

# IBEX35

## Antena 3 – Clear Candidate to Enter

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### Changes in the IBEX35

Entry Candidates	Volume Traded <sup>1</sup> (€mn)	Weighting (%)	
		Current	Avg
Antena 3	973.0	0.5	0.4
Banco Sabadell	1,083.4	1.2	1.2

  

Exit Candidates	Volume Traded <sup>1</sup> (€mn)	Weighting (%)	
		Current	Avg
Sacyr Vallehermoso	603.1	0.5	0.6
Zeltia	604.5	0.5	0.5
Banesto	646.2	0.5	0.5
NH Hoteles	654.1	0.8	0.9

(1) Adjusted trading volumes from December 1 to May 31, 2004.  
Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

### Adjusted Monthly Volumes of Entry Candidates, Jan-May 2004

(€mn)	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Total (6M)
Antena 3	180.7	218.8	173.4	156.9	113.1	973.0
B. Sabadell	76.9	117.2	520.8	166.9	144.9	1,083.4
Ebro Puleva	47.2	82.4	141.9	114.1	75.5	501.9
Agbar	47.2	59.2	57.5	43.6	66.7	320.2

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

### Adjusted Monthly Volumes of Exit Candidates, Jan-May 2004

(€mn)	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Total (6M) <sup>1</sup>
Sacyr Valle	89.6	81.3	131.5	98.4	101.1	603.1
Zeltia	116.8	50.7	126.4	85.0	110.3	604.5
Banesto	136.2	73.3	134.8	86.2	102.5	646.2
NH Hoteles	119.7	90.1	128.6	106.7	80.4	654.1

(1) Adjusted trading volumes from December 1 to May 31, 2004.  
Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

The next revision of the IBEX35 index is slated for June 8, with the IBEX committee basing its decisions on the trading volumes for the six months ending May 31. Considering these volumes, our **conclusions** are as follows:

**Antena 3 is the main candidate to enter the IBEX35 in June.** According to the adjusted trading volumes recorded in the last six months, Antena 3 ranks 28th amongst Spanish stocks and confirms our expectations of being the main candidate to join the IBEX as of July 1, with a weighting of around 0.5%.

**The main candidates to leave the index are likely to be Sacyr Vallehermoso and Zeltia.** Trading volume in these companies' shares has decreased substantially in the past two months, ranking them 36th and 37th, respectively, in accumulated terms. However, there has been a strong increase in Metrovacesa volumes. We think the upward trend in the past six months and the €205mn traded in May should mean Metrovacesa will hold on to its position in the index.

**Banco Sabadell seems more likely to enter in December's revision.** Banco Sabadell has maintained high volumes in the past two months after some volatility due to its capital increase (102mn shares or 50% of the previous share capital). Given that the bank currently ranks 26th in accumulated volume terms, we would not rule out its inclusion in June. However, we think the IBEX committee is more likely to wait and see if the increase in trading volume is confirmed over a longer period.

**Free float adjustments: Amadeus and Sogecable up, Gas Natural and Enagás down.** We expect Amadeus to increase its free float factor from 80% to 100% and Sogecable from 60% to 80%, while Gas Natural and Enagás might reflect a decrease by the same amount – from 80% to 60%.

Figure 1. Ranking by Total Adjusted Volume, Dec2003-May 2004 (€mn)

