Not the way I play.

WC Fields found himself in a railway carriage in the sole company of a boy of 18. Producing a pack of playing cards from his inside pocket, he deftly fanned them, did a one-hand shuffle and addressed the lad, “Fancy a hand of poker, son?

The boy thought for a moment before responding guardedly, “Isn’t that a game of chance, sir?

WC exhaled a cloud of smoke, grinned broadly and replied, “Not the way I play.”

Now mining and poker have much in common. They say, as they say of life itself, you can only play the hand you are dealt. Yet bluff and studying the up cards are the true determinants. At this stage of the game, the Chinese have two aces showing. The Americans have two kings up. But neither of these countries is much good at poker. The Russians and Indians are, whilst the Africans think it is something with which to stir the fire. The Chinese aces are their enormous appetite of imported raw materials and a huge stash of US dollars. America’s kings are their grip on the world currency system and their ferocious appetite for imported goods. Particularly the Chinese variety. This game has a long way to go.

The rebound in commodity prices has been impressive. There have to be those who caution that this bubble will burst, but why should it? Bar copper, the metals have not threatened their previous, short-lived highs, yet. Tellingly, the shares in part have. Also, there is a growing pragmatism amongst the oil producers. They do not want a runaway price for crude. Why? Because above $80 a barrel, the competition kicks in. Tar sands, gas shales, deep sea oil reserves. Forget uranium. Just wait until you hear it for frozen methane. The Arctic has a lot of it.

Now, back to the card table. US President Obama is playing his two kings to advantage. He will meet with his Chinese counterpart and address the real issue of the Yuan piggybacking on the dollar at 6.83 instead of floating. If it did float, the Yuan would surely strengthen would it not? So, imported raw materials would be cheaper, but exported products less competitive. Does it matter? China’s domestic appetite is huge and its labour costs low. It could handle it. Yet for some time to come, we are still going to buy our poker chips in US dollars.

Now, what of the Indians? They have a jack and queen of clubs showing. Could be the start of a straight flush. Their strength is in depth. Their conglomerates are growing and diversifying daily. Arcelor Mittal, Vedanta, Tata. Indians have an easier way of doing business and much more international experience than the Chinese. Their population is set to overtake China’s in a decade. They, too, have Africa firmly in their sights. The Russians have not yet shown their hand, but they will. Sad to say, the others are bit players. Whatever North American has, South America has, Australia has. There are six serious gamblers at the table, but only two who play poker for a living.

Raise you one and see yours?

Exchange Traded Metals

Onwards and upwards with copper, having broken $8000 per tonne in the week, showing magnetic properties in pulling its stablemates behind it. As ever, we look at the impact of metal prices on shares and here is what we see:

Table 1: Mining and Metals, One Year On. 2009-2010

Metal ($/tonne)	Price 12/4/09	Price 10/4/09	% Change	LME Stocks (mt) 12 Apr 09	LME Stocks (mt) 10 Apr 10	LME Stocks (mt) % Change
Aluminium	1450	2537	75%	3.55	4.59	29%
Copper	4465	7895	77%	0.50	0.51	2%
Lead	1351	2280	69%	0.06	0.17	183%
Nickel	10750	25110	134%	0.11	0.16	45%
Tin	11050	18600	68%	0.01	0.02	100%
Zinc	1351	2355	74%	0.35	0.55	57%
Gold	880	1163	32%			
Platinum	1195	1727	45%			
Silver	12.26	18.44	50%			
Brent Crude Oil	53.6	83.3	55%			
Pt/Gold Ratio	1.36	1.45	7%			

Shares (pence)	Price 12/4/09	Price 10/4/09	% Change
FTSE 100	3984	5771	45%
Anglo American	1396	2980	113%
BHPB	1408	2887	105%
Rio Tinto	2361	3949	67%
Xstrata	572	1299	127%
Gem Diamonds	121	237	96%
Firestone Diamonds	21	32	52%
Antofagasta	530	1062	100%
ENRC	476	1238	160%
Kazakhmys	436	1591	265%
Vedanta	778	2919	275%

Source: Week in Mining

With the single exception of LME copper stocks, everything bounded ahead. Now it is an anomaly for both share and metal prices to be roaring ahead whilst stocks in warehouses are rising, too. That it signals a bull market is hard to defy. Yet in percentage gains, the shares lead by a country mile. The miners have totally outpaced the rest of the Index. It is probably time to draw breath. Last week, risers were insignificant and there were minor fallers. The massive hikes in iron ore and coal have been noted and are in the price. Another spike in the metals would push them further but the buzz on the street is for capacity coming back on stream. The news from South Africa is disturbing but it is bulk minerals we must worry about there.

