

# Weekly Trader

Upcoming Market Opportunities and Events

CANTOR  
Fitzgerald

Monday, 23<sup>rd</sup> April 2018

## Key Themes This Week

### What we are watching this week

This week represents a seriously important week for markets in determining the direction for the rest of the year. From an earnings perspective, this week sees all of the major US Tech names along with the majority of European banks reporting. Outside of those two sectors, it is a week of powerhouse companies reporting earnings on both sides of the Atlantic. These include SAP, Verizon, Coca Cola, Caterpillar, Glaxo, Boeing, Ford, Shell, Renault, Exxon and Airbus. We will be keeping a close eye on all these earnings and management guidance for the remainder of the year.

Another aspect we will be watching is any trade-related talk. Markets have seen solid enough action over the last two weeks, helped in no small part by the lack of comments from Mr Trump regarding trade. This week Emmanuel Macron and Angela Merkel visit the White House, today and Friday respectively, and trade is likely to dominate the agenda. Whether or not the White House tone is conciliatory or not is likely to impact markets.

It is also an important week for economic data. We have seen some [serious degrading](#) in European data of late and the major question we have is whether or not this was a Q1 anomaly (due to bad weather) or the start of a trend. This week sees the release of some European flash PMIs, confidence & sentiment indicators, GDP data for France & Spain and IFO data which will give us some insight into that quandary. Friday sees the release of 1<sup>st</sup> estimates for US Q1 GDP & PCE (the Fed's preferred measure of inflation) data. Also on Friday we get the 1<sup>st</sup> est. of UK Q1 GDP. Sterling strengthened prior to last week on the back of the Brexit transition extension. However, we did not change our sterling forecast as UK economic data was still coming in well below estimates and we did not fully believe the worse of Brexit uncertainty was behind us. That came to pass last week with EURGBP moving back up 0.878.

Lastly from a central bank perspective it is also a big week. On Thursday the Swedish Riksbank makes its interest rate decision with expectations that it will leave its base rate unchanged. On Friday the Bank of Japan also announces an interest rate decision, again with expectations for no change. However, we have seen increasing speculation that the BOJ are moving towards looking for the QE exit door. We have seen the yen rally over the past few weeks and Japanese equities sell off as a result.

Our major focus from a central bank perspective this week will be on the ECB, which announces its interest rate decision on Thursday. As with the others, the expectation is for no change. However, as stated above Q1 has seen a serious rollover in European data and it will be interesting to see if Mr Draghi increases his dovish tone as a result. The current guidance is for the \$30bn-a-month QE program to end in September. There is some market chatter of late that it could be extended to December, albeit at a reduced rate.

**This week we cover off on some of our Core Portfolio top picks, IPL, IFG, Ryanair, Bank of Ireland and US banks.**

## Major Markets Last Week

	Value	Change	% Move
Dow	24463	102.80	0.42%
S&P	2670	13.84	0.52%
Nasdaq	7146	39.48	0.56%

UK Index	7368	169.51	2.35%
DAX	12503	112.00	0.90%
ISEQ	6799	89.39	1.33%

Nikkei	22,088	252.51	1.16%
H.Seng	30,227	-88.47	-0.29%
STOXX600	381	3.40	0.90%

Brent Oil	73.88	2.46	3.44%
Crude Oil	68.16	1.94	2.93%
Gold	1332	-14.00	-1.04%

Silver	17.0633	0.39	2.34%
Copper	316.9	5.20	1.67%
CRB Index	445.63	5.90	1.34%

Euro/USD	1.2257	-0.01	-0.99%
Euro/GBP	0.8754	0.01	1.39%
GBP/USD	1.4001	-0.03	-2.36%

	Value	Change
German 10 Year	0.627	0.10
UK 10 Year	1.51	0.05
US 10 Year	2.9845	0.16

Irish 10 Year	1.017	0.08
Spain 10 Year	1.294	0.05
Italy 10 Year	1.786	-0.02

BoE	0.5	0.00
ECB	0.00	0.00
Fed	1.75	0.00

All data sourced from Bloomberg

## Core Portfolio - Top Conviction Picks

CF Research Team

Below we have a re-iteration of our top picks in our Core Portfolio.

