroom dispute.

EU Picks - Contained euro bodes well for our European names

CF Research Team



Key Metrics	2018e	2019e	2020e
Revenue (€'bn)	26.164	28.88	31.80
EPS (€)	1.323	1.479	1.67
Price/ Earnings	28.78x	25.51x	22.84x
Div Yield	2.32x	2.63	2.98

Share Price Return	1 Mth	3 Mth	YTD
ITX SM	-0.8%	-7.1%	3.9%

Source: Bloomberg

Inditex - We are bullish on Inditex as believe its [short lead time model](#) is perfectly designed for the changing demands of online retail. Online merchants are putting increasing pressure on traditional retailers who operate with long lead times. This is a trend we expect to continue and we believe Inditex's superior production model should enable it to well. The share price had declined as the euro strengthened. However, with the euro's recent sell off Inditex rallied 2%. If the euro rally is contained Inditex should continue to rally. From a longer-term perspective Inditex's business model allied with a positive macro backdrop should ensure it remains a market leader.

Allianz - Despite a very strong run in its share price over the past 14 months (>50% gains), we see further upside for the Group in H2/17 in keeping with our constructive view on European equities. Despite this recent rally, Allianz only trades at 11.4x FY17e earnings. The stock also offers an attractive dividend yield of 4.4% for 2017. Management raised its full year 2017 operating profit guidance towards the upper end of its €10.3bn to €11.3bn range. Management remains committed to stripping out costs and automating its underwriting and claims handling divisions which should improve the Group's productivity and help protect margins from rising regulatory costs and pricing pressure. Allianz has pledged €1bn in productivity gains by 2018 to be achieved by automating function in policy underwriting and claims handling.

Siemens - Siemens has suffered lately due to the recent weak Power & Gas results. In our opinion the market somewhat overreacted and that is now priced in. Separately it had been trading inversely with the euro. As the euro strengthened Siemens weakened and vice versa. It was up 4% last week as the euro weakened. If the euro remains at these levels or trends lower, Siemens, as a substantial exporter, is likely to benefit. In the long term managements "Vision 2020" restructuring program should ensure a streamlined business that is focused on growth areas such as robotics and industrial automation.

Eurostoxx50 ETF - European data continues to be stronger with last week's GDP estimate coming in at 2.2% vs est. 2.1% and PMIs above their US counterparts. Secondly, with the euro having strengthened vs the dollar 5.6% since mid-June, last week's ECB minutes show that policymakers are concerned about a stronger euro which is not only a drag on European exporters but also hinders the ECB inflation targeting goal as imports (mainly energy) become decidedly cheaper. With the euro move up constrained fundamentals should once again reassert their dominance. From that perspective, the prospect for European equities remain brighter.

Cantor Core Portfolio - In Detail

Performance YTD	%
Portfolio	3.5%
Benchmark	1.5%
Relative Performance	2.0%
P/E Ratio	20.57x
Dividend Yield	2.6%
ESMA Rating	6
Beta	1.01

Sectors	Portfolio	Benchmark	+ / -
Consumer Discretionary	6%	11%	
Consumer Staples	10%	14%	
Energy	5%	6%	
Financials	20%	15%	
Health Care	5%	9%	
Industrials	22%	15%	
Information Technology	16%	9%	
Telecommunication Services	4%	3%	
Utilities	0%	3%	
Materials	12%	15%	
Real Estate	0%	2%	

FX	Portfolio	Benchmark
EUR	54%	54%
GBP	26%	26%
USD	20%	20%

Currency YTD %		
GBP	-6.7%	
USD	-10.6%	

Comments: Sector

Underperformers

Outperformers:

Benchmark

Weighted Average Contribution

Index	Currency	PE	Outlook	Weighting	Total Return Local*	Currency Contribution	Total Contribution	
ISEQ 20 INDEX	EUR	17	Neutral	32%	-4.0%	0.0%	0.6%	
UK 100 INDEX	GBP	15	Neutral	26%	2.9%	-1.4%	-0.2%	
S&P 500 INDEX	USD	19	Neutral	20%	2.2%	-2.2%	0.0%	
IBEX35 INDEX	EUR	15	Positive	6%	-3.0%	0.0%	0.7%	
DAX INDEX	EUR	14	Positive	16%	-2.9%	0.0%	0.3%	
Total				100%		-3.54%		1.5%

