

IBEX35

Metrovacesa Out, Antena 3 In

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Changes in the Ibex35

Entry Candidates	Volume Traded ¹ (€ mn)	Weighting (%)	
		Current	Avg
Antena 3	703.0	0.42	0.44
Banco Sabadell	771.7	1.09	1.21
Ebro Puleva	312.4	0.39	0.40
Aguas Barcelona	209.9	0.49	0.51

Exit Candidates	Volume Traded ¹ (€ mn)	Weighting (%)	
		Current	Avg
Metrovacesa	353.6	0.61	0.54
Corp. Mapfre	382.8	0.50	0.56
Sacyr Vallehermoso	403.6	0.47	0.46
Zeltia	409.2	0.89	0.87

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

Adjusted Monthly Volumes of Entry Candidates, Dec 2003- Feb 2004

Company	Dec-03	Jan-04	Feb-04	Mar-04	Total (3M)
Antena 3	130.1	180.7	218.8	173.4	703.0
Banco Sabadell	56.8	76.9	117.2	520.8	771.7
Ebro Puleva	40.8	47.2	82.4	141.9	312.4
Aguas Barcelona	46.0	47.2	59.2	57.5	209.9

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

Adjusted Monthly Volumes of Exit Candidates, Dec 2003- Feb 2004

Company	Dec-03	Jan-04	Feb-04	Mar-04	Total (3M)
Metrovacesa	69.3	79.7	94.4	110.2	353.6
Corp. Mapfre	87.9	71.9	73.2	149.8	382.8
Sacyr Valleherm	101.2	89.6	81.3	131.5	403.6
Zeltia	115.3	116.8	50.7	126.4	409.2

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

Antena 3 is the most likely candidate to enter the IBEX35 in the June revision. According to the adjusted trading volumes recorded in the last four months (December-March), Antena 3 ranks 26th among Spanish stocks, confirming our expectations of it being the most likely candidate to join the IBEX35 as of July 1 with a weighting of around 0.44%. As a reminder, the IBEX Index Committee's decision on the IBEX components will take into account the trading volumes for the six months ending May 31.

Metrovacesa is the main candidate to exit the IBEX35. Based on the adjusted trading volumes in the last four months, Metrovacesa is the main candidate to exit the IBEX35, as it ranks 37th by trading volume. The other exit candidates would be SacyrVallehermoso and Corp. Mapfre. The latter's recent capital increase is likely to help increase its trading volumes in the next two months.

Banco Sabadell's entry seems more likely in the December revision. The capital increase at Banco Sabadell (102mn shares, or 50% of its previous share capital) has substantially increased its trading volume in the past month. The IBEX Index Committee will probably wait to see if the increase in trading volume is confirmed over a longer period of time, so its inclusion in the June revision seems unlikely.

Free float adjustments: Amadeus up, Gas Natural down. We expect Amadeus' free float factor to increase from 80% to 100%. On the other hand, Gas Natural could see a decrease in its free float factor from 80% to 60%.

METROVACESA OUT, ANTENA 3 IN

Figure 1. Adjusted Monthly Volumes of Entry Candidates, Oct 2003-Mar 2004

Company	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-03	Total (6M)	Total (4M)	Current Price	Avg Price	
Metrovacesa	63.3	76.6	69.3	79.7	94.4	110.2	493.5	353.6	0.61	0.54	IBEX
Corp. Mapfre	70.3	107.0	87.9	71.9	73.2	149.8	560.1	382.8	0.50	0.56	IBEX
Antena 3	368.5	256.8	130.1	180.7	218.8	173.4	1,328.2	703.0	0.42	0.44	Non-IBEX
Banco Sabadell	50.5	32.1	56.8	76.9	117.2	520.8	854.2	771.7	1.09	1.21	Non-IBEX
Ebro Puleva	20.3	21.2	40.8	47.2	82.4	141.9	353.8	312.4	0.39	0.40	Non-IBEX
Aguas Barcelona	35.6	26.7	46.0	47.2	59.2	57.5	272.2	209.9	0.49	0.51	Non-IBEX

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

Figure 2. IBEX35 – Free Float Factor Rules

Free Float	Free Float Factor Applied (%)	Companies in Each Range
≤ 10%	10	TEM
> 10% and ≤ 20%	20	–
> 20% and ≤ 30%	40	LOR
> 30% and ≤ 40%	60	ANA, FCC, ITX, REE
> 40% and ≤ 50%	80	AMS, ENG, FER, GAM, GAS, MAP, TPI
> 50%	100	Remaining IBEX constituents

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.



