Weekly Trader

Upcoming Market Opportunities and Events

CANTOR Fitzgerald

Monday, 6th November 2017

Key Themes This Week

Bank of England Review

The BOE raised its base rate on Thursday from 0.25% to 0.5%. The vote was 7-2, which normally would be considered a hawkish outcome. Counter intuitively, the yield on 10 year UK debt moved from 1.36% to 1.26%. Yield on two year debt, which had moved up from 0.16% to 0.5% in the preceding weeks, dropped to 0.41%. EURGBP moved from £0.877 to £0.893. The reason behind this market reaction was the dovish nature of the press release and subsequent press conference. Overall, the BOE painted a pessimistic picture of UK growth outlook over the next 18 months. It also omitted language from previous releases that stated that more hikes could be needed than financial markets expected, suggesting the BOE is now comfortable with the current market expectation of only 2 hikes over the next 2 years. Lastly, Governor Mark Carney, in his press conference, implicitly linked any future rate hikes to the progress of Brexit negotiations. These have not been going too well for the UK of late. Here at Cantor, we had been guiding clients that it was likely to be a one and done scenario with sterling to continue to weaken into year end. We maintain that view.

Powell to be the next Fed Chair

In a decision that spoke to continuity, President Trump named Jay Powell as his nominee to serve as the next chair of the Federal Reserve. The 64 year old Powell has been a serving Fed Governor since 2012 and takes over the reins from Chair Yellen as the Fed takes on the unprecedented task of shrinking its $4.5tn balance sheet and normalising rates. Mr Powell is a trained lawyer and a former private equity partner at Carlyle Group. He also served in the Treasury under George Bush in the early 1990s. He is widely regarded as a centrist when it comes to monetary policy and is a pragmatic, down-to-earth official who has a reputation for stability. He never once dissented in his tenure as a Governor and is regarded as just slightly less dovish than current Chair Yellen. Highlighting the theme of continuity, market reaction to his nomination was muted. One facet where Powell may differ from Yellen is in his approach to financial market regulation with an expectation that he may be more acquiescent than Yellen to rolling back some Wall Street regulation.

Global growth picture improves

Here at Cantor, we continuously monitor global growth indicators in order to ascertain where the world economy and, by extrapolation, where equity markets are headed. In general we see very few dark spots to be worried about as of yet. European economic data, both hard and soft indicators, continue to be very strong with most coming in at their highest levels since 2008. US data, which had been soft over the summer, has picked up again with quarterly GDP and labour market data all showing improvement. Likewise, EM data continues to be solid. We expect a slowdown in China as the government pursues its reform and anti-corruption agenda. But this should be small in magnitude and short-lived. Despite some initial hikes and tapering central bank policy remains accommodative world wide. As we move into 2019 and central banks ramp up removal of QE, growth and equity markets are likely to face more headwinds.

Stock Coverage This Week

We review all of our Core Portfolio names' performance year to date.

Major Markets Last Week

	Value	Change	% Move
Dow	23539	105.00	0.45%
S&P	2588	6.77	0.26%
Nasdaq	6764	63.17	0.94%
UK Index	7554	66.56	0.89%
DAX	13464	246.56	1.87%
ISEQ	6972	59.99	0.87%
Nikkei	22,548	539.90	2.45%
H.Seng	28,597	260.61	0.92%
STOXX600	396	2.10	0.53%
Brent Oil	62.43	1.53	2.51%
Crude Oil	55.85	1.70	3.14%
Gold	1270	-5.87	-0.46%
Silver	16.8763	0.02	0.13%
Copper	315.2	4.00	1.29%
CRB Index	429.29	1.10	0.26%
Euro/USD	1.1599	-0.01	-0.45%
Euro/GBP	0.8854	0.00	0.37%
GBP/USD	1.31	-0.01	-0.82%

	Value	Change
German 10 Year	0.338	-0.03
UK 10 Year	1.246	-0.09
US 10 Year	2.3253	-0.04
Irish 10 Year	0.57	-0.02
Spain 10 Year	1.467	-0.03
Italy 10 Year	1.78	-0.07
BoE	0.5	0.25
ECB	0.00	0.00
Fed	1.25	0.00

All data sourced from Bloomberg

Cantor Fitzgerald Core Portfolio - Update on top picks

Cantor Fitzgerald Research Team

Glanbia

Our conviction in Glanbia has diminished in recent months as the company has struggled for organic volume growth and is now facing pricing pressure within its Glanbia Performance Nutrition (GPN) division. Glanbia's share price failed to push on following an in line Q3/17 update last week. Its share price has lagged the broader Food and Beverage sector in Europe this year, however we do think it can recapture lost ground into yearend helped by a softer EURUSD.