As we show, nickel's price rebound of 134% from its low far outstrips its sister metals, but is well below its all time high. LME stocks are about 10% of annual world demand. A similar tonnage is affected in the long drawn out Sudbury, Canada labour dispute. Much is happening on the corporate front. Nickel has its friends and enemies in greater proportion than most. **European Nickel** (AIM:ENK 8.58; Hi-Lo 12.50p-5.90p) claims its merger with **Rusina** (AIM:RMLA 6.25p; Hi-Lo 7.63p-2.83p) announced February 2nd is already yielding benefits at Caldag, Turkey and Acoje in the Philippines. The latter was a significant chromite producer for many years and also has platinum. Still at the feasibility stage, it could also bring up to 1000 tpa cobalt to the market. That would ease the political impact of the DRC, the world's majority producer.

Copper. Rio Tinto nonetheless, says there will be a 'meaningful' copper deficit next year, following a balanced market in 2010. The world's largest mine, Escondida, Chile (BHPB 70%, Rio Tinto 30%) is back on track after two years of falling output. It should top 1.0 million tpy again, 6% of world supply. Copper hit an all time high of $8940 in July 2008. But not everyone sees the supply-demand balance that way. GFMS showed a world surplus of 777,000 tonnes in 2009, which goes some way to explaining stock levels.

Table 2: Metal Stocks in LME Warehouses

Metal	2 April 2010	10 April 2010	% Change
Aluminium	4,600,150	4,586,125	-0.30%
Copper	514,325	511,250	-0.60%
Lead	175,850	175,025	-0.47%
Nickel	156,426	155,670	-0.48%
Tin	24,305	24,195	-0.45%
Zinc	542,200	546,700	0.83%

Source: Mining Journal

Precious Metals

All three of our favourites, gold, silver, platinum, jerked up about 3% on the week. Trace that curve to infinity and you would be inflation proof. But that is not how it happens, is it? As shown in Exchange Traded Metals, the precious have seriously lagged the industrials this past year. Will they continue to do so? Well, annual increases of gold 32%, platinum 45% and silver 50% are not to be ignored. The financial fear factor remains. China has discovered a nose for gold and as for platinum, a combination of most of it coming out of RSA and going into automobiles hardly signals a sell, does it? Backing up the gold story, WGC says China's gold demand is already second to the US, and is set to double in the next ten years.

Bulk Commodities

Iron Ore again grabbed the headlines. As world Nº 3, Rio Tinto followed its partners in crime, Vale and BHPB in opting for quarterly contract pricing. So there we have it. Spot markets will remain the litmus paper, but an end to annual contracts.

No shortages, just where is it at and where is it going to? Not a week passes without another mega deposit of iron ore being announced. To perspectivise it: world demand by 2014 will be about 2 billion tonnes. China has just announced potential reserves of 200 billion tonnes. Now that is enough, for all of us, for 100 years. **African Aura Mining** (AIM:AAAM 71p; Hi-Lo 82.75-27p) speaks of 1.08 billion tonnes in Liberia as do others. Sierra Leone is bristling with it and these are only the newcomers. So what is the trick? Quantity is not an issue: quality and location are. Overall, location more than anything else. It hits on infrastructure (it helps to have a port and a railway line and energy). Then labour costs and overriding it all, political certainty, or the lack thereof. Politics can change overnight. We heard it for Kyrgyzstan last week. South Africa's simmering pot is sending bubbles to the surface. And so to Guinea. That troubled region did better than most when resources were being shared out. It got a big piece of land, an abundance of minerals, major river systems and an Atlantic coastline. Most of all, it got the largest reserves of bauxite, the feedstock of aluminium. In recent years, it has attracted the world's largest in that industry, **Rusal,** right to the refinery stage. It is always a debatable decision to build a refinery in a politically suspect country. You cannot take the furnaces home with you if things go wrong. They have gone wrong in Guinea. It has a transitional government and is beset by strikes. Does not help that the huge Rio-Alcan J/V, CBC, pays higher wages than Rusal. Still there are darn near four months' supply of the metal in LME warehouses, so this one can run.

