

press release

20 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 24 Jan 2011.

■ **Monday – n/a**

■ **Tuesday**

Stobart (interim management statement)

Investors will be looking forward to this update as it will hopefully kick-start Stobart's share price. We haven't seen much movement on the share price in recent months, while other companies have been adding value. The recent TV series may have bought the company into the public eye, but we have not seen any big contracts wins for several months now. We eagerly await the figures and hope for a positive push on the share **price**.

We currently list Stobart as a BUY

Severn Trent (Q3 interim management statement)

The utilities sector has been named by many as the most likely to see acquisition or merger activity during 2011. Severn Trent was the best performing water company in the FTSE during 2010 and this may be a feat the company struggles to maintain during 2011. This update could prove us wrong but investors will be hoping to see a positive outcome and reassurance that the dividend will remain intact.

We currently list Severn as a HOLD

Babcock International (interim management statement)

Back in November Babcock International released a reasonably positive statement, noting it had won new contracts and that the integration of VT Group was going well. This will be a short update and we are hoping for much of the same. There have been changes at the top as Lord Hesketh resigned as deputy chairman, but that shouldn't detract from the company's performance and future potential.

We currently list Babcock as a BUY

■ **Wednesday**

Johnson Matthey (interim management statement)

The speciality chemical company looks set to post a reasonable update due to the rising price of platinum and positive markets for the products that Johnson Matthey produce. The share price has been on a terrific march for the last six months and now looks as it may have peaked at the 2000p level. We are 'holders' for now and eagerly await the update.

We currently list Johnson as a HOLD

United Utilities (interim management statement)

Much the same to be said for United Utilities as with Severn Trent; the sector is expected to be the most likely for mergers and consolidation. Investors will want to see that the very reasonable dividends on offer continue. The cold winter snap may have caused some problems for water companies, but we have seen little bad news reported prior to this update.

We currently list United Utilities as a HOLD

■ **Thursday**

BskyB (interim results)

Investors will be looking for news on the proposed takeover offer from NewsCorp, rather than looking at the underlying figures from this update. Last year BskyB produced impressive new customer figures at regular intervals and this may happen again, however the share price is unlikely to be affected as the takeover talk rumbles on.

We currently list BskyB as a HOLD

3i (interim management statement)

This update will hopefully give us some idea of 3i's intentions for the year and whether they are going to be either very actively buying up companies or to gain value from current investments. It has been noticed that activity is currently slower than in the past, which in these potentially uncertain times is expected. We wait to see the outcome of this statement for any hints to this year's direction.

We currently list 3i as a HOLD

Cairn Energy (trading statement)

This update should shed some light on the Indian Government's decision on the proposed sale of 51% of Cairn India Ltd to Vedanta for as much as £5bn. This money will come in handy as Cairn is looking to drill in the Greenland prospects that they have the rights for. It's not the end of the world if the deal falls through but it may have a short-term impact on the share price and if so is a great opportunity for investors to buy.

We currently list Cairn as a BUY

Lonmin (interim management statement)

Political, personnel and the weather; all problems that Lonmin has had to face and the signs show its not getting better. This is a great shame as the price and demand for platinum seems to be on the increase. If in this update Lonmin have addressed some of the issues then we may be slightly more positive on the stock, however we doubt this and are confident that we will remain sellers.

We currently list Lonmin as a SELL

■ **Friday**

Marston's (interim management statement)

2010 was a year of consolidation for Martsons; new pubs were built and profits were once again flowing. 2011 is expected to be much of the same, new buildings and projects are to be the main driver behind a hopeful profit surge and with this profit comes stability of the dividend. The company's shift towards food-driven pubs has helped and in this update we expect to see more encouraging performances.

We currently list Marston's as a BUY

Economic Diary

Economic announcements w/c 24 January 2011

25 January Gross Domestic Product: Preliminary Estimate – Q4 2010 – ONS

The first estimate of UK GDP covering the final quarter of 2010 will draw much attention. The previous set of figures for UK GDP suggested the UK economy expanded by 0.7% in Q3 on the previous quarter, and by 2.7% on Q3 2009. The National Institute of Economic and Social Research recently estimated that the UK expanded by 0.5% in Q4 on the previous quarter, and by 1.6% in 2010 overall. Although first estimates from ONS are often revised at a later date, sometimes quite significantly, today's data will be afforded considerable significance by the markets, especially if the data is significantly different from expectations.

26 January Minutes of the Monetary Policy Committee Meeting held on 12 & 13 January – Bank of England

With an increasing number of economists predicting increases in the rate of interest sooner, rather than later, the minutes from the Bank of England MPC out today will garner more attention than normal. The last set of minutes revealed that Andrew Sentance was once again the only member of the committee to vote for an increase in rates, while Adam Posen was the sole vote in favour of more quantitative easing. Will today's minutes suggest other committee members are wavering, and close to joining Mr. Sentance, or are they staying steadfastly to the previous consensus that inflation will fall back later in the year?

Other economic announcements include:

25 January

- Index of Services – November 2010 – ONS
- Public Sector Finance – December 2010 – ONS

26 January

- Public Service Labour Productivity – ONS
- Households that have never worked – ONS

27 January

- Monthly Distributive Trades Survey – CBI

28 January

- Public Sector Statistics – Supplementary Quarterly Data release January 2011 – ONS
- US Gross Domestic Product (Advance) 2010 Q4 – BEA

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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 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. 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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