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Non Deal Roadshows:

13 May: Wolters Kluwer (Geneva)
14 May: Soitec (Paris)
15 May: L'Oreal (Edinburgh); Soitec (London);
18 May: Synthes (Zurich)
19 May: Q-Cells (Edinburgh);
27 May: BAE Systems (Geneva)
28 May: Henkel (Geneva); RWE (Edinburgh); Sonova Holding (Geneva)
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1 June: Hochtief (Sydney)
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Credit Suisse Conferences:

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12-13 May: Basic Materials Conference (Boston)
14 May: Financials 1-on-1 Conference (New York)
27 May: Industrial & Environmental Services Conference (Boston)
1-2 June: Software Conference (Boston)
3-4 June: Swiss Institutional Investors Conference 2009 (Lucerne)
4 June: Engineering & Construction Services Conference (New York)
8-10 June: Software Conference (Boston)
9 June: Real Estate Private Fund Group Annual Real Estate Conference (New York)
9-12 June: Convergence Conference (California)
24-25 June: Consumer Conference (Cape Town)
7 July: EEMEA Best Ideas Conference (New York)

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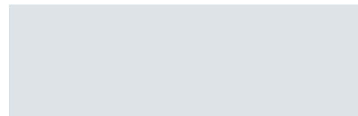

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FOCUS LIST

BAE Systems (BAES.L)	OUTPERFORM	Industry Weighting: MARKET WEIGHT	S. East
CP: 349p	TP: 475p	CAP: £ 12.3b	44 20 7888 0283

2010 & 2011 EPS estimates raised

- Short-term fear misplaced: On Friday the US defence budget breakdown was issued. In our report ""Fundamentally different direction" winners" (14 April) we summarised the major weapon changes proposed by Defense Secretary Gates on 6 April and we forecast the investment accounts (procurement and R&D) to "decline up to 2%". We are thus positively surprised to see 2.6% growth in the investment accounts. However, BAE Systems fell 3.1% on worries created by a drop in funding of Army vehicles, which we believe was has been misunderstood.
- Army funding confusion: After the cancellation of the FCS vehicles on 6 April (see 14 April report), a review of the Army's vehicle modernisation requirements was launched to determine how to re-programme the $22.9bn long-term funding released. This review is due to be completed over the summer (with a plan for accelerated spin out to all 73 brigade combat teams from fiscal 2011 to 2025). With industry backlogs covered for the next two-year (funded by prior budgets), there is no immediate shortage of work. We believe many investors were unaware of the Army spending timing issues created by this review and assumed Friday's budget implied funding cuts. We expect BAE to see a step up in vehicle orders after the review is completed and in line with the new emphasis placed by the Pentagon on buying lower risk, cheaper off the shelf solutions we expect extended production of existing products. We also think President Obama's plans to grow the Army and Marines by 75,000 may be difficult to implement if no new equipment is ordered for the troops. In the shorter-term two awards are due to be made (MRAP-ATV in June, FMTV rebid in July) where BAE is bidding.
- Medium-term winner: In the medium-term (3-5 years) we see BAE as potentially the biggest winner of the 'fundamentally different direction' announced by Secretary Gates. In particular, BAE has significant exposure to the F-35 Joint Strike Fighter, which now looks set to provide significant potential revenue growth that we had not expected. Army growth remains an opportunity. Growth in IT, electronics and intelligence also looks to us likely to be sustained for longer.
- Forecasts: We raise our 2010 EPS 0.9% from 46.1p to 46.5p and 2011 by 4.7% to 48.3p. Our 43.9p '09 EPS estimate is 3.0% above Reuters consensus 42.6p.
- Valuation: On our 2009 estimates, the stock is trading on a P/E of 8.0x and EV/EBITA 6.6x. The dividend yield is 4.6%. Outperform. TP 475p.

[Full Note]

INITIATING / ASSUMING / REINSTATING COVERAGE

TAV Havalimanlari Holding (TAVHL.IS)	NEUTRAL [V]		A. Buldur
CP: TRY 3.78	TP: TRY 4.23	CAP: 436.6m	90 212 349 0459

Reinstate coverage with Neutral, TP TRY4.23

- Reinstating coverage with a Neutral rating: We are reinstating coverage of TAV Airports with a Neutral rating and a TP of TRY4.23. After a period of restriction, we have reviewed our model, taking into account the latest management guidance and unfavourable global economic environment.
- Near-term funding issues in the prices, in our view: TAV has underperformed the market by 31% over the last 12 months mainly due to the high leverage of the company during a period of funding constraints. The company has recently carried out a rights issue of c.Eu58m and needs additional funding of Eu131m this year (not taking into account the Eu60m cash in hand as of year-end 2008), on our estimates, though we do not anticipate any major funding problems in the near-term.
- Not FCF positive before 2011: TAV has a strong operating cash flow generation capacity but this does not turn into positive FCF before 2011 on our assumptions due to ongoing capital expenditures. We believe the long term potential is balanced with short-term funding constraints, consistent with our Neutral view on the stock.
- Growth outlook: We estimate a flat PAX growth performance in 2009 followed by a slight recovery of 2% in 2010 for the Turkish airports operated by TAV. Our growth estimate thereafter is 5%. Our CAGR forecast for 2008-2012E EBITDAR is 4.9%.
- Valuation: TAV Airports is trading at 2009E and 2010E EV/EBITDAR of 5.7x and 5.3x respectively, at a discount of 20% on average versus its peers. The company offers a generous 2011E FCF yield of 12.9%, on our estimates.

[Full Note]

RATING CHANGES

International Personal Finance (IPF.L)	NEUTRAL [V]	Industry Weighting: MARKET WEIGHT	R. Self
CP: 94.25p	TP: 90p	CAP: £ 242.4m	44 20 7883 7516

Downgrade to Neutral from Outperform; TP cut to 90p from 220p

- Event: Downgrading to Neutral (from Outperform)
- View: The deterioration in collections performance in Hungary flagged by IPF's Q1 IMS was disappointing. The group expects full year performance in Hungary to be £20m-£30m below management's expectations as a result. However, there were positive elements of the statement which commented that other markets are performing inline with expectations, with improved collections performance in Poland and Czech/Slovakia in March and April, and there had been no impact in Mexico from Swine Flu.
- In our view the unexpected deterioration in performance in Hungary weakens the positive investment case we had seen in the group's business model, focused around low value, short term, face-to-face collected loans. Given the challenges in the current environment, international growth is unlikely to resume in the near term and this previous positive element of the investment case is also weaker in our view. We expect the group to continue to trade profitably through this, and see a longer term positive story, but for now we find it hard to see a positive catalyst for a re-rating of the shares given the uncertainty over collections performance in the weakening environment. Given forecast RoE for 2009E of c11%, the uncertainty over further deterioration in credit quality and uncertainty over the ability to secure incremental funding, we no longer think the shares deserve to trade at a significant premium to tangible book value and on this basis we lower our target price to 90p (from 220p) representing 1.0x 2009E TNAV per share. We also lower our rating to Neutral from Outperform.
- Catalyst: IPF will report interim results 23 July 2009
- Valuation: IPF trades on c1.0 times 2008A tangible book value and around 9 times our revised reported 2009E EPS.