Figure 3. Ranking by Total Adjusted Volume, Oct 2003-Mar 2004 (€ mn)

Rank	Code	Company	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Total (6M)	Total (4M)	
1	TEF	Telefónica	7,692.4	6,312.8	7,421.4	10,214	7,800.9	12,021	51,463.0	37,457.8	IBEX
2	SAN	Grupo Santander	4,438.9	4,454.0	4,135.4	5,770.8	4,920.0	5,734.5	29,453.6	20,560.7	IBEX
3	BBVA	BBVA	3,761.2	3,408.1	3,352.0	4,580.6	5,199.5	4,968.6	25,269.9	18,100.7	IBEX
4	REP	Repsol YPF	1,824.2	2,054.6	2,480.4	2,869.4	2,501.9	2,883.5	14,614.0	10,735.2	IBEX
5	ELE	Endesa	1,984.8	1,331.9	1,857.4	2,031.2	1,575.6	3,673.0	12,453.8	9,137.2	IBEX
6	IBE	Iberdrola	1,354.6	1,276.3	1,345.5	1,316.1	1,200.0	1,928.1	8,420.7	5,789.8	IBEX
7	ALT	Altadis	892.7	846.4	668.4	823.8	1,141.5	1,396.0	5,768.8	4,029.7	IBEX
8	ITX	Inditex	885.9	658.6	943.2	534.2	831.7	1,041.1	4,894.7	3,350.2	IBEX
9	POP	Banco Popular	1,148.1	592.3	671.4	1,007.8	641.9	854.7	4,916.1	3,175.8	IBEX
10	SGC	Sogetel	454.8	386.0	399.5	671.3	762.7	807.2	3,481.5	2,640.7	IBEX
11	AMS	Amadeus	319.1	481.8	322.6	519.8	926.6	514.7	3,084.6	2,283.7	IBEX
12	UNF	Unión Fenosa	449.7	242.1	302.3	667.2	544.4	543.8	2,749.4	2,057.7	IBEX
13	ACS	ACS	162.9	195.7	360.1	483.1	441.2	541.1	2,184.1	1,825.5	IBEX
14	ACX	Acerinox	214.2	202.5	257.7	328.4	370.7	537.5	1,910.9	1,494.2	IBEX
15	TEM	Telefónica Móviles	168.2	195.5	314.1	371.2	368.8	378.8	1,796.6	1,432.8	IBEX
16	IBLA	Iberia	214.8	319.6	143.4	376.0	320.7	463.0	1,837.5	1,303.2	IBEX
17	GAS	Gas Natural	200.3	189.8	274.0	283.3	301.8	433.4	1,682.7	1,292.5	IBEX
18	FER	Ferrovial	243.2	151.6	192.5	257.1	180.2	366.0	1,390.7	995.9	IBEX
19	TPI	TPI	66.9	80.4	67.7	164.9	344.6	331.2	1,055.6	908.4	IBEX
20	GAM	Gamesa	173.9	151.4	169.1	184.5	194.3	325.3	1,198.5	873.2	IBEX
21	ANA	Acciona	118.1	108.7	135.4	317.0	204.0	211.1	1,094.2	867.5	IBEX
22	ABE	Abertis	207.8	215.9	207.0	190.2	171.0	281.8	1,273.7	850.1	IBEX
