

press release

22 August 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 22 August 2011.

■ Monday

Petrofac (interim results)

The price of oil has come down from its recent highs and market weakness has taken its toll on companies. Petrofac is no exception as its share price dipped close to £10 - although we have seen slight recovery. There have been few contract wins mentioned during the last couple of months and we hope Petrofac are waiting for these figures to announce a nice surprise.

We currently recommend Petrofac as a BUY

■ Tuesday

G4S (interim results)

In a statement back in May G4S noted that growth in its EPS would be back to pre-recession levels by the end of 2012. We are going to need to see some signs of this in these results for there to be some credibility to that statement. Times have been tough and we note some of its rivals are winning major contracts, hopefully some will be announced by G4S in these results.

We currently list G4S as a BUY

Wood Group (interim results)

Wood Group has picked up some nice contracts recently, especially with the big players within the oil market. Royal Dutch Shell and Chevron Corporation to name a few. The Group has been out of favour with some analysts recently and we have seen some downgrades come through the market. This update may change opinions and put the group back in favour.

We currently list Wood Group as a HOLD

Cairn Energy (interim results)

Drilling has not gone well off the Greenland coast so far. Last years drilling was uneventful and the first of four wells to be drilled have been non-starters. We are hoping this update may provide something a little more positive. Cairn Energy have a record of finding oil and we expect them to find something in this region, otherwise an investment of over £160m will be a waste.

We currently list Cairn as a BUY

Also reporting today is Antofagasta (interim results) – HOLD

■ Wednesday

Tullow Oil (interim results)

Oil stocks have taken a battering lately as a fall in oil prices and plenty of volatility has sent some investors running for cover. To us this has only created further value as share prices look much weaker than they should do. Tullow Oil is an exploration specialist in an area with doubts over the political structure and relationships can change with the wind. There have been few updates recently and we hope this one contains something investors will like.

We currently list Tullow as a BUY

BHP Billiton (preliminary results)

This is one of the most diverse mining companies on the planet and still one of our favourites within the sector for precisely that reason. BHP Billiton is also improving the dividend, however not enough to become a play for income investors.

We currently list BHP Billiton as a BUY

Also reporting results are WPP (Interim results) - HOLD, Admiral (interim results) - HOLD, Carillion (interim results) - BUY and Serco (interim results) - BUY

■ **Thursday**

Diageo (preliminary results)

Diageo recently benefitted from UK delegates seeking further trade ties with China. The company has been able to increase its presence through a further purchase of shares in a company it already owned a stake in and has increased the number of brands in house. We are hoping these positive moves will be reflected in this update.

We currently list Diageo as a BUY

Kazakhmys (interim results)

The mining sector has had an extremely volatile August so far and this does not look likely to change. Investors should be looking at other operator's figures and performance in comparison. Mostly we have seen record highs for both revenues and profits, teamed with warnings that the coming months look uncertain. We expect the same news from Kazakhmys, however the attraction is they are starting to diversify their commodity range.

We currently list Kazakhmys as a BUY

Also reporting results today are Aggreko (interim results) - HOLD, Amec (interim results) - HOLD, IMI (interim results) - HOLD

■ **Friday**

AGA Rangemaster (interim results)

AGA Rangemaster has suffered so far this year as confidence in consumer related companies has dipped. However being in the more niche market we expect Aga to recover, if not now then shortly. Overseas sales could be crucial in these results as we already know the UK has been weaker so far this year. There is plenty of cash floating around the company and some are speculating there may be a special dividend on offer soon.

We currently list AGA Rangemaster as a BUY

Economic Diary

Economic announcements for the w/c 22 August 2011

CBI reports on Monthly Industrial Trends Survey (23 August) and Quarterly Distributive Trades (25 August) - 23 August and 25 August

Attention begins to focus on Q3. Are there any hints that the economy enjoyed any kind of pick-up in August? The two reports from the CBI covering manufacturing and retail sales will be the first to throw light on these questions. Last month, optimism amongst UK manufacturers relating to the general business situation fell for the first time in two years, while the CBI Distributive Trade survey headline index fell to minus 5, the lowest score since June 2010. A further deterioration in either of the indices will not be received well.

Second estimate of GDP, Q2 2011, ONS - 26 August

When the ONS revealed that according to its first estimate of UK GDP growth for Q2, the UK expanded by just 0.2 per cent over the period, analysts, commentators and the markets were not impressed. But what will the second, more accurate estimate, suggest? If growth is revised downwards, the news will be greeted with much consternation.

Other economic announcements include:

23 August

- Monthly Industrial Trends Survey

25 August

- Quarterly Distributive Trades –CBI

26 August

- US Gross Domestic Product, Q2 Preliminary – BEA
- Index of Services, June 2011 –ONS
- Second estimate of GDP, Q2 2011 – ONS
- Business Investment, Q2 2011 Provisional Results – 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 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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