### Allianz

Allianz is expected to deliver good earnings growth for Q1 when it reports earnings in May with management targeting 5% per year. The market will be looking for a strong combined operating ratio (COR) below 94% and a tightening of the dispersion across their different markets. Management showed very strong underwriting discipline in FY17 and the market will be looking for this to continue. Maintaining margins in the Life segment will be important, especially in the context of a rising rate environment which will hurt current portfolio holdings but reinvestment returns will be higher. Finally the Asset Management business is expected to continue the trend of strong inflows it delivered last year along with improved efficiency across both PIMCO and Allianz Global Investors. Allianz is a more defensive name in a volatile market and it has a consensus price target €210.84 and trades at 11.18x FY18 earnings.

### Amazon

Amazon report Q1 Results this Thursday coming on the back of a stellar few quarters and [record holiday season](#). We are looking out for a reacceleration in Amazon Web Services (AWS) sales, its cloud division, which have traditionally spiked in Q1. With macro and regulatory concerns weighing on the stock recently, this report presents an opportunity to remind investors of the [numerous tailwinds](#) to the investment case. We would expect margin improvement (+35bps) which should offset some investors concerns. Any further clarity on the numerous areas of potential disruption (healthcare, groceries, logistics) along with details on ongoing investment & CapEx would be welcome. While we expect beats on all fundamentals focus on the call is likely to be on recent White House comments and potential regulatory headwinds. Amazon is currently trading at \$1550.51, representing 11% upside to the Street price target of \$1,709.

### Siemens

Along with the general European industrial space, Siemens has been weak of late trading back down to €100 before moving back up €108. This was driven in large part by a substantial decline in [European industrial data](#) and sentiment, stemming in part from excessive bad weather in Q1. It remains to be seen if those recent data points represent the start of a trend but it is true to say that it has brought Siemens down to [very attractive valuations](#), representing 20.2% upside to consensus price target of €130.34. We still believe in the [multi-year restructuring story](#) and the recent P&G headwinds, the main drive of share price declines prior to worsening economic data, are now fully in the price. It is reporting earnings on the 4<sup>th</sup> May. While We maintain our Outperform rating.

### Alphabet

Alphabet shares are up 4% YTD having swung from losses to gains as part of the wider Tech sell off. So far Alphabet has managed to avoid the discourse surrounding privacy issues, regulatory scrutiny and media reports, despite its model being susceptible to the same issues. We would expect it to maintain high double digit revenue growth, continuing the recent very strong trends in mobile and Youtube. The major metric we will be looking at is [Traffic Acquisitions Costs](#) (TAC) which has skyrocketed over the last 3 quarters, mainly due to the growth in mobile. As a result we would expect further margin compression but expect Q1 to represent the trough in margins. We are also interested to see how its Cloud division performed, considering the strong performance of some its peers and its Q1 skewed revenue profile. Alphabet currently trades at \$1087.46, representing 17% upside to consensus price target of \$1,270.68.

### Facebook

During the recent volatility we [remained positive](#) on FB as we did not see any reason to change our estimates or investment case. We encouraged clients to [add to positions](#) at the lows and this paid off and FB moved up from its low of \$150 to \$167.59 currently. FB reports Q1 earnings on Wednesday. While management recently guided that some clients had "paused" their marketing spend, we have yet to see any discernible impact on Q1 earnings. If it does have an impact it is more likely to come in Q2/Q3. DAU's in North America [ticked down slightly in Q4](#), which caused some concern. Management subsequently guided that it did not expect this trend to continue, so there is likely to be serious focus on this metric. There will also be focus on the [ongoing changes](#) that FB are making to its platform, in order to combat future data breaches, enhance privacy functionality and promote video to counteract declining ad loads in user feeds. Lastly we expect focus on the call to centre on management's plan for handling the ongoing data privacy and political ads issues.

### Shell

On Thursday this week Royal Dutch Shell will announce its first quarter earnings. Aided by higher oil prices and tax reform, the market is anticipating a 36% increase in earnings for the first quarter. Over the past month Shell has re-rated by over 15% as oil reached \$74 per barrel, its highest level in four years. Production cuts agreed by OPEC and Russia in 2016 have resulted in inventories tightening while demand has remained robust. Geopolitical tensions have also added to price inflation. The significant correlation between Shell and the underlying commodity has fuelled the recent re-rating. Higher oil prices have helped drive Shell's strong cash flow generation and with a breakeven oil price of \$40 a barrel, there remains plenty of headroom. In the short term we expect oil to trade between \$65-\$80 per barrel, however US rivals have begun ramping up production which will lead to more supply coming on stream, driving down prices. The stock is currently trading at FY18 P/E of 14.45x with consensus price target is €31.13, 8.1% upside to the current price of €28.80. It has an FY18 Dividend yield of 5.27%. We maintain our Outperform rating, however we are cognisant of elevated oil prices and will continue to monitor supply trends and price pressures.

