

press release

17 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 17 May 2010.

■ **Monday - n/a**

■ **Tuesday**

Vodafone (preliminary results)

Competition within the mobile phone market is still strong but Vodafone's geographical exposure has boosted its potential to stay ahead of its competitors. India is predominantly the market that offers the most opportunity.

We currently list Vodafone as a BUY

Smiths Group (interim management statement)

Engineers, Smiths' activities are split between aerospace instruments, which include a heavy defence element, medical equipment and heavy industrial seals. Figures released in March revealed that despite sales remaining flat, profits had shown signs of improving. We expect this update to be much of the same and as economies start to improve Smiths Group will begin to win more contracts.

We currently list Smiths Group as a HOLD

■ **Wednesday**

Experian (preliminary results)

Experian has updated the market recently and we expect these figures to clarify earlier reports. Experian has agreed to divest its UK database and form a joint venture with BSKyB to provide consumer and media insight services and customer management capabilities to a number of large hosted database clients. Experian benefits from its global diversity and mix of business, hence we continue to list them as a 'buy' for growth seeking investors.

We currently list Experian as a BUY

ICAP (preliminary results)

Global wholesale broking business, ICAP issued a profit warning in February this year but since then the shares have staged somewhat of a recovery. Business has improved and in the most recent update it was noted that margins may have improved in the second half of the year. We recommend ICAP as a steady hold for now and we expect these figures to show a return to positive growth.

We currently list ICAP as a HOLD

■ **Thursday**

Investec (full year results)

Investec has been quiet of late. The last significant news from the fund house was the purchase of the balance wealth manager, Rensburg. Markets have been volatile but other fund houses have reported investments are still being made, so we expect the same for Investec. These figures will show an improvement since their last update

We currently list Investec as a HOLD

Cairn Energy (interim management statement)

We hope that this update will give some indication of how the drilling programme off the coast of Greenland is going. Positive news from the oil company may attract further investors who are currently disillusioned with BP and the current events in the Gulf of Mexico. The latest drilling news was not so good so we hope for a positive update this time.

We currently list Cairn as a BUY

■ **Friday**

British Airways (preliminary results)

Volcanic ash, strikes and the pension deficit are all concerns that will need to be addressed in these results. We do not expect this to make pleasant reading and don't think we will be changing our short-term view on the stock.

We currently list British Airways as a SELL

United Utilities (preliminary results)

Investors will be looking to see what United Utilities have to say about their dividend policy in these results. The Group is predominately associated with a progressive dividend policy and a high paying dividend, however since the last OFWAT review concerns have been raised over the company's yield. Assets have been sold, so this could have positive news for investors. We will wait and see however at the moment we still list United Utilities as a hold.

We currently list United Utilities as a HOLD

Economic diary

Economic announcements w/c 17 May 2010

UK consumer prices, 18 May

Last month inflation rose to 3.4% from 3%, after reaching 3.5% in January. Will the yo-yo pattern continue? Recent data from the British Retail Consortium showed that shop price inflation had lifted from 1.25% to 2% in April, while annual producer input prices rose from 10.3% to 13.1% and output prices moved from 5% to 5.7%. The Bank of England predicted a sharp fall in inflation during the latter part of the year, but markets are becoming impatient.

Minutes of the MPC meeting, 19 May

There have been signs of cracks appearing in the consensus between doves and hawks. The last set of minutes said that the recent rise in inflation and in other indicators was “a source of concern to some members”. Markets will be looking carefully at the minutes, scrutinising them for signs of a deepening rift.

Other economic announcements include:

18 May

- Consumer Price Indices – April, ONS
- Producer Price Indices – April 2010, ONS
- Euro Inflation (HICP), Eurostat
- Industrial Trends Survey, CBI

19 May

- Average Earnings Index – March 2010, ONS
- Minutes of the Monetary Policy Committee meeting held on 7 & 10 May
- US consumer prices, BLS

20 May

- Retail Sales – April 2010, ONS

21 May

- Business Investment Q1 2010 Provisional Results, ONS
- Public Sector Finance, April 2010, ONS

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The bases and levels of taxation relating to ISAs, CTFs and SIPP 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. 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

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