[Full Note]

CSR (CSR.L)	OUTPERFORM [V]	Industry Weighting: MARKET WEIGHT	A. Bommelaer
CP: 311p	TP: 390p	CAP: US$ 632.5m	44 20 7883 3771

Upgrade to Outperform from Neutral; TP raised to 390p form 235p

- Bottom-line: We upgrade CSR from Neutral to Outperform with a new TP of 390p (increased from 235p), implying c30% potential upside from current levels. We are turning more positive on the story owing to: a) market share gains at Nokia starting in Q3 09; b) a strong product pipeline leading to design wins; c) the merger with SIRF which we expect to be 17% earnings accretive; and d) a solid balance sheet with cash representing more than 45% of current market cap for the combined group. After the merger of STM/NXP and EMP, we continue to believe that consolidation is a theme in the fragmented wireless IC market and we view CSR as an interesting consolidation opportunity for larger IC vendors wishing to purchase a leading edge connectivity business. With the inventory correction in wireless components nearing the end and market share at Nokia increasing from Q3 09 onwards, we believe consensus earnings upgrades are now more likely.
- New estimates: Post Q1 09 results, we raise our 2008 and 2009 revenue estimates by 4.7% and 5.1% to $458.6m and $582.4m, respectively. We also increase our 2009 and 2010 EPS estimates by 34% and 45% to -US$0.07 and US$0.27, respectively, from -US$0.11 and US$0.18p. We estimate that the acquisition of SIRF will be 16.9% earnings accretive in 2010.
- Catalyst: SIRF acquisition will close in June 2009.
- Upgrading to an OP - new TP of 390p: At current levels, the shares are trading on a 2010E PE ex cash of 10.6x (ex SIRF). Our new 12-month TP of 390p is based on 12x 2010E EPS - including SIRF - of US$0.31 to which we add US$2.11 of net cash per share for the combined group. A Credit Suisse HOLT valuation using conservative assumptions leads to a fair value of 427p.

[Full Note]

Drax (DRX.L)	**NEUTRAL**	**Industry Weighting: MARKET WEIGHT**	**M. Freshney**
CP: 468.50p	**TP: 440p**	**CAP: £ 1.6b**	**44 20 7888 0887**

Upgrade to Neutral from Underperform; TP raised to 440p from 400p

- Event: We have reviewed our forecast UK power curves and increase our target price to 440p (from 400p). Drax still appears to have clear option value on a tightening UK system-thus we upgrade our rating to Neutral from Underperform. However, we do not see enough short-term potential to become any more positive at this stage.
- View: (1) The forward energy commodity curves are in contango; for natural gas more so than for coal plus CO2, i.e., there is the prospect of growing earnings. Clean dark spreads are also wider further out. While Drax's trading policy has been successful in capturing some of the benefit of this contango, forward gas prices underperforming coal remain a risk. (2) The relationship between Drax stock and clean dark spreads appears strong. However, we believe there is more to Drax's equity story as it provides a clear option on UK power prices reaching new entrant levels. We factor 5 years of new entrant prices from 2012E into our valuation and see Drax as a strategic and efficient asset on the system that is well-placed to reap these potential prices. (3) Drax's 3 proposed 300MW growth biomass projects have similar risk profiles to the c4GW coal plant and provide a CO2 hedge. The key sensitivity/risk is the sourcing and price of biomass fuel. We estimate the projects could be worth c65p/share, but exclude them from our valuation as they are too contingent on investment criteria being met.
- Catalyst: Movements in energy commodity curves that alter the forward clean dark spreads, and/or signals that reserve margins are tightening, are drivers of Drax's performance, in our view; however we see no immediate catalysts.
- Valuation: Drax trades on an implied EV £457/KW and 09E ex free allocation P/E of 15.7x, falling to 8.6x in 10E, vs 9.1x and 9.4x for the sector, respectively. This reflects what we view as Drax's lack of diversification and the life-limited nature of the core c4GW coal power station. International Power (OP, TP 310p) is our preferred UK generator, albeit has lower exposure to the UK power market. We see fixed cost generators as stocks to buy in a commodity boom.

[Full Note]

ESTIMATE / TARGET PRICE CHANGES

Puma (PUMG.DE)	**OUTPERFORM**	**Industry Weighting: OVERWEIGHT**	**M. Geiger**
CP: Eu 153.60	**TP: Eu 195**	**CAP: Eu 2.5b**	**49 69 75 38 2271**

2009 EPS estimate cut; TP cut to €195 from €200

- Event: Q1 2009 results exceed our and market expectations - prior to a surprising Eu 110m restructuring charge. Sales are up 3.6% and gross profit is up 0.9% year on year with a still industry leading margin of 52.1% (Q1 2008A: 53.4%). However, the Eu 110m charge reduces Q1 09 net income to Eu 5.6m. The restructuring programme is designed to lead to annual cost savings of up to Eu 150m from 2011 via optimization of: (1) retail store portfolio (2) structures and (3) operating processes. We reduce our 2009 EPS forecast from Eu 14.3 to Eu 9.1 and lower our EVA® based 12-monthtarget price to Eu 195 down from Eu 200.
- View: The Eu 110m charge is a surprise and reduces solid underlying Q1 net income to Eu 5.6m down 94% year on year. However, it is a decisive step to fight the crisis and safeguard Puma 's high underlying profitability for the mid-term. The company has a net cash balance sheet, 57% equity to total assets, no material impairment risk and a clear focus on Free Cash Flow generation (2008A: 4.4% of sales). Puma production is 100% outsourced and fixed assets amount to only some 30% of total assets. Puma's cost base is consequently highly flexible, a real advantage in the current situation on top of the strong balance sheet. Puma shares have both defensive qualities in a continuing crisis and cyclical qualities in the next economic upswing. We reiterate our OUTPERFORM rating.
- Catalysts: (1) we expect Puma to start buying back shares again in the remainder of the year. (2) Puma - as a major football brand - should benefit from Q4 2009 from the FIFA World Cup 2010.
- Valuation: Our peer group valuation suggests a fair value of Eu 165.3 and Eu 259.5 adjusted for one-off charges. Our new and reduced 12-month EVA® based target price is Eu 195 down from Eu 200. We see substantial upside potential.

