

IBEX35

Cintra and REE In; NH Hoteles and Amadeus Out

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Potential Changes in the IBEX35

Candidates for Entry	Volume Traded ¹ (€ mn)	Potential Weighting (%)
Cintra	992.5	0.75
REE	894.4	0.69
Antena 3	583.9	0.55
Candidates for Exit	Volume Traded ¹ (€ mn)	Current Weighting(%)
NH Hoteles	320.9	0.35
Banesto	355.0	0.48
Bankinter	362.0	0.86

(1) Adjusted trading volumes from December 1, 2004 to February 28, 2005.
Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

Adjusted Monthly Volumes of Entry Candidates, Dec 2004-Feb 2005

(€ mn)	Dec-04	Jan-05	Feb-05	Total (3M)
Cintra	228.6	464.4	299.5	992.5
REE	385.8	144.1	364.5	894.4
Antena 3	129.6	207.6	246.8	583.9

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

Adjusted Monthly Volumes of Exit Candidates, Dec 2004-Feb 2005

(€ mn)	Dec-04	Jan-05	Feb-05	Total (3M) ¹
NH Hoteles	88.8	124.3	107.8	320.9
Banesto	78.9	152.5	123.6	355.0
Bankinter	108.7	121.4	131.9	362.0

(1) Adjusted trading volumes from December 1, 2004 to February 28, 2005.
Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

The IBEX committee is due to meet on June 7-8 to announce the changes to the IBEX35 based on the clean trading volumes from December to May. According to the data for the first three months of this period, Cintra and REE seem the most likely candidates to enter the IBEX, probably replacing Amadeus and NH Hoteles.

Jazztel, despite its capital increase and high trading volumes (it ranks ninth in the period), is not an entry candidate, as its IBEX weighting (0.14% at current prices) would fall short of the required 0.30%.

Cintra has posted high trading volumes since its IPO in October 2004 and its IBEX weighting would be around 0.75% (equivalent to four days' daily trading volume purchased by tracker funds). REE, after being removed from the index in the last revision, has improved its liquidity and would weigh 0.69% (equivalent to four days' daily trading volume bought by tracker funds). In fact, in two of the last three revisions, stocks that had been excluded in previous revisions were brought back on board (Sacyr-Vallehermoso and Prisa).

Amadeus is the main doubt. The timing of the take-over bid still seems uncertain and it might not be finalised before the next IBEX committee meeting. If that is the case, the IBEX committee could opt to make just one change for the time being, substituting Cintra for NH Hoteles. The committee might then replace Amadeus (if justified by the acceptance of the bid) with REE in a later extraordinary meeting.

Another possibility would be to make two changes in the next revision (assuming that the bid for Amadeus will not have been closed yet), including Cintra and REE and excluding NH Hoteles and either Banesto or Bankinter (neck and neck for the exit position). However, this would open up the possibility of a new change in the IBEX35 in the short term: the possible exit of Amadeus and entry of Antena 3. Note that the IBEX committee has not made three changes in the composition of the index in the past five years.

Figure 1. Ranking by Total Adjusted Volume, December 2004-February 2005 (€ mn)