The latest entrant to both Guinea and iron ore is **Bellzone Mining**, listed on AIM in early April having raised £33.6M for projects in Guinea. It started life at 35p and has, at its wholly owned KATA project, 13Bt of magnetite and some oxide ore. Much work has to be done before its bankable feasibility is complete. It is institutionally backed, but much depends on how the provisional government of Guinea shapes up.

Table 3: Commodity Price Movements

Commodity		2 April 2010	10 April 2010	% Change
Aluminium	$1/tonne	2329	2357	1.20%
Copper	$1/tonne	7880	7895	0.19%
Lead	$1/tonne	2182	2280	4.49%
Nickel	$1/tonne	25470	25190	-1.10%
Tin	$1/tonne	18680	18600	-0.43%
Zinc	$1/tonne	2370	2355	-0.63%
Gold	$/ounce	1127	1163	3.19%
Silver	$/ounce	17.95	18.44	2.73%
Platinum	$/ounce	1675	1727	3.10%
Brent Crude Oil	$/bbl	83.1	83.3	0.24%
Platinum/Gold	Ratio	1.49	1.48	-0.67%

Source: The Times of London

Exchange Rates

The Greek-inspired Euro-crisis took most of news space but eyes are on the potential revaluation of the Chinese yuan. There was a tug-of-war, too, on the pound. It consolidated against both dollar and euro on the Conservatives again looking strong ahead of the May 6th General Election. The Euro scrap intensifies. In essence, Greece needs to pay overdue subscriptions of €17.5 billion quickly to stay in the Euro club. The best it can do is sell bonds (There is no truth in the rumour that the British Museum bid the whole amount for the Parthenon, to go with the Elgin marbles). Greece got €5 billion away last week on a seven-year term, but needs the balance of €10.5 by May 17th. The coupon is trading at around 7.0% plus against market rates of 6%. Each Eurozone member is being asked to stump up. The most affluent one, Germany, will not be easy on its profligate neighbour. The Greeks will almost certainly muddle through, with a little help from their friends. But waiting their turn for the surgeon's knife are Ireland, Spain, Portugal, Italy…. This is no time to desert the dollar.

Table 4: Exchange Rates Movements

Currency	2 April 2010	10 April 2010	% Change/week
£:$	1.53	1.53	0.00%
€:£	1.13	1.14	0.88%
£:SA Rand	11.12	11.17	0.45%
US$:Aus$	0.93	0.93	0.00%

£:Aus$	1.66	1.65	-0.60%
Br Reale:US$	1.77	1.77	0.00%
$:€	1.35	1.34	-0.74%
$:SA Rand	7.28	7.27	-0.14%
$:Rupee	44.9	44.29	-1.36%
US$:HK$	7.77	7.76	-0.13%
$:Israeli Shekel	3.7	3.69	-0.27%
$:Thai Bhatt	32.37	32.23	-0.43%
$:Yuan	6.83	6.83	0.00%

Source: Financial Times

Share Price Movements, Majors

We were due for a breather and we got one. As the comparative tables in Exchange Traded Metals show, the major shares have run well ahead of their underlying mineral prices in the past twelve months. So there is consolidation, cash building and bargain spotting. But we are not hearing it for a pit bull contest. **Xstrata** is the only major not at, near or above its annual high. Mick 'the knife' Davies is warning the South Africans that his company's ambitions there will hang on sensible power prices. **Vedanta** keeps stoking the Zambian furnace and commendably spreading both its international and minerals type risk. Despite breaking its twelve-month high, it has further to go.

Just a tickle. Cyclically, big companies go through what is sometimes called 'bundling' or its alter-ego, 'unbundling'. It is a bit of a fad, prompted to a degree by investors. We have just had two decades of bundling. The results is the Rio Tintos, the BHPBs and the Anglo-Americans.

The reason why mining analysts go prematurely bald, blind and die of liver-related diseases by the age of 40 is this: how do you analyse a group which is into twelve minerals and their derivates on five continents in 15 countries, three of which go pear-shaped every month? Oh, and the foreign exchange variable. So, eventually, they get back around to unbundling again. They wrap all their Canadian gold into a vehicle called Canadian Gold, Inc., register it on the TSX and we all live happily ever after. If you like gold and Canada, that is the share for you. No need to worry that your hard earned profits are drifting down the Amazon looking for tantalum. The gold miners and the diamond miners – some of them – are readopting this technique. Probably not before time.

It is also called 'getting rid of non-core assets'. Hard sometimes to identify your core when your spread runs from antimony to zircon, but you can let bits fall off as Rio has done with its ill-advised Alcan purchase. Rio is now largely out-of packaging and just makes ingots again.