[Full Note]

Singulus Tech (SNGG.DE)	OUTPERFORM [V]	Industry Weighting: OVERWEIGHT	M. Geiger
CP: Eu 2.44	TP: Eu 3.50	CAP: Eu 85.8m	49 69 75 38 2271

2009 & 2010 EPS estimates cut; TP cut to €3.50 from €4.50

- Event: Singulus Q1 results are in line with our expectations. Sales are Eu 35.4m and up 16.8% year on year. EBIT is a Eu -4.9m loss against our estimate of Eu -6.1m, the number includes a restructuring charge of Eu 2.975m. Encouraging is: (1) the technological development progress in the core divisions Optical Disc (Crisalline) and in Solar (SINGULAR and thin-film technology); and (2) the continuing cost cutting progress. Discouraging is: (1) weak order intake, (2) SONY still produces a high degree of Blu Ray disc in-house limiting the market potential for Singulus customers and hence Singulus technology. Order intake is Eu 17.4m down 79.4%, order backlog is Eu 52.2m down 52.5% year on year respectively. We reduce 2009 and 2010 EPS forecasts from Eu 0.25 to Eu -0.01 and from Eu 0.41 to Eu 0.28, respectively. We reduce our EVA® based 12-month target price to Eu 3.5 down from Eu 4.5.
- View: The turnaround story is based on a sales and earnings lift driven by Blu Ray and Solar growth. Both technologies are young and should offer considerable market growth in the future. Q1 2009 gross margin is up from 21.7% in Q1 2008 to 33.2%, which suggests that concentration on Optical Disc and Solar is the right strategy. However, Singulus needs considerable order intake in the coming months in order to be in the position to reach our 2009 forecasts, client negotiations are picking up according to management. Maintain outperform.
- Catalysts: (1) Potential significant BLU Ray and Cristalline orders in May, June (2) recovery in Solar orders.
- Valuation: We reduce our EVA® based target price to Eu 3.5 from Eu 4.5 . On 2010E EPS Singulus trades on 8.9x earnings, which we view as attractive for the beginning of a potential turnaround that we expect.

[Full Note]

OMV (OMVV.VI)	NEUTRAL	Industry Weighting: MARKET WEIGHT	J. Neale
CP: Eu 24.98	TP: Eu 20	CAP: Eu 7.5b	44 20 7888 9114

2009 EPS estimate cut post Q1 results

- Breaking the pattern: OMV's 1Q09 results appeared to break the pattern of the quarter, proving no more than "in-line" at the net level, and missing consensus at the operating line by 13%. The drivers of this miss were partly related to the weak commodity environment, but were also transient factors related to exploration write-offs and timing of liftings. The OMV value case does not change on the back of this, we argue.
- Tough demand outlook: The company remains highly attuned to the tough operating environment however, after experiencing an 8% fall in downstream volumes YoY, and a 6% decline in Romanian gas volumes. The tough operating environment continues to inform management actions into 2Q despite the rally in commodit prices of recent weeks.
- Strengthening liquidity: OMV has taken huge steps to improve its liquidity position in the last 9 months, first with efforts to hedge upstream production, then with the 35% cut to capex for 2009, and now with the sale of its stake in MOL. We forecast gearing to fall over 1000bps in 2009, and with unused credit lines, OMV could well be able to turn buyer at the bottom of the cycle now - a very strong position given ongoing macro risks.
- Outlook: We lower 2009E EPS by 3% to reflect both the mark-to-market for 1Q09, and a slightly higher guided tax rate for the balance of the year. 2010-12E EPS are not materially changed. OMV is still a value play to us, at a 30% sector discount on 2009E EV/EBIDA - and is justifiably so given the macro risks related to the company's Central and Eastern Europe hinterland. However, recent actions to improve company liquidity suggest that OMV is increasingly well positioned to benefit from the next up-cycle, we believe.

[Full Note]

Smurfit Kappa (SKG.I)	OUTPERFORM [V]	Industry Weighting: MARKET WEIGHT	L. Kjellberg
CP: Eu 2.91	TP: Eu 4.30	CAP: Eu 634.4m	44 20 7888 4811

2010 & 2011 EPS estimates raised; Maintain Outperform

- What to do with the Smurfit Kappa shares? We recommend investors to buy the share. SKG's ability to preserve its industry leading margins in its integrated system is the key to our investment case. While non-integrated capacity is struggling to cover cash costs and less efficient integrated systems operate with very slim margins, SKG's margins are clearly positive and exceeding its main integrated competitors by more than 500bps.
- Clear signs of capacity rationalisation of weaker assets are now emerging and demand appears to be bottoming, signalling a turnaround in market conditions within the next 12 months, in our view. We believe SKG's superior operating margins should ensure the company comes out of the recession as a winner in a structurally improved industry.
- Numbers: SKG reported Q1 EBITDA of Eu180m vs our estimate of Eu170m and in line with consensus. Sequential EBITDA declined Eu15m on the back of 3% sequentially lower sales volumes (-12% y-on-y), negative currency effects and in particular a 4% fall in corrugated prices. Falling fibre and energy costs cushioned the blow. Clean EBIT (including share based payment) came ahead of our estimate at Eu82m. Reported pre-tax of Eu20m includes Eu6m gain on buying back of debt. Our pre-tax estimate was Eu4m.
- Good: (1) Better than expected results with stable sequential EBITDA margins; (2) easing cost pressure from lower fibre and energy prices; (3) outstanding operating performance compared with its peers; (4) announced containerboard industry capacity closure to the tune of 1.3m tonnes (~5% of European capacity); (5) good liquidity, Eu712m in cash in balance sheet and Eu600 million in undrawn credit facilities; and (6) cost take out programme yielded an incremental Eu30m cost saving in Q1; (7) increased cost take out 2008-2010 target from Eu200m to Eu250m, Eu130m to impact 2009 (up from Eu75m).
- Bad: (1) Sharply falling recycled containerboard prices putting downward pressure on corrugated prices; (2) weak corrugated board demand in Europe (-12% in Q1, y-on-y) and Latin America (-11%); (3) weak sack demand (-13%); (4) start up of new containerboard capacity in H2-09 could add further pressure to already weak markets as capacity ramps up.
- Outlook: Near term macro indicators point towards bottoming markets but continued demand contraction. We expect corrugated board demand to gradually start a recovery during Q2 based on the assumption that customer destocking is drawing to an end and demand should better reflect underlying consumption, which in Q2 no doubt will still be in a decline but less than the 12% recorded in Q1.
- With weak near to medium term demand the key to stabilising containerboard markets will come from the supply side. We are now starting to see clear signs of an accelerating trend of capacity closure; a reflection of that a substantial part of the European containerboard capacity is operating below cash cost.
- Since the start of 2009, an incremental 935,000 tonnes of capacity has been announced to be shut down in the first half adding to already planned closures of 375,000 tonnes. The new closure announcements represent 3.7% of European capacity as it stood at the end of 2008 and the total closures in H1 equals 5.2% of European capacity. Taking start-up curves into consideration announced capacity closures now exceed capacity additions in 2009.
- 2010 will see more capacity starting up while no further additions are expected in 2011 as Saica, a Spanish private producer, have decided to indefinitely postpone its expansion programme, which included a 400,000 tonnes recycled containerboard mill to be built in the UK with start up in 2011. Where prices are today (testliner at new historical lows) we expect to see further capacity rationalisation in the remainder of 2009.