## IPL & IFG Update

CF Research Team

### IPL

Last week IPL [announced](#) a C\$50m tender offer in advance of its expected IPO. Having spoken to management, who clarified that this was a prudent, management lead initiative in order to reduce price volatility and execution risk, we maintain our [Outperform](#) rating and believe current levels represent substantial upside potential when factoring in its growth potential over the next two years

### IFG Group's new management line up

IFG announced changes to its senior management team this week with Chairman and largest shareholder John Gallagher stepping down with current interim CFO Mark Dearsley taking up the role of chairman. In addition, John Cotter has stepped down as CEO and will be replaced by non-executive director and chair of the Group Risk Committee Kathryn Purves. Finally, Gavin Howard has been appointed as Interim CFO.

Mr Gallagher, whose experience has largely been in private real estate investments and hotels, handed over the reins to Mr Dearsley. Management believe that Mr Dearsley's extensive experience in the financial services sector would better position him to steer the company through the correction of the litany of legacy issues. In conjunction with Mr Gallagher taking a step back from the board and due to the uncertainty caused regarding the future of Saunderson House, Mr Cotter believed this would be the best time to step down as CEO. Having spoken to management last week, we are confident the new management team can manage the lingering legacy issues and drive growth through the James Hay and Saunderson House.

## Ryanair - Recent de-rating unjustified

Closing Price: €15.5

David Fahy | Investment Analyst



Key Metrics	2018e	2019e	2020e
Revenue (€m)	7070.4	7666.1	8467.3
EPS (€)	1.21	1.24	1.40
Price/ Earnings	12.8x	12.55x	11.06x
Div Yield	0.44%	0.59%	0.57%

Share Price Return	1 Mth	3 Mth	YTD
RYA ID	-6.40%	-7.55%	2.99%

Source: All data & charts from Bloomberg & CFI

It was an underwhelming week for Ryanair rerating -4%. There were two pieces of news out over the week which hampered performance. Firstly it emerged that trade union discussions in Ireland have stalled somewhat. Despite slow progression with unions in [Ireland and Portugal](#) having been guided by management, these type of negative (and positive) headlines will continue to affect the share price until a final agreement is made. Secondly, a large institutional house downgraded their outlook on the stock. Having analysed the downgrade, we were not in agreement with the rationale.

Last week the price of Oil has reached levels last seen in 2014 hitting \$74 a barrel. This has caused some negativity toward the sector. With fuel costs representing over 25% of revenue earned by Ryanair, higher input prices without pass through to the end customer will decrease profitability. However this is headache for the airline sector as a whole. As we have [highlighted](#) other airlines who lack Ryanair's balance sheet structure and prudent hedging will not be able to withstand passing through cost inflation. Therefore should oil prices remain at more elevated levels, fares will tick up across sector or capacity will decrease with competitor failure, either outcome is positive for Ryanair. In the short term fares may come under pressure as capacity looks to peak in the 2018, however offsetting this traffic growth is set to be solid. It is likely management will remain cautious on fares when announcing its FY18 results on the 21st of May.

Ryanairs was not helped by the sector selling off this week, driven by the oil highs. Easy Jet, Wizz and Luftansa were all down. With an FY18 P/E of 12.83, Ryanair is trading at 14% discount to its 5 year average, a 15% discount to Easyjet and a 23% discount to Wizz Air. In our opinion given Ryanairs superior business model these discounts are not warranted. We are positive on Ryanairs earnings growth potential over the next few years with a surprises to the upside more likely in in FY2020 ( 01/04/2019 -31/03/2020). We maintain our Outperform rating with a target price of €18.50. We would advise clients to pick up the stock at this level.

## Bank of Ireland - Positive trading environment amid efficiency concerns

Closing Price: €7.39

Pierce Byrne, CFA | Investment Analyst



Key Metrics	2018e	2019e	2020e
Revenue (€m)	2946.0	3005.6	3073.2
EPS (€)	0.62	0.66	0.74
Price/ Earnings	11.99x	11.28x	10.02x
Div Yield	2.85%	3.99%	5.11%

Share Price Return	1 Mth	3 Mth	YTD
BIRG ID	2.78%	-8.20%	4.16%

Source: All data &amp; charts from Bloomberg &amp; CFI

BOI traded down on the back of its release on Friday finishing the day down 0.34% at €7.39. The main disappointments were net interest margin (NIM), at 222bps, marginally lower than the 225bps guided by management and net capital generation came in at 10bps slightly behind expectations at 20-25bps. Management seem to be holding back a lot of the detail regarding the strategic decisions on costs and strategy until its Capital Markets Day in June.

