

# Weekly Trader

## Upcoming Market Opportunities and Events

**CANTOR**  
*Fitzgerald*

Monday, 22<sup>nd</sup> October 2018

### Key Themes This Week

#### The Week Ahead

With 17% of the S&P 500 having reported Q3 earnings, earnings remains the most important event with some big names out this week. Markets will be watching developments between the US and Saudi over the killing of a journalist in Turkey and the President's rhetoric on trade in the lead up into the US midterm elections. In Europe, "slow Brexit" is the newest term and we await a response from the Italian government to the EU Commission letter on its budget.

Many investors are looking for earnings to pull markets out of its current slump and generate some momentum into yearend. Recent price action across the market has been somewhat irrational in our opinion, Paypal being a prime example. Paypal reported [earnings on Thursday](#) (18<sup>th</sup> Oct) after market, the stock sold down 3% on the day before then trading back up 9% in aftermarket trading on the release. If market participants focus on the fundamentals, earnings are delivering impressive results. With 17% of the S&P having reported, we have seen 80% of companies beat on earnings expectation and 64% have beaten revenue estimates. The estimated blended earnings growth rate for the Q3 is 19.5%. This week we see some big names report, giving investors a read on the health of the US economy. Important names to watch will be Caterpillar and McDonalds on Tuesday, Microsoft and Boeing on Wednesday, and a number of the tech names on Thursday.

Markets will be watching President Trump's actions closely this week, in the lead up to the midterm elections on the 6<sup>th</sup> of November. Trump has found political success amongst his base with his "standing up to China" message. We would expect this to intensify into the midterms, with the possible inclusion of European trade, which would be unsettling for markets. US reaction to the confirmation, from Foreign Minister Adel al-Jubeir, of the murder of journalist Jamal Khashoggi. The Saudi government are blaming a "rogue operation" and denying any involvement from the Crown Prince Mohammed Bin Salman. Possible sanctions on Saudi would have a significant impact on Oil markets, however, we do not expect the US to take a hard stance on Saudi in the absence of overwhelming evidence.

In Europe, Brexit continues to drive negative sentiment for UK markets. Despite the gulf in expectations between either side at the negotiating table, sterling markets have remained relatively calm, with euro trading between £0.87 to £0.88. With the November summit cancelled, the focus this week will return to internal disagreements in Westminster. This week will see May continue to sell her soft Brexit to her UK parliamentary colleagues. Italy's budget will continue to drive uncertainty in global markets, as fears of a European Debt crisis build. Italy are expected to respond to Brussels this week, which will set the tone prior to the EU commission taking a decision to accept or reject the Italian budget submission. Given the commentary from Euro Area finance ministers and the Italian populist's defiant stance, it is difficult to see anything but an escalation in tensions. Although the commission has never exercised its power to reject a budget, it has up until the 29<sup>th</sup> of October to officially do so. The Italian 10 year rallied into the close of trading on Friday as Moody's cut its rating on the country to one notch above junk. While this was widely expected by the market, yields rallied on the upgrade of their outlook from negative to stable. Rival agency, S&P, are to issue an updated view on Italian debt on Friday.

On the data front, Europe sees a range of PMI and confidence data points. Euro area PMIs are expected to post marginal declines. Confidence surveys are also expected to show weaker readings as uncertainty builds. The ECB Governing Council meet on Thursday with very little expected from the meeting. In the US, we get the first read of Q3 GDP on Friday. The market is expecting a strong number of 3.3% on an annualised basis, which is behind Q2 4.2%.