Smurfit Kappa

Smurfit rallied post a solid Q3/17 results update last week, and we think it can re-test its 2017 high of the year of €27.695 posted back in June. Demand for Smurfit's end product remains firm across most of it key geographies, while operational efficiencies and input cost recovery should see operating margins expansion continue into next year. Even after a 10% rally over the past 3 weeks, valuations still looks attractive, currently trading at 11.6x FY18e earnings, and offers an attractive dividend yield of 3.35%

Kingspan

At the beginning of October, we anticipated a period of consolidation/ profit taking in Kingspan's share price following a strong H1/17 results update and announcement of its expansion into Latin and South America which lead to a meaningful rally and positive valuation re-rating in its stock. We still remain bullish on the underlying fundamentals in the stock despite rallying 58% since its inclusion in our Core Portfolio twelve months ago. We see first support at €34.70, and €33.30, and are comfortable holding the stock into Q317 results update on the 13th November.

Ryanair

Ryanair released a solid set of H1/18 results which reinforced the robust nature of the airline's low fare, pan European growth model, even during a period where the airline suffered a material failure in its pilot rostering. Management alleviated many investors' concerns, as it reassured shareholders it did not face a pilot shortage problem and it has taken sufficient steps to ensure the recent pilot rostering mishap wouldn't happen again. Ryanair's management was eager to highlight the pay package offered to its pilots is now more competitive than peers, Norwegian Air and Jet2 who both operate Boeing planes. Despite Ryanair's cost base forecast to increase by €100m in FY19, we feel it should maintain a healthy competitive advantage on costs, and fares which should enable it capture market share from less efficient operators.

Bank of Ireland

Bank of Ireland's share price has recovered c. 9% from the low recorded in October following the tracker mortgage scandal which dented investor sentiment towards all Irish banks. European bond yields have drifted lower once again following a dovish update from the ECB which has seen 10 year German bond yields move from 0.50% to 0.37% over the past two weeks. However, we still think BOI which currently trades 0.76x FY18e Price/ Book can re-rate higher into yearend and beyond as the asset quality of its legacy book continues to improve and as it reinstates a dividend early in 2018.

AIB

Similar to Bank of Ireland, sentiment towards AIB has recovery over the past week following the tracker mortgage scandal. We remain positive on AIB which is backed by strong underlying fundamentals and it's a purer play on a recovering Irish economy than BOI. AIB has a market leading position for new mortgage lending in Ireland, has a healthy capital position, has already reinstated a dividend and is looking to sell back books of Non-Performing Loans (NPLs) to accelerate the strengthening of its asset base.

Allianz

Allianz has been one of our top European contributor to performance in 2017. Its share price has rallied an impressive 72% (excluding dividends) since July 2016. The stock closed at €201.9 last Friday which was 1.2% above its consensus 12 month target price at €198.84. 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 which is behind its strong performance this year. The stock currently trades at 11.9x FY18e earnings and offers an attractive dividend yield of 4.2%. We would expect a period of consolidation/ profit taking in the near term, however will continue to hold in our Core Portfolio.

Lloyds

Despite the Bank of England (BOE) delivering its first rate hike in over a decade last week, UK financials came under pressure as the BOE struck a dovish tone, and UK yields drifted lower. Despite this outcome, we maintain our Outperform outlook on the Group whose underlying fundamentals remains very strong. Lloyds has a healthy capital position, industry leading cost/ income ratio, low impairment charge and offers investor an attractive dividend yield of 6.4% for FY18e.

Cantor Fitzgerald Core Portfolio - Update on top picks

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European Banking ETF

Despite tightening monetary policy conditions at the last ECB meeting, European yields drifted lower as Draghi said he was willing to extend its ongoing €30bn a month QE bond purchasing programme beyond September 2018, should Eurozone inflation still lag the ECB's 2% target. We maintain our positive stance on European financials as we are constructive on European economic fundamentals and banks should perform strongly against this backdrop in our opinion, while this ETF offers an attractive dividend yield of 4.6% for FY18e.

