

KBC Securities@dawn

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Tom Simonts +32 2 417 47 48
tom.simonts@kbcsecurities.be

Luc Van Hecke +32 2 417 41 61
luc.vanhecke@kbcsecurities.be

What happened in Wall Street

- ❖ Stocks lower as drug shares fall sharply following Pfizer loss.
- ❖ S&P500 loses 0.8 percent; Dow 0.5 percent and Nasdaq also 0.5 percent.
- ❖ S&P500 still up 0.5 percent on the week; Dow up 1 percent, Nasdaq 0.3%.
- ❖ Pfizer tumbles 3.23 dollar to 25.75 on Celebrex study .
- ❖ Eli Lilly down 1.38 dollar to 56.02 on safety warning for Strattera.
- ❖ Index of healthcare stocks loses 2 percent; group is worst performer in the S&P500 this year.
- ❖ AstraZeneca in US down 7.7 percent on Iressa research problem.
- ❖ OSI Pharmaceutical and Genentec up on approval for cancer treatments.
- ❖ Jump in oil prices weighs on indices; oil futures up 4.8 percent.
- ❖ PalmOne tumbles 9.44 dollar to 33.11 on lower than expected earnings.
- ❖ Leggett & Platt drop 8.1 percent; earnings will be at the low end of expectations.
- ❖ Shares of Public Service Enterprise Group up on talk about takeover.

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What's on in Europe

- ❖ Oil prices may influence trading as futures posted biggest weekly gain
- ❖ Yukos may cease to exist after biggest unit was sold for 9.3 billion USD
- ❖ ING Groep plans to buy a 22% stake in Taiwan's Chang Hwa Commercial Bank
- ❖ Imperial Tobacco is rumored to prepare a bid for Altadis
- ❖ Euronext plans to bid for LSE, will at least match offer from Deutsche Boerse
- ❖ Baugur Group agreed to buy Big Food Group, will sell Iceland food stores
- ❖ E.ON may be interested in buying a share of Edison
- ❖ EADS won an order from India's UB Group worth 1.8 billion USD
- ❖ Scottish & Newcastle will spend 171 million USD on stake in United Breweries
- ❖ Diageo bought the Chalone Wine Group for 260 million GBP
- ❖ UCB said annual net income will be at least 10% higher than in 2003

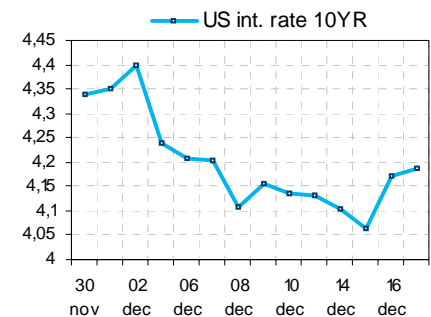
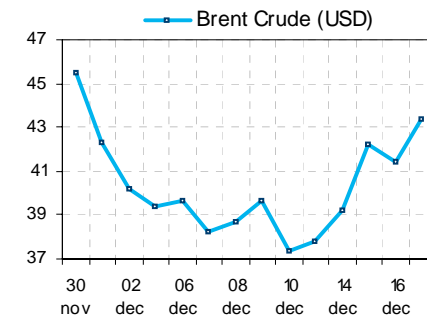
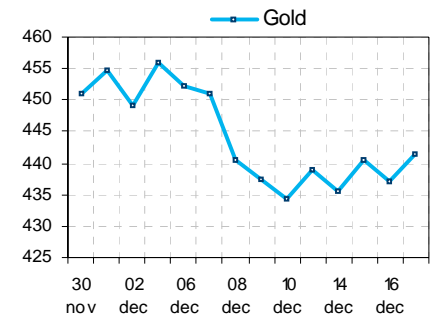
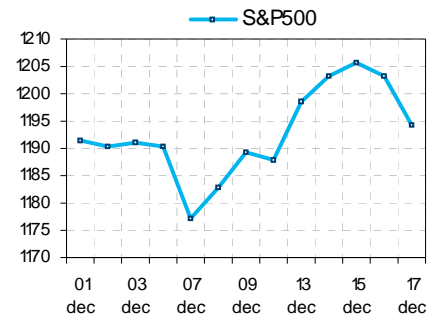
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Macroeconomic calendar

- ❖ US: Leading Indicators (Nov)
- ❖ JP: Convenience Store Sales (Nov)
- ❖ UK: M4 Money Supply (Nov P)
- ❖ UK: UK Car Production 3mth/3mth (Nov)
- ❖ GE: Factory Orders (Oct F)
- ❖ GE: PPI (Nov)
- ❖ IT: Unemployment Rate (Q3)