**This week we cover off on Cloud Computing, Prudential, Pfizer and CRH.**

#### Major Markets Last Week

	Value	Change	% Move
Dow	25444	104.35	0.41%
S&P	2768	0.65	0.02%
Nasdaq	7449	-47.87	-0.64%

UK Index	7064	34.61	0.49%
DAX	11610	-3.90	-0.03%
ISEQ	6038	-75.86	-1.24%

Nikkei	22615	343.52	1.54%
H.Seng	26153	351.66	1.36%
STOXX600	362	2.68	0.75%

Brent Oil	80.15	-0.63	-0.78%
Crude Oil	69.44	-2.34	-3.26%
Gold	1224	-3.26	-0.27%

Silver	14.6259	-0.07	-0.47%
Copper	281.5	2.65	0.95%
CRB Index	416.67	-0.99	-0.24%

Euro/USD	1.1514	-0.01	-0.56%
Euro/GBP	0.8823	0.00	0.22%
GBP/USD	1.3049	-0.01	-0.78%

	Value	Change
German 10 Year	0.466	-0.04
UK 10 Year	1.576	-0.03
US 10 Year	3.1959	0.04

Irish 10 Year	1.036	-0.03
Spain 10 Year	1.693	0.01
Italy 10 Year	3.433	-0.11

BoE	0.75	0.00
ECB	0.00	0.00
Fed	2.25	0.00

All data sourced from Bloomberg

**Ryanair - Above estimates with guidance maintained**

Closing Price: €11.51

**News**

Ryanair released a broadly positive set of results this morning as guidance was maintained from the profit warning at the beginning of October while headline figures were slightly ahead of both our estimates and consensus estimates. Looking past the coming short term volatility in the European airline sector, the outlook for Ryanair remains positive. Total Q2/19 revenues grew by 7.79% to €2.71bn, slightly ahead of consensus of €2.70bn. Scheduled revenues increased by 2% to €2.05b, aided by 5% traffic growth but offset by a 2% reduction in fares (bringing the average fare to €53). Ancillary revenues were strong growing by 29% to €659.9m in Q2/19, bringing the total to 1.3bn (up 27%) in H1/19. Ryanair labs continues to deliver with a major upgrade of the digital platform underway. The MyRyanair product now has 50m members. Q2/19 EBIT fell by 3.5% to €980m, ahead of consensus of €935m. Q2/19 adjusted net income fell by 2.04% to €877.1m, above street estimates of €812.8m. Unit costs ex fuel were as expected, increasing by 10% in Q2/19 as staff costs, route costs and airport handling charges grew by 32%, 3% and 9% respectively. Fuel costs increased by 21% to €638.9m, below our estimates of €660m. With these higher unit costs net margin fell as expected to 25% (-4% yoy) in H1/19.

During the first half of the year 23 Boeing 727s were delivered, bringing the total fleet to 450. Traffic guidance for the year remains unchanged with 138m passengers expected and a further 3m through Laudamotion. In August, Ryanair increased its holding within Laudamotion to 75%. Start up costs of 150m are as previously guided for the first year with it expected to break even in year 2. Management reiterated its cost leadership with the European airline space, citing that its units cost gap is widening with competitors. Importantly it has increased its fuel hedging for the next 12 months (end Sept 2019) to 90%. Well ahead of its competitors who lack the balance sheet strength to do so. Looking forward it expects this cost gap to be maintained as the first of the cost efficient Boeing 737-MAX-200 aircrafts (with dollar exposure on the transaction hedged at \$1.24 until FY24) are delivered. Again management highlighted the effect of ATC strikes/staff shortages on traffic and punctuality, a factor effecting the sector as a whole. It has now made "good" progress in union negotiations as agreements have reached in Ireland, Italy, the UK (subject to vote), Germany (cabin crew) and Portugal (pilots). Additionally management expect an agreement with Spanish pilots to be signed shortly. Progress has been slower with pilots in Germany and cabin crew in Portugal and Spain. Management is confident in finalising more union agreements in the coming months. However, it cannot rule out the occasional industrial action, which if occurs, it expects to have a limited impact.