Rank	Code	Company	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Total (6M)	Total (3M)	
1	TEF	Telefónica	7,797.3	9,421.0	10,233.8	8,110.0	8,910.1	9,130.4	53,602.7	26,150.6	IBEX
2	SAN	Grupo Santander	5,449.3	6,677.5	10,011.4	4,704.8	6,622.5	8,383.1	41,848.6	19,710.4	IBEX
3	BBVA	BBVA	3,819.4	6,620.8	5,502.4	3,681.0	5,290.4	5,125.2	30,039.2	14,096.5	IBEX
4	REP	Repsol YPF	3,038.8	2,837.0	2,904.8	2,650.9	3,089.2	3,308.7	17,829.3	9,048.8	IBEX
5	ELE	Endesa	1,598.1	1,757.3	2,103.7	1,630.5	1,872.8	2,869.4	11,831.7	6,372.7	IBEX
6	IBE	Iberdrola	1,199.6	1,357.3	1,364.7	1,332.4	1,333.1	1,797.2	8,384.3	4,462.7	IBEX
7	ALT	Altadis	837.9	759.1	839.6	998.7	964.7	969.8	5,369.7	2,933.2	IBEX
8	POP	Banco Popular	664.8	1,275.5	856.6	593.2	912.2	991.6	5,294.0	2,497.0	IBEX
9	JAZ	Jazztel	159.5	528.5	1,286.8	483.6	189.4	1,288.6	3,936.4	1,961.6	
10	AMS	Amadeus	634.9	327.3	438.8	715.0	826.4	390.0	3,332.5	1,931.4	IBEX
11	ITX	Inditex	663.2	486.4	640.5	569.7	618.9	678.5	3,657.2	1,867.1	IBEX
12	SGC	Sogecable	514.9	486.3	502.3	260.0	565.9	926.0	3,255.4	1,751.9	IBEX
13	ACS	ACS	314.5	263.9	371.0	367.6	556.7	656.1	2,529.8	1,580.4	IBEX
14	ACX	Acerinox	252.6	353.6	279.0	352.3	374.8	645.9	2,258.3	1,373.1	IBEX
15	TEM	Telefónica Móviles	268.6	299.2	295.0	402.6	538.5	409.7	2,213.6	1,350.9	IBEX
16	UNF	Unión Fenosa	356.5	304.8	426.2	395.7	407.6	491.0	2,381.7	1,294.3	IBEX
17	TL5	Telecinco	379.5	640.4	333.3	347.2	485.8	456.9	2,643.1	1,289.8	IBEX
18	GAM	Gamesa	237.2	426.5	563.1	413.6	398.2	325.6	2,364.2	1,137.4	IBEX
19	LOR	Arcelor	234.2	365.6	297.2	287.8	358.0	390.0	1,932.9	1,035.9	IBEX
20	CIN	Cintra	0.0	709.7	418.5	228.6	464.4	299.5	2,120.7	992.5	
21	ENG	Enagás	162.6	123.1	163.1	282.4	294.5	365.8	1,391.5	942.7	IBEX
22	REE	REE	81.1	95.3	125.9	385.8	144.1	364.5	1,196.7	894.4	
23	IBLA	Iberia	280.1	296.6	377.9	291.1	283.8	313.7	1,843.2	888.6	IBEX
24	GAS	Gas Natural	205.9	285.7	341.0	242.0	311.2	330.2	1,715.9	883.3	IBEX
25	FER	Ferrovial	243.7	255.6	379.0	208.7	308.6	293.1	1,688.6	810.4	IBEX
26	ABE	Abertis	301.2	291.0	306.7	195.5	251.8	343.4	1,689.6	790.7	IBEX
27	SAB	Banco Sabadell	195.7	190.1	244.5	137.2	345.3	288.2	1,400.9	770.6	IBEX
28	SYV	Sacyr Vallehermoso	159.1	245.1	251.6	259.3	196.9	269.0	1,380.9	725.2	IBEX
29	FCC	FCC	165.2	114.8	106.2	182.7	230.5	243.2	1,042.6	656.4	IBEX
30	MVC	Metrovacesa	178.8	176.4	155.3	162.3	228.5	214.6	1,115.9	605.4	IBEX
31	IDR	Indra	133.8	185.1	194.8	162.4	222.7	220.3	1,119.0	605.4	IBEX
32	ANA	Acciona	208.9	144.1	179.9	191.4	186.7	218.4	1,129.2	596.4	IBEX
33	A3TV	Antena 3	143.8	260.9	122.0	129.6	207.6	246.8	1,110.6	583.9	
34	MAP	Corp. Mapfre	126.1	103.1	153.1	118.6	163.7	257.2	921.7	539.4	IBEX
35	TPI	TPI	103.5	121.1	127.7	161.7	125.7	251.2	890.8	538.6	IBEX
36	ZEL	Zeltia	52.2	85.0	86.8	99.2	83.2	280.1	686.5	462.5	
37	PRS	Prisa	163.9	150.4	119.1	88.0	130.8	233.2	885.4	452.0	IBEX
38	FAD	Fadesa	73.6	65.2	101.8	122.7	158.2	165.9	687.4	446.8	
39	ALD	Aldeasa	11.8	19.2	25.2	104.4	221.7	91.1	473.4	417.2	
40	EVA	Ebro Puleva	47.8	61.9	48.5	97.4	105.3	183.7	544.5	386.3	
41	BKT	Bankinter	241.7	184.5	141.0	108.7	121.4	131.9	929.2	362.0	IBEX
42	BTO	Banesto	53.8	187.0	207.2	78.9	152.5	123.6	803.0	355.0	IBEX
43	ECR	Ercros	3.0	2.1	8.8	126.1	87.3	114.6	342.0	328.1	
44	NHH	NH Hoteles	120.1	162.7	87.1	88.8	124.3	107.8	690.8	320.9	IBEX
45	TRR	Terra	24.7	16.1	18.8	36.6	40.7	178.6	315.5	255.9	
46	AGS	Aguas Barcelona	41.1	62.3	45.7	71.6	70.4	60.3	351.4	202.3	
47	LOG	Logista	34.4	27.1	28.5	83.5	50.3	59.2	283.2	193.0	
48	TPZ	Telepizza	14.8	27.6	40.7	32.1	71.3	64.9	251.5	168.3	
49	ENC	Ence	11.3	11.5	31.3	48.2	65.8	42.2	210.2	156.1	

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa



Figure 2. IBEX 35 – Ranking by Total Adjusted Volume and Average Market Cap Weighting, Dec 2004-Feb 2005

