

## press release

04 November 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 8 November 2010.**

#### ■ Monday

##### **G4S Group (Interim management statement)**

No excitement expected within this report but investors will be grateful for confirmation that trading has been holding up and what impact, if any, the spending review will have on future earnings. We like G4S as it does not depend solely on the UK for its revenues, with 26% of its sales in developing countries.

**We currently list G4S as a Buy**

##### **ASOS (Interims)**

This year has seen a tremendous performance from ASOS. At the start of the year the shares were trading at 487p and are now sitting comfortably over 1300p. Its overseas expansion has been the main performance driver so we eagerly await news of the business generated by the September launch of its US website.

**We currently list ASOS as a Buy.**

**Also reporting is Inmarsat (Q3)**

#### ■ Tuesday

##### **Barclays (Q3 interim management statement)**

As at the time of writing figures released within the banking sector have been somewhat underwhelming, Lloyds released an update which failed to ignite the market but we are hoping for better things from Barclays. Free from Government funding and dilution, Barclays have been the first of the banks to re-commence paying dividends and there maybe further information issued on the dividend policy in this update.

**We currently list Barclays as a Buy**

##### **Vodafone (Interims)**

Vodafone are currently undertaking a share buyback scheme which is helping stabilise the share price, if not improve it. The yield is still a steady 5% and the company's exposure to India is the main reason why we still have a buy rating on the stock. We may also find out more on the potential dividend that has been expected to come from Verizon Wireless, in which Vodafone owns a substantial stake.

**We currently list Vodafone as a Buy.**

## **M&S (Interims)**

Retailers have not had the best of times and the update that was issued by Next highlighted this. Costs are expected to rise next year as the price of cotton increases putting further pressure on margins. There has been no word from M&S as to how this will affect pricing next year but we hope that some steer will be given in this update. Also it would be good to see if the food side of the business has improved.

**We currently list M&S as a Hold.**

**Companies also reporting Tuesday include Intercontinental Hotels (Q3) & Hammerson (Trading statement)**

## ■ **Wednesday**

### **Sainsbury (Interims)**

Christmas competition and price wars may well overshadow the upcoming results. Investors should look forwards, not backward, in a bid to determine which food retailer will come out on top over the Christmas period. The shares would certainly perk up if the long-running takeover rumours were to be confirmed as a possibility.

**We currently list Sainsburys as a Hold.**

### **Prudential (Q3 trading statement)**

Prudential have recovered extremely well since their abortive takeover of AIG's Asian assets. Investors will have welcomed that the dividend has not been diluted and that a massive fund raising was not needed. Figures from other insurers earlier in the month proved to be positive and we expect that Prudential's will also be good. We believe the overseas operations will be the outstanding feature in these figures.

**We currently list Prudential as a Buy.**

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

Tullow have not had the best of times recently as several unproductive wells have subsequently been shut down. Tullow however have many more irons in the fire and with its proven track record we don't doubt that they will be back on track once again. This update could be the first step in getting back on the right lines.

**We currently list Tullow as a Buy.**

**Also reporting on Wednesday, Scottish & Southern (Interims)**

## ■ **Thursday**

### **BT (Interim results)**

In this update we may receive further news on the whopping pension deficit or the plans to sell its stake in its Indian outsourcing firm, Tech Mahindra. Properly deployed, any funds raised could help to change our view on the company but we are down on the stock as there is so much competition within the Telecom sector at the moment.

**We currently list BT as a Sell.**

### **International Power (Interim management statement)**

An update on the merger between IPR and GDF Suez would be appreciated in this statement. Investors have been hanging on for some time and may have longer to wait. In the meantime, the share price has been on somewhat of a roll and investors may be disappointed when the merger finally goes ahead. However, for now, we still expect the standalone company to produce some reasonable figures.

We currently list IPR as a Hold

Companies also reporting today include Serco (Interims), 3i (Interims), Amec (Interims) and Vedanta (Interims), Land Securities (Interims)

## ■ Friday

Rolls Royce (Interim management statement)

Rolls Royce have been winning many contracts recently which is good to see. Many of these are from overseas airlines and will help bolster the company order book. We regard Rolls as a solid hold, especially given that the defence spending review does not appear to harm its prospects.

We currently list Rolls as a Hold

**This data and opinion has been provided by Nick Raynor, investment adviser at The Share Centre. This is not intended to constitute an offer or agreement to buy or sell investments.**

## Economic diary

Economic announcements for the w/c 8 November 2010:

### **9 November October Housing Market Survey – RICS**

While last month saw the RICS headline index tracking house prices fall to minus 36, the lowest reading since May 2009, and while the index tracking new instructions rose on the month before, the gap between the index tracking new instructions and the index tracking new enquiries narrowed. With evidence from the CML, BBA and the Bank of England all pointing to recent falls in mortgage approvals for house purchases, it seems likely that new enquiries will remain muted for some time. The big question mark, however, hangs over future supply. The RICS new instructions index has been positive in fifteen of the last sixteen months. For as long as this remains positive, and new enquiries stay weak, house prices seem likely to fall. But for how much longer will new instructions continue to rise?

### **10 November Inflation Report – November 2010 – Bank of England**

The Bank of England's quarterly inflation report always enjoys rapt attention, but today's report should attract more headlines than normal. The minutes from the most recent Bank of England Monetary Policy meeting showed a three-way split on the MPC, but suggested members are coming around to the view that more QE will be required shortly. Since then, however, initial estimates of UK growth in Q3 were higher than expected, and the most recent PMI has pointed to a rebound in manufacturing and new export orders. With inflation remaining stubbornly more than a full percentage point above the Bank of England target, and with recent Bank of England inflation forecasts consistently underestimating the strength of inflation, will today's report show any hint of a change in attitude at the bank?

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

#### **9 November**

UK Trade – September 2010 – ONS

Index of Production – September 2010 – ONS

Retail Sales Monitor – November 2010 – BRC/KPMG

#### **10 November**

Annual Survey of Hours and Earnings – ASHE Results 2010 – ONS

US International Trade – Census and BEA

#### **11 November**

Mortgage and landlord possession statistics, England and Wales – July to September 2010 – ONS

#### **12 November**

Flash Estimate EU and euro area GDP – Q3 – Eurostat

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# the**share**centre:

## **Note to editors:**

Please note that the dates stated in this article are indicative and could be subject to change which is beyond our control.

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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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