

## press release

19 October 2009

### The forward look from The Share Centre

Nick Raynor, investment adviser at retail stockbroker, The Share Centre, gives his thoughts on what to expect from companies announcing results w/c 19 October.

#### ■ Monday

##### **Bunzl (Trading statement)**

Bunzl is best known for being a supplier of paper and plastic disposables. While it might not sound like the most exciting company in the FTSE 100, it's certainly one of the more stable. Limited mergers and acquisitions within the sector could lead to slowing growth in 2009/10. Bunzl's dividend is currently below the Index average so it will be interesting to see if there is any reference to this in the trading statement.

**We currently list Bunzl as a HOLD**

#### ■ Tuesday

##### **Xstrata (Trading statement)**

We expect next week's trading statement to show improved levels from Xstrata's commodity ventures. More importantly, investors and analysts will be looking for an update on the Anglo American and Lonmin ventures. On the 20 October Xstrata was told to put up or shut up by the Takeover Panel with regards to its bid for Anglo. It is almost certain that Xstrata will pull out; the same scenario is likely to happen with Lonmin as prices have risen dramatically since interests were first shown. Commodities have had a tremendous run hence our 'sell' position.

**We currently list Xstrata as a SELL**

#### ■ Wednesday

##### **Home Retail (Interims)**

Better known for its Argos and Homebase brands, Home Retail's interim results will hopefully follow on from the improvement that was observed in June's trading statement. However, margins may have suffered due to more sales during the first half of the year.

**We currently list Home Retail as a HOLD**

##### **Cadbury (Trading statement)**

We hope that next week's trading statement will give some idea as to how Cadbury wants to deal with Kraft's bid. Kraft has to decide on 9 November whether or not it wants to go hostile with its current bid. The current offer of 745p has been dismissed and many believe that this will have to be upped to at least 850p before the board will even consider recommending it to shareholders.

**We currently list Cadburys as a HOLD**

## ■ Thursday

### **Petrofac (Trading statement)**

Interim results were only released in late August so we do not expect there to be many new surprises in this trading update. Hopefully, the statement will be positive enough to enable the company to continue its recent momentum. The oil support services sector has been doing very well so far in 2009 and we expect the trading statement to reflect this further.

**We currently list Petrofac as a BUY**

### **Anglo American (Q3)**

As with Xstrata earlier in the week, all eyes will be on comments in relation to the amorous advances from Xstrata. Many market observers believe that Xstrata will walk away, however we have Anglo on a hold recommendation just in case of another bid or an improved offer.

**We currently list Anglo American as a HOLD**

## ■ Friday

### **BSkyB (Q1)**

We expect Q1 figures to provide an update on whether the football season has helped or hindered BSKyB's customer growth rate. It will be interesting to see if there is any mention of their arch rival, Virgin Media who now has a secondary listing on the London Stock Exchange.

**We currently list BSKyB as a HOLD**

## Economic diary

This coming week sees announcements from the National Institute Economic Quarterly Review, the first estimate of GDP Q3 2009 and the latest retail data from the British Retail Consortium.

## ■ Wednesday 21 October & Friday 23 October

On Wednesday 21 October the National Institute of Economic and Social Research (NIESR), possibly the UK's most respected economies forecasting group, will release its quarterly economic review. Like most forecasters NIESR failed to predict the seriousness of the recession in advance, but it did consistently warn of the dangers of a banking crisis and the importance of government action, should such a crisis occur.

NIESR projections for the remainder of this year and next, are sure to attract attention from the markets and media alike, especially as the ONS will announce its first estimate of Q3 GDP on Friday 23 October. Markets will be hoping to hear that the UK recovery began in earnest during the quarter. News that growth was still negative, zero or only just positive is likely to be greeted with disappointment.

## ■ Thursday 22 October

Last month the ONS data revealed flat retail sales by volume in August on the month before, with non-food sales down 0.6%. Meanwhile, annual growth in non-food sales was just 0.2%.

However, recent data from the British Retail Consortium focusing on September, suggests confidence is gradually trickling back to consumers, with its data suggesting like-for-like sales were 2.8% up on the same time the year before, against an annual fall of 0.1% in August.

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Hints of a High Street recovery lurking in the ONS data, mirroring the BRC findings, are likely to be greeted warmly by the City.

## **Other economic announcements:**

### **Wednesday**

- MPC meeting minutes, Bank of England
- Industrial Trends, CBI

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## 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 SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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