

press release

20 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 26 April 2011.

- **Monday – n/a**
- **Tuesday – n/a**
- **Wednesday**

Arm Holdings (Q1 results)

Takeover rumours, new contracts and new technologies have all contributed to technology shares being one of the most volatile so far in 2011. There may be some setbacks due to events in Japan, but if this is the case it will only be temporary. We feel the share price has got a little carried away, and continue to recommend a 'hold' for investors. However, we may take a closer look if there is continued weakness in the share price.

We currently list Arm Holdings as a HOLD

Barclays (Q1 trading statement)

The banking sector is not the most welcoming of places to be investing in at the moment, but it could have been worse after the conclusions made following the Independent Commission on Banking's proposals. Barclays has always been our favourite bank as it hasn't had to rely on the Government to bail it out. Also shareholders have now started to receive dividends which look likely to increase nicely over the coming years. We hope this update will show that performance is still on track and boost the share price further.

We currently list Barclays as a BUY

Associated British Foods (interim results)

The price of sugar was riding on a high earlier in the year but has now fallen by nearly 30%, as indicated by ETF Sugar index. The share price of Associated British Foods has not fallen to the same degree, but there is a clear correlation on the company's graph and the index. Retail figures and consumer confidence have also had an impact and although we have seen some recovery in the last month or so we are unsure how long can this be maintained. We will closely monitor these results and review our recommendation if need be.

We currently list Associated British Foods as a HOLD

BP (Q1 Results)

The company's AGM was a hostile environment to be in and if this update is not positive there could be more investors hitting back at the company. Uncertainty over the recent Russian deal and calls for further asset sales have been a hindrance lately and the shadow of Deepwater

Horizon will not go away. The only way BP can start to move on is by rewarding investors with improved performance and dividends.

We currently list BP as a HOLD

Also reporting today is GlaxoSmithKline (Q1 results) – BUY

■ **Thursday**

WPP (Q1 trading statement)

WPP has been very acquisitive so far this year, looking to break into various other advertising markets. The company is also looking to move its headquarters back to the UK after the recent change in corporate tax levels. However, the spending spree has failed to halt a severe slide in the share price and since 1 March we have seen it fall from 850p to a low as 725p. Hopefully this update can stop the fall and we may consider upgrading our recommendation to a buy.

We currently list WPP as a HOLD

Unilever (Q1 trading statement)

Unilever has recently been fined €105m by the EU for operating a cartel in the washing powder sector. The sale of its SANEX range to Colgate for nearly €700m easily offsets this; however the sentiment is still there. This update should give us some idea of the direction the company will be taking this year and we wonder if the word 'struggle' will be mentioned.

We currently list Unilever as a HOLD

Shire Pharmaceuticals (Q1 results)

Shire Pharmaceuticals has got off to a great start in 2011 with the share price continuing to reach new highs. We feel that renewed takeover speculation within the pharmaceutical sector, although not yet directly at Shire Pharmaceuticals, and improving trading figures have helped to increase the share price by over 20% since the beginning of the year. We expect this update to help this momentum continue; however there could also be some negatives as several law suits have been filed against competitors for patent infringement. We feel this is still one of the most attractive pharmaceutical companies within the London Stock Exchange.

We currently list Shire Pharmaceuticals as a BUY

British American Tobacco (Q1 interim statement)

The final results released in February noted that profits had increased despite volumes falling. Emerging markets were also adding good contributions and the company was looking to improve further in those regions. Currency concerns remain, along with the continuing and ongoing banning of smoking in public places, but it is clear that British American Tobacco is managing to overcome this. These figures will give a good indication to whether further progress will be made this year.

We currently list British American Tobacco as a HOLD

Also reporting today are;

BskyB (Q3 results) – HOLD

International Power (interim statement) – HOLD

Astrazeneca (Q1 results) – HOLD

Hammerson (trading update) – HOLD

Standard Life (Q1 trading statement) - HOLD

Whitbread (preliminary results) – HOLD

■ **Friday– n/a**

Economic Diary

Economic announcements for the w/c 25 April 2011

27 April, March Gross Domestic Product: Preliminary Estimate, Q1 2011 – ONS

After Q4's severe contraction in GDP, attention will focus on the first estimate of GDP for the first quarter. If Q1 saw another contraction, then that would mean the UK suffered a double-dip recession. However, this seems unlikely. The PMIs from Markit/CIPS suggest that the UK expanded by 0.8%, while NIESR recently estimated that the UK expanded by 0.7%. However, with the UK contracting by 0.5% in Q4, we will need to see a significant rise in GDP in Q1, just for output to return to the level seen at the end of September last year.

28 April, US Gross Domestic Product for Q1 2011, first estimate – BEA

In the last quarter of 2010, the US economy saw GDP expand at an annualised pace of 3.1%. However, since then, various data released, including on trade and inventories, suggest the US economy slowed considerably. Some economists believe growth could have been as little as 1% on an annualised basis, or even less. Indeed, there is a possibility of an outright contraction.

Other economic announcements include:

26 April

- Quarterly Industrial Trends Survey – CBI
- US Consumer Confidence Index, April – The Conference Board
- General government deficit and debt, 2010, first notification – Eurostat

27 April

- US FOMC meeting – US Federal Reserve
- Index of Services, February 2011 – ONS

29 April

- US Personal Income, March – BEA
- EU Unemployment, March – Eurostat
- Flash Estimate Euro area inflation, April – Eurostat

---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 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.

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