

## press release

12 September 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 12 September 2011.**

#### ■ Monday

##### **Associated British Foods (trading statement)**

Primark is always the focus for investors when Associated British Foods issues figures, largely because of its high profile brand and most people can associate with its product. However it could be other parts of the business that provide the cheer in this update as sugar and cotton, which make up a large part of the business, have seen improvements in prices and margins alike. Brokers have been upgrading on the back of expected improvements and we hope that our own 'buy' stance is also justified.

**We currently list Associated British Foods as a BUY**

#### ■ Tuesday

##### **Northgate (interim management statement)**

The Spanish division of Northgate is what has been causing concerns for analysts for several months and the strength of the construction industry has raised eyebrows further. Cost savings made across the group are helping to offset these concerns however many question how long this will remain. With concerns over the growth rate of the UK economy we will be looking at Northgate closely and a re-rating cannot be ruled out.

**We currently list Northgate as a BUY**

#### ■ Wednesday

##### **Photo-Me-International (interim management statement)**

June saw pre-tax profits rise over 90% and an increase in the dividend although we expect the momentum to have slowed a little during the last couple of months. However as long as signs of growth are still apparent we will be happy.

**We currently list Photo-Me-International as a BUY**

##### **Next (interim results)**

Some may be surprised to hear Next has managed to hold up a lot better than other companies during the recent market turmoil. The share price is not far off reaching the highs it hit back in 2007 which is unexpected in the current economic climate. However Next looks cheap in comparison to other clothing retailers and therefore we currently have a weak 'hold' recommendation on the stock.

**We currently list Next as a HOLD**

## ■ Thursday

### **Kingfisher (interim results)**

Retailers have had a tough time of it recently and this pattern looks set to continue. When results are issued it is an ideal time for investors looking to invest in the sector for the longer-term to take a closer look at the company. Kingfisher has a strong management team and a sound balance sheet so could be worth a closer look for a long-term play.

**We currently list Kingfisher as a HOLD**

### **Booker (Q2 trading statement)**

Expansion in India is going well for Booker and a further positive update could help the company's share price break through and stay above the 70p level. Although the share price has previously reached above this it has not maintained the momentum, something which a positive set of figures could achieve.

**We currently list Booker as a BUY**

## Economic Diary

### **Economic announcements for the w/c 12 September 2011**

#### **13 September Consumer Price Indices, August 2011 – ONS**

The CPI rate of inflation rose from 4.2 per cent in the year to June, to 4.4 per cent in the year to July. The RPI rate was unchanged at 5.0 per cent. The CPIY rate, that's with indirect taxes such as VAT taken out, rose from 2.7 per cent to 2.9 per cent. Core inflation (minus food, energy and tobacco) rose from 2.8 per cent to 3.1 per cent. However the month on month rate of inflation was zero. The increase in most year on year inflation indices was worrisome, but comfort can be taken from the fact that month on month CPI inflation was zero, and indeed was minus 0.1 per cent in June. It takes time for the month on month rate of inflation to show up in the annual figures, but this will eventually happen. The latest instalment in this story, which is being published by the ONS today, will reveal more.

#### **13 September Housing Market Survey, August – RICS**

Last month saw some interesting changes in the RICS housing survey. The headline index, which measures the percentage difference between surveyors who say house prices were up and those who say down, improved from min 26 to minus 22. The index measuring new buyer enquiries, an indicator of demand, rose from plus 1 to plus 5 (the highest reading since May last year). And the index measuring new instructions, an indicator of supply, fell from zero to minus 7 (the lowest reading this year). If the index measuring enquiries continues to exceed the new instructions index in the data out today, this may indicate house price rises in the months ahead.

#### **14 September, Labour Market Statistics, July – ONS**

Last month's data revealed a 38,000 increase in the number of people unemployed, or a 0.1 per cent rise, taking the total figure to 7.9 per cent or 2.49 million. Total pay (including bonuses) rose by 2.6 per cent in the three months to June compared with last year, and by 2.3 per cent in comparison with the three months to May. Regular pay (excluding bonuses) rose by 2.2 per cent, compared with the same time last year when it was 2.1 per cent. With RPI inflation at 5 per cent in the year to June, this means the average worker was 2.4 per cent worse off during the 12 month period to June. Does August's data out today give any indication of a possible improvement?

**Other economic announcements include:**

#### **13 September**

- UK Trade, July 2011 – ONS

## 15 September

- US Consumer Price Index, August 2011 – BLS
- US Real Earnings, August – BLS
- EU Employment, Q2 – Eurostat
- EU inflation, August – Eurostat
- Retail Sales, August 2011 – ONS

## 16 September

- EU Foreign trade, July – Eurostat
- Labour cost index, Q2 – Eurostat
- Euro area monthly balance of payments, July – Eurostat

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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 bases and levels of taxation relating to ISAs, CTFs and SIPP are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

# thesharecentre:

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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.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://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>.

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