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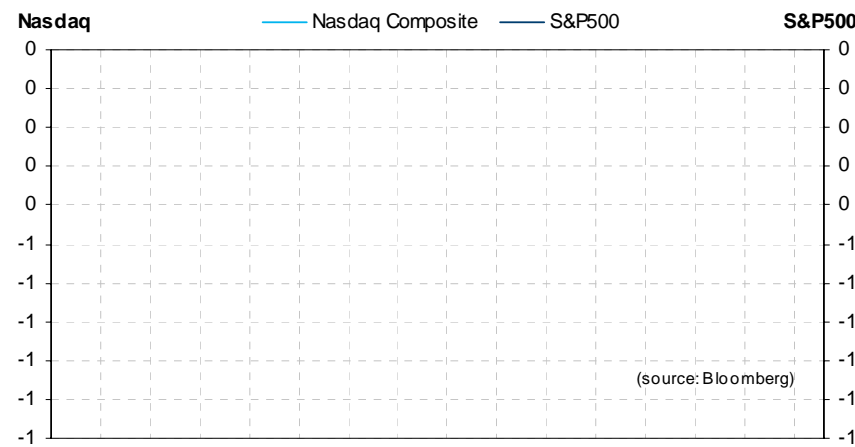
	Close	-1d	% chng
↓ S&P500	1.194,20	1.203,21	-0,75%
↓ Nasdaq Composite	2.135,20	2.146,15	-0,51%
↓ Dow Jones	10.649,92	10.705,64	-0,52%
↓ Eurostoxx 50	2.853,33	2.853,33	-1,3%
↓ CAC 40	3.744,92	3.810,67	-1,73%
↓ DAX 100	4.182,27	4.233,71	-1,22%
↓ AEX 25	343,49	346,43	-0,85%
↓ BEL 20	2.915,31	2.933,60	-0,62%
↑ Oil (Brent Crude)	43,39	41,45	4,68%
↑ Gold (USD/ounce)	441,50	437,20	0,98%
↑ Interest rate (USA, 10yr)	4,186%	4,173%	1,3bp



Wall Street comment

- ❖ Stocks in Wall Street, mainly due to the biggest drop in value since October 1987 for Pfizer after a study found that Celebrex raised the risk of heart attacks. The fall in Pfizer had a strong effect on other pharmaceutical stocks as well. The S&P500 lost 0.8% to 1194.20 and the Dow Jones closed 0.5% lower at 10649.92. The Nasdaq Composite dropped 0.5% to 2135.20. The indices extended their losses as oil prices had their biggest weekly gain in almost 5 years.
- ❖ Over the whole week the S&P500 nevertheless gained 0.5% as companies such as Sprint Corp., Johnson & Johnson and Symantec Corp. announced multibillion dollar acquisitions. The Dow closed the week 1% higher and the Nasdaq gained 0.3%.
- ❖ Pfizer tumbled 3.23 dollar to 25.75. The company said that its painkiller, Celebrex posed a greater risk to the heart than a placebo. The story strongly resembles what happened to Vioxx, which was withdrawn from the market in September.
- ❖ Eli Lilly, whose main product is the antidepressant, Prozac, fell 1.38 dollar to 56.02. The company said it added a safety warning to the label of its attention deficit drug, Strattera, after two people who took the drug suffered severe liver damage.
- ❖ An index of healthcare stocks lost 2%, which was the biggest drop among the S&P500's 10 industry groups. Healthcare stocks have also been the worst performers over the past year as Pfizer and Merck have slumped more than 27 and 32% respectively.
- ❖ AstraZeneca's US shares fell 3.11 dollar, or 7.7% to 37.10. The company has problems with Iressa and that is the second research setback this year for a potential 1 billion dollar product.
- ❖ Shares of OSI Pharmaceuticals Inc and Genentech Inc. which last month won regulatory approval for a rival cancer treatment, nevertheless went up. OSI surged 21.28 dollar, or 45% to 68.38 dollar and Genentech advanced 2.87 dollar to 51.36.
- ❖ A jump in oil prices weighed on benchmark indexes. Futures for January delivery rose 4.8% to 46.28 dollar a barrel. They gained 14% this week, their biggest weekly advance since January 2000. Rising oil prices raise concerns about corporate profits and inflation.
- ❖ PalmOne, the maker of the Treo mobile telephone, tumbled 9.44 dollar to 33.11. The company said profit this quarter will be 21 cents a share, whereas analysts had been aiming at a figure around 34 cents.
- ❖ Leggett & Platt dropped 2.40 dollars, or 8.1% to 27.30 dollar for the second biggest decline in the S&P500. The company which makes mattress springs and furniture parts said fourth quarter earnings will be at the low end of its prior forecast.
- ❖ Shares of Public Service Enterprise Group, the owner of New Jersey's largest utility, gained after the Wall Street Journal said the company is in talks to be acquired by Exelon Corp. Public Service rose 1.66 dollar to 47.27.

An insight into the US markets



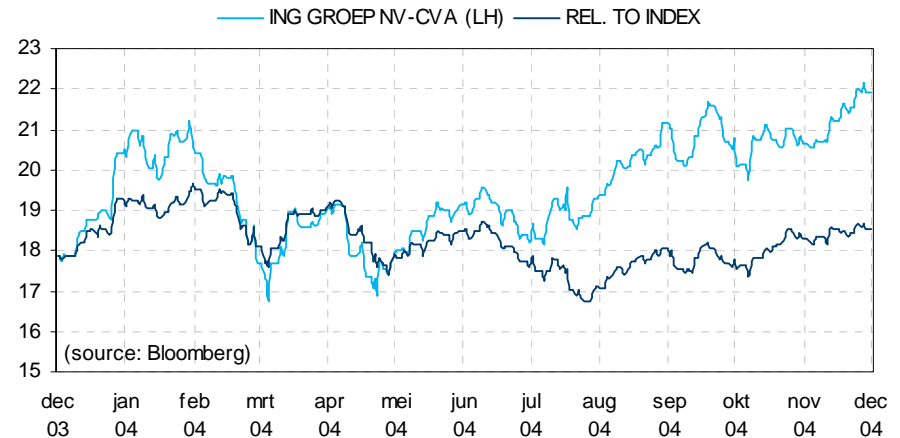
S&P500 subindices	Close	previous	% chng
↓ Consumer discretionary	530,40	533,10	-0,51%
↓ Consumer staples	234,21	236,51	-0,97%
↓ Energy	284,63	285,29	-0,23%
↓ Financials	403,36	405,49	-0,53%
↓ Health care	344,92	351,92	-1,99%
↓ Industrials	288,47	289,02	-0,19%
↓ Information technology	324,71	328,26	-1,08%
↓ Materials	180,14	180,78	-0,35%
↑ Telecommunications	129,15	128,84	0,24%
↑ Utilities	139,79	139,73	0,04%