Consolidation in the European airline space was again highlighted, citing recent failures of Skyworks, VLM, Azur Air, Cobalt and Primera Air. At the same time larger airlines are closing bases and cutting loss making routes. Consolidation in the market will provide opportunity for Ryanair who maintain their low cost/low fare advantage. Looking forward guidance has been maintained for FY19. Profit after tax (ex Laudamotion) are guided to range between €1.1bn - €1.2bn (cantor estimates of €1,128m), fares are expected to fall by 2%, traffic is expected to grow by 6% and fuel is expected to increase by €460m. Management will host a call at 10am Irish time.

**Comment**

A broadly positive set of results which should provide some reassurance to investors. The results have so far been well received by the market with the stock price up 4% this morning. Importantly both profit guidance and fare guidance for the year remains unchanged. Headline figures were slightly ahead of our estimates, with ancillary revenue continuing to impress. As we expected management will not announce a new share buyback given Brexit uncertainty. Progress with pilot unions is on-going, with agreement in two of its largest markets, Spain and UK, looking imminent. The process of [consolidation](#) in the European airline market (as we have been highlighting for a number of months) is starting to accelerate. A number of smaller airlines (as mentioned above) have failed, this will continue into the winter months. Some larger airlines are also beginning to look vulnerable, with M'OL telling Bloomberg this morning that he expects either SAS or Norwegian to go bust this winter. Ryanair's superior business model and balance sheet strength (90% oil hedge next 12 months particularly impressive) will ensure it is well placed to capitalise on this. Looking past the next couple of quarters the medium term story remains intact. Post the current financial year, where we have seen an accumulation of [headwinds](#) (as has the sector as a whole), we expect Ryanair to return to double digit earnings expansion. Capacity will continue to increase (as it moves toward 200m passengers by 2024), cost advantage over its competitors will be maintained and fares within the sector will turn positive next year. We maintain our Outperform rating with a 12m price target of [€16](#).

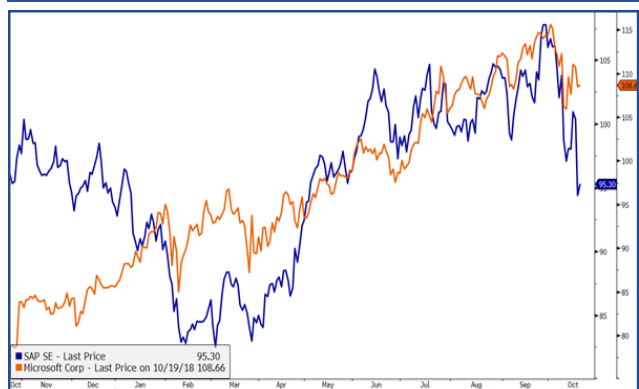
David Fahy, CFA | Investment Analyst

## Opportunities this week

CFI Research Team

### Cloud Computing

Closing Price: €95.00



Key Metrics	2018e	2019e	2020e
Revenue (€Mn)	24579.8	26593.5	28787.9
EPS (€)	4.40	4.88	5.47
Price/ Earnings	21.8x	19.62x	17.52x
Div Yield	1.52%	1.67%	1.84%

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

Share Price Return	1 Mth	3 Mth	YTD
SAP GR	-7.78%	-9.52%	1.66%

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

Cloud computing represents a significant opportunity into the future as businesses globally adopt cloud platforms as means of reducing costs and improving efficiencies.

Cloud-computing adoption has been increasing rapidly with forecasts that cloud specific spending will grow at 6x the rate of general IT spend [through 2020](#)

**SAP** - reported [Q3/18](#) results on the 18<sup>th</sup> October

- Despite an increasing operating profit forecast for the year a miss in non IFRS operating profit, a decline in license revenue and a push out in margin expansion trajectory saw the stock fall 5%.
- As cloud over takes over as the largest component of group revenue H2/18 we see sustained double [digit earning growth](#) and margin expansion over the medium term.
- Currently trading at the bottom of range (95-105), we advise client pick up the stock from both a short and longer term perspective. Maintain our Outperform rating