Royal Dutch Shell

Shell closed at its highest level last Friday since September 2014, and its share price has rallied off the July 2017 lows. Shell has adapted well to $50 a barrel oil environment through deep cost cuts, capital discipline, large staff layoffs and cheery picking capex projects. The oil major now focuses investment on higher returns and lower cost projects and it will continue to prioritise capital efficiency, cost reduction, new project delivery and divestments. The recovery in underlying oil prices to $60 has removed investor concerns of a cut to its dividend. Next resistance is GBp 2576, which is the oil major's all time highest close. Shell's share price is ultimately highly correlated to underlying share price, and should be included as part of a well diversified portfolio.

DCC

DCC continues its recovery from its July low of £66.65 and is up 8.4% since then at £72.25. Year to date the stock is up 18.3% in GBP terms and 13.2% in euro terms. DCC has an excellent track record of earnings beats and subsequent earnings upgrades. We would expect this to continue. DCC report earnings on the 14th November. Net Debt/EBITDA remains at a very healthy 0.96x with £1.05bn in cash on the balance sheet. This makes the prospect of accretive acquisitions in the near term highly likely. Lastly, the recent expansion of DCC brands Butagaz and Gaz Europeen into the domestic gas markets in France should result in accelerated growth over the next few quarters.

CRH

CRH has recovered the recent losses following the acceptance of the Ash Grove bid by its major shareholders. We had been guiding clients that this was the most likely scenario and advising them to pick up CRH. The stock subsequently rallied 5.6% to €31.49. Last week it sold off by approx. 2.9% as some of its US peers posted Q3 results that were affected by weather patterns and hurricanes. There is some read-through from these results in CRH but we would still expect CRH to meet market expectations when it reports on the 21st November. We believe €36 represents a fair 12 month price when applying a properly weighted US and European multiple (approx. 21x, CRH currently is trading at 18.3x), with risks remaining to the upside following the Ash Grove deal. This represents 14.5% upside. The volume picture remains bright in the US and Europe. Even with the Ash Grove deal, M&A prospects remain bright with Net Debt/EBITDA at 2.03x and €1.9bn in cash on the balance sheet.

Vinci

Since initial inclusion in our Core Portfolio in late August, Vinci has rallied 14%. This has been driven by an excellent earnings release and increased traffic across Europe, driven by the continuing strength in the Eurozone economy. Management also recently flexed their M&A muscles, buying Infratek (€300m revenue in 2016) and Horlemann (€100m revenue in 2016). Both are electrical grid specialists and the terms for the deals remain undisclosed. Following its earning release, Vinci is likely to easily reach its 2017 targets for revenue and growth. Order book was up 9% at €30bn. There will be some major construction catalysts in 2018 including France's highway plan and the Grand Paris Metro projects, both of which have already chosen Vinci for some large contracts. As traffic increases across European roads and airports due to the strengthening economy, Vinci is likely to a prime beneficiary. It is coming to the end of a 4 year heavy capex cycle in mid-2018. This means that any additional traffic goes straight to the bottom line as Vinci assets (toll-roads and airports) have substantially high degrees of operational leverage (>90%). Lastly, Net Debt/EBITDA remains at 2.47x, below industry peers and it retains €5bn in cash on the balance sheet. The stock is up 34% YTD and there is only 0.8% to Street consensus price of €86.08. In the short term it is likely to retrace as investors take profits (RSI of 81 with support at €80.6). However, from a longer term perspective it is a pure play on the European economic recovery.

Siemens

Siemens has recovered over the past few weeks and is now up 15.3% since its low at the end of August. The rally in the euro had caused the preceding decline and likewise as the euro weakened Siemens has rallied. From a longer term perspective we believe the strategy that management is currently engaged in is the correct one and should streamline the business into higher margin, higher growth areas such as robotics and industrial automation. The recent JV with Alstom bringing together its rail business is indicative of that. Separately, management have also confirmed they will see to IPO its Healthineers division in 2018, with an estimated valuation of €37bn. It is likely to continue to face headwinds in its Power and Gas division as turbine orders decline while Siemen Gamesa, its renewable energy joint venture, could come under pressure from US curbs on wind tax credit. Despite these concerns we believe Siemens restructuring has placed it well ahead of peers in the race to be a market leader in new industrial processes. There is only 6.3% upside to consensus price target so it is likely to face some short term pressure. We maintain out Outperform.