Vedanta (LSE:VED 2919p; Hi-Lo 2967-845.5p) put out a credible Q4 production report, led by iron ore, up almost 34% with a target of 50Mtpa by 2013. There is little consensus in the earnings forecasts ranging $2.15 to $6.17 in the year to 31 March 2011. That gives a wide multiple of 7.2-20.7 at a current price of 2919p.

Xstrata. Compounding ESKOM's problems, Xstrata is putting on hold a £450M expansion plan because it cannot get economic tariffs out of the state generator. In tandem with this, Xstrata's pugilistic Chairman says South Africa has great potential. An all-embracing word, potential, much loved of school teachers in term-end reports. Tellingly (Creamer Media reports), the cost for ESKOM to build a power station is $3500/kW. Private companies can apparently do it for $1500-2000. Funny thing, state control.

BHPB is right in there, too, renegotiating the power contracts for its energy-hungry aluminium smelters in South Africa and Mozambique.

Newcrest vs Lihir, a gold giant in the making? Should Newcrest eventually succeed in its bid for Lihir, it would create the world's 4th largest gold miner by market cap and 5th in output. There will be ten relatively low-cost long-life mines in five countries. The current combined market caps are c$25 billion. Enough to make your eyes water. Those who claim to know have written **Hold** against both. If in doubt, go with the bidee.

Table 5: Share Price Movements, Majors

Stocks	2 April 2010	10 April 2010	% Change	12-mo Hi-Lo	% Above Low
FTSE 100	5744.89	5771.0	0.45%	6364 – 3530	63.48%
Anglo American	2947	2979.5	1.10%	2979 – 906	228.86%
Antofagasta	1075	1062	-1.21%	1075 – 353	200.85%
BHPB	2301	2287	-0.61%	2301 – 1025	123.12%
ENRC	1225	1238	1.06%	1225 – 416	197.60%

Gem Diamonds	255	237.1	-7.02%	282 – 104	127.98%
Hargreaves Services	665	661	-0.60%	768 – 415	59.28%
Kazahkmys	1582	1591	0.57%	1591 – 187	750.80%
Rio Tinto	4006.5	3949	-1.44%	4006 – 1112	255.13%
UK Coal	50	50	0.00%	164 – 49	2.04%
Vedanta	2863	2919	1.96%	2919 – 193	1412.44%
Xstrata	1300	1299	-0.08%	2510 – 289	349.48%

Source: Proquote

Share Price Movements, Small and Medium Caps

Tanzania is still, by and large, small cap country. Its potential is huge and its range of minerals impressive. It has attracted a lot of the big boys and there is much compartmentalising going on between gemstones, uranium, gold and base minerals. The Tanzanian Government has been considering amending its terms of engagement for foreign mining groups for some time. The hope has to be this falls closer to the Namibia-Lesotho-Zambia datum thatn the Angolan. No decisions will be made, our man on the ground tells us, until after the October 2010 general elections. Meanwhile, **African Eagle** (AIM:AFE 4.25p; Hi-Lo 12.50-3.0p) is said to be planning to sell its 75% held Igurubi Gold exploration project to Peak Resources (ASX:PEK A$0.17; Hi-Lo A$0.23-A$0.02). It will probably divest other non-nickel resources to concentrate on its flagship Dutwa project. Should the Peak deal be concluded, privately-held **Zari Exploration** would receive a 7.5% free carry for work carried out to date. Zari specialises in bundling discrete groups of licences in Tanzania.

Extract Resources (ASX:EXT A$7.95; Hi-Lo A$11.45-A$3.19) has announced further ‘exceptional’ assay results from the Rossing South, Namibia uranium deposit. Payable widths run at between 12m and 56m in Zone 1 and 22m to 71m in Zone 2. Estimates of resources for the two zones are expected in Q3. This deposit continues to build towards being one of the world’s largest. **Kalahari Minerals** (AIM:KAH 170.75p; Hi-Lo 211p-95p) owns 40.28% of Extract. **Add-Buy.** Our three-year target is 268p.

African Diamonds (AIM:AFD 40.25p; Hi-Lo 56.0p-20.0p) has had its sticky ones on the Botswana AK6 diamond pipe forever. Its J/V partner DeBeers pulled out some months ago, selling to **Lucara Diamond Corp** and leaving AFD with 29%. The company plans to exercise its rights to bring this up to 40% and has placed 24M shares at £0.40 to do just that. This has always been tomorrow’s story. We are now told it will be a 3 Mtpa producer, not 2 Mtpa, as previously reported. OK, but when?