**Microsoft** - Reports Q1/19 [results](#) on the 24<sup>th</sup> October

- Expect a continuation of strong momentum with Commercial Cloud momentum up circa 50% in Q1/19, driven by Azure (+80%), O365 Commercial (+30%) and Dynamics 365 (+50%).
- Expect profitability to increase driven by Cloud based services.
- Given the [medium term](#) growth trajectory (c.15% EPS growth yoy for the next 3 year), balance sheet strength (net cash position) and secular story it is trading at an impressive FY19 EV/EBITDA multiple of 15x
- Added to core portfolio on the 1st October 2018

### Prudential

Closing Price: 1499.50 GBp



Key Metrics	2018e	2019e	2020e
Revenue (£Mn)	67637.0	70930.0	74592.5
EPS (£)	1.51	1.66	1.82
Price/ Earnings	10.07x	9.16x	8.35x
Div Yield	3.36%	3.63%	3.91%

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

Share Price Return	1 Mth	3 Mth	YTD
PRU LN	-9.89%	-15.57%	-21.3%

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

Prudential remains an attractive multi year investment case

- Expanding Asian demographics offer sustainable organic growth opportunity into the future
- 40% operating profits generated from Asia, expectations for +10% growth yoy in operating profit
- c. 15% annual compounded growth over 10 years in operating profit, new business profits and free surplus generated
- Acquired 65% interest (with an option to buy the remaining stake) in TMB Asset Management. TMB AM, Thailand's fifth largest asset manager, currently has £10bn in assets.
- Balance sheet de-risked with yoy reduction in solvency capital requirements
- Sector trades at historically low multiples and set to benefit from higher interest rates

Sentiment for Financials has been extremely negative with a number of issues weighing on the sector

- Widening European credit spreads increase the balance sheet risk
- Italian conflict with the EU is driving negative European political outlook and increasing risk of a European debt crisis.
- Brexit should have a relatively limited impact on Pru's underlying business, however, sterling and forced selling of UK stocks would be a headwind.

Despite recent weakness, we remain positive on the outlook for Prudential and are advising clients to add to holdings at current levels

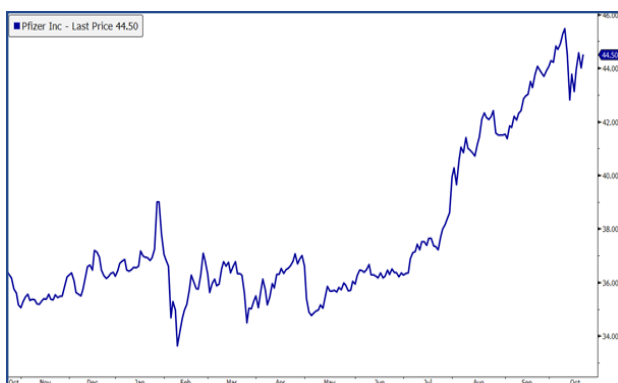
Trading at 40% discount to consensus price target at £21.29

## Opportunities this week

CFI Research Team

### Pfizer

Closing Price: \$44.50



Key Metrics	2018e	2019e	2020e
Revenue (\$'Mn)	54211.9	55354.0	56043.3
EPS (\$)	2.99	3.09	3.22
Price/ Earnings	14.9x	14.39x	13.81x
Div Yield	3.06%	3.27%	3.40%

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

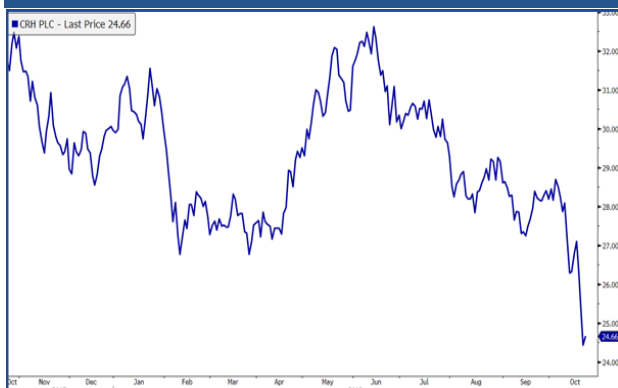
Share Price Return	1 Mth	3 Mth	YTD
PFE US	2.28%	18.16%	22.86%