Sectorindices	Close	previous	% chng
↓ Amex Computer Tech	713,10	723,26	-1,41%
↓ Amex Pharmaceutical	310,71	320,16	-2,95%
↓ Phil. Semiconductor	423,75	427,09	-0,78%
↓ S&P 400 midcap	651,66	651,88	-0,03%
↑ After-Hours indicator	1.601,55	1.596,61	0,31%

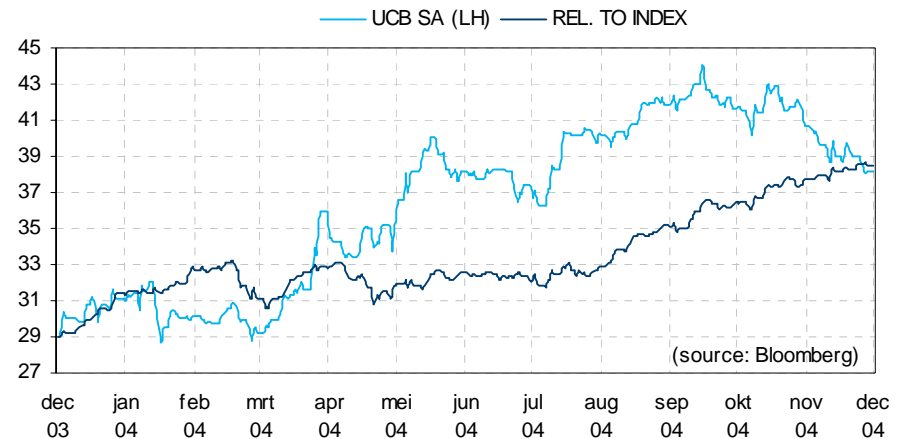
What's on in Europe

- ❖ Oil prices may influence trading in Europe, after oil futures posted their biggest weekly gain in almost five years. Crude oil for January delivery rose 4.8% to 46.28 USD a barrel on Dec. 17 on the NYMEX, while oil prices last week had the biggest weekly gain since January 2000.
- ❖ Yukos, Russia's biggest oil exporter, meanwhile may cease to exist after the government sold the company's biggest unit for 9.3 billion USD to an unidentified buyer, prompting concern about disruptions to Russian shipments. Analysts now say that Yukos cannot possibly survive with the level of cash flows from its remaining business.
- ❖ ING Groep plans to buy a 22% stake in Taiwan's Chang Hwa Commercial Bank before negotiating with the Ministry of Finance for a further 16.9%, the Commercial Times reported today. The Dutch bank is confident of securing the 22% stake Chang Hwa is selling to overseas investors either via private placement or global depository receipts to be issued by June.
- ❖ Imperial Tobacco, Europe's 2nd cigarette maker may be active as it is rumored to prepare a bid for Altadis, the maker of Gauloises cigarettes, the Sunday Telegraph reported
- ❖ Euronext plans to make a cash bid for LSE that will at least match an offer from Deutsche Boerse, the Sunday Telegraph reported. Europe's 2nd stock exchange believes its willingness to relocate management to London from Paris is just one advantage that sets it apart from Deutsche Boerse, whose overall head office would stay in Frankfurt
- ❖ Investors led by Baugur Group, the biggest Icelandic retailer, agreed to buy Big Food Group, a U.K. grocer, after which they plan to sell the company's Iceland food stores because competition is hurting the chain. The buyers are paying 95 pence a share in cash, valuing Big Food Group at 326 million GBP .
- ❖ E.ON, Europe's 2nd utility, may be interested in buying a share of Edison, Il Sole/24 Ore reported, without saying where it got the information.
- ❖ EADS, the world's biggest commercial-aircraft maker, won an order from India's UB Group for 10 single-aisle planes worth 1.8 billion USD that will be used by UB's new low-cost carrier, Kingfisher Airlines. Also, Deccan Aviation, India's only low-cost airline, plans to buy 30 Airbus planes, an order worth 1.8 billion USD.
- ❖ Scottish & Newcastle, the U.K.'s largest beermaker, will spend 171 million USD on a stake in United Breweries, the owner of the biggest beer brand in India, the world's second-most-populous country.
- ❖ Diageo, the world's largest liquor maker, agreed to buy the Chalone Wine Group for 260 million GBP. The transaction, which is expected to be completed to in 1Q of 2005, will enhance the range of premium brands in Diageo's North American wine business.
- ❖ UCB, Belgium's largest drugmaker said annual net income will be at least 10% higher than in 2003 and its research and development budget will be 480 million euros in 2005, up 59% from this year.

Stocks to watch



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UCB SA manufactures pharmaceuticals, specialty chemicals, and flexible films and packaging. The Company produces prescription medicines for neurological and allergic conditions and asthma, coatings such as Radcure, Crylcoat, and acrylic and polyurethane resins, methylamine, and cellulose and polypropylene flexible films for food packaging and industrial applications.