[Full Note]

Repsol YPF SA (REP.MC)	NEUTRAL	Industry Weighting: MARKET WEIGHT	J. Neale
CP: Eu 15.43	TP: Eu 12	CAP: Eu 18.9b	44 20 7888 9114

2009 EPS estimate raised; Maintain Neutral

- Strong 1Q09: Repsol's 1Q09 results were strong, but driven by multiple factors: hedging, currency, internal cost cutting, and good trading. Earnings beat consensus by 21% at the net line, but by just 5% at the operating line. Above the line, YPF and Gas Natural were slightly ahead of consensus. Below the line, associates held up well, and financial expenses were lower, supported by hedging effects (Eu109m)
- Investment case unchanged: Despite strong results, we see little materially to adjust our view of the investment case with these results. YPF remains complicated by withholding tax issues and underlying declines, while downstream and chemicals margins will weigh on the 2Q09 outlook.
- Brazil still the wildcard: Going beyond 1Q results, the Santos Basin reservoir delineation process will continue to de-risk Repsol's exposure during 2009. We currently carry a value of Eu1.7/share for Brazil in our Eu15.5/share Sum-of-the-Parts for Repsol. We estimate that there is a further Eu1.7/share of de-risking potential above this, with well results from 2Q09 helping this process.
- Outlook: We raise our 2009E EPS forecast by 5% to reflect a mark-to-market of 1Q09 earnings. We rate Repsol Neutral with a Eu12 target price. The stock looks cheap, trading on a 2009E EV/EBITDA of 4.3x vs the integrated oil sector on 5.6x. However, high levels of exposure to European refining and chemicals, and the intractable situation of YPF realisations and investment incentives do not help in supporting the relative re-rating case for now.

[Full Note]

Commerzbank (CBKG.F)	UNDERPERFORM [V]	Industry Weighting: MARKET WEIGHT	D. Davies
CP: Eu 6.18	TP: Eu 2.30	CAP: Eu 5.5b	44 20 7888 2653

2010 EPS estimates cut post Q1 results

- Commerzbank's tangible shareholders' funds are getting smaller and smaller: After the Q1 operating loss, movements on revaluation reserves and intangibles, tangible shareholders' funds (ex silent participations and intangibles) has fallen from EUR9.7bn as at 31/12/08 to EUR8.5bn (proforma for the SoFFin capital issue), and TNAV per share from EUR10.2 to EUR7.2. Of Commerzbank's proforma EUR32bn of Tier One capital, at least 70% and are participations and hybrids. Losses for the rest of 2009e and 2010e will reduce the tangible book still more, as will the coupon on the participations, which will be set off directly against equity when the company returns to profit, rather than charged through the P&L, but which are senior to common equity.
- Leverage works both ways: Q1 operating performance was somewhat worse than our expectations, with a smaller restructuring charge than we had been looking for. We have reduced our 2009e forecasts and are now forecasting a loss for 2010e (previously a profit of EUR256m), with a return to profitability in 2011e, in line with the company's targets. However, because of the substantial reduction in tangible equity, our 2011 forecast now incorporates an RoTE of 9.6%.
- Earnings are not cash and vulnerability to "stress" is large: The headline figure of 9.6% RoTE for 2011 looks superficially attractive and might justify a price around book value if it were realisable in cash. However, this is not the case; there are substantial claims senior to equity which are not being recorded in current conditions and there is only a very slim chance of meaningful shareholder cashflow in the forecast period. Until the silent participations are repaid, the headline RoE is the rate to look at, and this is around 2% on a normalised basis. We retain our price target of EUR2.3.

[Full Note]

GlaxoSmithKline (GSK.L)	OUTPERFORM	Industry Weighting: OVERWEIGHT	L. Hector
CP: 1,026p	TP: 1,225p	CAP: £ 53.5b	44 20 7888 0142

Forecasts revised; Cervarix support approval by FDA

- GSK has released a raft of new data on its HPV vaccine, Cervarix at the IPV conference in Malmo today. The data are positive and support approval by the FDA in Sept 09, in our view. Importantly, the data will strengthen the Cervarix label vs MRK/SAN's Gardasil which will help GSK compete for tenders around the world. We continue to forecast $1.4bn peak for Cervarix reflecting a 50% market share ex-US and 35% share in the US (where Gardasil has first mover advantage). We raise our probability of US Cervarix approval to 90% (from 80%). Our NPV for global Cervarix is 52p/share.
- Stock view: We believe GSK remains an attractive large cap pharma investment based on its limited exposure to future patent expiries, strong free cash flow generation and solid support for dividend growth. Our view remains that Advair, which is sustaining mid-single digit underlying US growth, will not see substitutable generics ahead of the 2016 device patent expiry.
- Changes to forecasts: We have updated our earnings to reflect the disposal gain of £340m for Wellbutrin XL announced this week. Credit Suisse underlying 2009E EPS is unchanged at 128p. On the GSK basis, 2009E EPS is 129p (an increase of 2%).
- Catalyst: Rezonic (chemo-induced nausea) - FDA Panel on 20 May. Arzerra (cancer - CLL) - FDA Panel on 29 May.
- Valuation: GSK trades on 8.0x 2009E earnings, in-line with the peer group at 8.4x but with superior 2008-14E EPS growth potential of 7% vs sector average 2%.

