

press release

11 November 2009

Investors advised to hold on Barclays and HSBC

- Barclays and HSBC report underlying profits
- RBS, Lloyds and Barclays are most bought and sold stocks in past week says The Share Centre

Banking giants HSBC and Barclays today reported the strongest underlying profits of the UK banks so far this year as the gap widens from their part-nationalised counter parts. Nick Raynor, investment adviser at The Share Centre comments on the results and how investors have reacted within the banking sector:

“Barclays Plc reported a pre-tax profit of £4.54billion for the calendar year to the end of September. The banking group's investment banking arm, Barclays Capital, put in a poorer than forecasted performance with sales and profits at the retail banking arm dropping substantially.

“HSBC has announced better than expected strong underlying profit over the last nine months in difficult markets. However, its third-quarter figures were lower than a year earlier. Understandably, both banks are being impacted by tightening in credit market spreads.

“HSBC has proven to be something of a safe harbour for investors, as, like Barclays, it avoided government support. Given the ongoing volatility within the sector we continue to list both Barclays and HSBC as a hold for low-to-medium risk investors. However, investors with a bigger appetite for risk, looking to buy within the sector could consider buying Barclays.

“For our customers, RBS, Lloyds and Barclays were the most bought and sold stocks in the past week as short term speculative investors were attracted to the situation. We would suggest Lloyds and RBS for high-risk traders only due to the extreme volatility in the share price.

thesharecentre:

Most bought and sold shares at The Share Centre in the past week

Top buys:

1. RBS
2. Lloyds Banking Group
3. Barclays

Top sells:

1. RBS
2. Lloyds Banking Group
3. Barclays

Ratio of buys: sells 63:37%

-- Ends --

thesharecentre:

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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. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's 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 SIPP's are also available.

The Share Centre's Advice Team provides comment on market sectors, individual shares and funds on 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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