Macroeconomic publications

10 year interest rates

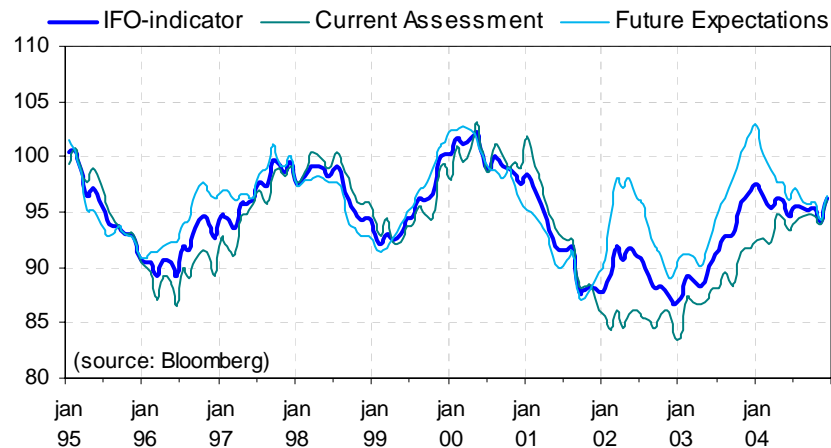
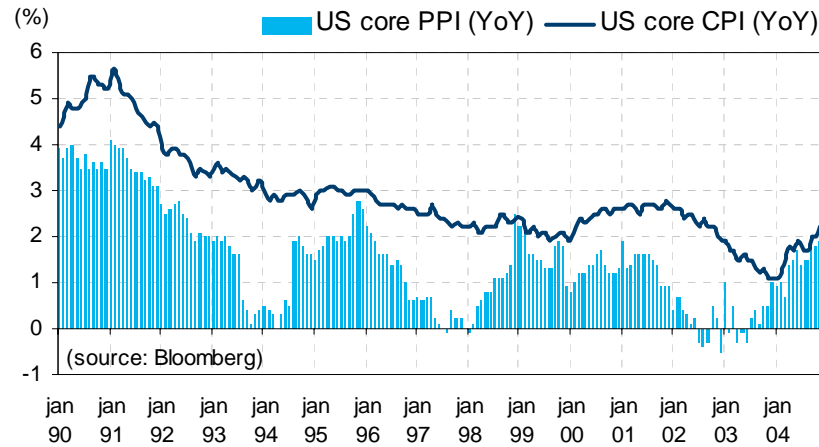
	Last	1W chng
USA	4,19%	1,4%
Japan	1,3%	1,64%
UK	4,49%	-0,71%
Belgium	3,62%	0,5%
Germany	3,57%	0,22%
France	3,57%	0,25%
Sweden	2,24%	2,8%

2 year interest rates

	Yield	1W chng
USA	2,84	1,98%
Japan	0,035	0%
UK	4,38	1,48%
Belgium	2,35	3,07%
Germany	2,28	3,02%
France	2,32	3,3%
Sweden	2,28	3,02%

Euribor

	Yield	% YTD
1M	2,174	3,48%
2M	2,173	2,79%
3M	2,175	2,4%
6M	2,19	1,75%
12M	2,307	0,09%



Commodities

	Last	1Y chng
Gold	442	7,91%
Aluminum	1.833	16,83%
Copper	3.033	38,81%
Lead	930	35,77%
Nickel	13.550	-7,2%
Tin	8.760	43,61%
Zinc	1.224	23,77%

Common goods

	Last	1Y chng
Brent Crude	43,39	41,85%
Oil fut. Jan05	46,05	60,29%
CRB index	287,19	9,89%
Capesize	6.592	-1,28%
Panamax	4.825	7,71%
256 Dram	4,48	12%

Exchange rates

	Last	% YTD
EUR/USD	1,332	-5,78%
EUR/GBP	0,687	2,69%
EUR/JPY	129,190	-3,09%
EUR/CHF	1,745	-4,22%
EUR/CAD	1,540	1,34%
EUR/AUD	0,831	-2,64%

Company results

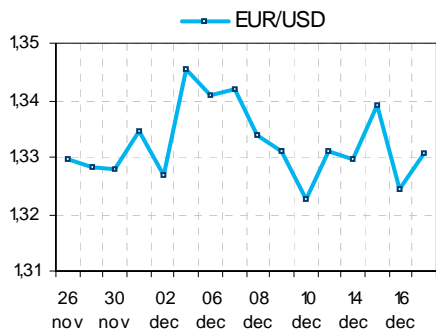
Company results Europe

Company name	Last price 20/12/04	Industry group	Publication date	Publication time	IBES EPS 2004	IBES SALES 2004	IBES EBITDA 2004
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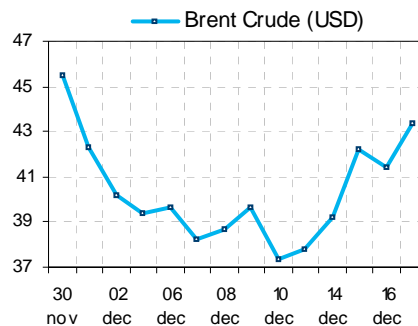
Company results Wall Street

Company name	Last price 20/12/04	Industry group	Publication date	Publication time	IBES EPS 4Q2004	IBES EPS 2004	IBES SALES 2004	IBES EBITDA 2004	IBES NET PROFIT 2004
JABIL CIRCUIT	26,14	Electronics	20/12/2004	Aft-mkt	0,31	1,23	1.793	510	250
NAVISTAR INTL	41,81	Auto Manufacturers	20/12/2004	-	1,86	3,03	2.440	590	184
ATI TECHNOLOGIES	19,37	Semiconductors	21/12/2004	Bef-mkt	0,26	1,02	626	337	264
BEAR STEARNS COS	105,4	Diversified Finan Serv	21/12/2004	Bef-mkt	2,14	9,30	1.554	-	1.286
GENERAL MILLS IN	48,36	Food	21/12/2004	-	0,87	2,85	3.172	2.443	1.087
MORGAN STANLEY	54,85	Diversified Finan Serv	21/12/2004	-	1,01	3,99	5.778	-	4.451
PAYCHEX INC	33,12	Commercial Services	21/12/2004	Aft-mkt	0,23	0,94	345	577	359
RESEARCH IN MOTI	83,07	Computers	21/12/2004	Aft-mkt	0,55	1,99	364	361	376
SOLETRON CORP	5,95	Electronics	21/12/2004	16:00	0,05	0,25	3.011	549	247