From a profitability point of view Bank of Ireland is lagging the industry and as a result trades at a discount to the wider European banks sector. A common metric used for banks is the return on equity (ROE) with minimum targets of returning at least the cost of equity. BOI has a cost of equity in the region of 10-12% while only producing an ROE of 8%. While failing to meet a return in line with the cost of equity is a problem faced by most banks post financial crisis, we see limited scope for Bank of Ireland to close this gap in the medium term. Its return on assets (ROA) is in the region of 60-70bps which again is at the lower end of a range of its competitors. NIM and cost income ratio (CIR) relative to competitors again supports Bank of Ireland trading at a discount to peers.

From a growth prospective the outlook is positive. Management confirmed they are maintaining margins on its loan book despite competitive pricing in the market. The mortgage business is performing particularly well, with another increase in market share in Q1, management's strategy regarding cash back offers and low fixed term rates have been successful. Management are maintaining full year guidance for NIM at 225bps and that costs shouldn't exceed FY17 figures. Net loan growth for Q1 was encouraging and management expects this to continue as demand for credit is increasing in the Irish market. It also welcomed the government's decision to commission a third party report on compensation rules to better align management and shareholder objectives.

Over the medium to long term we expect Bank of Ireland to reduce the discount it trades at to the wider market. As its transformation project matures, we would expect to see improvements in its profitability metrics causing the discount to be eroded. However, we do not expect to see the benefits for at least 3 years. The more immediate catalyst we see would be improved margins on the back of higher interest rates generating earnings growth. We have a price target of €7.90 on Bank of Ireland which is marginally behind the consensus price target of €8.16. Management should also provide more details on all of the above at its capital markets day on the 13th June.

## US Banks - Strong beats across the board not enough to undo initial sell off

Pierce Byrne, CFA | Investment Analyst

Coming off a week where all the major US banks reported strong Q1 earnings the outlook for US financials looks mixed. Despite posting strong beats across the board in revenue and earnings most names failed to recover from the initial sell off on Friday the 13<sup>th</sup> of April. Expectations going into earnings season were extremely high with the reward for meeting them, was avoiding a larger sell off. Tailwinds for the sector include high interest rates supporting lending margins, continued volatility in equity markets supporting trading revenues, and consumer lending growth. While wider margins are largely priced into expectations, the latter two tailwinds introduce a lot of uncertainty for the sector. Trading revenues in Q1 were exceptionally strong and management guidance has moved to dampen expectations on trading revenues for the remainder of the year. Consumer lending figures were probably the biggest disappointment for Q1 earnings. Banks didn't get the pick-up in lending that had been expected on the back of tax reform and rising interest rates caused mortgage refinancing levels to fall. Guidance coming from management is the "best is yet to come" on consumer and commercial lending volumes, while mortgage lending is expected to produce slower growth. The mortgage demand slump is of particular concern to Wells Fargo, who have the largest exposure to the retail mortgage sector. Finally, regulation and the cost of implementing regulation is a consistent challenge for senior management in the banking sector. Wells Fargo's \$1bn fine resulted in a cautious market reaction on the first day of earnings season that was not recovered in the following week of strong results. **Morgan Stanley** and **Goldman Sachs** are our preferred names in the sector as we expect investment banking to outperform retail and commercial banking in US financials.

**Morgan Stanley** – MS pivot towards wealth management has resulted in a more dependable revenue stream with management advising \$7.5bn a quarter as an achievable target irrespective of market conditions. MS currently has a consensus price target of \$61.16 and trades at 11.4x FY18 earnings.

**Goldman Sachs** – GS posted very strong results for Q1 with trading revenues recovering strongly from FY17. GS are also turning to more reliable areas of wealth and investment management to build more dependable revenues. GS currently has a consensus price target of \$274.48 and trades at 11.09x FY18 earnings.

