

press release

28 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 9 May 2011.

■ Monday

HSBC (Q1 results)

This is the last of the large banks to report and by all expectations it should be the most interesting. The bank has talked about restructuring some of its American businesses and moving some of its offices out of London. Also, the rising interest rates in China may have a negative affect on business. However, this is still one of the better funded banks and it is paying a reasonable dividend.

We currently list HSBC as a HOLD

Centrica (interim management statement)

Centrica is one of several companies affected by the Government's new North Sea tax, but it has plenty of assets elsewhere. Its operations in Morcambe Bay were recently shut down and the company now has to assess if it is worth re-starting them. This update may not be exciting but should show good signs of stability. Centrica is one of our preferred plays in the utility sector.

We currently list Centrica as a BUY

■ Tuesday

BG Group (Q1 results)

BG Group has had a strong start to the year with additional finds made in its Brazilian operations. The company is also set to sign a deal to export LNG to Tokyo at a time when Japan is looking for an alternative use for nuclear energy after recent events in the region. There are further updates to come from its Brazil and Tanzania operations. The share price is close to an all-time high and we believe there is much more to come.

We currently list BG Group as a BUY

Tui Travel (interim results)

Problems in the Middle East and North Africa have definitely had an effect on current operations. It will be interesting to see if consumers have chosen alternative holiday destinations for this summer. There are still takeover talks from its German owner which have probably helped to keep the share price at its current highs. However, nothing is certain and we would advise investors already holding the company to be cautious.

We currently list Tui Travel as a HOLD

G4S (interim management statement)

G4S has made some small acquisitions this year and is continuing to add to its employee list. It is interesting to note that G4S is the largest employer on the FTSE 100 with over 625,000 staff operating worldwide. The emerging markets are a key area for G4S at the moment and it will be interesting to see the developments the company has made in these regions.

We currently list G4S as a BUY

Imperial Tobacco Group (interim results)

This is far from our preferred player within the tobacco sector. British American Tobacco's (BAT) figures released last week suggest that mature markets are struggling. Again, emerging markets are key here and BAT has the edge on Imperial Tobacco Group in these areas. We expect weaker figures to be released but the question is how weak?

We currently list Imperial Tobacco Group as a SELL

Also reporting today is Intercontinental Hotels (Q1 results) - BUY

■ **Wednesday**

Sainsburys (preliminary results)

On 27 April sources noted that Sainsburys' market share had been falling while Waitrose, CO-OP, Aldi and Lidl were all gaining ground. Sainsburys is trying to introduce new lines and emphasise its new clothing range, however we feel more has to be done to improve the fortunes of the supermarket. Takeover speculation continues to circle the shares but there haven't been any reports recently. We feel there are more exciting plays in the market than Sainsburys.

We currently list Sainsburys as a HOLD

ITV (interim management statement)

ITV has not been off to the best start since regaining its position within the FTSE 100, although the price does look to be consolidating at current levels. Legal actions with STV have been concluded and ceased, and the company's debt rating has been raised. Several brokers are now a little more positive after the recent dip and going forward we are confident ITV will perform - now may be a good time to invest.

We currently list ITV as a BUY

Wood Group (interim management statement)

It has been a terrific year to date for Wood Group. The share price is close to recent highs as the oil market continues to push north and support service companies are finding favour. Shareholders are being rewarded with a strong increase in dividends and a one-off payment after the sale of its support service operations to General Electric. Wood Group is a 'hold' for now, but investors should be cautious as the share price is starting to look a little high.

We currently list Wood Group as a HOLD

■ **Thursday**

Tullow Oil (interim management statement)

We hope that Tullow Oil has been able to sort out its differences with the Ugandan Government. Recently the company paid \$469m in tax to the Government and it is trying to regain \$313m from Heritage, a previous partner in the region. We are unsure how successful this will be. There are still further updates to come from Ghana and Uganda and on the whole we are very happy with Tullow Oil as an investment opportunity.

We currently list Tullow Oil as a BUY

Also reporting today are Old Mutual (Q1 trading statement) - SELL, RSA (Q1 results) - SELL and 3i (full year results) - HOLD

■ Friday

Petrofac (interim management statement)

Petrofac's fortunes have not been as good as its competitors so far this year. However, this is still one of our preferred plays within the sector as contracts are flowing in and previously released figures have been interesting. This is still a 'buy' for us and we hope that this update will send the share price back in the right direction.

We currently list Petrofac as a BUY

Also reporting today are Intertek (interim management statement) – HOLD and BT Group (full year results) – HOLD

Economic Diary

Economic announcements for the w/c 9 May 2011

10 May, Housing Market Survey UK, April – RICS

Last month, the headline index from the Royal Institution of Chartered Surveyors (RICS) which is calculated by taking the percentage difference between who said house prices were up and those who said down, fell to minus 23. Although this index is still deeply into negative territory, the index has now improved every month since October, lending support to the picture presented elsewhere of modest house price falls. However, the index tracking new enquiries, which relates to new demand, fell from minus 1 to minus 6, while the new instructions index, relating to new supply is still positive, although it did fall slightly from plus 5 to plus 4. The RICS report has been suggesting that new supply has been exceeding new demand for 14 out of the last 15 months, which, in turn, suggests downward pressure on price. Will today's report see the trend of recent months continue?

11 May, Inflation Report – Bank of England

With inflation staying stubbornly over target, the consensus was moving towards an imminent rise in interest rates. However, with recent GDP data being disappointing, and growing concerns over real wages falling, over the last week or so there have been signs of a switch in opinion. Bank of England governor Mervyn King also seemed to hint that rates will not be rising soon, when he recently warned that any rise would hit struggling households. Today's inflation report may well focus attention on the growing disparity between price inflation and wages. But will the case for those who want to see rates rise gain equal weight?

Other economic announcements include:

10 May

- Economic and Labour Market Review, May 2011, Online Edition – ONS

11 May

- UK Trade, March 2011 – ONS
- Flash Estimate EU and euro area GDP, April – Eurostat

12 May

- Mortgage and landlord (re?)possession statistics, England and Wales, January to March 2011 – ONS
- Company Winding up and Bankruptcy Petition Statistics, England and Wales, January to March 2011 – ONS
- Households Below Average Income, 2009/10 – ONS

13 May

- US, Consumer Price Index, April 2011 – BLS
- US, Real Earnings, April 2011 – BLS

---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.

The Share Centre is now on Facebook and Twitter.



Join us on Facebook



Follow us on Twitter

For further information please contact:

The Share Centre
Rebecca Kempzell
PR Executive
01296 439 426
Rebecca.kempzell@share.co.uk

Stephanie Reynolds
PR Manager
01296 439 256
Stephanie.reynolds@share.co.uk

Lansons Communications
Inez de Koning / Lucy Willatt / Lisa Grando
0207 294 3623 / 020 7566 9717 / 0207 294 3669
inezd@lansons.com / lucyw@lansons.com / Lisag@lansons.com

To view all our press releases and more from our investment advisers please go to blog.share.com

Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

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.

thesharecentre:

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>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.