

## press release

2 November 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 26 October.

### ■ Monday

N/a

### ■ Tuesday

#### **AB Foods (Finals)**

AB foods owns a raft of the UK's best-known brand names including Twinings tea, Ovaltine, Primark and British Sugar. The group came out with a solid update in early September, which pointed to a strong performance from Primark. The market will be looking closely at current trading with the all important Christmas period just around the corner.

**We currently list AB Foods as a HOLD.**

#### **Balfour Beatty (Trading update)**

It may be too early to comment on its recent US acquisition, therefore new information may be at a premium. There has also been concern over future Government spending so thoughts from the group on this would be helpful.

**We currently list Balfour Beatty as a BUY.**

#### **Rolls Royce (Q3 Trading update)**

This trading statement should give us an idea whether or not the company is on target to meet its current year expectations. We would not be surprised if they have exceeded expectations as contract wins this year have been a plenty and more look to be on the horizon.

**We currently list Rolls Royce as a BUY.**

### ■ Wednesday

#### **Marks & Spencer (Interims)**

The retail world will be holding its breath on news from one of the UK's most influential High Street chain. There has been growing concerns from analysts about weak consumer spending so we will be looking to see if its improving sales trend reported in September can be maintained. Investors should concentrate on sales since the results were signed off.

**We currently list Marks & Spencer as a SELL.**

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## **Aviva (Q3 trading)**

Prudential's sales figures slightly disappointed last week and it is unlikely that Aviva will beat expectations. Further news on the proposed merger of some of its operations and potential for cost savings will be of interest.

**We currently list Aviva as a HOLD.**

## ■ Thursday

### **Unilever (Q3 Trading update)**

There are hopes for an increase in sales alongside improving margins for this trading statement. Investors should monitor the growth in emerging markets, especially Asia, where domestic consumption looks set to rise into 2010.

**We currently list Unilever as a HOLD**

### **Man Group (Interims)**

A poor net asset value on its funds last week caused a sharp fall in the share price. In recent months the group has been sending out more confident updates on the flow of funds. The blue chip of the hedge fund sector will hopefully rubber stamp their improvement in confidence, but it is likely to caveat this with a note of caution.

**We currently list Man as a BUY**

### **Cable & Wireless (Interims)**

The share price has underperformed over the last few months after the market were unimpressed by an update in May which cut profit expectations. Signs of any improvement with its Caribbean operations and comments on a possible demerger will be of most interest.

**We currently list Cable & Wireless as a HOLD**

## ■ Friday

### **British Airways (Interims)**

There is a lot for followers of British Airways to focus on at the moment and though news flow has been constant in recent months, there should still be plenty of interest in the statement. The trend for passenger numbers and bookings is always important, but alongside this you have the threat of strike action, the long awaited merger with Iberia, news on the pension deficit and ongoing restructuring plans.

**We currently list British Airways as a HOLD**

## Economic diary

### 2 to 6 November

#### US and UK PMI indices for manufacturing November 2, UK services November 4

Although analysts were surprised by last week's ONS data indicating the UK posted negative growth in Q3, the poor performance was supported by recent PMI indices for manufacturing from CIPS/Markit. July's index rose above the critical 50 no change mark, but it fell back in the two following months. If the reading for October is also below 50 markets are likely to be disappointed.

The PMI index for the UK contrasts with the equivalent indices abroad. The US PMI index from ISM topped 50 in August and September and markets will be hoping for a continuation in the trend.

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For the services sector the story is more positive. The Business activity index for services, published by CIPS/Markit has now enjoyed scores in excess of 50 for five successive months. Will the October index rise above the impressive 55.3 score recorded for September?

## **November 4 Shop price index and Nationwide consumer confidence, November 5 Bank of England MPC meeting**

The two previous reports on shop prices from the BRC indicated annual prices were falling. The latest consumer confidence index from the Nationwide has been rising sharply recently, although it remains significantly below the levels seen in 2007.

Recent data is contradictory. Consumer confidence has been rising while the CIPS/Markit headline index for services suggests strong growth. The PMI index for manufacturing has been pointing to contraction, while last week the ONS recorded a UK contraction in GDP for Q3.

On balance, the chances that the MPC will be moved to extend quantitative easing as supported by Mervyn King but rejected by the committee during the summer, have increased.

### **Other economic announcements:**

#### **Wednesday 4 November**

- Consumer Confidence October – Nationwide
- Reports on services - CIPS/Markit

#### **Thursday 5 November**

- Index of production – September ONS

#### **Friday 6 November**

- Insolvency statistics Q3 – ONS
- Producer price index October- ONS
- US Employment situation October - BLS

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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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