Table 5: Share Price Movements, Small and Medium Caps

Small Caps	2 April 2010	10 April 2010	% change
African Consolidated Resources	13.0	13.25	1.92%
Cape Resources	4	3.88	-3.00%
Cluff Gold	95.5	99.25	3.93%
Europa Oil & Gas	16	14.75	-7.81%
Eurasia Mining	0.62	0.66	6.45%
Firestone Diamonds	32.25	32.0	-0.78%
Goldplat	10.5	10.5	0.00%
Gemfields	5.12	5.12	0.00%
Herencia	0.69	0.68	-1.45%
Kalahari	175	170.25	-2.71%
Kopane	11.75	11.5	-2.13%
Kefi Minerals	1.75	1.62	-7.43%
Kryso	11.75	11.75	0.00%
Northern Petroleum	128	128.0	0.00%
Nyota Minerals	11.5	13.75	19.57%
Petra Diamonds	71.25	76.25	7.02%
Strategic Nat Res	14.5	14.5	0.00%
Toledo Mining	37	36.25	-2.03%
Tanzanite One	12.5	12.25	-2.00%
Vatukoula Gold	2.37	2.37	0.00%
Zincox	48.25	49.75	3.11%

Source: Proquote

Energy

In doubt as to whether the return to industrial growth and the feel-good factor will not inevitably lead to inflation and high interest rates? Don't be. The two are inseparable, as the price of raw materials is showing us. It will flow through to finished goods and to that most important component, steel.

ESKOM. For those who do not already know, this is South Africa's state-owned and operated monopoly electricity generator. It buys coal from the miners then does the rest itself. Right down through the transmission lines to the consumers. Nobody accuses it of being efficient. The power demands of RSA are growing exponentially on three counts:

1. Half the population still has no mains power and is growing at an untenable rate.
2. Mining is the lifeblood of the economy and is also being expanded.
3. The demands by government to produce refined products as opposed to shipping ore abroad are energy-hungry.

The major groups: Rio Xstrata, Vedanta, BHP, are demanding competitive energy tariffs. So ESKOM has gone cap-in-hand to the World Bank for a loan to build a new power station. R3.7bn is the sum (£340m). Now the loan has been approved, but with two notable abstentions: the USA on the grounds that coal-burning is a bad habit (that's rich from the country which, with 5% of the world's population gets through almost 20% of its coal burn) and is supported by the UK despite that country's plans to do likewise. No word of the coupon or payback term attaching to the loan. As yet.

Don't go away. The big boys (Xstrata, BHPB, Rio) have warned that unless they get competitive power tariff offers, they will not go ahead with mineral beneficiation plans. No, don't turn over just yet, Reportedly, ESKOM, which reports to the ruling party, the ANC, is awarding contracts to entities in which the ANC holds economic stakes. If ever a president needed to show statesmanship, it is Mr Zuma. Now.

The International Energy Agency (IEA) says global energy requirements will increase 40% by 2030. They are probably being pessimistic. That is less than 2% per year compound. The IEA says nuclear will have no choice, but to lead the way. They underestimate how much coal and gas there is.

Gemstones

We are indebted this week to South African-based Ernest Blom, one of the most respected figures in the diamond world and Honorary Life President of the World Federation of Diamond Bourses, for this contribution. He speaks of looming longterm shortages based on ageing mining capacity not being balanced by major new developments:

- Fifteen years ago, DeBeers controlled 85% of the world's rough diamond supplies. Now it is 35%
- In 2008, prior to the slump, annual sales of rough were c.$12 billion with an estimate of that becoming $17bn by 2019. No large scale mines of DeBeers or Alrosa specifications are on the stocks. If they were, the lead time is at least seven years.
- This leaves a niche for junior, smaller scale operations.
- The polished market has become consumer-demand driven.
- In the rough market there is a degree of speculation owing to a lack of supply.
- Polished demand, measured by the Polished Wholesale Prices Index (PWP) shows: 2008 $18.9bn, 2009 $16.8 billion, 2010 $17bn. From now until 2016 demand will grow 14.7% to $21.7 billion.
- Global sales of diamond jewellery in 2009 were $76 billion.

The Diamond Bourse of Canada (DBC) began operations this month. An initial tender of polished stones, from the new cutting facility in Sudbury, Ontario, is scheduled for the first week in May. Chinese interest is noted. Canada is the world's 3rd largest diamond producer, following Botswana and Russia.