[Full Note]

Solar Equipment	**MARKET WEIGHT**	**K. Iltgen**
Q1 results - preview; Forecasts revised		**49 69 75 38 2273**

- Expect companies to echo improved sentiment among customers but little news from order activity. Recall that Q1 order rate in the sector was unusually strong considering the market phase - driven by surprising, ongoing interest from new entrants. It will be generally difficult to grow order rate further in Q2. We see first customers from China pulling forward shipment dates but not enough yet to drive the next order wave. While earlier this year we had highlighted CTN (OP, TP Eu37) we now reiterate our preference for R8R (OP, TP Eu26).
- Roth & Rau: We have changed our revenue mix assumptions (down for single equipment, up for turnkey) to reflect current market trends. We have also fine-tuned our cost estimates (incl. PPA for recent acquisition etc). The resulting impact on EBIT is minimal, resulting in an EPS of Eu1.32 (Eu1.31 previously). Roth & Rau already announced an order rate Eu44m for Q1. We expect so far little order activity in Q2 (Eu6m during April) but the company has a healthy pipeline which was described in detail at its recent CMD. Focus will be on the margin trend which we think could have been helped by a favorable mix in Q1. The company trades on a P/E 09E of 15x. As we view 2009 as the trough and expect earnings growth in 2010 we see current valuation still as attractive.
- Centrotherm's Q1 results should be characterized by the rapidly increasing contribution of new products (mainly poly silicon but also thin film equipment) which will be the main growth driver not only in Q1 but also in the coming quarters. We think the project for its Chinese lead customer will be slightly margin dilutive. Overall we are looking for an EBIT margin of 10.5% in Q1. Following projects such as Shaanxi later this year should be more profitable and combined with a progressive revenue ramp result in an improved EBIT margin during the rest of the year.
- Manz already published preliminary figures last week that were characterized by the well-known weakness at AMAT thin film as well as the LCD market weakness. On the back of this we see downside to our current figures that we will update following the report. Still we keep our positive rating that is in-line with our sector stance. We see limited read-across from Manz' result to Roth & Rau and Centrotherm.

[Full Note]

COMPANY UPDATES

Thyssen Krupp AG (TKAG.F)	**OUTPERFORM [V]**	**Industry Weighting: OVERWEIGHT**	**M. Shillaker**
CP: Eu 18.30	**TP: Eu 23**	**CAP: Eu 8.7b**	**44 20 7888 1344**
Q2 results due 13 May - preview			

- Event: ThyssenKrupp will report Q2 08/09 numbers on 13th May. Analyst meeting and webcast on 14th May at 3 p.m. UK time - dial in +44-207162 0025. We are looking for PTP loss of Eu445m for Q2 including one offs amounting to cEu350m (inventory writedown, restructuring and project costs). Meaning underlying clean PTP of cEu95m negative. Tax loss credits should mean cEu302m of net loss for the group and a loss per share of Eu0.65.
- View: Carbon Steel / Elevators segments should hold up better compared to other segments. Technologies has been the biggest negative surprise due to low utilisation and order cancellations. For Stainless and Services segments, weak volumes and price realisations coupled with inventory writedowns will hurt numbers. On the balance sheet we suspect that inventory will remain high and NWC will have risen in Q2, leading to a further increase in net debt (compounded the dividend payment) in the quarter. We cannot rule out a rating downgrade on the debt after the current quarter end.
- Catalyst: 2009 is all about cashflow and for now TK is likely to be underperforming its peers in that area. But earnings recovery in 2010E may well surprise the market (against a view that TK is late cycle - it is not). So in the short term its performance may continue to lag somewhat, but longer term investors have an opportunity to capitalise on the markets misperception of TKs leverage.
- Valuation: at 55% EV/IC the stock is still close to trough valuation levels. Normalised value is E32 on our 2010/11 cycle normalisation view. PT of E23 represents 11x 2010E earnings.

[Full Note]

Sainsbury (SBRY.L)	UNDERPERFORM	Industry Weighting: MARKET WEIGHT	A. Kasoulis
CP: 341.25p	TP: 300p	CAP: £ 6b	44 20 7888 0324

FY results due 13 May - preview

- Sainsbury reports 2008/09 FY results pre-market on 13th May. The analyst meeting/web-cast is at 09:45 BST. Q4/FY sales growth has already been reported and we do not expect a current trading update.
- We forecast Group PBT of 540m (+10.6% y-on-y) and pre-exceptional EPS of 20.94p (+9.8%). We are ahead of consensus (of £530m and 20.3p respectively, source: Sainsbury) by around 2-3%. Our FY DPS estimate is 13.0p (+8.3%), implying 1.6x cover, which is within the guidance range of 1.5x-1.75x.
- For supermarkets, we expect EBIT of £615m (+15%) and +25bp margin (to 3.25%) despite £15m (-8bp) of non-food delivery start-up losses. For the JV's, we estimate a small profit for the Bank (£3m) and £12m for property.
- Within the detail of the press release/meeting, we expect an update on non-food, the Bank, future margin potential and maybe even life after the current 'Growth' phase - new formats? diversification? new markets?
- Our view and valuation. We are comfortable towards the top-end of the 2008/09 consensus PBT/EPS range, and think that the strong end to the year (+7.0% LFL for Q4) could even imply upside risk to our 'high' estimates. For outer-years, although Sainsbury is now two years into its 'Growth' phase, we think momentum will continue despite the currently tough consumer markets. We expect >15% profit growth p.a. over the next two years and are top-end of a very wide consensus range - for 2009/10E, our PBT estimate of £630m is 11.5% ahead of consensus (of £565m, source: Sainsbury) and so implies substantial upgrades if we are right. Considering this, plus the strong and improving market share data, maybe we should be adopting a more upbeat view. Time will tell if our high-end estimates are accurate. But, even if they are, we still do not think the shares look attractive. While we still retain some concerns over elements of the strategy (such as non-food growth), our biggest issue remains valuation - even on our 'high' 2009/10 estimates, Sainsbury trades at 14.2x PE, higher than both Morrison (12.8x) which we think is/will grow faster and has greater earnings upside, and Tesco (12.1x).

