

## press release

11 July 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 11 July 2011.**

### ■ Wednesday

#### **Marks & Spencer (interim management statement)**

All retailers have started sales earlier this year and we hope this update will show how the tougher market has affected the big retailers - just how badly or strongly have they been performing? Marks & Spencer is seen as a bellwether for the industry and the market will be analysing this update closely.

**We currently list Marks & Spencer as a HOLD**

#### **Burberry Group (Q1 trading statement)**

Luxury goods have surprised the market and continue to be a preferred sector for investors. Burberry's overseas presence has helped to shake off lingering consumers concerns as certain demographics are becoming more affluent. We recently upgraded the company to a hold on the strength of the recent share price and hope these results will justify the upgrade.

**We currently list Burberry Group as a HOLD**

#### **ICAP (interim management statement)**

Investors, fund managers and Governments look to alter their strategy as the markets change, so volatility is a dream for ICAP as it is the principle trader in the big money deals. The company issued reasonable figures in May and we expect much of the same from this update.

**We currently list ICAP as a HOLD**

### ■ Thursday

#### **Associated British Food Group (Q3 interim management statement)**

Associated British Food released poor figures in April and the negativity continues as margins have fallen to the low levels of 2009. There are favoured sugar plays elsewhere in the market especially within the European sector, however as retailers continue to struggle the Primark business may have seen an improvement. We will wait for an improvement before changing our stance.

**We currently list Associated British Food Group as a SELL**

#### **ASOS (Q1 trading statement)**

ASOS has been the shining light within the retail sector so far this year and we expect this update to be positive. Overseas expansion plans are well on track, sales have vastly improved

and are expected to be higher than last year. The company's last statement caused a quick but significant drop in the share price, which we thought was an ideal time for investors to 'buy' more. If the same happens after this update there will be bags of potential for investors.

**We currently list ASOS as a BUY**

#### **Mothercare (Q1 trading statement)**

Mothercare's recent announcement to close 110 stores came as a little bit of a shock to investors and the market. However, the closing stores are mainly on the high street and shutting these enables further investment to expand out of town developments and overseas operations. Having bounced off recent lows we could see some further gains if these figures are good.

**We currently list Mothercare as a BUY**

#### ■ Friday

#### **Experian (Q1 interim statement)**

Experian is particularly attractive for investors wanting a truly global company. The company currently operates in 41 countries with 29% of its revenues and profits derived from outside of the UK & US. This figure is expected to increase over time as its exposure to Latin America goes from strength to strength. A positive update is expected and anything less will be a disappointment.

**We currently list Experian as a BUY**

## Economic Diary

### **Economic announcements for the w/c 11 July 2011**

#### **12 July UK Consumer Price Indices, June 2011 – ONS, 13 July Average Weekly Earnings - May 2011 – ONS**

Last month both CPI and RPI inflation was unchanged. CPI was 4.5%, RPI 5.2%. Since then data from the BRC indicated that shop price inflation rose in June. However, recent PMI indices have suggested that cost pressures may be falling in manufacturing and services sectors. It may be too soon, however, for these new developments in manufacturing and services to show up in the June inflation stats. Meanwhile, average wages, including bonuses, rose by 1.8% year on year in the three month period to the end of April, from 2.4% in the three months to March. So the gap between RPI inflation and wage increases grew even larger.

#### **12 July FOMC Minutes, Meeting of June 21-22, 2011 – FED**

The markets will pay more attention than usual to the latest set of minutes from the FED. Did the minutes contain hints that the US central bank may be close to embarking on a new round of QE (QE3)?

#### **12 July RICS Housing Market Survey UK, June – RICS**

In May the RICS headline index fell from minus 21 to minus 28, while the index tracking new enquiries - an indicator of new demand - fell from zero to minus 2, and the index tracking new instructions - an indicator of new supply - fell from plus 18 to plus 15. Given that the new instructions index is still positive, and the new enquiries index negative, it appears supply is rising faster than demand, suggesting further price falls in the months ahead.

**Other economic announcements include:**

#### **12 July**

- US International Trade, May – Census and BEA
- UK Trade, May 2011 – ONS

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## 13 July

- Labour Market Statistics, LMS July 2011 – ONS

## 14 July

- US Producer Price Index, June – BLS
- EU Inflation (HICP), June – Eurostat

## 15 July

- US Consumer Price Index, June – BLS
- US Real Earnings, June – BLS
- UK Annual Abstract of Statistics, Quarter 2 2011 – ONS
- EU Foreign trade, May – 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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### About The Share Centre:

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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 SIPPs are also available.

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