# Cantor Core Portfolio - In Detail

Performance YTD	%	Sectors	Portfolio	Benchmark	+ / -	FX	Portfolio	Benchmark
Portfolio	1.5%	Consumer Discretionary	10%	11%		EUR	63%	54%
Benchmark	-2.1%	Consumer Staples	5%	14%		GBP	21%	28%
Relative Performance	3.6%	Energy	5%	6%		USD	16%	20%
P/E Ratio	20.49x	Financials	24%	15%		Currency YTD %		
Dividend Yield	2.3%	Health Care	5%	9%		GBP	1.87%	
ESMA Rating	6	Industrials	27%	15%		USD	-3.03%	
Beta	1.03	Information Technology	12%	9%				
		Telecommunication Services	0%	3%				
		Utilities	0%	3%				
		Materials	12%	15%				
		Real Estate	0%	2%				

## Benchmark

### Weighted Average Contribution

Index	Currency	PE	Outlook	Weighting	YTD Return (EUR)	Weekly Return	Currency Contribution	Total Contribution
ISEQ 20 INDEX	EUR	16	Neutral	32%	-3.0%	0.6%	0.0%	-1.0%
UK 100 INDEX	GBP	14	Neutral	26%	-1.7%	0.1%	1.9%	-0.4%
S&P 500 INDEX	USD	17	Neutral	20%	-1.2%	0.2%	-3.0%	-0.2%
IBEX 35 INDEX	EUR	13	Positive	6%	-0.9%	0.1%	0.0%	-0.1%
DAX INDEX	EUR	13	Positive	16%	-2.5%	0.2%	0.0%	-0.4%
<b>Total</b>				<b>100%</b>		<b>1.2%</b>	<b>-0.11%</b>	<b>-2.1%</b>

## Core Portfolio

### Weighted Average Contribution

Stock	Currency	Yield*	Hold /Sold	Sector	Weighting	Total Return Local	Weekly Return	Currency Contribution	Total Contribution
GLANBIA PLC	EUR	1.5	H	Consumer Staples	5%	-3%	0.3%	0.0%	-0.1%
RYANAIR HOLDINGS PLC	EUR	0.0	H	Industrials	5%	4%	-0.1%	0.0%	0.2%
INDUSTRIA DE DISEÑO TEXTIL	EUR	3.0	H	Consumer Discretionary	6%	-14%	0.0%	0.0%	-0.8%
LLOYDS BANKING GROUP PLC	GBP	6.1	H	Financials	5%	-1%	-0.1%	2.0%	0.1%
BANK OF IRELAND	EUR	2.8	H	Financials	5%	5%	0.0%	0.0%	0.3%
ALLIANZ SE-REG	EUR	4.6	H	Financials	5%	0%	0.1%	0.0%	0.0%
FACEBOOK INC-A	USD	0.0	H	Information Technology	4%	-6%	0.0%	-2.8%	-0.3%
PAYPAL HOLDINGS INC	USD	0.0	H	Information Technology	4%	9%	0.1%	-3.2%	0.2%
ALPHABET INC-CL A	USD	0.0	H	Information Technology	4%	2%	0.1%	-3.0%	0.0%
AMAZON.COM INC	USD	0.0	H	Consumer Discretionary	4%	31%	0.2%	-3.9%	1.1%
iShares STOXX Europe 600 Banks ETF	EUR	3.5	H	Financials	5%	-3%	0.0%	0.0%	-0.1%
SIEMENS AG-REG	EUR	3.6	H	Industrials	6%	-6%	0.1%	0.0%	-0.3%
VINCI SA	EUR	3.2	H	Industrials	5%	-2%	0.2%	0.0%	-0.1%
SMURFIT KAPPA GROUP PLC	EUR	2.6	H	Materials	6%	31%	0.5%	0.0%	1.9%
ALLIED IRISH BANKS PLC	EUR	3.1	H	Financials	4%	-4%	0.0%	0.0%	-0.2%
CRH PLC	EUR	2.6	H	Materials	6%	-5%	0.1%	0.0%	-0.3%
KINGSPAN GROUP PLC	EUR	1.2	H	Industrials	5%	-1%	0.2%	0.0%	0.0%
ROYAL DUTCH SHELL PLC	GBP	5.9	H	Energy	5%	1%	0.1%	2.0%	0.1%
DCC PLC	GBP	1.8	H	Industrials	6%	-9%	0.1%	1.8%	-0.5%
GLAXOSMITHKLINE PLC	GBP	6.1	H	Health Care	5%	9%	-0.1%	2.2%	0.6%
<b>Total</b>					<b>100%</b>		<b>1.9%</b>	<b>-0.10%</b>	<b>1.5%</b>

All data taken from Bloomberg up until 18/04/2018.