Cantor Fitzgerald Core Portfolio - Update on top picks

Cantor Fitzgerald Research Team

GlaxoSmithKline

GSK released results on the 25th October that were pretty much in line with expectations. However, post earnings call, the stock fell 9%, its biggest one day drop in 10 years. The major reasons were the new CEO, Emma Walmsley, fudged the question about the dividend into 2019 and also mentioned that they were looking at Pfizer's consumer health division, with an estimated value of $18bn. Markets did not take too kindly to the prospect of a dividend cut at the same time as potentially bidding for a lower margin business. Also on the call there was very little detail on any new drugs in the pipeline, especially important considering the generic headwinds facing some of Glaxo's biggest revenue drivers, including Advair. In our opinion management can either protect the dividend or pursue the Pfizer deal, it cannot do both. The dividend is the most important factor for many of GSK's shareholders. There is a risk that if doubts persist about the dividend, income investors may want to reduce their holdings in Glaxo. The stock price has fallen 13.6% YTD (-9.6% when dividend are taken into account) and has moved into a range where it could find support based on earnings alone. But analysts will continue to focus on the dividend and away the new CEO's strategic vision. We moved GSK from Outperform to Under Review after the call.

Inditex

Inditex had been weak as the euro rallied. A stronger euro is a headwind for Inditex due to its short lead time distribution model. 70% of its cost base remains in euro while 45% of its revenue is non-Euro denominated. A stronger euro reduces sales figures while it does not receive the offsetting effect of reduced costs. As the euro weakened, Inditex rallied 5% from its low of €30.60 to €32.16. However, it has since sold off following the Catalonia crisis and most recently a workers strike in Berskha shops across Spain. We believe the Catalonia situation is now contained and the Berskha strike is limited to 5 stores in the Northwestern province of Pontevedra. It is the first strike Inditex has every suffered. Mainly driven by the stronger Euro, EPS estimates have declined –23% over the past three months and the stock has declined –14.8% as a result. Overall gross margin 56.4%, still well ahead of overall rivals but the group's lowest in 8 years. There remains 16.9% upside to Street price target of €36.38 with 22 buys, 13 holds and 2 sells. If the euro continues to trade in a contained range Inditex should recover. We maintain our Outperform.

Amazon

Amazon reported exceptionally strong results over Q3/17 results. It grew revenues by 34% YoY to $43.7bn during Q3/17, beating analyst expectations by 3.8%. This revenue growth included the recent acquisition of Whole Foods which contributed $1.3bn to revenues. This solid top line growth was driven by growing share of retail, the continued adoption of e-commerce, robust third-party unit growth, and the rapid rise of Amazon Web Services (AWS) where Amazon maintains its market leading position. Emarketer, the research group, expects about 44c cents of every dollar spent online will go to Amazon by the end of this year, up from 38% last year. Management were also bullish on revenue growth for Q4/17, expecting growth of between 28% to 38% which translates into revenue between $56bn to $60.5bn. Prior to the earnings release, the market was anticipating Amazon to generate revenues of $54.3bn in Q4/17. We'd expect to see analyst earnings and target price upgrades on the back of this set of results and we maintain our outperform stance on a multi year horizon.

Alphabet

Alphabet reported strong Q3/17 results where revenues reaccelerated by 24% YoY to $27.8n in Q3/17 which was 1.5% above market's expectations at $27.2bn. EBITDA came in at $11.36bn, which was 8% above market's expectations at $10.8bn. Net income rose to $6.7bn, and underlying adjusted EPS came in at $9.57. This exceptionally strong performance was driven by mobile search, a strong performance from YouTube, ongoing momentum from programmatic, and substantial growth in other revenues from cloud, play, and hardware sales. We still think Google's search engine still has a long runway and that Alphabet will continue to capture market share in the digital ad market. Google trades at 11.5x FY18e EV/EBITDA which is attractively priced in our opinion for a company which will continue to benefit from the secular shift towards digital/ mobile advertising, which is highly cash generative, operates at impressive EBITDA margins and have a renewed focus on capital discipline. It other bets divisions provide optionality to the stock such as driverless technology which could be a huge new sector in the near future.

