

## press release

17 February 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 21 February 2011.**

#### ■ Monday

##### **Hammerson (preliminary results)**

Results from the property sector have been fairly positive recently and investors will be hoping for more of the same from Hammerson. Valuations have been rising in the UK, but Hammerson has more of a European portfolio so it will be interesting to see how valuations have improved in other regions.

**We currently list Hammerson as a HOLD**

#### ■ Tuesday

##### **Wolseley (trading statement)**

Wolseley has been subjected to several broker downgrades recently and had its share price targets cut. Some may see this as a big negative; however it is due to the company's success and vast improvement in its fortunes forcing the share price higher. These results will have to be quite special to put a halt the negative sentiment currently circulating the stock.

**We currently list Wolseley as a HOLD**

#### ■ Wednesday

##### **Rexam (preliminary results)**

Rexam is one of the world's top five consumer packaging companies. Negotiations with customers have been ongoing since the start of the year and the company has recently successfully finalised several contracts in North America. Volumes look set to suffer in 2011 but will be regained by 2013 due contract terms. Material costs are always an issue for Rexam and any opportunity to improve margins is a success. Figures should be solid and we remain confident of our 'hold' stance.

**We currently list Rexam as a HOLD**

#### ■ Thursday

##### **British American Tobacco (preliminary results)**

Emerging markets will be the key area for British American Tobacco (BAT) in these results. Other tobacco companies have noted that the mature markets are starting to suffer as price rises and smoking bans start to have an impact. BAT has a huge global presence and should be able to

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overcome short-term fears for now. We are likely to continue to recommend investors 'hold' the stock, as the yield is attractive to many.

## **We currently list British American Tobacco as a HOLD**

### **Centrica (preliminary results)**

Higher gas prices, colder weather and increasing customer numbers should make for good reading. Centrica has been one of our favourites for some time now as the company offers investors steady growth along with a reasonable yield. Unless these figures are disastrous we are highly unlikely change our view.

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

### **Royal Bank of Scotland (full year results)**

Positive figures from Barclays have raised hopes that the other large banks may provide something similar. We don't think this will be the case and would advise investors see any positive bounce in the share price as an opportunity to 'sell'.

## **We currently list RBS as a SELL**

### **RSA Insurance (full year results)**

Bid speculation is circulating the sector and RSA Insurance has been at the forefront of this. Rumours are that, along with Resolution Group they may bid for some of Aviva's assets. The company update in January blamed bad weather for poorer figures and investors will hope things have changed for the better since then.

## **We currently list RSA as a SELL**

## ■ Friday

### **Lloyds Banking Group (full year results)**

Bankers' bonuses and profits will be the main interest to the market from these results. We would like to hear more about talk of the bank splitting its divisions in a similar fashion to RBS; however we suspect investors and the public will be interested the figures.

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

## Economic Diary

### **Economic announcements w/c 21 February 2011**

#### **23 February Minutes of the Monetary Policy Committee Meeting held on 9 & 10 February – Bank of England**

With growing expectations that interest rates may be rising soon, the latest set of minutes from the Bank of England Monetary Policy committee is being awaited with much anticipation. Last month Martin Weale joined Andrew Sentance in voting for a hike in interest rates. Adam Posen voted for more quantitative easing. Did the February meeting see more members join the cause of those who want to see rates rise? Despite recent rises in inflation, did Mr Posen vote for more QE again? And did the minutes hint that other members are coming round to the view that interest rate rises will be required soon?

#### **24 February Quarterly Distributive Trades – CBI**

The CBI distributive trades survey will be of especial interest, because it will provide the first data on how well the retail sector performed in February. Typically the CBI survey has been presenting more positive results than surveys from the BRC, or the official data from the ONS. In fact, the December index hit 57, the highest reading since April 2002. However, the CBI data related to the early part of December, and snowfalls later in the month meant retail sales in

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December were much lower than the CBI survey seemed to imply. The index for January fell back, dropping to 37. Although this was quite a significant fall, even the reading for January was unusually high and pointed to a robust recovery in sales once the weather improved. Will the index for February remain at an unusually high level?

## Other economic announcements include:

22 February

- Public Sector Finance, January 2011 – ONS
- US Consumer Confidence – Conference Board

24 February

- Service Sector Survey – CBI

25 February

- UK Output Income and Expenditure – Q4 2010 – ONS
- Business Investment – Q4 2010 Provisional Results – ONS
- US Gross Domestic Product Q4 2010 (Prelim) – BEA

---Ends---

## Notes 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 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

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