

press release

31 October 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 31 October 2011.

■ Monday

Barclays (interim management statement)

Barclays is the first of the major banks to report and as the banks' share prices are moving in relation to the issues within Europe at the moment, we don't expect there to be any surprises. Unless however there has been any dramatic improvements from the Barclays Capital side of the business.

We currently list Barclays as a BUY

Also reporting today: Capital Shopping Centres (Q3 results) – HOLD

■ Tuesday

Imperial Tobacco (preliminary results)

Imperial Tobacco is not our preferred play in the tobacco sector at the moment as its yield is less attractive for investors than British American Tobacco's. Concerns over European sales remain, especially in Spain, and as consumers' pockets get tighter, spending is starting to slow. With inflation increasing prices could be pushed higher, restricting sales further.

We currently list Imperial Tobacco as a SELL

■ Wednesday

Standard Chartered (Q3 Interim management statement)

News of a slowdown of growth in China has seen Standard Chartered suffer recently as the company is highly exposed to the region. Standard Chartered previously announced plans to expand its headcount in its overseas operations, rather than cut jobs. This situation may now have to change, however we do not expect any news on this in this update.

We currently list Standard Chartered as a BUY

Next (Q3 interim statement)

Next has continued to go from strength to strength and we hope these figures will shed further light into the secret of its success. Consumer spending power has been weaker this year and if inflation continues to rise it could add further pressures. At the current level the share price looks expensive and we would not be surprised to have to re-rate the stock after this update.

We currently list Next as a HOLD

Also reporting today: Inmarsat (Q3 results) - HOLD
Standard Life (Q3 trading statement) – HOLD

■ Thursday

Aviva (Q3 interim statement)

Aviva is one of the insurance companies with the most exposure to European markets so performance has been weaker of the past few months. Aviva's share price has been like the proverbial yo-yo with the uncertainty over how the problems in Europe should be addressed. However, we expect to see a reverse on the company's decline if a positive decision over the debt crisis is made. We hope these results will boost the share price and we would like to see confirmation that the high yield will be maintained.

We currently list Aviva as a BUY

Man Group (Q3 interim statement)

Man Group has been crippled by investors walking away from the company in their droves lately. Money has been streaming out of its main AHL fund despite recent improved performance. Although a good set of figures may go some way in improving that sentiment, the share price has been volatile and any further weakness in the results could be disastrous.

We currently list Man Group as a BUY

Royal Bank of Scotland (Q3 trading statement)

We don't expect these figures to bring good news, but investors will be hoping that nothing has worsened. However, credit ratings have been cut and broker downgrades have flowed recently. A turnaround for Royal Bank of Scotland is certainly needed, however it won't be soon.

We currently list Royal Bank of Scotland as a SELL

Other companies reporting today include:

Unilever (Q3 Trading statement) – HOLD
Old Mutual (Q3 interim statement) – SELL
RSA Insurance (Q3 interim statement) – HOLD
Tate & Lyle (interim results) – HOLD
BT Group (interim results) – BUY
Randgold Resources (Q3 results) – HOLD
Meggitt (interim management statement) – SELL

■ Friday

Smith & Nephew (Q3 results)

Unemployment issues in the US remain the biggest concern for Smith & Nephew as those able to afford healthcare are not increasing as quickly as hoped. Austerity measures are seeing a reduction in spending which is also having an impact on the bottom line. We have a tentative 'hold' recommendation on Smith & Nephew at the moment and we hope this update has some positive signs.

We currently list Smith & Nephew as a HOLD

Economic Diary

Economic announcements for the w/c 31 October 2011

1 November, PMI for UK manufacturing from Markit/CIPS, 2 November UK construction PMI from Markit/CIPS and 3 November, PMI for services from Markit/CIPS

Last month, PMIs for manufacturing covering the UK rose above the critical 50 no change mark, hitting 51.1. As for services, the Business Activity Index fell to 52.9 – an eight month low. The composite index, measuring manufacturing, construction and services, rose to 52.7 from 50.9 in August. All in all, the three surveys suggested that September saw a mild pick up on August, implying that the UK was on course for growing at 0.4 per cent in Q3. But will the surveys for October continue the improvement seen last month, or we will see a lurch back, closer to recession territory?

1 November Gross Domestic Product: Preliminary Estimate, Q3 2011 – ONS

In Q2 the UK economy expanded by 0.1%, or so the most recent data suggests. Surveys from CIPS/Markit are consistent with growth in Q3 of 0.4%. But what will the data, out today, say? Bear in mind, however, that whatever the data does say, it is subject to revision in later months.

2 November, latest FOMC meeting at Fed, and 3 November, Governing Council meeting of the ECB in Frankfurt – ECB

The Fed is unlikely to announce more quantitative easing (QE), but it may announce other changes including linking the current zero interest rate to economic developments. As for the ECB, despite the problems in the Eurozone, it elected to keep interest rates on hold last month. This time around, it may well announce a rate cut.

Other economic announcements include:

31 October

- Lending to Individuals, September – Bank of England
- Sectoral Breakdown of Aggregate M4 and M4 Lending, September – Bank of England
- Flash Estimate Euro area inflation, October – Eurostat
- EU Unemployment, September – Eurostat
- The effect of VAT on household disposable income, 2011 – ONS

1 November

- Economic Review, October 2011 – ONS
- Gross Domestic Product: Preliminary Estimate , Q3 2011 – ONS
- Eurozone manufacturing PMI, September – Markit
- US manufacturing PMI, September – ISM
- Nationwide house price index for October – Nationwide

2 November

- FOMC Meeting – Fed

3 November

- Governing Council meeting of the ECB in Frankfurt – ECB
- US Productivity and Costs, Q3 – BLS
- Eurozone PMI for services, September – Markit
- US non-manufacturing report, September – ISM

4 November

- US Employment Situation, October – BLS
- Insolvency Statistics, Quarter 3, 2011 – 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 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.

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>.

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