

Irish shares continue winning streak

By Thomas Molloy

Wednesday February 03 2010

IRISH shares rose for a third day in their longest winning streak since late December. The climb was led by Bank of Ireland, which offered to exchange debt to raise capital, and DCC, which hiked profit forecasts.

National benchmark indexes advanced in all of 18 western European markets yesterday except Iceland and Denmark.

The ISEQ finished up 1.1pc, at 3015.32 points. The UK's FTSE 100 added 0.7pc and France's CAC 40 rose 1.4pc. Germany's DAX jumped 1.1pc.

Bank of Ireland closed up 1.1pc at €1.22 after saying it will sell debt with a nominal value of €2.9bn for fresh 10-year paper to raise capital.

The bank would make a capital gain of about €800m if the offer to exchange lower tier 2 bonds is fully subscribed, according to Glas Securities, which specialises in fixed-income markets. There was a muted response to Allied Irish, which announced a raft of changes among the lender's top tier of management. Shares closed unchanged at €1.22 while Irish Life & Permanent slipped 1.3pc to €3.16 after Taoiseach Brian Cowen said something had to be done to help those unable to repay their mortgages.

DCC added 2pc to close at €20.45 after describing trading during January's freeze as "excellent" and adding that third quarter sales were modestly ahead of the same period the previous year.

Mergers

Paddy Power jumped 2.7pc to €23.99 after speculation that consolidation among online gaming firms is inevitable. Reuters quoted dealers as saying a possible deal between PartyGaming and Austria's bwin could be a potential catalyst for a wave of takeover activity in the gaming group industry.

Dubai-based Dragon Oil, the explorer focusing on projects in Turkmenistan, rose 6.4pc to €5.06 in Dublin -- its biggest jump in three months. Ovova Gold was the day's biggest gainer, rising 12.5pc to 22c, after chief executive Timothy McCutcheon bought 200,000 shares to double his personal holding.

European stocks also rose, led by gains in mining companies. Rio Tinto led a gauge of basic resources producers higher as metals climbed and Citigroup recommended the world's third-biggest mining company. Xstrata, the biggest exporter of coal used by power stations, surged 3.4pc. Lonmin, the world's third-largest platinum producer, advanced 3pc.

Technip, Europe's second-largest oilfield services provider, soared 6.7pc after saying it may win work on three gas storage projects. BP, Europe's biggest oil company, slid the most in seven months after posting Q4 net income of \$4.3bn.

Telecom Italia added 5.6pc after press reports that Italy's government would support an "inevitable" merger of the company with Spanish multinational Telefonica, the EU's second-largest phone company.

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