\*Red Denotes Deletions

\*Green Denotes Additions

\*Yields are based on the mean of analyst forecast

**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** US 10 year bond yields creep further towards 3%
- **US** White House considers emergency curbs on Chinese tech investment
- **Europe** Leaders seek to sway Trump on Iran nuclear deal
- **UK** Hiring tumbles at UK fund houses as Brexit plans kick in
- **Ireland** Housebuilding in Ireland still the lowest in Europe

## This Weeks Market Events

Monday	Tuesday	Wednesday	Thursday	Friday
<b>Corporate</b>	<b>Corporate</b>	<b>Corporate</b>	<b>Corporate</b>	<b>Corporate</b>
Alphabet	Santander SAP Verizon Coca Cola Caterpillar Puegeot	GSK. FB AT&T Boeing PayPal Ford. eBay Persimmon. AIB AGM	Shell. Barclays. Total. Nokia. DB. VW. Microsoft. Amazon. Intel. Pepsi. Starbucks. GM. Saint -Gobain. CRH AGM.	Daimler. Airbus. Renault. Exxon. Chevron. Intesa Sanpaolo. Lloyds
<b>Economic</b>	<b>Economic</b>	<b>Economic</b>	<b>Economic</b>	<b>Economic</b>
EU PMI. US Existing Home Sales	DE IFO Expectations. US New Home Sales & House Price Index	US EIA Crude Stocks. US Mortgage Applications	ECB IR Decision. US Durable Goods Orders.	JP CPI. FR GDP & Inflation rate. UK Housing Prices & GDP. ES GDP & Inflation Rate. US GDP & PCE Data

## Upcoming Events

30/04/2018 McDonalds. Ferguson

01/05/2018 BP. Shire. Apple. Mondelez International

02/05/2018 Glencore AGM. Standard Chartered. J Sainsbury.  
American Int. Prudential Financial.

03/05/2018 Rolls Royce AGM. Unilever AGM. Bayer. Adidas .  
Glencore

04/05/2018 Smurfit Kappa. FBD AGM. IAG. Intercontinental Ho-  
tels. BNP. Soc Gen. BMW. BASF. Berkshire Hathaway.

30/04/2018 German CPI & Retail Sales. US PCE & Home  
Sales. Italian CPI

01/05/2018 US ISM, Vehicle Sales & Oil Stock. UK Lending  
& PMI. Irish Unemployment

02/05/2018 EU GDP & Unemployment. German & French  
PMI. US Mortgage Applications. UK Construction PMI

03/05/2018 US PMI & Balance of Trade. EU PPI & CPI

04/05/2018 EU PMI & Retail Sales. US Non Farm Payrolls &  
Avg hourly earnings.

All data sourced from Bloomberg

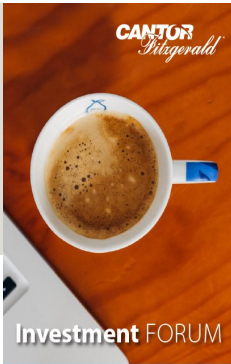
# Cantor Publications & Resources



## 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.

**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 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.

**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

**IFG:** IFG Group PLC is a focused financial services company. The Company offers full platform services, pension administration and independent financial advice

**IPL Plastics:** IPL Plastics comprises two operating divisions focused on Plastics and Environmental Services. IPL Plastics is a grey market stock and is not listed on a traditional exchange. Client should be aware that there are increased liquidity risks associated with trading these type of stocks.

**Goldman Sachs:** Goldman Sachs Group, Inc., a bank holding company, is a global investment banking and securities firm specializing in investment banking, trading and principal investments, asset management and securities services.

**Morgan Stanley:** Morgan Stanley is a US based provider of financials and investment banking services

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

### Historical Record of recommendation

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

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

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

**Inditex:** We changed our rating on Inditex from Outperform to Under Review on the 14th March 2018

**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.

**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.

**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

**IFG:** We have been positive on IFG's outlook since 17/05/14. We are moving our rating to Under Review as of 21/03/2018, Cantor Fitzgerald Ireland clients hold a significant portion of IFG stock.

**IPL Plastics:** We have an Outperform on rating on IPL Plastics since 17/7/15 changing to Outperform from Not Rated. This is a grey market stock.

**Goldman Sachs:** We do not have a rating on this stock

**Morgan Stanley:** We do not currently have a rating on Morgan Stanley

**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



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