

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 23 May 2011.

■ Monday

British Land (full year results)

London property prices are currently maintaining their value and as the capital once again starts to attract companies we are seeing further demand for office space. At the last count British Land had assets under management worth £14.5bn, of which 32% consisted of London Office space, and further properties are currently in development. It is difficult to see these figures being poor and we are still encouraging investors to 'buy' for stability and a decent yield.

We currently list British Land as a BUY

■ Tuesday

Marks & Spencer (full year results)

Rising raw material prices have seen retailers suffer this year, but that has not stopped share prices moving in the right direction. The early change in seasons, with a warm spell in April coupled with a colder snap in May, meant competitors that could get their stock correct saw nice gains. Next's recent figures boosted Marks & Spencer, but it was noted that internet sales are becoming more influential. Will the rising inflation and tightening consumer pockets dramatically affect this iconic British brand?

We currently list Marks & Spencer as a HOLD

■ Thursday

United Utilities (full year results)

Although valuations look high at present, the yields on offer are attracting investors and water is a product they feel comfortable with and can relate to. The takeover and merger speculation within the sector has also been attractive and investors may want to look at this sector in times of uncertainty.

We currently list United Utilities as a HOLD

Burberry (preliminary results)

It will be interesting to see if this release mentions the impact Burberry's exposure to Japanese markets has had on trading figures. Current valuations look high at present and we feel there is an element of takeover speculation within the price. Coupled with the rising cost of raw materials it looks like margins will be stretched. However, positive figures may mean we review our recommendation.

We currently list Burberry as a SELL

Antofagasta (Q1 results)

The mining sector could go either way at the moment with the flotation of Glencore attracting a lot of attention and other mining companies suffering. This could be because investors are selling other stocks to enable them to buy Glencore, or because many believe the reports in the press that mining is ready to pop. Copper is Antofagasta's main revenue stream and has been suffering lately, so investors may be calling this right by moving on. We hope this update will shed further light on the sector's current situation.

We currently list Antofagasta as a HOLD

Man Group (full year preliminary results)

The investors' reaction to the recent launch of Man Group's new fund in Japan showed the appetite for its products is still there, as \$1.5bn was raised. The weakness in the dollar has apparently seen sales at hedge funds rise as investors look to buy into these opportunities. The recent sell off in the commodity markets means we could see some weakness in the figures, but we hope it will not have too much of a detrimental effect on the company's results.

We currently list Man Group as a BUY

■ Friday

Severn Trent (full year preliminary results)

Utilities are currently on a tremendous run as investors seem to follow what we would call a flight to quality and are buying into what they know and what is paying a good dividend. The banks are offering little at the moment whereas utilities are offering the potential of a reasonable amount of growth and a yield of approximately, 4% - a level that is keeping up with inflation. For those entering the sector the price does look to be on the high side, but the momentum could continue and merger and takeover speculation will help with that.

We currently list Severn Trent as a HOLD

Economic Diary

24 May Public Sector Statistics - Public Sector Finance, April 2011 – ONS

When looking at monthly public finances, the key statistic is the comparison with the same month one year ago. In March 2010, the current budget, excluding the cost of financial intervention, was minus £5.463 billion. However, by the end of March this year, net debt, excluding the cost of financial interventions, was £903.4 billion or 59.9% of GDP.

25 May, Business Investment - Q1 2011 Provisional Results – ONS

GDP consists of consumption, government expenditure, exports minus imports, and investment. In the current climate in which both consumption and government spending is constrained, investment is more important than ever for creating growth. Furthermore, with many corporates currently possessing strong cash reserves, it seems much of corporate Britain can finance its investment without recourse to debt. However, in the final quarter of 2010, business investment was flat on the previous quarter, although Q4 did see a 4.1% increase in investment over the final quarter of 2009. The key figures to look out for today are £30.2 billion, which describes total business investment in both Q3 and Q4 2010, and £29 billion, which was the level of business investment in Q1 2010.

Other economic announcements include:

24 May

thesharecentre:

- Quarterly Distributive Trades, – CBI
- Business Population Estimates for the UK and Regions, 2010 edition – ONS

25 May

- Index of Services, March 2011 – ONS
- Second estimate of GDP, Q1 2011 – ONS
- UK Output Income and Expenditure, Q1 2011 – ONS

26 May

- US Gross Domestic Product, Q1 2011, Preliminary – BEA
- Foreign workers and the skill level of their jobs, 2011 – ONS

27 May

- US Personal Income, April – BEA

---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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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.

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The bases and levels of taxation relating to ISAs, CTFs and SIPPs 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 SIPPs are also available.

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