[Full Note]

Land Securities (LAND.L)	UNDERPERFORM	Industry Weighting: MARKET WEIGHT	S. Bramley-Jackson
CP: 557p	TP: 312p	CAP: £ 2.6b	44 20 7888 0413

FY results due 13 May - preview

- FY09 results: Due Wednesday 13th May, attention will focus on asset disposals and pre-leasing updates on developments (e.g., we believe securing pre-commitments from retailers at One New Change, EC4 is proving more difficult than expected). Succesful asset disposals are key at present, as we believe confidence will quickly wane if deals fail to materialise Note: Land Securities has the highest absolute committed development expenditure of our UK REITs at c. £600m over 2009 and 2010.
- Portfolio valuation: We expect a further decline of 6% in the two months since end January, bringing Land Securities total portfolio decline since the June 07 peak to approx. 45%. Our FY09E adjusted diluted NAV estimate is 655p.
- Asset disposals? Currently under offer - 1 Wood Street in City for £100m/c. 6.3% yield, Warner Brothers HQ in Midtown for £50m/c. 7.75%, 22 Kingsway in Midtown for £38m/c. 7.25%, Portman House in West End for £150m/c. 6.7%, and Eastbourne Terrace in Paddington for £50m/na. In Q409, four small retail disposals have been made totalling £84m/c. 7.55% yield.
- Earnings and the dividend: We estimate the combined effect of selling LS Trillium and fully drawing down credit lines at the time of the rights issue will dilute earnings by c. 12% on a full year basis. Our FY09 recurring eps estimate is 78.7p (H209: 34.9p) declining to 41.2p in FY10 (pro-forma adjusted post rights issue). Similarly, the dividend has been restated to 7p per quarter (28p on an annualised basis) with expectations that the same rate will be maintained for FY10. Our FY09 dividend estimate is 56.5p.

[Full Note]

Acciona SA (ANA.MC)	OUTPERFORM [V]	Industry Weighting: MARKET WEIGHT	L. Izquierdo
CP: Eu 82.35	TP: Eu 116	CAP: Eu 5.2b	44 20 7883 2153

Reiterate Outperform ahead of Q1 results due 13 May - preview

- Q1 results 13 May: ANA will be presenting its Q1 results on Wednesday. We expect EBITDA to reach Eu193m, down 70%, mainly reflecting that Endesa is no longer contributing to the EBITDA line since January, further to the announcement of ANA's divestment in ELE. Excluding ELE, we expect EBITDA to be 16% below Q1 08A. We see net income at Eu128m, down 17%.
- Renewables as the largest contributor: According to our estimates, the Energy division will account for c70% of ANA's total EBITDA. We expect the energy contribution to be c12% lower compared to last year at Eu130m, reflecting lower pool prices in Spain, partially offset by the higher output produced abroad as most of the capacity increases in 2008 were international. We envisage a modest increase in capacity during Q1 as commissioning tends to be back loaded. We do not expect any variation on the c600-650 MW gross capacity increase guidance for FY09E (for all renewables) provided at the FY08A results presentation.
- Other activities - 24% below in average: In our view, non-energy activities will continue to reflect the sharp deceleration of the Spanish economy and will be 24% weaker on average. We expect the contribution of Infrastructures to be at Eu45m (down by 13%), Real Estate at Eu15m (down by c30%, supported by rental activities) and Urban & Environmental to be flattish at Eu12m despite the sale of Memora. We expect a negative contribution from Logistics & Transport in-line with Q1 08A at -Eu12m and we think that Bestinver (Other) could roughly halve its contribution (Eu8m).
- Still undervalued: In our view, ANA's share price currently reflects the equity value of the renewables division (using the Energy division net debt as of FY08A adjusted for the acquisition of ELE's renewable assets). In other words, the non-energy divisions are not priced in. We continue to like the medium-term story, particularly now that the special situation with Enel and Endesa is over. We remain excited about the first strategic plan of the company, which will be presented in June-August 2009 upon completion of the Enel & Endesa deal. We reiterate our Outperform rating on ANA and TP at Eu116 but our top pick in the renewables sector remains EDPR (TP at Eu8).

[Full Note]

Q-Cells (QCEG.DE)	OUTPERFORM [V]	Industry Weighting: MARKET WEIGHT	A. Bommelaer
CP: Eu 19.91	TP: Eu 18	CAP: Eu 1.7b	44 20 7883 3771

Q1 results due 12 May - preview

- Q-Cells will report its 1Q 09 results on May 12: Management will host conference call at 12 PM Ph no. +1.866.966.5335
- Downside to our Q109 estimates: For Q1'09, we have modelled in revenues/EBIT/ EPS of Eu284m/Eu12m/Eu0.09 vs. consensus estimates of Eu 239m/ Eu11m/Eu0.04. We have baked in core solar cell sales of 100MW and Q-Cells International related installations of 20MW. We believe there is some downside risk to our production and installation estimates, and hence to our revenue and profitability estimates.
- Risk to 2009 Revenue/Production Guidance: On March 19, Q-Cells guided 2009 production to 800-1,000 MWp and group revenues to Eu1.7- Eu2.1bn. Considering an extremely slow start to the year, demand would have to pick up significantly to meet guidance. With weakening poly prices, Asian peers are becoming increasingly competitive and in a position to take market share from Q-Cells on the back of aggressive pricing. Our checks indicate that PV demand has started improving, albeit from a very weak level in Q1 09. We note that majority of production in 2009 will still happen in German fabs (with high conversion costs), and Q-Cells would be able to take down its cost only when production starts ramping up in Malaysia in 2010.
- Balance sheet issues Resolved: On 6 May, Q-Cells placed ~85 million shares of REC (~17.2% stake), raising ~Eu530 million and thus addressing a key concern of investors regarding its financing abilities. Q-Cells will use the proceeds to pay-off Eu360 million draw down on its credit line. The placement has strengthened Q-Cells balance sheet and should enable it to go ahead with its capex plans.

[Full Note]

Rheinmetall (RHMG.F)	NEUTRAL [V]	Industry Weighting: OVERWEIGHT	P. Spano
CP: Eu 30.75	TP: Eu 33	CAP: Eu 1.1b	49 69 75 38 2272

Q1 results review; auto results dragging down

- As weak as we feared: Rheinmetall has prepared the market for weak results in Q1 and reported numbers came in very close to our forecasts but the magnitude of Automotive losses is still concerning. A record Q1 Defence EBIT of Eu23m was wiped out by an Eu45m loss in the Automotive division. Auto revenues declined 41% yoy to Eu340m, turning last year's Q1 EBIT margin of 5.9% into a negative 13.3% margin.
- Major restructuring ahead: Management expects aligning capacities to the significantly lower business volume will cost at least Eu100m this year in addition to Eu80m operating losses guided for Automotive in 2009. More details of the planned restructuring should become available at the conference call this afternoon. Management has pointed to another 1,000 cuts at the March results meeting, in addition to 1,500 lay-offs done in Q4/Q1. While the recent reductions were mostly in low-cost countries, we expect the next round to be in Europe and thus be much more costly.
- Defence continues its strong performance: The Defence division generated a record Q1 margin of 6.2% in what is the seasonally weakest quarter of the year. Defence order intake reached Eu479m in the quarter versus Eu362m Q1 08 with a broad mix of geographies and product lines. Signing of the serial contract order for Germany's new infantry fighting vehicle PUMA (at least Eu1.35bn) is expected in the coming months as well, lifting Rheinmetall order backlog close to Eu5bn during the year 2009 in our view. End of 2008, the Defence order backlog was Eu3.3bn.
- Catalyst: Up 41% year-to-date, Rheinmetall shares were the third best performer in Germany's midcap index this year. We believe the magnitude of Automotive problems unfolding over the next two quarters will cap further upside from here. Our DCF-derived target price remains unchanged at Eu33.