PayPal

PayPal also released exceptionally strong Q3/17 results. Management also upgraded guidance for Q4 and full year. EPS came in at 46c, ahead of Street estimates of 44c. Payment volume growth was particularly impressive at 29%, well ahead of estimates of 24.5%. Net revenue also beat at $3.24bn vs $3.18bn. A further 8.2m customers were added, again ahead of estimates and bringing total active accounts to 218m. Transactions in total numbered 1.9bn. The average customer was more active as well with 32.8 transactions per account. Venmo, its social media payment and transfer platform, continues to post very strong growth with $9bn of total payment volume, up 93% YoY. Retailers are increasing looking to PayPal as their preferred partner of choice in their fight against Amazon. These retailers view PayPal as a service provider and not a direct competitor. Management are also expected to announce an acquisition in the near term, more than likely in Europe in an effort to boost market share in that region. From a longer term perspective the catalysts outlined above should ensure PayPal continues to post double digit growth into the future. We maintain our Outperform.

Cantor Fitzgerald Core Portfolio - Update on top picks

Cantor Fitzgerald Research Team

Facebook

Facebook released Q3 results last night that was a tale of two stories. All reported numbers were excellent but on the call management guided for increased spending next year due to the recent Russian scandal. Q3 revenue came in at $10.33bn, up 47% YoY well ahead of consensus estimates of $9.84bn. EPS was also a healthy beat at $1.59 vs $1.28. From a user perspective the picture was also good. Q3 daily active users was 1.37bn ahead of estimates of 1.35bn. Monthly active users also beat 2.07bn. Instagram now more than 800m users and 500m daily users. Facebook Messenger now has 1.3bn users. Facebook initially rose 1.6% when the numbers were released. Higher ad pricing, Instagram scaling and increased usage of video helped offset reduced ad load in users feeds. Facebook now has 6 million active advertisers with the equivalent Instagram figure at 2 million. This would indicate there is substantial headroom for Instagram to catch up. WhatsApp and Messenger showed some incremental growth and are only at the early stages of monetization plans. Facebook recently began adding partnerships that let businesses talk to their customers directly through Messenger. It may take a while for WhatsApp and Messenger to be monetized to a substantial degree. In the meantime, Instagram and video are likely to drive revenue. The share price fell 1.6% by the close, driven by several statements that CEO Mark Zuckerberg made on the call. Firstly, he guided for continuing margin compression and declining ad load (this had been expected by markets). Secondly, he also hinted at substantial increases in spending in coming quarters, driven by increasing investment in growing businesses such as video and hardware along with a doubling of security staff to 20,000. This is in the wake of the Russian interference in the US election via the Facebook platform. Mr Zuckerberg stated on the call “protecting our community is more important than maximising our profit”. Overall, management guided for 2018 capex to be roughly double what it was in 2017 and the stock is likely to be weaker in the immediate short term due to this. The stock was down 3% by Friday Despite these headwinds we continue to believe that Facebook will retain the majority of market share of online advertising along with Alphabet. The revenue potential, as yet untapped, from both Messenger and WhatsApp remains huge and current management has shown its ability in the past to be successful in this regard. We maintain our Outperform.

Cantor Core Portfolio - In Detail

Cantor Core Portfolio

Date: 01/11/2017

Performance YTD	%
Portfolio	9.8%
Benchmark	8.0%
Relative Performance	1.8%
P/E Ratio	20.59x
Dividend Yield	2.6%
ESMA Rating	6
Beta	1.00

Sectors	Portfolio	Benchmark	+ / -
Consumer Discretionary	6%	11%	
Consumer Staples	5%	14%	
Energy	5%	6%	
Financials	24%	15%	
Health Care	5%	9%	
Industrials	27%	15%	
Information Technology	16%	9%	
Telecommunication Services	0%	3%	
Utilities	0%	3%	
Materials	12%	15%	
Real Estate	0%	2%	

FX	Portfolio	Benchmark
EUR	63%	54%
GBP	21%	26%
USD	16%	20%

Currency YTD %		
GBP	-2.9%	
USD	-9.6%	

Benchmark

Weighted Average Contribution

Index	Currency	PE	Outlook	Weighting	YTD Return (EUR)	Weekly Return	Currency Contribution	Total Contribution	
ISEQ 20 INDEX	EUR	18	Neutral	32%	8.9%	1.3%	0.0%	2.2%	
UK 100 INDEX	GBP	15	Neutral	26%	5.7%	0.6%	-0.4%	1.5%	
S&P 500 INDEX	USD	19	Neutral	20%	6.2%	0.5%	-2.0%	1.5%	
IBEX 35 INDEX	EUR	15	Positive	6%	15.8%	0.2%	0.0%	0.8%	
DAX INDEX	EUR	15	Positive	16%	17.3%	0.7%	0.0%	2.0%	
Total				100%			-2.42%		7.9%