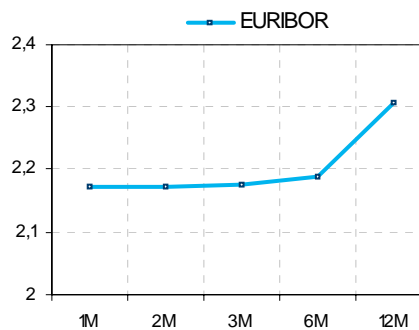
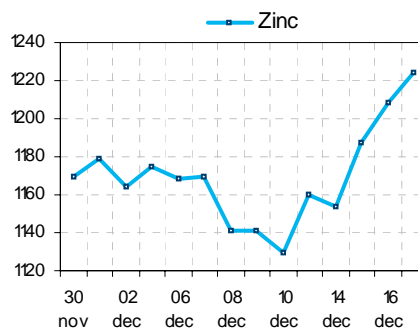
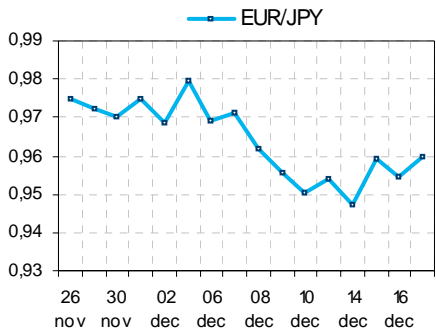
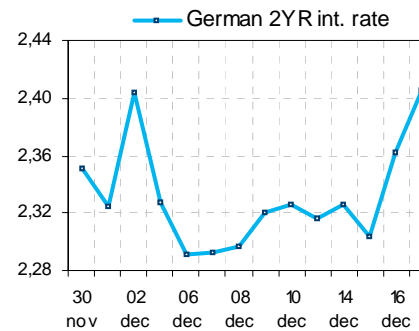
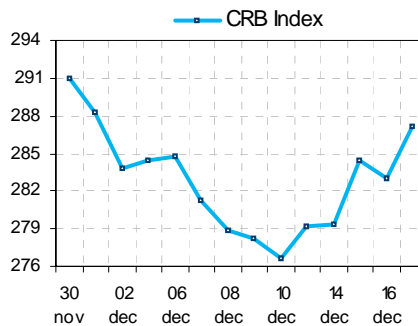
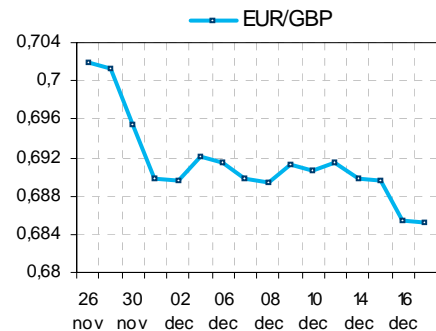
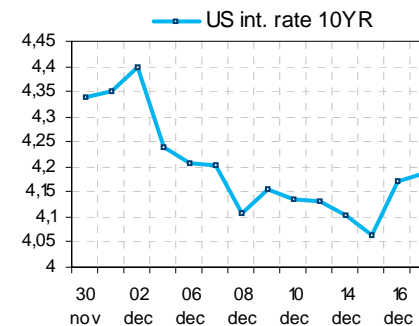
Exchange rates



Commodities



Interest rates



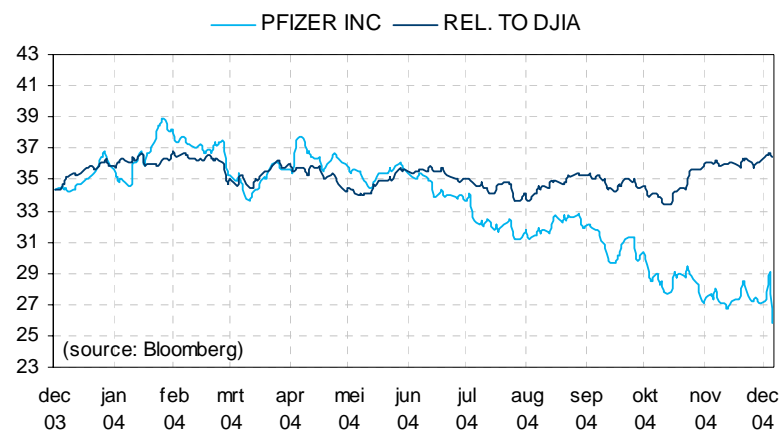
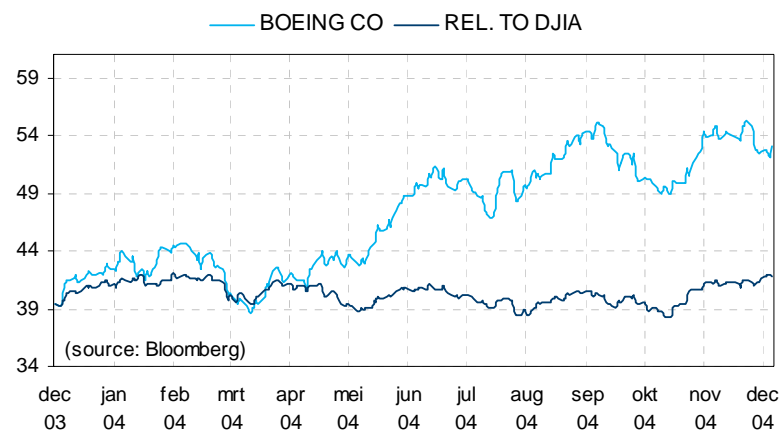
Gainers and losers Dow Jones