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

- Pfizer has moved up 15% since placing it in the [Trader](#) prior to its H1/18 results at the end of July.
- H1/18 results were [broadly positive](#) as earnings beat estimates, were guided upward for the year while management highlighted their confidence in the pipeline.
- Last week our Cantor US analyst upgraded their price target on the stock by 18% from \$45 to \$53, making them the most bullish on the street.
  - This upgrade comes of the back of extensive research into the revenue potential of Ibrance, Xeljanz and Xtandi in the near term
  - They have also become more positive on the medium term pipeline particularly tafadmidis and tanezumab.
  - In light of these upgrades they have increased their fair multiple valuations for EV/EBITDA from 11x to 13x (in line with peers).
- We maintain our Outperform rating despite below sector growth (3.5%-4.5%) for the next two years (FY19 and FY20), the medium term remains positive as mid term pipeline comes on stream (15 potential blockbusters).
- At present the stock trades at circa 13% discount to the broader sector index (S5PHAR Index).
- Div yield of 3.1% vs sector average (S&P Pharmaceuticals) of 2.5%.
- Maintain our O/W rating on the Healthcare sector.
- Reports Q3/18 results on the 30th of October.
- Given the recent price appreciation we advise clients to pick up the stock from a 12m perspective.

### CRH

Closing Price: €24.49



Key Metrics	2018e	2019e	2020e
Revenue (€'Mn)	26719.1	28294.7	29481.6
EPS (€)	1.91	2.20	2.49
Price/ Earnings	12.8x	11.14x	9.81x
Div Yield	2.88%	3.03%	3.28%

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

Share Price Return	1 Mth	3 Mth	YTD
CRH ID	-11.74%	-20.53%	-18.44%

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

- CRH recent price action has been poor down c. 13% so far this month
  - General risk off sentiment has dragged markets lower and cyclical sectors, like materials, have sold off more than the wider market
  - CRH peer, HeidelbergCement, issued a profit warning this week, lowering expected [operating profits](#) on the basis of poor weather in the US and energy cost inflation.
- US business remains market leader in Asphalt, Aggregates and Concrete Products
  - Longer term investment case remains regarding the required spend on maintaining and replacing US infrastructure supporting growth in the Americas Materials division (c. 32% of revenues)
  - Adverse weather condition will have depressed demand
  - Weak US housing data will lower outlook for the Americas Product Division (c. 17% of revenues)
- European business (c. 49% of revenues) performing well and benefiting from scale across the region
- Asia (c. 2% of revenues), provides a growth opportunity given the relatively small footprint in the region
- New Global Products division (combination European Lightside, European Distribution and the Americas Distribution) to produce operating efficiency
- Scope (c. €7bn) for additional M&A and/or return capital to investors
- Upcoming catalysts will be LafargeHolcim, which should be a better read through for CRH, with more detail relating to US operations
- Trading at 40% discount to consensus price target at €34.75

# Cantor Core Portfolio - In Detail



## Cantor Core Portfolio

Date: 19/10/2018

Performance YTD	%
Portfolio	-1.1%
Benchmark	1.3%
Relative Performance	-2.4%
P/E Ratio	18.5x
Dividend Yield	2.4%
ESMA Rating	6
Beta	1.01

Sectors Weights	Portfolio	Benchmark	+ / -
Consumer Discretionary	11%	12%	
Consumer Staples	5%	10%	
Energy	5%	7%	
Financials	19%	18%	
Health Care	10%	13%	
Industrials	22%	12%	
Information Technology	16%	14%	
Telecommunication Services	0%	3%	
Utilities	0%	3%	
Materials	12%	6%	
Real Estate	0%	2%	