[Full Note]

Atlantia (ATL.MI)	OUTPERFORM	Industry Weighting: OVERWEIGHT	R. Crimes
CP: Eu 14.27	TP: Eu 18	CAP: Eu 8.2b	4420 7883 0686

Q1 results - review

- Event: Atlantia has reported its Q1 results. EBITDA was Eu456m (5% better than Credit Suisse at Eu433m) and net income was Eu150m (23% better than Credit Suisse at Eu121m).
- Traffic: YOY EBITDA fell -8% and net income -10%. Traffic was not quite as weak as we expected but still fell -6.9% (-5.2% cars, -12.1% trucks) or -3.5% adjusting for Easter timing, the leap year and snow. We forecast a -3.9% decline for FY 2009. The Q1 comparable was tough.
- No changes to EPS: Q1 EPS fell -10% in line with our FY 2009E EPS decline of -9%.
- Toll roads preferred infrastructure sub-sector: We prefer toll roads to airports and contractors due to their defensive nature. However, we see them as having an element of cyclical upside particularly truck traffic given European PMI data is starting to improve and our economists expect European GDP to increase from Q4 onwards.
- Maintain Outperform, TP Eu18: We retain our Outperform rating and our DCF based TP of Eu18. In our DCF we supplement our beta by 0.25 to reflect regulatory risk resulting in a leveraged beta of 1.09 and an average WACC of 7.35% over the life of the concession. We estimate the current share price offers an IRR of 11%. Atlantia is our second preferred stock out of twelve on our stock ranking system.

[Full Note]

Almarai Co (2280.SE)	OUTPERFORM		D. Singh
CP: SAR 147.50	TP: SAR 201.73	CAP: 16.1b	44 20 7888 6091

Comments on Hadco acquisition; Reasons to be upbeat

- Event: Almarai announced an agreement with Hadco which achieves a closure on the acquisition offer (pending due diligence) previously announced on November 8, 2008.
- Reasons to be upbeat: 1./ We believe that the most important and strategic aspect of the acquisition is that it positions Almarai as the prime vehicle for execution of the Saudi food security programme. 2./ Hadco provides Almarai with exposure to an attractive food segment via poultry 3./ Acquisition of Hadco secures access to alfa alfa produce required for Almarai's cow herd. Vertical integration in dairy is important to achieve cost and quality control (in a hostile Saudi climate) 4./ The cash component is a low 1.75% of acquisition value (ex transaction costs) and hence the acquisition does not compromise other expansion prospects. 5./ Land asset by itself could comprise c72% of the deal value and hence we view the price paid for acquisition as reasonable for Almarai's shareholders.
- Catalyst: 1./ Finalization of Beyti acquisition in Egypt 2./ Identification and execution of attractive acquisition opportunities via the Pepsico JV would be a medium term catalyst 3./ Participation in the General Investment Funds' food security programme would be a major catalyst. We believe that the programme would involve a JV wherein the government would fund projects at a relatively cheap cost (c3%) and offer a 50% equity stake to pvt. companies to develop farms abroad. :Large scale vertical integration expertise would be the key selection attribute; Almarai's core competence.
- Valuation: Almarai trades at a 2009 P/E of 15.6x against peers at 13.45x. We believe that Almarai should trade at an even higher premium considering the growth profile (08-10E EPS CAGR of 15.2% for Almarai vs 7.7% for peers) even considering the conservative nature of our estimates (Q1, 09 results beat our EPS estimates by 7.9%).

[Full Note]

Carphone Warehouse (CPW.L)	OUTPERFORM [V]	Industry Weighting: UNDERWEIGHT	A. Malic
CP: 167.50p	TP: 198p	CAP: £ 1.6b	44 20 7888 0320

Comments post acquisition of Tiscali UK operations

- CPW has announced the acquisition of Tiscali's UK broadband and voice operations for £236m in cash (plus tax losses of £200m). This will increase CPW's broadband subscriber base to 4.25m subscribers from 2.8m at the end of March 2008 and make it the second largest broadband provider in the UK behind BT. We believe this deal secures CPW's dominance within the broadband market.
- The price is broadly in line with our expectations and equates to an EV/Sub of £146 for the 1.45m broadband customers (assuming EV/Sub of £80 for the 0.3m dial up customers). The deal is subject to EU competition authority clearance. Completion is expected by June 2009.
- In terms of the transaction, CPW are indicating this to be earnings enhancing by 10% to March 2010 EPS estimates (Credit Suisse pre deal E 13.2p) and are highlighting synergies of £40-£50m by March 2011. These will be delivered through Tiscali customer migration onto unbundled lines, network integration and billing integration.
- We expect the acquisition to broadly contribute annualised EBITDA (post SAC and marketing) of about £45m. Assuming the full extent of synergies coming through for March 2010/11, could see significant EPS enhancement almost 21% (Credit Suisse pre-deal E 15.4p).
- Assuming 10% EPS enhancement in March 2010 and full synergy benefits for March 2011, the shares would be trading on a PE of 11.3x March 2010E and only 8x March 2011E. Clearly there will some risk over the integration of the base, but there remain some clear areas of upside particularly through the migration of Tiscali customers onto unbundled lines but also ongoing consolidation within the sector that could lead to a more stable pricing environment. We will update estimates in due course to account for the acquisition.

[Full Note]

INDUSTRY UPDATES

UK Banks	MARKET WEIGHT	R. Self
Credit availability monitor; Our index continues to hold steady		44 20 7883 7516

- Our Index continues to hold steady
- The number of available mortgage products increases by 62
- Increase in products driven by buy-to-let
- Our credit availability index remained at 25 over the past week (1 May: 25, revised from 26 for March lending data). The total number of available mortgage products increased by 62 which had a modest positive effect on our index. The main driver of this was an increase in the number of BTL products of 53, while the number of prime products increased by 9. The number of 80%+ LTV products increased by just two over the week. Pricing on the average 2-year 75% LTV product increased by 1bp, while pricing on the average 90% LTV product was unchanged. The past 4-week average 2-year swap rate fell by 3bps, causing the spread on the average 75% LTV product to increase by 4bps and for the 95% LTV product to rise by 3bps which had a modest negative effect on our index. The three-month Libor-Sonia gap fell by a further 1bp over the week to 100bps (1 May: 101bps).
- In conclusion, our index continue to indicate that credit availability conditions remain tight with lenders continuing to show aversion to higher risk mortgage products.