Open price: 10.704,83
Close price: 10.649,92

Est. P/E 2003: 16,62
Dividend Yield: 2,24%

Return YTD: 1,88%
Return 1Y: 3,62%

	Name	Last Price	% chng	P/E Ratio	Est. P/E 2004	Est. PEG	Dividend Yield
Gainers							
↑	1 BOEING CO	53,1	1,96	25,17	20,61	2,19	1,47%
↑	2 UNITED TECH	103,9	1,86	19,46	18,89	1,77	1,35%
↑	3 VERIZON COMM	40,9	1,24	16,69	16,31	2,84	3,79%
↑	4 3M CO	80,62	0,90	22,33	21,55	1,90	1,8%
↑	5 AMER INTL GR	65	0,82	15,40	14,82	1,07	0,41%
↑	6 JOHNSON&JOHN	63,58	0,20	21,19	20,71	1,76	1,66%
↑	7 SBC COMMUNIC	25,7	0,00	17,25	17,80	2,19	4,9%
↓	8 AMERICAN EXP	55,91	-0,05	21,26	20,47	1,67	0,79%
↓	9 MCDONALDS CO	32,54	-0,37	17,78	16,91	2,09	1,69%
↓	10 HEWLETT-PACK	20,96	-0,43	15,64	13,75	1,40	1,56%
Losers							
↓	1 PFIZER INC	25,75	-11,15	12,44	12,10	1,12	2,6%
↓	2 INTEL CORP	22,51	-1,57	19,69	19,78	1,24	0,73%
↓	3 GENERAL MOTO	38,62	-1,55	5,63	6,10	0,94	5,18%
↓	4 ALTRIA GROUP	59,97	-1,54	12,34	12,72	1,42	4,72%
↓	5 WAL-MART STO	52,02	-1,38	22,42	21,71	1,58	0,84%
↓	6 HOME DEPOT I	42,01	-1,36	19,01	18,58	1,43	0,79%
↓	7 MICROSOFT CO	26,8	-1,33	21,10	21,36	1,88	12,32%
↓	8 IBM	96,2	-1,28	19,96	19,21	1,87	0,74%
↓	9 PROCTER & GA	55,44	-1,18	22,86	21,25	2,10	1,8%
↓	10 JPMORGAN CHA	38,52	-1,05	11,82	12,861	1,113	3,53%



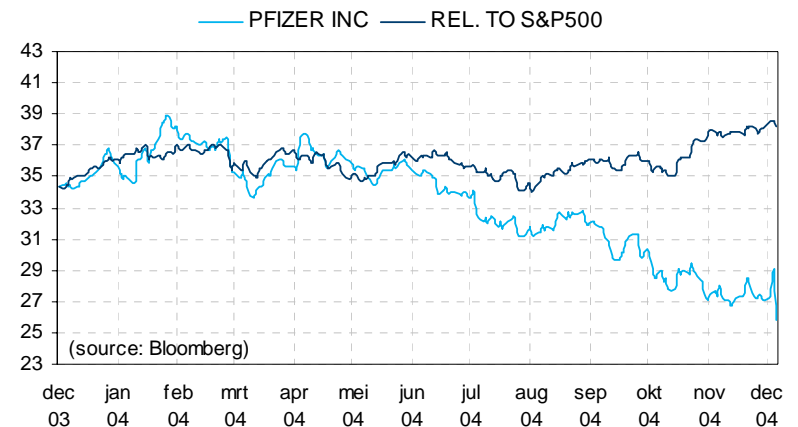
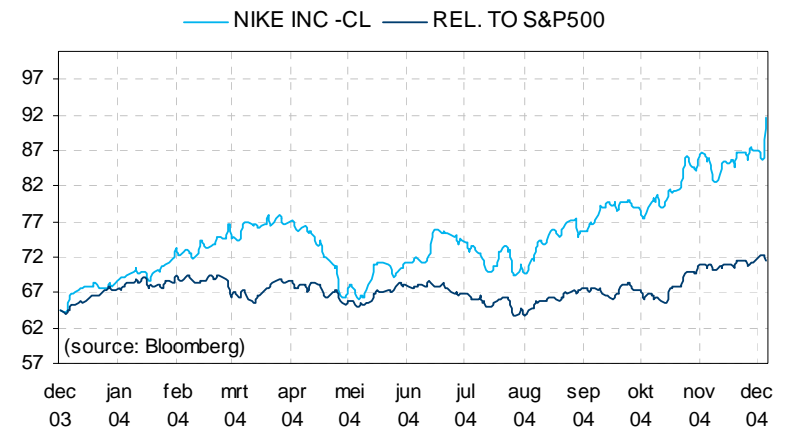
Gainers and losers S&P500