Rank	Code	Company	Total Free Float		Adj Avg Mkt Cap ¹		IBEX35	Comments
			Volume ¹ (€ mn)	Adjust (%)	Total (€ mn)	Weight (%)		
1	TEF	Telefónica	26,151	100.0	68,861.3	20.52	IBEX	
2	SAN	Grupo Santander	19,710	100.0	43,816.4	13.06	IBEX	
3	BBVA	BBVA	14,097	100.0	43,738.8	13.03	IBEX	
4	REP	Repsol YPF	9,049	100.0	23,547.6	7.02	IBEX	
5	ELE	Endesa	6,373	100.0	18,094.1	5.39	IBEX	
6	IBE	Iberdrola	4,463	100.0	16,971.2	5.06	IBEX	
7	ALT	Altadis	2,933	100.0	9,490.7	2.83	IBEX	
8	POP	Banco Popular	2,497	100.0	11,201.2	3.34	IBEX	Rights issue (15.7mn shares) boosts weight to 3.56%
9	JAZ	Jazztel	1,962	100.0	465.1	0.14		Not eligible given weighting of below 0.30%
10	AMS	Amadeus	1,931	100.0	4,232.5	1.26	IBEX	Pending acceptance of TOB
11	ITX	Inditex	1,867	60.0	8,229.8	2.45	IBEX	
12	SGC	Sogecable	1,752	100.0	3,992.3	1.19	IBEX	
13	ACS	ACS	1,580	100.0	6,320.8	1.88	IBEX	
14	ACX	Acerinox	1,373	100.0	3,137.3	0.93	IBEX	
15	TEM	T. Móviles	1,351	10.0	4,128.6	1.23	IBEX	
16	UNF	Unión Fenosa	1,294	100.0	6,170.6	1.84	IBEX	
17	TL5	Telecinco	1,290	60.0	2,324.8	0.69	IBEX	
18	GAM	Gamesa	1,137	80.0	2,039.0	0.61	IBEX	
19	LOR	Arcelor	1,036	60.0	5,500.1	1.64	IBEX	
20	CIN	Cintra	993	60.0	2,505.5	0.75		Entry candidate
21	ENG	Enagás	943	80.0	2,279.6	0.68	IBEX	
22	REE	REE	894	100.0	2,322.5	0.69		Entry candidate
23	IBLA	Iberia	889	100.0	2,405.5	0.72	IBEX	
24	GAS	Gas Natural	883	60.0	6,031.1	1.80	IBEX	
25	FER	Ferrovial	810	80.0	4,747.1	1.41	IBEX	
26	ABE	Abertis	791	100.0	8,230.2	2.45	IBEX	FFF to be adjusted to 80% in next meeting
27	SAB	Banco Sabadell	771	100.0	5,542.9	1.65	IBEX	
28	SYV	Sacyr Valleher.	725	80.0	2,427.2	0.72	IBEX	
29	FCC	FCC	656	60.0	2,800.1	0.83	IBEX	
30	MVC	Metrovacesa	605	100.0	2,239.8	0.67	IBEX	
31	IDR	Indra	605	100.0	1,899.8	0.57	IBEX	
32	ANA	Acciona	596	80.0	3,359.9	1.00	IBEX	
33	A3TV	Antena 3	584	60.0	1,856.0	0.55		Entry candidate
34	MAP	Corp. Mapfre	539	80.0	2,118.1	0.63	IBEX	
35	TPI	TPI	539	80.0	2,009.8	0.60	IBEX	FFF to be adjusted to 60% after share buyback
36	ZEL	Zeltia	462	100.0	1,125.7	0.34		
37	PRS	Prisa	452	60.0	2,027.1	0.60	IBEX	
38	FAD	Fadesa	447	80.0	1,395.7	0.42		
39	ALD	Aldeasa	417	100.0	668.2	0.20		
40	EVA	Ebro Puleva	386	100.0	1,711.4	0.51		
41	BKT	Bankinter	362	100.0	2,987.3	0.89	IBEX	Exit candidate
42	BTO	Banesto	355	20.0	1,516.9	0.45	IBEX	Exit candidate
43	ECR	Ercros	328	100.0	152.0	0.05		
44	NHH	NH Hoteles	321	100.0	1,199.3	0.36	IBEX	Exit candidate
45	TRR	Terra	256	40.0	735.7	0.22		
46	AGS	Aguas Barcelona	202	80.0	1,776.2	0.53		
47	LOG	Logista	193	60.0	1,115.3	0.33		
48	TPZ	Telepizza	168	100.0	368.1	0.11		
49	ENC	Ence	156	100.0	604.1	0.18		
50	SPS	Service Point Sol.	151	100.0	119.8	0.04		

(1) From December 1, 2004 to February 28, 2005.

Note: Companies in boxes are candidates to enter the index, while those shaded in grey are candidates for removal.

Source: Sociedad de Bolsas (adjusted trading volumes for December 2004-February 2005), and Santander Central Hispano Bolsa.

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Key to Investment Codes

Buy	Upside of more than 15%.
Hold	Upside of 10%-15%.
Underweight	Upside of less than 10%.

Note: New investment code criteria were implemented on January 1, 2005. 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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