thesharecentre:

# press release

22 March 2010

## 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 22 March 2010.**

- **Monday**

**Wolseley (interim results)**
Trading has improved during the last six months and these interim figures are expected to reflect this. Wolseley has undergone major re-structuring during the last two years and it looks like they are finally starting to reap the rewards. However, with the share price being close to 1700p we feel this is too high.

**We currently list Wolseley as a SELL**

- **Tuesday**

**Legal & General (full year preliminary results)**
Q4 sales should give the company the impetus to produce a good set of full figures. There have been no further rumours of a takeover involving L&G circulating the market so all eyes will be on the numbers issued. Investors will be looking closely at the dividend policy, in the past the dividend has been strong but there are concerns it may be cut.

**We currently list Legal & General as a HOLD**

**Cairn Energy (final results)**
We are still awaiting drilling results from its Greenland operation and this is not expected to be until later in the summer. Cairn Energy has an excellent track record and once again we are expecting good results.

**We currently list Cairn as a BUY**

**Imperial Tobacco (trading statement)**
Tobacco companies usually offer a very stable dividend but the amount of growth available is now starting to cause some concerns. Health officials and government advertising campaigns are all helping to mount pressure on both Imperial Tobacco and British American Tobacco. We will be looking at the trading statement closely to see if our hold recommendation needs altering.

**We currently list Imperial Tobacco as a HOLD**

- **Wednesday**

**Smiths Group (interim results)**
Smiths Group is the maker of body scanners and other security devices that are now being used at airports. It may well be too early to see if these new devices will have impacted on the bottom-line, it has certainly raised awareness of Smiths Group. The price for us looks too high at the moment, but results may persuade us to change our opinion.

**We currently list Smiths as a SELL**

**Sainsbury's (Q4 trading statement)**
Latest research shows Sainsbury's has lost ground to Morrisons in the battle of the supermarkets and is now the fourth largest in the UK. The price cutting war has a part to play in this mounting pressure. There are no signs of the Dubai investment group that made an offer for the company last year but this should not be ruled out.

**We currently list Sainsbury as a HOLD**

- **Thursday**

**Kingfisher Group (preliminary results)**
Sales figures for the last three months were hindered by the bad weather; this however is not expected to affect the full-year profit figures from being ahead of expectations. 2010 may not be as good a year though, as belts are still being tightened. Kingfisher is expecting a slowdown and so any improvement in 2010 will be a welcomed surprise.

**We currently list Kingfisher as a HOLD**

**Next (preliminary results)**
The share price has strengthened as of late, assisted by the company's share buyback scheme. The figures due from Next will hopefully convince us that there is more to the company at the moment than just the share buyback scheme and that summer sales are building momentum.

**We currently list Next as a SELL**

- **Friday – n/a**

## Economic diary

**Economic announcements w/c**

**Consumer price indices for February, March 23**

Last month saw the January consumer price index jump from 2.9% the month before to 3.5%, creating the necessity for the governor of the Bank of England to write to the chancellor. In its last inflation report the Bank of England predicted that inflation would remain above target for a few months before dropping back rapidly. The recent fall in average wage inflation, which rose by just 0.9% in the year to January, lends credence to the bank's expectation.

Many analysts fear that the inevitable consequence of quantitative easing will be a surge in inflation down the line. Today's data will no doubt be interpreted quite differently by the inflation hawks and doves.

**Final estimate of US growth in Q4 2009, March 26**

The Bureau of Economic Analysis' first estimate of US growth in Q4 2009 had the US economy expanding at an annualised rate of 5.7%. Its second estimate was revised upwards to 5.9%. Today's final estimate will be closely watched. Doubts still remain, however, on the sustainability of the US recovery, and whether the recent spurt in growth was down to a one-off turn in the inventory cycle

**Other economic announcements include:**

24 March

- Monthly distributive trades, CBI

25 March

- Retail sales – February 2010, ONS

26 March

- Gross Domestic Expenditure on Research and Development – 2008 edition, ONS
- Business Investment – Q4 2009 revised results, ONS

**---Ends---**

**For further information please contact:**

The Share Centre
Lisa-Marie Nelson
PR Manager
01296 439 426
Lisamarie.nelson@share.co.uk

Stephanie Reynolds
PR Executive
01296 439 256
Stephanie.reynolds@share.co.uk

Lansons Communications
Inez de Koning / Neil Gregory / Rachel Cashmore
0207 294 3623 / 0207 294 3611 / 0207 566 3663
Inezd@lansons.com / neilg@lansons.com / rachelc@lansons.com

**Risk Warnings:**

**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.

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.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.