Open price: 1.203,21
Close price: 1.194,20

Est. P/E 2003: 17,76
Dividend Yield: 1,94%

Return YTD: 7,4%
Return 1Y: 9,69%

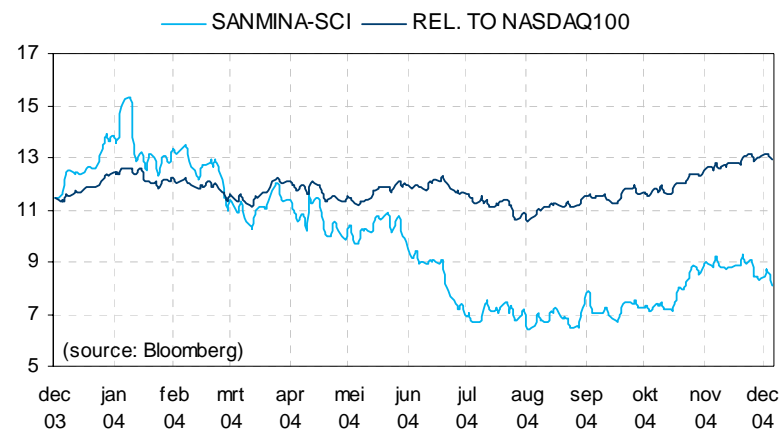
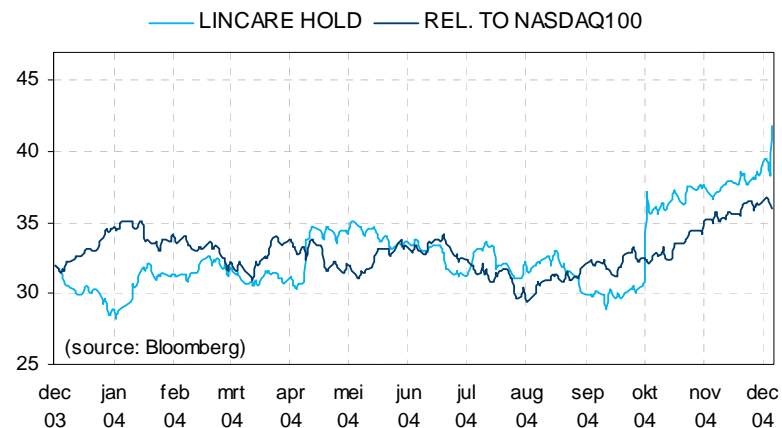
	Name	Last Price	% chng	P/E Ratio	Est. P/E 2004	Est. PEG	Dividend Yield
Gainers							
↑	1 NIKE INC -CL	91,7	6,75	22,64	21,09	1,69	0,95%
↑	2 FISERV INC	39,75	5,16	21,60	20,80	1,33	0%
↑	3 AUTODESK INC	72,05	3,74	45,60	42,58	3,00	0,17%
↑	4 PUB SERV ENT	47,27	3,64	14,07	14,80	4,02	4,65%
↑	5 AVAYA INC	17,73	3,38	36,18	21,52	2,71	0%
↑	6 CONVERGYS CO	14,9	3,26	15,52	16,97	1,54	0%
↑	7 NEW YORK TIM	40,54	2,79	21,01	21,10	2,11	1,51%
↑	8 NABORS INDS	53,19	2,54	32,04	28,57	1,09	0%
↑	9 COMPUWARE CO	6,07	2,53	35,71	37,94	2,90	-
↑	10 FEDEX CORP	100,01	2,35	23,10	21,06	1,57	0,29%
Losers							
↓	1 PFIZER INC	25,75	-11,15	12,44	12,10	1,12	2,6%
↓	2 LEGGETT & PL	27,3	-8,08	19,23	18,96	1,20	2,14%
↓	3 WORTHINGTON	19,31	-5,85	8,29	10,09	0,46	3,31%
↓	4 SANMINA-SCI	8,06	-5,06	32,24	18,24	1,74	0%
↓	5 DARDEN RESTA	26,62	-4,59	16,43	15,87	1,36	0,31%
↓	6 BIG LOTS INC	11,47	-4,58	21,64	27,98	1,44	-
↓	7 CIRCUIT CITY	14,72	-3,66	25,03	32,21	1,46	0,48%
↓	8 PERKINELMER	21,88	-3,57	26,05	24,67	1,51	1,28%
↓	9 CIENA CORP	2,78	-3,14	-	-	-	0%
↓	10 POWER-ONE IN	9,17	-3,07	-	-	-	-



Gainers and losers Nasdaq100

Open price:	1.608,64	Est. P/E 2003:	29,79	Return YTD:	8,77%
Close price:	1.596,61	Dividend Yield:	1,12%	Return 1Y:	11,95%

	Name	Last Price	% chng	P/E Ratio	Est. P/E 2004	Est. PEG	Dividend Yield
Gainers							
↑	1 LINCARE HOLD	41,82	8,88	16,21	15,54	0,87	0%
↑	2 FISERV INC	39,75	5,16	21,60	20,80	1,33	0%
↑	3 GARMIN LTD	57,66	4,72	29,42	29,00	2,17	0,87%
↑	4 RESEARCH IN	85,32	2,71	-	42,92	-	0%
↑	5 ATI TECHNOLO	19,88	2,63	-	19,43	-	0%
↑	6 COMPUWARE CO	6,07	2,53	35,71	37,94	2,90	-
↑	7 TEVA PHARM-A	29,6	2,07	-	20,67	-	0,56%
↑	8 CEPHALON INC	48,99	1,94	24,62	20,73	1,03	-
↑	9 SYMANTEC COR	25,55	1,67	35,00	30,82	2,04	0%
↑	10 BIOMET INC	43,92	1,53	30,29	28,01	1,90	0,46%
Losers							
↓	1 SANMINA-SCI	8,06	-5,06	32,24	18,24	1,74	0%
↓	2 CAREER EDUCA	36,51	-3,54	21,23	19,75	0,94	0%
↓	3 CINTAS CORP	44,74	-2,97	26,95	25,55	1,82	0,7%
↓	4 NVIDIA CORP	22,97	-2,88	52,2	50,71	2,60	0%
↓	5 RYANAIR HLDG	39,83	-2,66	145,9	21,57	-	0%
↓	6 BEA SYSTEMS	8,91	-2,41	25,46	25,53	1,96	0%
↓	7 BROADCOM COR	31,15	-2,38	26,18	25,62	1,21	0%
↓	8 LEVEL 3 COMM	3,34	-2,34	-	-	-	-
↓	9 APPLE COMPUT	65,11	-2,31	87,99	45,03	3,63	-
↓	10 FLEXTRONICS	14,05	-2,16	23,03	21,516	1,125	0%