FX	Portfolio	Benchmark
EUR	58%	44%
GBP	21%	16%
USD	21%	40%

Currency	YTD %
GBP	0.77%
USD	4.13%

## Benchmark

## Weighted Average Contribution

Index	Currency	PE	Outlook	Weighting	YTD Return (EUR)	Weekly Return	Price	Total Contribution
STOXX Europe 600	EUR	16	Neutral	60%	-4.3%	-2.9%	376.8	-2.6%
S&P 500	USD	20	Neutral	40%	9.7%	-1.5%	2,902.6	3.9%
<b>Total</b>				<b>100%</b>				<b>1.3%</b>

## Core Portfolio

## Weighted Average Contribution

Stock	Currency	Yield*	Hold / Sold	Sector	Weighting	Total Return Local	Weekly Return	Price	Total Contribution
Glanbia Plc	EUR	1.6	H	Consumer Staples	5%	0.2%	0.0%	14.80	0.0%
Ryanair Holdings Plc	EUR	0.0	H	Consumer Discretionary	5%	-23.5%	-0.8%	11.87	-1.2%
Industria De Diseno Textil	EUR	3.1	H	Consumer Discretionary	6%	-14.9%	-0.4%	25.41	-0.9%
Lloyds Banking Group Plc	GBP	5.6	H	Financials	5%	-13.5%	-0.3%	58.93	-0.6%
Bank Of Ireland	EUR	0.0	H	Financials	5%	-11.4%	-0.9%	6.76	-0.6%
Allianz Se	EUR	4.6	H	Financials	5%	0.7%	-0.1%	193.04	0.0%
Facebook Inc*	USD	0.0	H	Information Technology	2%	-6.3%	-0.1%	157.33	-0.3%
Paypal Holdings Inc*	USD	0.0	H	Information Technology	4%	-3.5%	-0.1%	83.18	0.8%
Alphabet Inc*	USD	0.0	H	Information Technology	3%	-8.4%	-0.1%	1,167.83	0.5%
Amazon.Com Inc*	USD	0.0	H	Information Technology	4%	-11.9%	-0.1%	1,889.65	2.7%
iShares STOXX Europe 600 Banks ETF	EUR	3.5	S	Financials	5%	-11.9%	-0.1%	15.30	-0.6%
Siemens Ag	EUR	3.4	H	Industrials	6%	-11.1%	-0.5%	105.40	-0.7%
Vinci Sa	EUR	3.2	H	Industrials	5%	-6.9%	-0.2%	80.84	-0.3%
Smurfit Kappa Group Plc	EUR	2.6	H	Materials	6%	2.3%	-1.6%	32.16	0.1%
Allied Irish Banks Plc	EUR	2.5	H	Financials	4%	-19.0%	-0.4%	4.50	-0.8%
CRH Plc	EUR	2.5	H	Materials	6%	-16.4%	-0.7%	28.25	-1.0%
Kingspan Group Plc	EUR	1.0	H	Industrials	5%	13.5%	-0.3%	41.08	0.7%
Royal Dutch Shell Plc	GBP	5.3	H	Energy	5%	6.8%	0.1%	26.35	0.4%
DCC Plc	GBP	2.0	H	Industrials	6%	-9.6%	-0.5%	68.60	-0.5%
Microsoft Corp	USD	1.6	H	Information Technology	4%	-5.0%	-0.2%	112.13	-0.2%
UnitedHealth Group Inc	USD	1.3	H	Health Care	5%	-0.3%	0.0%	269.20	0.0%
Glaxosmithkline Plc	GBP	5.2	H	Health Care	5%	22.8%	0.3%	15.07	1.2%
<b>Total</b>					<b>100%</b>				<b>-1.1%</b>

\*Red Denotes a Sell

\*Green Denotes Additions

\*Stock has been reweighted

Yields are based on the mean of analyst forecast

All data taken from Bloomberg up until 19/10/2018.

