

## press release

10 May 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 10 May 2010.**

#### ■ Monday

##### **Centrica (interim management statement)**

Centrica is on track to become the UK's cleanest power generator this year. This is due to its gas fired power stations and its growing number of wind farms. A point to note is that some of its off-shore turbines are experiencing problems with the structures sinking. Costs to repair this problem are relatively unknown yet but some say it could be as high as £50m.

**We currently list Centrica as a BUY**

#### ■ Tuesday

##### **Serco (interim management statement)**

Serco have been winning plenty of contracts this year and look set to be in an ideal position to win more as pressure on governments to spend on infrastructure projects grows. With exposure to the UK, US, Australia and the Middle East this is still our preferred play within the support services sector.

**We currently list Serco as a BUY**

##### **Inmarsat (Q1 results)**

Inmarsat recently announced a restructuring programme within the company which will integrate divisions that had previously traded independently. This gave the share price a timely boost, so we do not expect these figures to add any further encouragement for investors.

**We currently list Inmarsat as a HOLD**

##### **Aviva (Q1 interim management statement)**

Aviva is very much our favoured play within the insurance sector at the moment. The yield is now solid and, unlike Prudential, they do not have any ambitious expansion plans. We expect reasonable figures to come from its Russian venture and also its fledgling Indian business.

**We currently list Aviva as a BUY**

##### **Tui Travel (interim results)**

The amount of chaos caused by the volcanic ash-cloud is yet to be clarified. Until all the claims have been made and the volcano stops we will not know the true affect this 'Act of God' will have on the travel sector. We are not expecting the figures to be very good though.

**We currently list Tui Travel as a HOLD**

### ■ Wednesday

#### **Compass Group (interim results)**

Compass has been one of the more impressive performers of late and broker upgrades have supported its progress. The Group has continued its acquisition strategy this year. We expect these figures to be positive and will continue to list Compass as a 'buy' ahead of these figures.

**We currently list Compass as a BUY**

#### **Tullow Oil (interim management statement)**

Tullow has suffered lately as some of its recent drilling projects have been unsuccessful. This should not be a concern for investors holding the stock, as the company has plenty more drilling opportunities to rely on. The share price has been weak recently and we will be watching closely to see if these results are strong enough for us to consider upgrading our recommendation to a 'buy'.

**We currently list Tullow as a HOLD**

### ■ Thursday

#### **Petrofac (interim management statement)**

This will be the first update released since the company de-merged its Enquest business earlier in the year. Orders are still flowing in, especially from the Middle East where Petrofac have built up a significant presence. Petrofac has always been a steady performer and we expect nothing less from this update, however we feel the share price is high enough and recommend investors continue to hold on this stock.

**We currently list Petrofac as a HOLD**

#### **BT Group (full year results)**

The market will be hoping these results bring positive news from BT. Shareholders will be interested in how the group have faired against its competitors and the Pension deficit. BT received a welcome boost recently when OFCOM ruled that BskyB must wholesale its premium sport content to rivals. However BT may not see the fruits of this for some time as the decision is now being dragged through the courts.

**We currently list BT as a HOLD**

### ■ Friday – n/a

## **Economic diary**

### **Economic announcements w/c 3 May 2010**

#### **Monetary Policy Committee Announcement, 10 May**

The May MPC announcement for interest rates was delayed because of the election. In recent months there have been growing signs of a split within the MPC. It seems unlikely the Bank of England will give the new government an early headache by either changing interest rates or its policy regarding quantitative easing, but three members of the Shadow MPC Committee, which meets under the auspices of the Institute of Economic Affairs, recently voted for an interest rate hike.

## **April housing survey**

The RICS monthly housing survey has been pointing towards a change in the dynamic between housing and supply for several months. And for the last three months the index tracking new instructions (21 in March) has been giving higher readings than the index tracking new enquiries (0 in March). If this trend continues into April then this provides strong evidence that house prices will fall later in the year.

### **Other economic announcements include:**

11 May

- Index of production – March 2010, ONS
- Key indicators for the euro area, Eurostat

12 May

- Labour Market Statistics – LMS May 2010, ONS
- Average Weekly Earnings – March 2010, ONS
- Flash Estimate EU and euro area GDP, Eurostat
- Interest rates (three months), ECB
- Inflation Report – May 2010, Bank of England

13 May

- Mortgage and landlord repossession statistics, England and Wales – January to March 2010, ONS/ Justice department
- UK Trade – March 2010, ONS

### **For further information please contact:**

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

Lisa-Marie Nelson  
PR Manager  
01296 439 426  
Lisamarie.nelson@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:**

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 SIPPs 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.

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.