23	IDR	Indra	253.5	239.4	170.0	191.0	204.7	259.5	1,318.0	825.1	IBEX
24	PRS	Prisa	74.3	61.0	163.8	171.8	172.8	270.1	913.7	778.4	IBEX
25	SAB	Banco Sabadell	50.5	32.1	56.8	76.9	117.2	520.8	854.2	771.7	
26	A3TV	Antena 3	368.5	256.8	130.1	180.7	218.8	173.4	1,328.2	703.0	
27	FCC	FCC	142.3	194.2	134.0	123.7	186.0	253.9	1,034.2	697.6	IBEX
28	LOR	Arcelor	123.7	119.2	105.1	129.7	160.3	225.1	862.9	620.1	IBEX
29	REE	REE	78.6	112.5	154.3	118.3	116.8	145.4	725.9	534.8	IBEX
30	ENG	Enagás	103.0	119.4	107.6	119.5	137.7	163.1	750.4	527.9	IBEX
31	NHH	NH Hoteles	152.0	131.9	128.8	119.7	90.1	128.6	751.0	467.1	IBEX
32	BKT	Bankinter	145.5	160.7	110.3	115.9	79.6	159.2	771.2	465.0	IBEX
33	BTO	Banesto	79.2	49.4	113.4	136.2	73.3	134.8	586.3	457.6	IBEX
34	ZEL	Zeltia	114.9	127.5	115.3	116.8	50.7	126.4	651.5	409.2	IBEX
35	SYV	Sacyr Vallehermoso	104.9	73.3	101.2	89.6	81.3	131.5	581.8	403.6	IBEX
36	MAP	Corp. Mapfre	70.3	107.0	87.9	71.9	73.2	149.8	560.1	382.8	IBEX
37	MVC	Metrovacesa	63.3	76.6	69.3	79.7	94.4	110.2	493.5	353.6	IBEX
38	EVA	Ebro Puleva	20.3	21.2	40.8	47.2	82.4	141.9	353.8	312.4	
39	JAZ	Jazztel	53.7	49.3	42.6	66.7	62.6	71.2	346.1	243.1	
40	TRR	Terra	32.8	27.2	93.2	43.5	48.0	38.0	282.6	222.7	
41	AGS	Aguas Barcelona	35.6	26.7	46.0	47.2	59.2	57.5	272.2	209.9	
42	SOL	Sol Meliá	46.7	35.0	21.1	44.4	35.7	82.6	265.4	183.7	
43	TPZ	TelePizza	39.8	29.0	28.9	26.3	33.3	78.8	236.0	167.3	
44	CTF	Cortefiel	22.1	50.3	37.5	47.7	35.9	26.4	219.9	147.5	
45	ZOT	Zardoya Otis	24.8	42.3	21.0	41.2	33.5	42.8	205.6	138.4	
46	DRC	Dragados	181.8	164.2	134.4	0.0	0.0	0.0	480.3	134.4	
47	URB	Urbis	47.2	26.0	33.8	21.1	38.3	38.3	204.9	131.6	
48	CEP	Cepsa	171.5	92.2	39.8	19.3	13.1	22.2	358.0	94.3	
49	TFI	Tafisa	7.5	231.1	15.4	17.0	4.0	3.6	278.6	40.1	
50	AVZ	Avanzit	45.1	49.0	21.0	0.0	0.0	0.0	115.1	21.0	