Pointers for the week...and beyond

Monday 12 April:	US Federal Budget Balance
Tuesday 13 April:	UK Trade, Economic Accounts and Financial Statistics
Wednesday 14 April:	Tullow Oil Dividend Statement
Thursday 15 April:	Rio Tinto Interim Results and AGM
	Petropavlovsk Trading Statement
	US Unemployment

The Watchtower

The Rio four. So just why did Rio's man in China, Stern Hu, not appeal against his ten-year sentence for bribery and stealing commercial secrets? In pleading guilty he might have expected a slap on the wrist, eh? Or shall we never hear the full story? The Chinese say we shall.

The People's Bank of China (PBOC). Watch out for more from the organisation and its Deputy Governor, Zhu Min. He is at the forefront of a do-we-don't-we float against the dollar. Interest rates play more than a walking-on part here. China's are high and could provoke a serious inflow of loans.

South Africa's favourite tourist, Julius Malema of the ANC Youth League has recently visited Zimbabwe to meet his hero and to see how they do what he plans for RSA. Next stop, DRC? Angola?

Shares…and Currencies to Watch

African Diamonds. This one is growing cobwebs. Expensive ones. **Stand Aside.**

Nyota Minerals Ltd. (AIM:NYO 13.75p; Hi-Lo 13.75-4.5p) Another solid advance ahead of its expected resource/drilling update in Ethiopia. **Stay with it.**

Kalahari Minerals. See Small Caps. Nothing wrong with uranium or Namibia. **Add.**

The Conglomerates. As the table in Exchange Traded Metals shows, the big fellahs have got above their metal prices. They continue to represent good core value, but not a quick turn.

London Mining (LSE:LOND 273.50p; Hi-Lo 280-195p) continues to maintain a full head of steam. See last week. We remain positive and stay with our **Add/Buy** recommendation.

Discovery Metals (AIM:DME 51.75p; Hi-Lo 56.50-51.75p). Flagged last week at 46.50, the Botswana copper hopeful, rewarded us with an 11% increase on the week. **We continue to recommend it.**

A China in a bull shop?

China and the bull market in minerals cannot be separated. But the cost in human lives can. The Chinese are the biggest importers of raw materials the world has ever known and the producers are working overtime to feed them. Yet domestically, our Eastern brothers are also major producers. That would be fine, except they have not got the hang of safety yet. Mining has always been a risky business. Not quite like selling flowers on a market stall. You need to be a bit more careful. This message has not yet registered in China. They are killing workers randomly and regularly because of a total disregard for human life. They are wiping out their miners at an average rate of seven a day in lots of 10, 20, 100. (Note, there was a lot of press about the 100+ miners saved from the flooded mine shaft, but not the 45 who weren't).

You might say it is their business. It is not. They are exporting themselves, not just in capital but in labour. Beware, when the Chinese invest, they come mob-handed. Capital, equipment, food and labour. And safety practices? The developing world is tying itself to China's purse strings with the conditions attaching. Countries with good codes of practice such as South Africa, Australia, Zambia and the like are readily accepting the Yuan. Will they also accept its near total disregard for miners' human life? Caveat emptor.

David Hargreaves
10 April 2010

Disclosures

WH Ireland Recommendation Definitions

Buy
Expected to outperform the FTSE All Share by 15% or more over the next 12 months.

Outperform
Expected to outperform the FTSE All Share by 5/15% over the next 12 months.

Market Perform
Expected to perform in line with the FTSE All Share over the next 12 months.

Underperform
Expected to underperform the FTSE All Share by 5/15% or more over the next 12 months.

Sell
Expected to underperform the FTSE All Share by 15% or more over the next 12 months.

Speculative Buy
The stock has considerable level of upside but there is a higher than average degree of risk.

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Share Price Target
The share price target is the level the stock should currently trade at if the market were to accept the analyst's view of the stock and if the necessary catalysts were in place to effect this change in perception within the performance horizon.

Stock Rating Distribution
As at the quarter ending 31 December 2009 the distribution of all our published recommendations is as follows:

Recommendation	Total Stocks	Percentage %	Corporate
Buy	18	22%	4
Speculative Buy	4	5%	4
Outperform	18	22%	1
Market Perform	26	33%	3
Underperform	14	18%	0
Sell	0	0%	0
Total	80	100%	12

This table demonstrates the distribution of WH Ireland recommendations. The first column illustrates the distribution in absolute terms with the second showing the percentages.

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