Core Portfolio

Weighted Average Contribution

Stock	Currency	Yield*	Hold /Sold	Sector	Weighting	Total Return Local*	Weekly Return	Currency Contribution	Total Contribution	
GLANBIA PLC	EUR	1.0	H	Consumer Staples	5%	-9%	0.1%	0.0%	0.4%	
GREENCORE GROUP PLC	GBp	3.1	S	Consumer Staples	5%	-16%	0.0%	-0.2%	-1.2%	
RYANAIR HOLDINGS PLC	EUR	0.0	H	Industrials	5%	5%	0.6%	0.0%	0.8%	
INDUSTRIA DE DISENO TEXTIL	EUR	2.4	H	Consumer Discretionary	6%	-11%	0.2%	0.0%	0.2%	
DAIMLER AG-REGISTERED SHARES	EUR	5.0	S	Consumer Discretionary	6%	-1%	0.0%	0.0%	0.0%	
LLOYDS BANKING GROUP PLC	GBp	5.8	H	Financials	5%	1%	0.1%	-0.1%	0.5%	
AMERICAN INTERNATIONAL GROUP	USD	2.0	S	Financials	5%	-5%	0.0%	0.1%	-0.2%	
BANK OF IRELAND	EUR	2.4	H	Financials	5%	-6%	0.3%	0.0%	-0.5%	
ALLIANZ SE-REG	EUR	4.1	H	Financials	5%	20%	0.2%	0.0%	1.6%	
FACEBOOK INC-A	USD	0.0	H	Information Technology	4%	20%	0.4%	-0.4%	1.4%	
PAYPAL HOLDINGS INC	USD	0.0	H	Information Technology	4%	48%	0.2%	-0.5%	2.3%	
ALPHABET INC-CL A	USD	0.0	H	Information Technology	4%	10%	0.3%	-0.4%	0.7%	
AMAZON.COM INC	USD	0.0	H	Information Technology	4%	17%	0.6%	-0.5%	0.7%	
iShares STOXX Europe 600 Banks ETF	EUR	4.9	H	Financials	5%	2%	0.0%	0.0%	0.1%	
GENERAL ELECTRIC CO	USD	4.4	S	Industrials	5%	-4%	0.0%	-0.2%	-0.3%	
SIEMENS AG-REG	EUR	3.2	H	Industrials	6%	-1%	0.5%	0.0%	-0.1%	
VINCI SA	EUR	2.9	H	Industrials	5%	11%	0.2%	0.0%	0.6%	
SMURFIT KAPPA GROUP PLC	EUR	3.3	H	Materials	6%	6%	0.2%	0.0%	0.5%	
ALLIED IRISH BANKS PLC	EUR	2.7	H	Financials	4%	6%	0.2%	0.0%	0.3%	
CRH PLC	EUR	2.1	H	Materials	6%	-6%	0.0%	0.0%	-0.1%	
KINGSPAN GROUP PLC	EUR	1.1	H	Industrials	5%	11%	0.1%	0.0%	1.6%	
ROYAL DUTCH SHELL PLC-B SHS	GBp	5.9	H	Energy	5%	21%	0.2%	-0.1%	0.5%	
DCC PLC	GBp	1.7	H	Industrials	6%	-1%	0.1%	-0.1%	0.9%	
GLAXOSMITHKLINE PLC	GBp	5.6	H	Health Care	5%	-12%	-0.2%	0.0%	-0.5%	
VERIZON COMMUNICATIONS INC	USD	4.8	S	Telecommunication Services	4%	4%	0.0%	-0.4%	-0.9%	
Total					100%			-2.82%		9.8%

*Red Denotes Deletions
*Green Denotes Additions
*Return as of last reweighting 03/05/2017
*Yields are based on the mean of analyst forcast

All data taken from Bloomberg up until 01/11/2017.

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** Globalization marches on without the US
- **US** Wilbur Ross linked to stake in shipping group with Russia ties
- **Europe** Frustration in Girona and EU fails to back Catalonia
- **UK** Scandal hit Tories prepare for by-elections
- **Ireland** Chinese fire up Irish aviation market

Current Stock Trading News

From a market trading perspective we are long Bank of Ireland, Inditex, Kerry Group, and Kingspan.

