

## ISEQ rides wave of global optimism for a second day

IRELAND'S benchmark index gained for a second day as the country's largest company jumped on optimism that the world economy was picking up.

The ISEQ closed up 54.93 points, or 1.9pc, at 2952.57 points yesterday. All 18 western European benchmark stock indexes advanced except Greece.

The UK's FTSE 100 added 0.6pc, Germany's DAX climbed 1pc and France's CAC 40 gained 1.5pc.

CRH advanced 3.8pc to €17.53 after figures showed housing starts in the US rose to a higher level than anticipated in January, a sign that US government support was helping to stabilise the property market there.

Bank of Ireland rose 0.8pc to €1.31 while Irish Life & Permanent was up 3.7pc at €2.87 after Dublin-based Glas Securities, which specialises in fixed income markets, said Irish banks might sell bonds guaranteed by the Government.

Issuance "We would anticipate issuance from EBS Building Society, Anglo Irish Bank, Irish Life & Permanent with potential issuance from AIB and Bank of Ireland also expected in the near term," Glas said.

Allied Irish slipped 2.7pc to €1.10 as unions ballot employees about possible industrial action.

Aer Lingus was another company with industrial relations concerns. Shares in the airline sank 5.2pc to 61c on fears that former SR Technics workers were planning industrial action over the Government's alleged failure to secure jobs in Dublin Airport.

The Dow Jones Stoxx 600 Index advanced 1.4pc to 247.69, the seventh advance in the past eight days and the biggest jump in more than six weeks after results from BNP Paribas and Deutsche Boerse beat analysts' estimates and US industrial production and housing starts topped forecasts.

BNP Paribas rose the most in four months after France's largest bank posted its fourth straight quarterly profit.

Deutsche Boerse climbed 3.7pc after reporting a smaller-than-expected loss. Man Group, the largest publicly traded hedgefund manager, rallied the most since September as its flagship fund advanced and investors speculated that the company might become a takeover target.

Equity markets "will recover from the late-January, early- February correction and post gains during the first half of 2010 as solid macro data and a strong earnings rebound should

overcome the European debt fears and Asian interest rate concerns,” John Praveen, the New Jersey-based chief strategist at Prudential International Investments Advisers, told clients in a report this week.

Western European companies that have reported earnings since January 11 have beaten analysts’ forecasts for net income by an average of 2.5pc, according to Bloomberg data.

In the US, more than 350 companies in the S&P 500 have posted quarterly results in the same period, and about 71pc have topped net income estimates, the data show. ING jumped 5.6pc to €6.81 after the biggest Dutch financial- services company cut operating expenses by €1.5bn, exceeding a €1.3bn target.

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