

## press release

13 January 2011

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 Jan 2010.**

■ Monday – n/a

■ Tuesday

**Burberry (Q3 trading statement)**

Retailers have had a disappointing Christmas with bad weather blamed for shoppers staying away, but the luxury goods market may not have been affected as badly as others. Burberry's share price has been high recently because of rumours of a potential takeover. It is this high share price that has kept it as a 'sell' for us, however this update may prove us wrong.

**We currently list Burberry as a SELL**

**Experian (Q3 interim management statement)**

Experian's share price has been bolstered and stabilised by the large buyback scheme the company is currently undertaking - since December nearly 2 million shares have been purchased and cancelled. There has not been much information from the company recently, so we hope that this will fill the void. Experian's overseas exposure is our attraction to the company, one for growth seekers but not for income.

**We currently list Experian as a BUY**

**Pearson (full year trading statement)**

Pearson is set to expand its international exposure by opening 50 new English language centres in China, in addition to its 66 language schools already operating in the area. This is to be conducted over several years and not rushed. Pearson are also looking to translate more of its popular ranges into foreign languages and Arabic is the latest to be looked at. Pearson has had several upgrades recently and we hope this update will continue to justify our 'buy' recommendation.

**We currently list Pearson as a BUY**

■ Wednesday

**Land Securities (Q3 trading statement)**

Land Securities is now reaching a two year high as recovery within the property market continues to amble on. However, some believe this may soon be coming to an end and that London office rates are due to peak. Having said that, the yield is very good and there could be consolidation within the sector this year. The statement should make interesting reading.

## **We currently list Land Securities as a HOLD**

### **ASOS (Q3 trading statement)**

High street retailers have suffered over Christmas and ASOS investors will be hoping those with an on-line presence will have fared better. It is also possible consumers may have had concerns over whether or not purchases would be delivered on time, and this may have had an affect. This update is very important to show how ASOS has coped and the market is confident as at the time of writing the share price has hit an all-time high of over 1600p.

## **We currently list ASOS as a BUY**

### ■ Thursday

### **Man Group (Q3 interim management statement)**

Takeover rumours still hover around Man Group and it was no surprise that at the start of the year Nomura included the company in their lists of top 30 takeover targets of 2011. This Interim statement will hopefully give some indications of how Man Group's recent acquisition is being integrated and also of how the company's main AHL fund is performing.

## **We currently list Man Group as a BUY**

### **United Utilities (interim management statement)**

It has been very quiet for utilities companies recently, especially those that do not have exposure to Northern Ireland. Interestingly this is another stock mentioned on Nomura's list as UK utilities have always been attractive especially for European companies. We certainly think that somewhere in the sector there will be consolidation, but who and when is not known. This update will hopefully just note that leakages over the winter were not too bad and that United Utilities is on track to meet market expectations.

## **We currently list United Utilities as a HOLD**

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

December saw Invensys deny reports that a Chinese rail group had or was about to make an offer for the company. Results in November were reasonably positive and it's clear why the company want to rebuff any approach. Invensys has plenty of cash and also growth in earnings. A good hold for now.

## **We currently list Invensys as a HOLD**

### **Tullow Oil (trading statement)**

A recent update from Tullow Oil about drilling operations was released with mixed results. Its operations in Uganda continue to go from strength to strength, as so far 36 wells have been drilled and oil has been found in every one. So far 1 bn barrels of oil is the estimate and Tullow Oil believe there is a further 1.5 bn to be found in the area. We do not expect much to be released within this update, just conformation of current operations and that flow of oil is expected.

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

### ■ Friday – n/a

## Economic Diary

### **Economic announcements w/c 17 January 2011**

**18 January Consumer Price Indices – December 2010 – ONS and 19 January Average Weekly Earnings – November 2010 – ONS**

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Last month, inflation as measured by the CPI was 3.3%, from 3.2% the month before. RPI inflation was 4.7%, from 4.5% the month before. Regardless of what today's data for December says, it is clear that with the VAT rise in January, recent data from the BRC indicating that food prices rose by 4% in the year to December, and with other commodity prices looking strong, inflation will be above target for many months to follow. However, ONS data on average wages out on 19 January may show the other side of the equation. Annual average earnings including bonuses in the three months to October rose by just 2.2%. Although earnings growth has been accelerating, so far there has been only very modest cost pressure coming from wages – and traditionally, inflation becomes alarming only when we have seen a wage-price upward spiral.

## **18 January December Housing market survey – RICS**

Although the November RICS housing survey was deeply in negative territory (-44, from -49 the month before), and although the index tracking new buyer enquiries fell sharply from -12 to -18, there are now growing signs that supply is dropping off, too. The index tracking new enquiries was negative for the second month in succession. However, with the new instructions index showing minus 4, the gap between new enquiries and instructions remains significant, and still points to further house price falls in the next few months. But will the data out today indicate that the gap between new enquiries and instructions has closed? If it has, then those who claim falling supply will stop house prices falling significantly this year will be able to point to data that supports their argument.

## **Other economic announcements include:**

19 January

- Labour Market Statistics – LMS January 2011 – ONS

20 January

- Wealth in Great Britain – Wave 2 Interim Report – Part 1 – ONS
- Quarterly Industrial Trends Survey – CBI

21 January

- Retail Sales – December 2010 – ONS
- EU – Quarterly balance of payments Q3/2010 – 2nd release – Eurostat

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## **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 SIPPs 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.

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