Rank	Code	Company	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May 04	Total (6M)	
1	TEF	Telefónica	7,421.4	10,214.2	7,800.9	12,021.3	8,279.2	10,319.8	56,056.8	IBEX
2	SAN	Grupo Santander	4,135.4	5,770.8	4,920.0	5,734.5	4,622.0	5,955.2	31,138.0	IBEX
3	BBVA	BBVA	3,352.0	4,580.6	5,199.5	4,968.6	3,841.4	4,036.8	25,978.8	IBEX
4	REP	Repsol YPF	2,480.4	2,869.4	2,501.9	2,883.5	3,354.8	2,914.2	17,004.2	IBEX
5	ELE	Endesa	1,857.4	2,031.2	1,575.6	3,673.0	2,005.6	1,774.2	12,917.0	IBEX
6	IBE	Iberdrola	1,345.5	1,316.1	1,200.0	1,928.1	1,421.6	1,393.2	8,604.5	IBEX
7	ALT	Altadis	668.4	823.8	1,141.5	1,396.0	1,251.9	1,138.9	6,420.6	IBEX
8	POP	Banco Popular	671.4	1,007.8	641.9	854.7	737.5	609.8	4,523.1	IBEX
9	ITX	Inditex	943.2	534.2	831.7	1,041.1	593.6	560.0	4,503.8	IBEX
10	SGC	Sogetel	399.5	671.3	762.7	807.2	648.5	446.7	3,735.8	IBEX
11	AMS	Amadeus	322.6	519.8	926.6	514.7	424.7	493.9	3,202.3	IBEX
12	UNF	Unión Fenosa	302.3	667.2	544.4	543.8	342.2	322.4	2,722.3	IBEX
13	ACS	ACS	360.1	483.1	441.2	541.1	394.4	334.2	2,554.1	IBEX
14	ACX	Acerinox	257.7	328.4	370.7	537.5	538.9	403.3	2,436.4	IBEX
15	IBLA	Iberia	143.4	376.0	320.7	463.0	208.7	435.2	1,947.0	IBEX
16	TEM	Telefónica Móviles	314.1	371.2	368.8	378.8	221.9	223.2	1,877.9	IBEX
17	GAS	Gas Natural	274.0	283.3	301.8	433.4	259.4	323.0	1,874.9	IBEX
18	ABE	Abertis	207.0	190.2	171.0	281.8	295.2	239.3	1,384.5	IBEX
19	FER	Ferrovial	192.5	257.1	180.2	366.0	206.1	169.8	1,371.7	IBEX
20	TPI	TPI	67.7	164.9	344.6	331.2	218.8	229.0	1,356.2	IBEX
21	GAM	Gamesa	169.1	184.5	194.3	325.3	182.3	237.3	1,292.9	IBEX
22	LOR	Arcelor	105.1	129.7	160.3	225.1	296.5	312.1	1,228.8	IBEX
23	PRS	Prisa	163.8	171.8	172.8	270.1	274.2	148.5	1,201.0	IBEX
24	ANA	Acciona	135.4	317.0	204.0	211.1	149.3	124.9	1,141.7	IBEX
25	IDR	Indra	170.0	191.0	204.7	259.5	173.6	126.6	1,125.4	IBEX
26	SAB	Banco Sabadell	56.8	76.9	117.2	520.8	166.9	144.9	1,083.4	
27	FCC	FCC	134.0	123.7	186.0	253.9	173.4	137.8	1,008.8	IBEX
28	A3TV	Antena 3	130.1	180.7	218.8	173.4	156.9	113.1	973.0	
29	MAP	Corp. Mapfre	87.9	71.9	73.2	149.8	237.4	162.5	782.7	IBEX
30	ENG	Enagás	107.6	119.5	137.7	163.1	102.6	141.5	772.1	IBEX
31	REE	REE	154.3	118.3	116.8	145.4	86.4	110.0	731.2	IBEX
32	MVC	Metrovacesa	69.3	79.7	94.4	110.2	117.7	204.3	675.6	IBEX
33	BKT	Bankinter	110.3	115.9	79.6	159.2	113.5	80.8	659.3	IBEX
34	NHH	NH Hoteles	128.8	119.7	90.1	128.6	106.7	80.4	654.1	IBEX
35	BTO	Banesto	113.4	136.2	73.3	134.8	86.2	102.5	646.2	IBEX
36	ZEL	Zeltia	115.3	116.8	50.7	126.4	85.0	110.3	604.5	IBEX
37	SYV	Sacyr Vallehermoso	101.2	89.6	81.3	131.5	98.4	101.1	603.1	IBEX
38	EVA	Ebro Puleva	40.8	47.2	82.4	141.9	114.1	75.5	501.9	
39	AGS	Aguas de Barcelona	46.0	47.2	59.2	57.5	43.6	66.7	320.2	
40	JAZ	Jazztel	42.6	66.7	62.6	71.2	27.3	26.6	297.0	
41	TRR	Terra	93.2	43.5	48.0	38.0	22.6	40.4	285.7	
42	TPZ	TelePizza	28.9	26.3	33.3	78.8	62.7	39.5	269.5	
43	SOL	Sol Meliá	21.1	44.4	35.7	82.6	32.4	29.2	245.3	
44	FAD	Fadesa	-	-	-	-	-	231.3	231.3	
45	PSG	Prosegur	13.9	21.0	55.3	58.9	43.4	33.8	226.4	
46	CTF	Cortefiel	37.5	47.7	35.9	26.4	45.9	20.0	213.4	
47	COL	Colonial	28.5	29.7	45.0	45.1	26.7	31.6	206.6	
48	URB	Urbis	33.8	21.1	38.3	38.3	32.8	33.0	197.4	
49	ZOT	Zardoya Otis	21.0	41.2	33.5	42.8	23.5	24.2	186.2	

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

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### Key to Investment Codes<sup>1</sup>

<b>Buy</b>	Upside of more than 20%.
<b>Hold</b>	Upside of 15%-20%.
<b>Underweight</b>	Upside of less than 15%.

(1) Target prices set from January to June are for December 31 of the current year. Target prices set from July to December are for December 31 of the following year.

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