[Full Note]

Polish Banks	N. Li
Q1 results - preview for Pekao & PKO BP	7 495 967 8997

- Event: Pekao and PKO BP are due to report 1Q earnings on Tuesday and Thursday, respectively.
- Pekao: We expect PLN 572m quarterly net income from total revenues of PLN 1,954m and pre-provisioning profit of PLN 1,005m.
- PKO BP: We expect PLN 772m quarterly net profit from total revenues of PLN 2,473m and pre-provisioning profit of PLN 1,440.
- View: We believe the focus will be on three key items: a) the level of provisioning and change in asset quality, b) margin development following NBP's rate cuts and deposits competition, c) cost reduction ability
- Positioning into results: We see PKO BP as the better play: a) we see its earnings as less sensitive to provisions charges and higher deposits costs due to wider operating margins; b) PKO BP is more exposed to retail lending - pick-up of retail NPLs has been moderate relative to the corporate sector in Poland; c) Pekao's 30-40% valuation premium over PKO BP looks unsustainable, in our view. We rate Pekao Underperform and PKO BP Neutral.

[Full Note]

All headline prices are as of the previous day's close unless otherwise noted.

Companies Mentioned *(Price as of 08 May 09)*
Almarai Co (2280.SE, 147.50, OUTPERFORM, TP 201.73)
Sony (6758, ¥2,735, UNDERPERFORM [V], TP ¥1,000, UNDERWEIGHT)
Applied Materials Inc. (AMAT, $11.89, NEUTRAL, TP $8.25)
Acciona SA (ANA.MC, Eu 82.35, OUTPERFORM [V], TP Eu 116.00, MARKET WEIGHT)
Atlantia (ATL.MI, Eu 14.27, OUTPERFORM, TP Eu 18.00, OVERWEIGHT)
BAE Systems (BAES.L, 349.00p, OUTPERFORM, TP 475.00p, MARKET WEIGHT)
Pekao (BAPE.WA, PLN118.30, UNDERPERFORM [V], TP PLN60.00)
BT Group (BT.L, 93.80p, NEUTRAL, TP 130.00p, MARKET WEIGHT)
Commerzbank (CBKG.F, Eu 6.18, UNDERPERFORM [V], TP Eu 2.30, MARKET WEIGHT)
Carphone Warehouse (CPW.L, 167.50p, OUTPERFORM [V], TP 198.00p, UNDERWEIGHT)
CSR (CSR.L, 311.00p, OUTPERFORM [V], TP 390.00p, MARKET WEIGHT)
Centrotherm (CTNG.DE, Eu 33.68, OUTPERFORM [V], TP Eu 37.00, MARKET WEIGHT)
Drax (DRX.L, 468.50p, NEUTRAL, TP 440.00p, MARKET WEIGHT)
EDP Renovaveis (EDPR.LS, Eu 6.80, OUTPERFORM [V], TP Eu 8.00, MARKET WEIGHT)
Endesa (ELE.MC, Eu 16.68, OUTPERFORM, TP Eu 35.50, MARKET WEIGHT)
Enel (ENEI.MI, Eu 4.30, NEUTRAL, TP Eu 5.00, MARKET WEIGHT)
GlaxoSmithKline (GSK.L, 1026.00p, OUTPERFORM, TP 1225.00p, OVERWEIGHT)
International Personal Finance (IPF.L, 94.25p, NEUTRAL [V], TP 90.00p, MARKET WEIGHT)
International Power (IPR.L, 266.25p, OUTPERFORM, TP 310.00p, MARKET WEIGHT)
Land Securities (LAND.L, 557.00p, UNDERPERFORM, TP 312.00p, MARKET WEIGHT)
Manz Automation (M5ZG.DE, Eu 36.04, OUTPERFORM [V], TP Eu 60.00, MARKET WEIGHT)
MOL (MOLB.BU, HUF11650.00, OUTPERFORM [V], TP HUF12532.00)
Morrison (William) (MRW.L, 242.75p, OUTPERFORM, TP 340.00p, MARKET WEIGHT)
Nokia (NOK1V.HE, Eu 10.84, OUTPERFORM [V], TP Eu 12.00, MARKET WEIGHT)
OMV (OMVV.VI, Eu 24.98, NEUTRAL, TP Eu 20.00, MARKET WEIGHT)
PKO BP (PKOB.WA, PLN28.00, NEUTRAL [V], TP PLN18.40)
Puma (PUMG.DE, Eu 153.60, OUTPERFORM, TP Eu 195.00, OVERWEIGHT)
Q-Cells (QCEG.DE, Eu 19.91, OUTPERFORM [V], TP Eu 18.00, MARKET WEIGHT)
Roth & Rau (R8RG.DE, Eu 19.68, OUTPERFORM [V], TP Eu 26.00, MARKET WEIGHT)
Renewable Energy (REC.OL, NKr61.70, OUTPERFORM [V], TP NKr60.00, MARKET WEIGHT)
Repsol YPF SA (REP.MC, Eu 15.43, NEUTRAL, TP Eu 12.00, MARKET WEIGHT)
Rheinmetall (RHMG.F, Eu 30.75, NEUTRAL [V], TP Eu 33.00, OVERWEIGHT)
Sainsbury (SBRY.L, 341.25p, UNDERPERFORM, TP 300.00p, MARKET WEIGHT)
Smurfit Kappa (SKG.I, Eu 2.91, OUTPERFORM [V], TP Eu 4.30, MARKET WEIGHT)
Singulus Tech (SNGG.DE, Eu 2.44, OUTPERFORM [V], TP Eu 3.50, OVERWEIGHT)
TAV Havalimanlari Holding (TAVHL.IS, TRY3.78, NEUTRAL [V], TP TRY4.23)
Thyssen Krupp AG (TKAG.F, Eu 18.30, OUTPERFORM [V], TP Eu 23.00, OVERWEIGHT)
Tesco (TSCO.L, 347.90p, OUTPERFORM, TP 400.00p, MARKET WEIGHT)

Disclosure Appendix

Important Global Disclosures

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Underperform (U):** The stock's total return is expected to underperform the industry average* by 10-15% or more over the next 12 months.

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Overweight: Industry expected to outperform the relevant broad market benchmark over the next 12 months.
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Underweight: Industry expected to underperform the relevant broad market benchmark over the next 12 months.

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Underperform/Sell*	18%	(48% banking clients)
Restricted	2%	

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