This Weeks Market Events

Monday	Tuesday	Wednesday	Thursday	Friday
Corporate	**Corporate**	**Corporate**	**Corporate**	**Corporate**
N/A	BMW ABF Imperial Brands	Heidelberg Cement PTSB M&S Tullow Kerry	Adidas Grafton Siemens	IFG Burberry Allianz
Economic	**Economic**	**Economic**	**Economic**	**Economic**
DE Markit Services PMI GB New Car Sales EA PPI	DE Ind. Production GB House Price Index EA Retail Sales US Jolt Openings	IE Resi. Property Index EU ECB Non Monetary Policy Meeting	CN Inflation Rate CN PPI IE Inflation Rate	GB Construction Output GB Manf. Production GB NIESR Est. GDP US Cons. Sentiment

Upcoming Events

13/11/2017	Taylor Wimpey. Kingspan
14/11/2017	Vodafone. ITV. DCC
15/11/2017	Barratt Developments. Cisco
16/11/2017	Hibernia REIT, British Land, Prudential
17/11/2017	N/A

13/11/2017	CN FDI. US Consumer Inflation Expectations.
14/11/2017	CN Retail Sales. EA GDP Growth Rate. GB RPI
15/11/2017	JP GDP Growth Rate. US Inflation Rate.
16/11/2017	GB Retail Sales. EA Inflation Rate US PF Manf. In
17/11/2017	EA Construction Output. US Housing Starts

Cantor in The Media

- Irish firms could face Trump tax on payments made from us - The Independent– Ryan McGrath - Please click here

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Daily Note

CANTOR Fitzgerald

Market View

Daily Note

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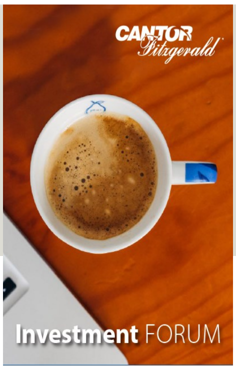

Investment Forum

Through our investment Forum we bring you the latest market news, investment insights and a series of informative articles from our experts.

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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.

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

Allianz: Allianz, through it 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.

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.

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

VINCI SA: VINCI is a global player in concessions and construction with expertise in building, civil, hydraulic, and electrical engineering

Glanbia: Glanbia plc is an international dairy, consumer foods, and nutritional products company. The Company conducts operations primarily in Ireland, the United Kingdom, and the United States

iShares STOXX Europe 600 Banks UCITS ETF: iShares STOXX Europe 600 Banks UCITS ETF is an open-end, UCITS compliant exchange traded fund incorporated in Germany. The fund aims to track the performance of the STOXX Europe 600 Banks index. The fund distributes income received to shareholders .

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

Historical Record of recommendation

VINCI SA: We initiated coverage of Vinci SA with an Outperform rating, on 25/08/2017.

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

Lloyds: We have been positive on Core Portfolio stock, Lloyds, since 01/03/14 and no change has been made to our recommendation since.

Amazon: We have an Outperform recommendation for Amazon since 26/07/13, and no changes have been made since then.

Facebook: We have been positive on the outlook for Facebook, and it was added to the core portfolio on the 11/05/2015 and no changes to our recommendation have been since.

Alphabet: Google which is now Alphabet was added to the Core Portfolio on 07/01/13 and no changes have been made to the recommendation since its inclusion.

PayPal: We added PayPal to our Core Portfolio on the 20/07/15 and have an Outperform outlook on the stock

Bank of Ireland: We have reinstated an outperform rating on Bank of Ireland as of 13/07/2016

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

Smurfit Kappa Group: We have added Smurfit Kappa to our core portfolio on the 01/01/2016 and we have upgraded our recommendation from Market Perform to Outperform

Kerry: We added Kerry to our Core Portfolio on the 16/11/2016 with an Outperform rating.

Siemens: We changed our rating to Outperform on the 30/01/02017

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

Royal Dutch Shell: We have been positive on Core Portfolio stock, Royal Dutch Shell, since 20/05/13 and no change has been made to our recommendation since then.

Glanbia: We have been positive on Glanbia's outlook since 13/03/13 and no changes have been made to the recommendation since then.

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

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

DCC: We have an Outperform on DCC as of 17/8/15 changing to Outperform from Not Rated.

AIB: We moved our rating from under perform to out perform on the 23/06/2017

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