thesharecentre:

press release

30 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 30th May 2011.

- **Wednesday**

Northumbrian Water (preliminary results)
This fine utility company has promised to maintain dividends above the rate of inflation. We hope this statement will tell us how long the company intends to continue with this dividend policy, as well as producing a solid set of figures. We expect interesting times ahead for the sector as there has been a large amount of speculation in the press as to whether Northumbrian Water will be the next utility company takeover.

We currently list Northumbrian as a BUY

Wolseley (Q3 results)
Performance has been steady so far this year, however some brokers have noted that times are starting to get tougher for Wolseley and have recently downgraded their recommendation. Financing constraints are impacting the company's ability to grow and weaker labour markets could also have an effect. These figures need to inject some spark into the share price, otherwise we expect to see a slow and steady decline in the offing for Wolseley.

We currently list Wolseley as a HOLD

- **Thursday**

Kingfisher (Q1 trading statement)
There are heavy expectations for this update to be the most positive in three years. The early spell of warmer weather should be the main driver along with improving overseas sales and lower losses in China. B&Q sales should have improved and Kingfisher has taken the option to buy up to 31 leases of the ex-DIY chain Focus to convert into its own brand.

We currently list Kingfisher as a HOLD

ASOS (Preliminary results)
Positive figures are expected in this update and anything less will not please the market. Other major retailers have noted that Internet sales have improved significantly and a change in consumer trends means traditional browsing has been replaced by shoppers staying at home and only buying what they want. ASOS should therefore be a main beneficiary as it has been in this business for years. The Royal Wedding should have also benefitted the company as there is a new princess for consumers to follow. It is also worth noting that Bestseller has built up a significant stake in the company.

We currently list ASOS as a BUY

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Economic Diary

Economic announcements for the w/c 30 May to 3 June 2011

1 – 3 June Purchasing Managers Index for manufacturing (1 June), construction (2 June) and services (3 June) for May – Markit/CIPS

Last month "weakened" was the word that seemed to sum up findings of the three reports from Markit/CIPS on manufacturing, construction and services. The construction purchasing managers index "weakened", or so said Markit/CIPS, falling from 56.4 in March to 53.3. As for services: "Activity growth weakened in April," said Markit, with the Markit/CIPS Business Activity Index falling from 57.1 to 54.3. The closely watched PMI for manufacturing fell from 56.7 to 54.6 - a seven month low. It was not all bad news. In the services sector, incoming new business rose to the greatest extent in over a year, and all three headline indices were significantly above the 50 mark, which relates to zero growth. However, the fact that all three saw a decline, is worrisome. The fact that the manufacturing PMI has been steadily declining for some time is especially worrying. If this downward trend continues for much longer, talk of a double dip recession may re-surface.

3 June US Employment report
April saw a 244,00 increase in US non-farm related payrolls, with private payrolls increasing by 268,000 - the biggest monthly increase in five years. Public sector payrolls fell by 24,000. The US employment report is one of the most closely watched of all US indicators, and last month's report was seen as very encouraging. But did good news continue into May?

Other economic announcements include:

31 May
- US Conference Board Consumer Confidence Index – Conference Board

1 June
- Lending to Individuals – Bank of England
- Sectoral Breakdown of Aggregate M4 and M4 Lending, April 2011 – Bank of England
- US Manufacturing PMI, May – ISM

3 June
- US Employment Situation – BLS
- US Non-Manufacturing, May - ISM

---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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For further information please contact:

The Share Centre

thesharecentre:

Rebecca Kempsell
PR Executive
01296 439 426
Rebecca.kempsell@share.co.uk

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

Lansons Communications
Inez de Koning / Lisa Grando / Sarah Waterson
0207 294 3623 / 0207 294 3669 / 0207 294 3649
Inezd@lansons.com / Lisag@lansons.com / SarahW@lansons.com

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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.

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. 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.

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