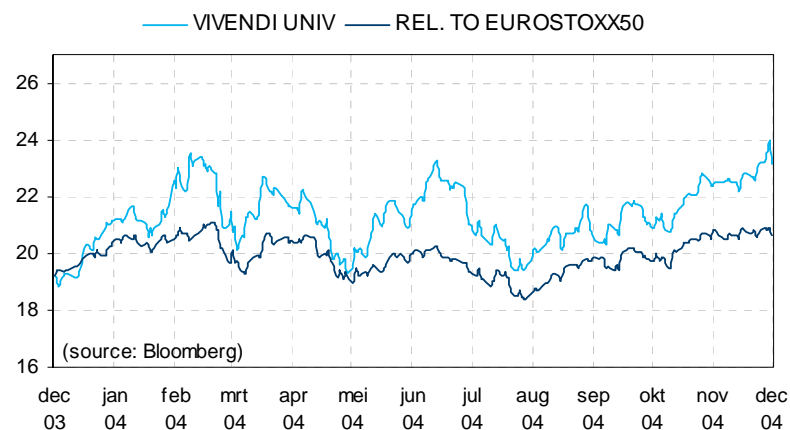
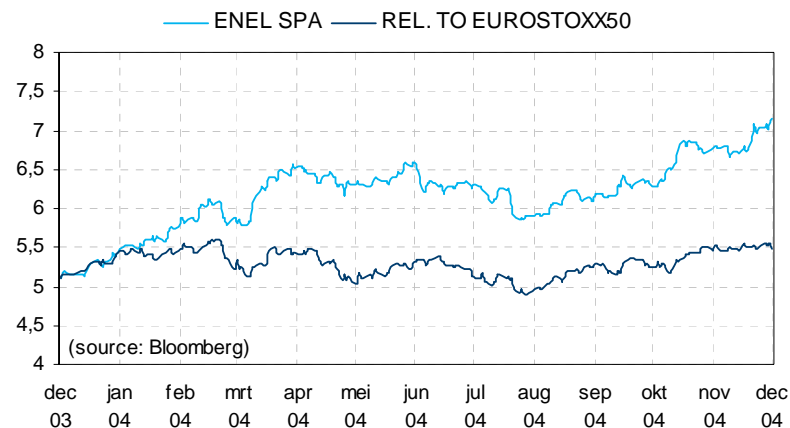
Gainers and losers Eurostoxx50

Open price: 2.929,62
Close price: 2.891,48

Est. P/E 2003: 14,18
Dividend Yield: 2,92%

Return YTD: 4,74%
Return 1Y: 6,1%

	Name	Last Price	% chng	P/E Ratio	Est. P/E 2004	Est. PEG	Dividend Yield
Gainers							
↑	1 ENEL SPA	7,16	0,77	13,98	15,98	3,79	7,22%
↑	2 UNICREDITO I	4,177	0,31	14,02	12,85	1,56	4,59%
↓	3 TIM SPA	5,456	-0,07	23,02	20,99	4,13	4,89%
↓	4 ABN AMRO HLD	19,25	-0,10	8,37	8,59	1,32	5,24%
↓	5 SANTANDER	8,95	-0,11	11,08	13,52	1,23	3,65%
↓	6 BBVA	12,7	-0,24	16,60	15,80	1,04	3,31%
↓	7 DEUTSCHE TEL	16,4	-0,24	24,48	23,94	1,29	3,21%
↓	8 IBERDROLA SA	18,2	-0,44	14,15	13,95	2,00	4%
↓	9 SANPAOLO IMI	10,103	-0,66	15,25	14,97	0,82	4,59%
↓	10 MUENCHENER R	89,3	-0,67	12,85	10,57	1,68	1,88%
Losers							
↓	1 VIVENDI UNIV	23,17	-3,46	-	-	-	1,64%
↓	2 ST GOBAIN	43,47	-2,84	13,84	13,38	2,30	2,82%
↓	3 AXA	17,78	-2,68	31,19	13,74	14,51	2,93%
↓	4 SAP AG	130	-2,55	33,94	30,56	2,70	0,67%
↓	5 SUEZ SA	18,76	-2,44	-	15,89	-	4,15%
↓	6 E.ON AG	64,73	-2,29	8,15	12,54	4,53	3,5%
↓	7 NOKIA OYJ	11,25	-2,26	15,62	17,26	16,28	2,8%
↓	8 FRANCE TELECOM	23,97	-2,12	40,63	19,05	1,89	1,89%
↓	9 PHILIPS ELEC	19,32	-2,08	8,44	10,70	0,61	2,07%
↓	10 LAFARGE SA	69,55	-2,04	12,04	13,534	3,17	3,45%



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