Core Portfolio

Weighted Average Contribution

Stock	Currency	Yield*	Hold / Sold	Sector	Weighting	Total Return Local*	Currency Contribution	Total Contribution	
GLANBIA PLC	EUR	0.9	H	Consumer Staples	5%	-9.0%	0.0%	0.4%	
GREENCORE GROUP PLC	GBP	2.3	H	Consumer Staples	5%	-2.4%	-0.2%	-0.5%	
RYANAIR HOLDINGS PLC	EUR	0.0	H	Industrials	5%	12.7%	0.0%	1.2%	
INDUSTRIA DE DISEÑO TEXTIL	EUR	2.3	H	Consumer Discretionary	6%	-6.3%	0.0%	0.4%	
DAIMLER AG-REGISTERED SHARES	EUR	5.8	S	Consumer Discretionary	6%	-0.9%	0.0%	0.0%	
LLOYDS BANKING GROUP PLC	GBP	5.6	H	Financials	5%	-6.0%	-0.2%	0.0%	
AMERICAN INTERNATIONAL GROUP	USD	2.0	S	Financials	5%	-4.7%	0.1%	-0.2%	
BANK OF IRELAND	EUR	2.3	H	Financials	5%	-1.6%	0.0%	-0.3%	
ALLIANZ SE-REG	EUR	4.4	H	Financials	5%	8.1%	0.0%	0.9%	
FACEBOOK INC-A	USD	0.0	H	Information Technology	4%	10.3%	-0.4%	0.9%	
PAYPAL HOLDINGS INC	USD	0.0	H	Information Technology	4%	21.3%	-0.5%	1.3%	
ALPHABET INC-CL A	USD	0.0	H	Information Technology	4%	-2.3%	-0.4%	0.2%	
AMAZON.COM INC	USD	0.0	H	Information Technology	4%	1.9%	-0.5%	0.1%	
iShares STOXX Europe 600 Banks ETF	EUR	4.0	H	Financials	5%	-0.2%	0.0%	0.0%	
GENERAL ELECTRIC CO	USD	3.8	S	Industrials	5%	-4.3%	-0.2%	-0.3%	
SIEMENS AG-REG	EUR	3.3	H	Industrials	6%	-12.3%	0.0%	-0.7%	
SMURFIT KAPPA GROUP PLC	EUR	3.2	H	Materials	6%	0.1%	0.0%	0.1%	
CRH PLC	EUR	2.2	H	Materials	6%	-14.2%	0.0%	-0.6%	
KINGSPAN GROUP PLC	EUR	1.3	H	Industrials	5%	-3.2%	0.0%	0.9%	
ROYAL DUTCH SHELL PLC-B SHS	GBP	6.6	H	Energy	5%	7.7%	-0.3%	-0.4%	
DCC PLC	GBP	1.8	H	Industrials	6%	-4.9%	-0.3%	0.4%	
GLAXOSMITHKLINE PLC	GBP	5.2	H	Health Care	5%	-2.7%	-0.2%	-0.2%	
VERIZON COMMUNICATIONS INC	USD	5.3	H	Telecommunication Services	4%	4.7%	-0.4%	-0.8%	
Total					100%		-3.57%		3.5%

*Red Denotes Deletions

*Green Denotes Additions

*Return as of last reweighting 03/05/2017

*Yields are based on the mean of analyst forecast

All data taken from Bloomberg up until 18/08/2017.

Warning : Past performance is not a reliable guide to future performance

Warning : The value of your investment may go down as well as up.

From the News - Monday's Headlines

- **Global** Banks help to drive global growth in dividends
- **US** Trump targets tax reform to reconnect with GOP
- **Europe** ECB faces bond shortage as inflation slows
- **UK** Hopes of Autumn trade talks likely to be dashed
- **Ireland** Weak pound sends more shoppers across the border
- **Dublin** Frankfurt and Dublin will be winners on Brexit jobs, says Bundesbank member

Current Stock Trading News

From a market trading perspective we are long Green REIT, Inditex, Royal Dutch Shell, Glanbia, Greencore and Kingspan and the positions remain in the money.

This Weeks Market Events

Monday	Tuesday	Wednesday	Thursday	Friday
Corporate	Corporate	Corporate	Corporate	Corporate
Cairn Energy	BHP Billiton, Permission.	INM AGM	CRH, Falcon Oil & Gas.	NA
Economic	Economic	Economic	Economic	Economic
NA	GE Economic Sentiment.	EU Consumer Confidence, US New Home Sales	UK GDP Growth Rate. US Existing Home Sales.	GE Consumer Confidence. US Durable Goods Orders.

Upcoming Events

 28/08/2017 NA

 29/08/2017 Datalex.

 30/08/2017 IFG, Carrefour, Total Produce.

 31/08/2017 NA

 01/09/2017 NA

 28/08/2017 NA

 29/08/2017 JP Unemployment Rate

 30/08/2017 EU Business Confidence. US GDP.

 31/08/2017 UK Consumer Confidence. EU Unemployment

 01/09/2017 CN Manufacturing PMI. US Non Farm Payrolls.

