

## press release

23 June 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 23 August 2010.

#### ■ Monday

##### **Petrofac (interim results)**

Petrofac's update in June made good reading and we hope for the same to be true of these interim results. There have been plenty of contract wins recently, including a \$400 million contract with the Kuwait government. The only concern for us is the rise in share price, good for investors who hold the stock, but a touch pricey for new investors.

**We currently list Petrofac as a HOLD**

#### ■ Tuesday

##### **Cairn Energy (interim results)**

Investors will be hoping for more news in relation to the sale of part of its Indian operation, as they have been promised a nice cash return providing that the sale goes through. Investors also eagerly await developments from its Greenland prospects. Successful drilling could look to pile in the pounds, (not without risk), but investors will be pleased with this year performance so far, and there may be more to come

**We currently list Cairn Energy as a BUY**

##### **WPP (interim results)**

It will be very interesting to see how one of the world's biggest advertising agencies has preformed during the first half of the year. As economies start to show some signs of recovery, has this filtered through to this industry? We expect the World Cup to have provided some boost, and we may get an indication of how the second half of the year is likely to pan out.

**We currently list WPP as a HOLD**

#### ■ Wednesday

##### **Admiral (interim results)**

We have listed Admiral as a sell for some time now, however we could be wrong on this one. The share price is now close to an all-time high, but for us the shares still look too expensive. There is plenty of competition within the sector and at some point this is going to have an affect on the bottom line - we still remain cautious sellers.

**We currently list Admiral as a SELL**

##### **Tullow Oil (interim results)**

Tullow Oil has successfully found oil in Africa continually for some years and more recently it has been successful in Uganda. This update will no doubt contain positive news for investors, but just

how much is uncertain. The successful purchase of Heritage oil assets may be mentioned, but for us it's all about the drilling results.

**We currently list Tullow Oil as a BUY**

**BHP Billiton (preliminary results)**

BHP Billiton has just offered a staggering \$40bn for Canadian potash producer Potash Corporation of Saskatchewan. However, these results will focus more on how much profit the company has made and how much resource is being gobbled up by China. The company's vast diversity makes it our favourite within the mining sector, however depending on how the takeover of Potash Corporation goes and how they pay for it this, we may review our position.

**We currently list BHP Billiton as a BUY**

■ **Thursday**

**G4S (interim results)**

G4S derives a lot of contracts from the Government and there will be concerns as to whether or not G4S will be affected by the cuts in public spending. This is not apparent yet, and these figures will hopefully clarify the situation. We do currently list this one as a 'buy', but our position will be under review upon release of these results.

**We currently list G4S as a BUY**

**Diageo (preliminary results)**

We hope the World Cup gave Diageo a nice kick towards the end of the financial year. Diageo is only a hold though as competition remains high within the sector, and cheap European imports coupled with tough marketing campaigns from competitors is likely to stifle growth.

**We currently list Diageo as a HOLD**

**Carillion (interim results)**

Carillion is a well diversified company - especially from a global position. Contracts won so far this year have been from the US, Middle East and Europe, and there is also exposure to Australia. All of this helps to keep the share price stable and add to the attraction and potential for further growth.

**We currently list Carillion as a BUY**

■ **Friday n/a**

## **Economic Diary**

**Economic announcements for w/c 23 August 2010**

**CBI Quarterly Distributive Trades – August, 26 August**

Last month the headline index from the CBI Distributive Trades survey hit its highest level since April 2007, with 18 per cent of retailers saying sales were lower than a year ago, and 51 per cent saying they rose, giving a balance of +33 per cent. As for expectations, a positive balance of 45 per cent of retailers expected a higher volume of sales for August; this was the highest reading since June 2004. But the CBI findings are not consistent with the Retail Sales Monitor from BRC which recorded a poor set of results last month, especially for non-food retailing. Will the August data confirm the retailers' optimistic forecast from four weeks ago?

## UK Output, Income and Expenditure – Q2, 27 August

In recent quarters the ONS has revised its estimate of quarterly growth upwards with the release of its Output, Income and Expenditure quarterly bulletin. In May, for example, GDP quarterly growth for Q1 was revised up from 0.2 per cent to 0.3 per cent. The ONS has estimated Q2 growth at 1.1 per cent – a figure that surprised on the upside. Will today's release indicate a revision of Q2 GDP data?

### 27 August

- Index of Services – June 2010, ONS
- United Kingdom Balance of Payments – Pink Book 2010, ONS
- Business Investment – Q2 2010 Provisional Results, ONS
- US Gross Domestic Product Q2, BEA

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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](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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