

## press release

13 April 2011

### The forward look from The Share Centre

**Nick Raynor, investment adviser at The Share Centre, gives his thoughts on what to expect from companies announcing results w/c 4 April 2011.**

■ **Monday – n/a**

■ **Tuesday**

#### **Burberry (trading statement)**

Burberry has taken a hit recently as incidents in Japan have had a negative effect on the share price. Uncertainty still remains and continued after shocks are still having a profound effect on the company's value. There has also been a great deal of bid speculation surrounding the stock which we believe has been factored in, hence why we still recommend investors 'sell' Burberry. If the update issues some surprises then we may alter our stance, however we believe this is unlikely.

**We currently list Burberry as a SELL**

#### **Reed Elsevier (interim management statement)**

Currency rates have been the main concern for brokers in relation to Reed, rather than how the company has been performing. With so much exposure to the dollar any weakness in the currency could have a negative effect on what would be good figures. This is a tentative 'hold' for now.

**We currently list Reed as a HOLD**

#### **SAB Miller (Q4 trading statement)**

SAB Miller is looking to further its already vast international exposure by increasing its investment in the Sudan. It is rumoured to be bidding for Brazil's second largest brewer Schincariol, with a price tag of \$2bn. Although this may make a few punters spill their beer the company can easily afford it. Retail figures have been much weaker in 2011 so it will be interesting to see if consumers have been drowning their sorrows or avoiding drinking establishments. These figures will hopefully give some clues.

**We currently list SAB Miller as a HOLD**

#### **Tesco (full year preliminary results)**

Supermarkets have not been issuing the best of figures recently, however Tesco has a massive overseas exposure that should mean it shows some signs of improvement. Tesco has now added gold buying to its services and is looking to break into the second hand car market. If figures do not meet expectations though we will expect weakness on the share price which we feel should be seen as an opportunity to buy. We also hope to see an increase in the dividend.

**We currently list Tesco as a BUY**

## **Hargreaves Lansdown (interim management statement)**

We are expecting a positive update from Hargreaves as financial markets have been strong during the last three months. This would be especially nice as it is their first update since entering into the FTSE 100 in March. The update in February noted a record level of performance and anything less this time would be a big disappointment.

## **We currently list Hargreaves Lansdown as a HOLD**

### ■ Wednesday

## **Reckitt Benckiser (Q1 results)**

Reckitt Benckiser has had a turbulent year to date and the share price fell as much as 20% at one point. As consumers look to change spending habits we have recently downgraded the company to a 'hold'. However, we will be looking to review this when these results are issued. We like the company as it offers a steady dividend and has been a sound player in the past.

## **We currently list Reckitt Benckiser as a HOLD**

### ■ Thursday

## **Anglo American (Q1 interim management statement)**

Miners have been having a good time of it lately as commodity prices continue to soar. However, costs are starting to rise and it is becoming more expensive to extract as oil prices rise and at present are showing no signs of stopping. Also production levels are nearing maximum capacity and therefore any further increases of production will require massive outlay, which may not be deemed a sensible idea at the moment.

## **We currently list Anglo American as a HOLD**

## **Autonomy Corporation (Q1 results)**

These figures will hopefully shed some light on Autonomy's next step and where the share price is moving to. According to the company many analysts do not understand the business, however if there was more clarity available then this issue could be resolved. Until such times we retain our view to 'sell' as the price looks overvalued at present. These results may prove different, although we feel it is unlikely.

## **We currently list Autonomy Corporation as a SELL**

### ■ Friday– n/a

## Economic Diary

Economic announcements for the w/c 18 April 2011

## **20 April, Minutes of the Monetary Policy Committee Meeting held on 6 & 7 April – Bank of England**

The last set of minutes from the Bank of England Monetary Policy Committee revealed no change in voting from the previous month. Still three members, Andrew Sentance, Martin Weale and Spencer Dale voted for rate hikes, with Mr Sentance voting to increase rates by 0.5 percentage points. Once again Adam Posen voted for an extension of quantitative easing. Since that meeting, however, inflation has risen yet again, and stood at 4.4 % in February, from 4% in January. Was there a change in the voting pattern at the last meeting, or even a hint that members who voted for no change are having doubts?

## 21 April, Retail Sales – March 2011 – ONS

The volume of retail sales in February 2011 increased by 1.3 per cent compared to February 2010. However, the most recent data from the British Retail Consortium (BRC) revealed the largest drop in year-on-year sales in the 16-year history of the BRC index. Will today's data from the Office for National Statistics agree with BRC's somewhat alarming reading?

### Other economic announcements include:

20 April

- Public Sector Finance, March 2011 – ONS

---Ends---

### 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:

# thesharecentre:

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](#). The Share Centre blog is also available at <http://blog.share.com>.

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