\*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** Russia hits back at US over withdrawal from nuclear treaty
- **US** Kudlow Blames China for Not Engaging Ahead of Trump-Xi Meeting
- **Europe** Italian Assets Climb After Moody's Resists Downgrade to Junk
- **UK** U.K. Softens Brexit Red Line as May Faces Lawmaker Backlash
- **Ireland** New funding platform Growth Stage targeting Irish firms



## This Weeks Market Events

Monday	Tuesday	Wednesday	Thursday	Friday
Corporate	Corporate	Corporate	Corporate	Corporate
Ryanair Luxottica Group	Vinci Kering Verizon Caterpillar Swedbank McDonalds	Deutsche Bank Barclays Microsoft Boeing Moncler Nordea	Lloyds Bank of Ireland C&C Group Amazon Twitter Alphabet International Paper	AIB Group BASF RBS Group TOTAL CaxiaBank LafargeHolcim IAG
Economic	Economic	Economic	Economic	Economic
IE Wholesale Prices	DE PPI GB Business Optimism EA Consumer Confidence	DE PMI Data EA Loan Growth US PMI Data	DE Ifo Business Climate ECB Rate Decision US Goods Trade Data US Pending Home Sales	DE Consumer Confidence US Q3 GDP

## Upcoming Events

29/10/2018 HSBC, Mondelez International

30/10/2018 BNP, Facebook, Pfizer, Coca Cola, eBay

31/10/2018 Smurfit Kappa, Glaxo, Airbus, Standard Chartered

01/11/2018 Glanbia, Shell, ING, Just Eat, Apple, Starbucks

02/11/2018 Exxon, Chevron

29/10/2018 GB Mortgage Data, IE Retail Sales, US PriceData

30/10/2018 FR GDP, DE Employment, EA Sentiment

31/10/2018 BoJ Rate Decision, ES GDP, EA GDP, US ADP

01/11/2018 CN PMI, BOE Rate Decision, US ISM Data

02/11/2018 DE Import Prices, US Employment Data

All data sourced from Bloomberg

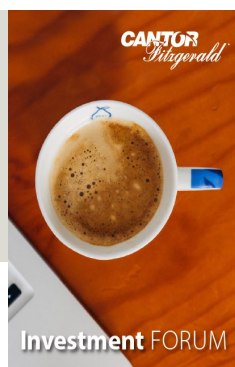
## Cantor Publications & Resources



## Daily Note

Each day we produce a market commentary outlining critical economic and company developments. We leverage off our global network of analysts and investment professionals to provide clients with critical insights from our local teams first thing in the morning.

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## Investment Forum

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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.

**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.

**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.

**Ryanair:** Ryanair Holdings plc provides low fare passenger airline services to destinations in Europe.

**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.

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

**GlaxoSmithKline:** GSK is a research based pharmaceutical company.

**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

**UnitedHealth Group:** Incorporated owns and manages organized health systems in the United States and internationally

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

**GlaxoSmithKline:** GSK is a research based pharmaceutical company.

**SAP:** SAP is a software corporation that makes enterprise software

**Microsoft:** Microsoft Corporation develops, manufactures, licenses, sells, and supports software products.

**Pfizer:** Pfizer Inc. operates as a pharmaceutical company. The Company offers medicines, vaccines, medical devices, and consumer healthcare products for oncology, inflammation, cardiovascular, and other therapeutic areas.

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

### Historical Record of recommendation

**SAP:** We have changed our outlook on SAP to "Outperform" from "Market Perform" as of 20/07/2017

**Microsoft:** We have had an Outperform rating on Microsoft since 12/01/2018

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

**Prudential plc:** We have an "Outperform" rating on Prudential as of 01/03/2018

**Pfizer:** We have had an outperform rating on Pfizer since 23/07/2018

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



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