

press release

3 March 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 7 March 2011.

■ Monday

Inmarsat (preliminary results)

After the sale of US fund Harbingers stake in Inmarsat the cloud of uncertainty has been lifted. A further 14% of the company was sold at 670p in mid-February and analysts now believe the company can look forward instead of worrying about potential takeovers. Already this year Inmarsat has won a contract worth \$115m a year and there could be more to come when these results are released. Inmarsat is a 'hold' for now but we could consider a change.

We currently list Inmarsat as a HOLD

■ Tuesday

Weir Group (full year preliminary results)

Weir Group has some exposure to Government spending and so could be hit by recent cuts by the Ministry of Defence. However, the company has enough diversity to be able to cope with this and has now established itself as a FTSE 100 constituent. Weir Group may suffer slightly from events in North Africa, however it should not be detrimental within these results.

We currently list Weir Group as a HOLD

Antofagasta (full year preliminary results)

Mining companies have been doing very well recently and Antofagasta should be no exception. Copper prices are close to all time highs and if the company aren't pushing profits higher now, they never will be. In a recent update the company announced that expectations would be missed, so if results read even worse, we could see some volatility in early trading. A good play for copper exposure, but only a 'hold' for investors due to its unreliability.

We currently list Antofagasta as a HOLD

■ Wednesday

Tullow Oil (Full year results)

Negotiations with the company, CNOOC, appear to have faltered and some concerns have arisen over the political status of both Ghana and Uganda. Drilling will commence early March, how long this will take is unknown as drilling has not taken place in the area before and the geological formations are untested. We feel there is still plenty of potential, hence our continued 'buy' recommendation to investors.

We currently list Tullow Oil as a BUY

Prudential (full year results)

Figures from Prudential are expected to be good and will hopefully justify the company's decision not to complete the purchase of the Asian business, AIG last year. Investors will want to see further improvements of the dividend and signs that the insurer is on track to regain the levels prior to the financial sector's fall from grace.

We currently list Prudential as a BUY

■ Thursday

Aggreko (full year preliminary results)

Aggreko is the official supplier of temporary power supplies for the Olympics. This should have come as no surprise for investors and analysts alike as Aggreko has been the supplier to most of the recent large sporting and non-sporting events around the globe. The deal may only be worth £37m, but it will give the company global exposure and increase the likelihood of further contracts. Several brokers are very positive on Aggreko, but for us it looks fairly valued.

We currently list Aggreko as a HOLD

Standard Life (full year preliminary results)

Results are unlikely to provide much cheer unless Standard Life can come up with something exceptional. Many brokers, including ourselves, believe the shares are fairly valued at the moment and are only holders of the stock. The takeover of Focus Solutions is now complete and although it is unlikely to have any effect on the bottom line at the moment, it will be interesting to see how integration of the two businesses is going.

We currently list Standard Life as a HOLD

Morrison (Wm) (full year preliminary results)

Morrison's has made their first foray into the internet market with the £70m purchase of Kiddicare. This will be the first step to developing an on-line business. It's too early to see if it will have any impact but we may get some update to how the project is moving on. Recent research has noted Morrison's market share is unchanged during the last 12 weeks - not bad when the likes of Tesco and Asda are losing theirs. It is also hoped that shareholders may see some rewards in the form of higher dividends or a share buy back **scheme**.

We currently list Morrison's as a HOLD

■ Friday – n/a

Economic Diary

Economic announcements w/c 7 March 2011

8 March RICS Housing market survey for February

Last month, the headline index from the RICS housing survey rose from minus 39 in December to minus 31. Although this index is still deeply into negative territory, suggesting house prices are falling across the UK, it has improved for three months in succession. Will the February index see another improvement? Meanwhile, the index tracking new enquiries also improved, rising from minus 12 to minus 7. Crucially, however, the index tracking new instructions improved too, rising from minus 14 to minus 3. The relationship between these two indices provides an indication of the direction house prices will move in several months down the line. For as long as the index

tracking new instructions is greater than the index tracking new enquiries, there are negative prospects for house prices in the short term.

10 March Monetary Policy Committee Meeting and Announcement – Bank of England

Last month Spencer Dale joined Martin Weale in voting for a quarter of a per cent hike in interest rates. Andrew Sentance voted for a half a per cent rise. There is probably more uncertainty about the outcome of the next MPC meeting than there has been since rates first fell to 0.5 per cent. It is worth bearing in mind, however, that while the most recent set of minutes from the MPC certainly suggested rates may rise soon, they also implied they may fall back to half a per cent within a few months.

Other economic announcements include:

8 March

- US International Comparisons of Hourly Compensation Costs in Manufacturing, Annual 2009 – BLS
- February 2011 Retail Monitor – BRC

9 March

- UK Trade, January 2011 – ONS

10 March

- Index of Production, January 2011 – ONS
- US International Trade, January – Census and BEA

11 March

- Producer Price Index, February 2011 – ONS
- US Manufacturing and Trade: Inventories and Sales, January – Economics and Statistics Administration

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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 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

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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