CantorinTheMedia

- Pound remains under pressure amid deluge of economic data - The Irish Independent
Ryan McGrath - Please [click here](#)
- Cuban crises used to access North Korean market hit - The Irish Examiner
Ryan McGrath - please [click here](#)

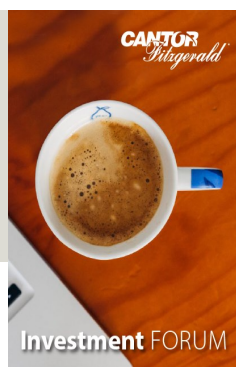
Cantor Publications & Resources



Daily Note

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Regulatory Information

Issuer Descriptions: (Source: Bloomberg)

Bank of Ireland: Bank of Ireland provides a range of banking, life insurance and other financial services to customers in Ireland and United Kingdom
AIB: Allied Irish Banks plc (AIB) attracts deposits and offers commercial banking services. The Bank offers mortgage, automobile, business, plant and equipment purchase, and lease financing loans, investment banking, securities brokerage, asset management and treasury services, and discounts invoices. AIB operates in Ireland, the United Kingdom, and the United States

Inditex: Industria de Diseno Textil, S.A. designs, manufactures and distributes apparel. The company operates retail chains in Europe, the Americas, Asia and Africa.

Ryanair: Ryanair Holdings plc provides low fare passenger airline services to destinations in Europe. **ICG:** Irish Continental Group plc markets holiday packages and provides passenger transport, roll-on and roll-off freight transport, and container lift on and lift-off freight services between Ireland, the United Kingdom and Continental Europe.

Siemens: Siemens AG is an engineering and manufacturing company. The Company focuses on four major business sectors including infrastructure and cities, healthcare, industry and energy. Siemens AG also provides engineering solutions in automation and control, power, transportation, and medical.

Greencore: Greencore manufactures and distributes a diverse range of primary foods and related products, food ingredients and prepared foods to the consumer and industrial sectors.

Daimler: Daimler AG develops manufactures, distributes and sells a wide range of automotive products mainly passenger cars, trucks vans and buses. The Company also provides financials and other services relating to its automotive businesses.

Lloyds: Lloyds offers a range of banking and financial services including retail banking, mortgages, pensions, asset management, insurance services, corporate banking and treasury services.

AIG: AIG is an international insurance organisation serving commercial, institutional and individual customers.

Allianz: Allianz, through its subsidiaries, provides insurance and financial services.

Facebook: Facebook Inc. operates a social networking site.

PayPal: PayPal operates a technology platform that enables digital and mobile payments on behalf of customers and merchants.

Alphabet: Alphabet provides web based search, advertisement, maps, software applications, mobile operating systems, consumer content and other software services.

Amazon: Amazon is an online retailer that offers a wide range of products.

GE: General Electric is a globally diversified technology and financial services company.

Smurfit Kappa: Smurfit Kappa manufactures paper packaging products.

CRH: CRH is a global building materials group.

Kingspan: Kingspan is a global market player in high performance insulation and building envelope technologies.

Royal Dutch Shell: Royal Dutch Shell explores, produces and refines petroleum.

DCC: DCC is a sales, marketing, distribution and business support services company.

GlaxoSmithKline: GSK is a research based pharmaceutical company.

Verizon: Verizon Communications is a telecommunications company.

Kerry: Kerry Group PLC is a major international food corporation. The Group develops, manufactures, and delivers innovative taste solutions and nutritional and functional ingredients.

PTSB: Permanent TSB Group Holdings Plc provides personal financial services in the Irish market with strong market positions in life and pensions, fund management and retail banking

GlaxoSmithKline: GlaxoSmithKline PLC is a research-based pharmaceutical company

Verizon: Verizon Communications Inc. is an integrated telecommunications company that provides wire line voice and data services, wireless services, internet services, and published directory information.

Falcon Oil & Gas Ltd: Falcon Oil & Gas Ltd. engages in the acquisition, exploration and development of conventional and unconventional oil and gas assets

iShares EURO STOXX 50 UCITS ETF: iShares EURO STOXX 50 UCITS ETF (DE) is an open-end UCITS compliant exchange traded fund incorporated in Germany. The fund aims to track the performance of the EURO STOXX 50 index. The fund distributes income received to shareholders.

Independent News and Media: Independent News & Media PLC (INM) is an international media group.

Historical Record of recommendation

Falcon Oil & Gas Ltd:

CRH: We have added CRH to our core portfolio on the 01/01/16, with a recommendation of Outperform

Inditex: We have initiated coverage of Inditex with an Outperform rating, as of 23/01/2016

Kingspan: We have changed our rating for Kingspan from Not Rated to Outperform on the 14/03/2016 .

Ryanair: Ryanair was added to the Core Portfolio at inception in and have had an Outperform recommendation since then

INM: We updated our recommendation to Market Perform from Outperform on 19/05/17.

Siemens: We changed our rating to Outperform on the 30/01/2017.

Allianz: We have been positive on Core Portfolio stock, Allianz since 24/04/14 and no changes have been made to the recommendation since then

None of the above recommendations have been disclosed to the relevant issuer prior to dissemination of this Research.



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