

## press release

12 May 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 16 May 2011.**

#### ■ Tuesday

##### **Aviva (interim management statement)**

Aviva have just sold a 15% stake in Dutch insurer Delta Lloyd for £381m. As some analysts are disappointed with the sale they may state what plans they have for the proceeds in this update. However, Aviva will still hold 43% of the company and so this cash may just help to improve liquidity. We believe it is unlikely that the events in Japan will have affected the company's overseas performance but it will be interesting to see recent performance figures.

**We currently list Aviva as a BUY**

##### **Smiths Group (interim management statement)**

After the recent report from the detection division that trading had fallen short of expectations the share value fell by 6% and delayed orders which will have an effect on the second half of the year. We hope this statement may repair some of the damage and other divisions will make some inroads to the harm already caused.

**We currently list Smiths Group as a BUY**

##### **Vodafone (preliminary results)**

It is thought that Vodafone is amongst the bidders for the Italian company MetroWeb and so we are looking for clarification in this update. We also hope to hear if it has any plans for its Verizon Wireless stake, it has been mentioned that they will push for a dividend but we have seen nothing yet. The share price has been suffering lately and so these results could provide the perk that investors are looking for.

**We currently list Vodafone as a BUY**

#### ■ Wednesday

##### **Compass Group (interim results)**

Compass Group had another busy quarter with more acquisitions being made. None of them are excessive, but all should enhance earnings in their own way. Other companies within the public sector have noted that spending is on the increase which can only be good news for Compass Group.

**We currently list Compass Group as a BUY**

##### **ICAP (Preliminary results)**

Some companies may not enjoy volatility within the stock market, however for ICAP the more volatile the better as traders and investors look to buy and sell anything and ICAP carries out millions, if not billions, of pounds worth of deals each day. The last quarter should have been no exception so we expect a strong finish to the year to be noted in this update.

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

### **Land Securities (preliminary results)**

Slowly but surely confidence has been returning to the property sector and coupled with Land Securities' reasonable dividend, investors have had a good ride for the last six months. Land Securities is not our favoured company within the sector as the portfolio is a little more diverse than others. Our preferred play is British Land due to its large exposure to London. A solid set of figures is expected in this release, and we may look to change our stance.

## **We currently list Land Securities as a HOLD**

### ■ **Thursday**

### **Cairn Energy (interim management statement)**

Investors have been waiting a long time for the deal to sell assets to Vedanta and it looks like it may be completed at last. Indian ministers are meeting, for what is hopefully the final time, to discuss the deal. Investors look set to get a cash payout once the deal is concluded. Cairn Energy is looking to develop areas off the Greenland coast and we hope for some updates on that region in this update.

## **We currently list Cairn Energy as a BUY**

### **National Grid (preliminary results)**

Utilities are finding favour at the moment and National Grid's shares are now back to the level they were trading at before the big drop off in May 2010. Investors may get jittery at this level and so this is a timely update where we hope to see some positive news to back up these gains and push the price further. The US operations have always caused some concern, but we hope this is not the case and it won't ruin the good work that has already been done.

## **We currently list National Grid as a HOLD**

### ■ **Friday**

### **Scottish & Southern Energy (preliminary results)**

Scottish & Southern Energy has recently broken out of an 18 month cycle which saw the share price struggle to get over 1250p. The price is now racing away but there has been no significant news to indicate why the sudden surge. It may be takeover speculations or improved figures, but whatever the reason is investors should be happy. We hope this update will shed further light on recent movements and its next direction.

## **We currently list Scottish & Southern Energy as a HOLD**

## Economic Diary

### **Economic announcements for the w/c 16 May 2011**

#### **17 May, Consumer Price Indices, April 2011 – ONS**

Last month, the headline rate of CPI inflation fell from 4.4% to 4%. The retail rate of inflation fell 5.5% to 5.3% and CPIY, which is taken by deducting the effect of indirect taxes such as VAT from CPI, fell from 2.8% to 2.5%. If last month's pattern of falling inflation rates continued into April, then pressure on the Bank of England to raise rates will ease.

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## 18 May Average Weekly Earnings - March 2011 – ONS

But while inflation stays stubbornly high, wage increases remain stubbornly low. In the three months to February, wage rates (including bonuses) rose by just 2%, down from 2.3% the month before. The decline was promoted by a fall in wages in the private sector, where the annual growth rate fell from 2.4% to 1.9%. The average wages data lags behind the inflation data by one month, so the key comparison to look out for is March's inflation rate of 4.4% for CPI and 5.5% for RPI when contrasting the latest news on wages with inflation.

### Other economic announcements include:

#### 16 May

- EU Foreign trade, March – Eurostat
- EU inflation, April – Eurostat

#### 18 May

- FOMC Minutes Meeting of April 26-27, 2011 – FED
- Labour Market Statistics - LMS May 2011 – ONS

#### 19 May

- Monthly Industrial Trends Survey – CBI
- Retail Sales, April 2011 – ONS

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### 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:**

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](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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