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

Figure 4. Ranking by Total Adjusted Volume, Oct 2003-Mar 2004 (€ mn)

Rank	Company	Total Adj	Avg Mkt Cap		Free Float	Avg Mkt Cap		IBEX	Comments
		Volume (€ mn)	Total (€ mn)	Weighting (%)	Adjustment (%)	Total (€ mn)	Weighting (%)		
1	Telefónica	51,463	57,373	17.67	100	57,373	21.25	IBEX	
2	Grupo Santander	29,454	41,249	12.70	100	41,249	15.28	IBEX	
3	BBVA	25,270	34,769	10.71	100	34,769	12.88	IBEX	
4	Repsol YPF	14,614	18,808	5.79	100	18,808	6.96	IBEX	
5	Endesa	12,454	15,316	4.72	100	15,316	5.67	IBEX	
6	Iberdrola	8,421	13,741	4.23	100	13,741	5.09	IBEX	
7	Altadis	5,769	6,562	2.02	100	6,562	2.43	IBEX	
8	Banco Popular	4,916	10,384	3.20	100	10,384	3.85	IBEX	
9	Inditex	4,895	11,189	3.45	60	6,713	2.49	IBEX	
10	Sogecable	3,481	3,503	1.08	60	2,102	0.78	IBEX	
11	Amadeus	3,085	3,194	0.98	80	2,555	0.95	IBEX	FFF to 100% (June 1, '04)
12	Unión Fenosa	2,749	4,505	1.39	100	4,505	1.67	IBEX	
13	ACS	2,184	4,561	1.40	100	4,561	1.69	IBEX	
14	Acerinox	1,911	2,459	0.76	100	2,459	0.91	IBEX	
15	Iberia	1,838	2,095	0.65	100	2,095	0.78	IBEX	
16	Telefónica Mó	1,797	34,891	10.74	10	3,489	1.29	IBEX	
17	Gas Natural	1,683	8,000	2.46	80	6,400	2.37	IBEX	FFF to 60% (June 1, '04)
18	Ferrovial	1,391	3,758	1.16	80	3,006	1.11	IBEX	
19	Antena 3	1,328	1,963	0.60	60	1,178	0.44		Entry candidate
20	Indra	1,318	1,534	0.47	100	1,534	0.57	IBEX	
21	Abertis	1,274	5,806	1.79	100	5,806	2.15	IBEX	
22	Gamesa	1,199	2,057	0.63	80	1,645	0.61	IBEX	
23	Acciona	1,094	3,033	0.93	80	2,426	0.90	IBEX	
24	TPI	1,056	1,731	0.53	80	1,385	0.51	IBEX	
25	FCC	1,034	3,749	1.15	60	2,249	0.83	IBEX	
26	Prisa	914	2,510	0.77	60	1,506	0.56	IBEX	
27	Arcelor	863	7,017	2.16	40	2,807	1.04	IBEX	
28	Banco Sabadell	854	3,271	1.01	100	3,271	1.21		Entry candidate
29	Bankinter	771	2,475	0.76	100	2,475	0.92	IBEX	
30	NH Hoteles	751	1,152	0.35	100	1,152	0.43	IBEX	
31	Enagás	750	1,976	0.61	80	1,580	0.59	IBEX	
32	REE	726	1,665	0.51	100	1,665	0.62	IBEX	
33	Zeltia	652	1,145	0.35	100	1,145	0.42	IBEX	
34	Banesto	586	6,242	1.92	20	1,248	0.46	IBEX	
35	Sacyr Valleher	582	2,923	0.90	80	2,338	0.87	IBEX	
36	Corp. Mapfre	560	1,903	0.59	80	1,522	0.56	IBEX	
37	Metrovacesa	494	1,468	0.45	100	1,468	0.54	IBEX	
38	Cepsa	358	7,286	2.24	20	1,457	0.54		
39	Ebro Puleva	354	1,363	0.42	80	1,090	0.40		Entry candidate
40	Jazztel	346	210	0.06	100	210	0.08		Not eligible due to mkt cap
41	Terra	283	2,958	0.91	40	1,183	0.44		
42	Aguas Barcelona	272	1,724	0.53	80	1,379	0.51		Entry candidate
43	Sol Meliá	265	1,175	0.36	60	705	0.26		Not eligible due to mkt cap
44	TelePizza	236	304	0.09	100	304	0.11		Not eligible due to mkt cap
45	Cortefiel	220	584	0.18	100	584	0.22		Not eligible due to mkt cap
46	Prosegur	218	846	0.26	60	507	0.19		Not eligible due to mkt cap
47	Zardoya Otis	206	3,107	0.96	60	1,864	0.69		
48	Urbis	205	985	0.30	40	394	0.15		Not eligible due to mkt cap
49	Colonial	200	1,058	0.33	80	847	0.31		
50	Abengoa	147	531	0.16	60	319	0.12		Not eligible due to mkt cap

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

ANALYST CERTIFICATION: We, Cristina Bergón and Jesús Gómez, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject companies and their securities. We also certify that we have not been promised compensation either directly or indirectly for expressing the recommendations in this report.

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Key to Investment Codes¹

Buy	Upside of more than 20%.
Hold	Upside of 15%-20%.
Underweight	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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