

press release

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Financials fall in FTSE reshuffle, but commodities rise

- 3i and London Stock Exchange demoted along with First Group, Tate & Lyle and Wolseley
- Recovery in commodity prices sees Lonmin and Fresnillo promoted along with Petrofac, F&C Investment Trust and Intertek

Nick Raynor, investment adviser at retail stockbroker The Share Centre explains what today's quarterly indices reshuffle could mean for those investing in the affected companies.

"This morning's reshuffle highlights the troubles of the financial services sector as private equity firm 3i and the London Stock Exchange departs the FTSE 100. Traditionally it was the financial sector, in particular the banks, that everyone looked to for market guidance, but the credit crunch has put paid to that.

"Conversely, a recent recovery in commodity prices has helped bump mining companies Lonmin and Fresnillo into the FTSE 100. Investors who have bought into Lonmin and Fresnillo should be able to show a good return on their investment as share prices have risen. However, with the ongoing volatility in the commodities market investors may want to consider selling in order to recognise any profits made."

Other companies who joined the FTSE 100 included, F&C Investment Trust, Petrofac and support services firm, Intertek. Subsequently, First Group, Tate & Lyle and Wolseley exited the Index this morning.

Raynor adds: "We are not surprised to see support services firm, Wolseley exit the FTSE 100 as their operations are heavily US based. The distributor of heating and plumbing products has huge debts and has been forced to announce a rights issue in order to raise £1billion. The firm is also expected to make in the region of 17,000 job cuts. We currently list Wolseley as a sell.

"Interestingly, but not surprisingly, support services firm, Intertek entered the FTSE 100 for the first time this morning. The company, a leading supplier of testing, inspection and certification

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services, recently announced a record turnover for the firm of £1billion. Intertek is an up and coming business and as such we are currently listing the firm as a buy.”

Under FTSE indices' rules, a listed company will achieve automatic promotion to the FTSE100 if it is named as one of the UK's 90 biggest companies by market capitalisation. Similarly, if a company moves outside of the top 110 stocks it will be automatically demoted.

---Ends---

Notes to editors:

The Share Centre's BUY, HOLD, SELL position for companies promoted to the FTSE 100 Index this morning.

Company	Position
Lonmin	SELL
Petrofac	BUY
F&C Investment Trust	HOLD
Fresnillo	SELL
Intertek	BUY

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Risk Warnings:

Investing in general, and the products and services mentioned above, may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment.

The bases and levels of taxation relating to ISAs, CTFs and SIPPs are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

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