

press release

18 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 18 July 2011.

■ Tuesday

Land Securities (Q1 interim statement)

Despite the continuing volatility in the markets the property sector has had somewhat of a recovery lately. Broker upgrades have been issued for Land Securities as portfolio diversity is seen as a must. The company's exposure to London office buildings has been seen as its strong point.

We currently list Land Securities as a HOLD

■ Wednesday

Johnson Matthey (interim management statement)

Johnson Matthey's final results for 2010 were ahead of expectations and this update will need to continue to be positive if the share price of above the 2000p mark is to be maintained. The share price has been close to historical highs, but for how long it stays there depends. There has been pressure on commodity prices lately which will also impact the company.

We currently list Johnson as a HOLD

Severn Trent (Q1 interim management statement)

The water industry has been under careful watch since the bid for Northumbrian Water was confirmed in early July. Severn Trent is not without its suitors and its cash pot and profit levels should be attractive. This may upset investors as the high level of dividends has kept many happy for years. We doubt there will be any mention in this update and instead expect news of rising revenue and rising profit.

We currently list Severn Trent as a HOLD

■ Thursday

Capita Group (interim results)

Capita Group has been busy since its last update. It won a contract with the DVLA worth over £100m over five years and further contracts with councils. Capita Group has also been on the acquisition trail purchasing Ventura, a business process outsourcing solutions and professional support services company for £65m cash. This has done little for the share price and the range continues to be between 700-800p. Little excitement at the moment, but this update could prove us wrong.

We currently list Capita Group as a HOLD

Kingfisher (Q2 trading statement)

The parent company of B&Q has just been given permission by the Office of Fair Trading to purchase 30 of the now defunct Focus DIY stores. Pressure could now start to hot up within the sector as there are now just 3 big players - Homebase and Wickes as the opposition. We are positive in the short-term, but offers to entice consumers could put a strain on margins. The company's update at the beginning of June did note tougher times ahead and this update will tell just how tough.

We currently list Kingfisher as a HOLD

Scottish & Southern Energy (interim management statement)

The company's competitors, Scottish Power and British Gas, are both increasing prices and it won't be long until Scottish & Southern Energy is too. However, the longer it is delayed the more customers the energy supplier may find switching to them. We expect this update will follow the usual pattern and show Scottish & Southern Energy as a solid company.

We currently list Scottish & Southern Energy as a HOLD

Also reporting today is SAB Miller (Q1 results) – HOLD

■ **Friday**

United Utilities (interim management statement)

United Utilities will be the last of the utility companies to report this week, but nothing exciting is expected to come from it. Much like the others we expect revenues to be steady, along with profits being maintained.

We currently list United Utilities as a HOLD

Economic Diary

Economic announcements for the w/c 18 July 2011

Minutes of the Monetary Policy Committee Meeting held on 6 & 7 July – Bank of England, 20 July

With recent news on the UK economy decidedly downbeat, and the latest inflation figures showing a dip in the headline rate, markets have shifted their view on when the next hike in interest rates will occur. Very few are not expecting a rise this year. But was there a corresponding change at the Bank of England's MPC? Did Spencer Dale and Martin Weale continue to vote for a 0.25 per cent rise in rates?

Retail Sales – June 2011 – ONS, 21 July

Last month saw a share contraction in month on month retail sales. In May all retail sales, including autos, fell by 1.4 per cent from April. The annual rate of growth fell from 2.4 per cent to 0.2 per cent. The quarter on quarter rate rose, however, from minus 0.3 per cent to minus 0.1 per cent. Month on month sales of food dropped significantly (minus 3.7 per cent), while sales of clothing decreased by 0.8 per cent and household goods by 0.9 per cent. Did the poor performance continue into June?

Other economic announcements include:

20 July

- Unemployment during the economic downturn – ONS

21 July

- Public Sector Statistics – Public Sector Finance, June 2011 – ONS

thesharecentre:

22 July

- EU Quarterly balance of payments Q1 2011 – 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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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.

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