

press release

7 November 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 7 November 2011.

■ Monday

Weir Group (trading update)

The share price has been increasingly volatile of late reflecting moves in the commodity market. Investors will be keen to hear the company's view on future mining projects around the globe, especially with regard to shale oil and gas. The company has turned itself into an infrastructure equipment supplier and stated in its August results that it is well positioned for further growth.

We currently list Weir Group as a HOLD

Essar Energy (interim management statement)

The approval of some of Essar Energy's projects have been in doubt, which has caused some concerns and seen the company struggle this year. However, this should not detract from the assets that are currently being built. The news that there will be plenty of energy available to the Indian public during 2012 should ease fears. In September Essar Energy secured a second source of coal for its power stations, which should also please investors. We expect this statement to discuss construction updates on several power stations; indications show that no delays are to be expected.

We currently list Essar Energy as a BUY

■ Tuesday

Lloyds Banking (trading update)

The European situation continues to put pressures on the banking sector. The CEO's health problems have already rattled the markets' nerves. Investors will be hoping this update doesn't bring anymore nasty surprises, as in May with weaker earnings and higher provisions. However, by now everyone should be aware there is no magic wand solution and the recovery that is hoped for will be slow.

We currently list Lloyds Banking as a HOLD

Marks & Spencer (interim results)

Economic factors are likely to prove sensitive for quite sometime as austerity packages start to take effect in the UK. Other factors such as high inflation, high levels of unemployment and pay freezes are also likely to create some drag on sales as consumers hold back on discretionary spending. Everyone is aware the recovery will be slow and Marks & Spencer is likely to feel the squeeze, like most UK centric retailers. Unseasonably warm autumn may also have affected revenues in the last quarter.

We currently list Marks & Spencer as a HOLD

Vodafone (interim results)

We expect this update to include comments regarding the benefits of the continued streamlining of Vodafone's operations. We also expect to see most revenue growth from the data transfer segment of the business and encouraging growth from its emerging market operations.

We currently list Vodafone as a BUY

Associated British Foods (full year results)

In times of austerity budget brands offering customers value should do well and Associated British Foods has one of the biggest in its portfolio of companies, Primark. We would expect to see some comment on its sugar operations as the pricing environment is starting to show signs of improvement and could bode well for the group next year.

We currently list Associated British Foods as a BUY

■ **Wednesday**

Tullow Oil (Q3 interim management statement)

Tullow Oil received a boost in mid-October when the Ugandan Government approved the sale of assets worth \$2.9bn to Total and CNOOC. With this new funding Tullow Oil can continue to extract and explore new opportunities and with its impressive past record there looks to be plenty of interest for investors to look for. We hope this update gives some clues as to how this money will be spent.

We currently list Tullow Oil as a BUY

HSBC (trading update)

We expect this update to give more news about the ongoing move to cut costs and change its focus towards Asia. There will be hopes that winning business in the region will mean the group can benefit from other Western bank problems. Inevitably the main comment is likely to be on the current economic concerns, especially in Europe.

We currently list HSBC as a HOLD

Sainsbury (interim results)

Sainsbury has certainly told investors it has a handle on prevailing economic headwinds, having initiated a number of marketing campaigns to address customer retention and attract new customers in these more frugal times. Headline grabbing incentives, such as Gok Wan launching a debut women's wear range in over 200 stores, with prices starting from £20, should impact foot fall through its doors. We feel offering value in these challenging times is key to maintaining market share and Sainsbury may have achieved this with some of its recent incentives. However, we don't expect results to surprise investors.

We currently list Sainsbury as a HOLD

Admiral (trading update)

Headwinds continue to put strain on Admiral's business model and we would like to see some comment on how they intend to address them. Admiral's share price has continued to fall since May and the company has some work to do to deal with the potential threats to its business model and restore investor confidence.

We currently list Admiral as a HOLD

■ **Thursday**

Experian (interim results)

The share price has bounced back since the August market crash, as investors focus on the steady growth story. Increasing demand in its emerging markets has helped offset the slowing in the UK and US.

The group has been viewed as a safer haven in these troubled times, so market expectations will be for a steady and reassuring report.

We currently list Experian as a BUY

Other companies reporting today include Vedanta (interim results) – HOLD

■ Friday

Rolls Royce (interim management statement)

Rolls Royce has been steadily winning contracts during the last quarter and in October a new joint venture was signed with Pratt & Whitney, to develop the next generation of mid-sized engines. During the next 20 years it is predicted that 45,000 engines will be needed within this segment of aviation. We wonder if this update will announce any further collaborations or if it will just be business as usual.

We currently list Rolls Royce as a BUY

Economic Diary

Economic announcements for the w/c 7 November 2011

8 November, October Housing Market Survey – RICS

Last month the housing market survey from the Royal Institute of Chartered Surveyors (RICS) pointed to continued, modest falls in house prices. The headline index was unchanged on the previous month with a reading of minus 23. The index tracking buyer enquiries – an indication of changing demand – improved, rising from minus 2 to plus 3, and the index tracking new instructions – an indicator of changing supply – fell to minus 5 from minus 1 the month before. The survey also gave a strong indication of regional disparity, with the index tracking scoring plus 25.

10 November, Monetary Policy Committee Meeting and Announcement (MPC) – Bank of England

After last month's decision to embark on another round of quantitative easing, it seems unlikely that the Bank of England will announce further measures today. It will, after all, take time for the current round of asset purchases to be completed, and then take effect. Nonetheless, the fact that the MPC voted unanimously in support of more QE last month, may suggest that it will be looking at all available options to boost the economy via monetary policy.

Other economic announcements include:

8 November

- Index of Production, September 2011 – ONS
- October housing market survey – RICS

9 November

- UK Trade, September 2011 – ONS

10 November

- US International Trade, September – BEA
- Monetary Policy Committee Meeting and Announcement – Bank of England
- Mortgage and landlord possession statistics, England and Wales, July to September 2011 – ONS

the**share**centre:

11 November

- Producer Price Index, October 2011 – ONS

---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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For further information please contact:

The Share Centre

Rebecca Kempzell

PR Executive

01296 439 426

Rebecca.kempzell@share.co.uk

Stephanie Reynolds

PR Manager

01296 439 256

Stephanie.reynolds@share.co.uk

Lansons Communications

Chantal Heckford / Lisa Grando / Sarah Waterson

0207 294 3630 / 0207 294 3669 / 0207 294 3649

Chantalh@lansons.com / Lisag@lansons.com / SarahW@lansons.com

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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 SIPPs are also available.

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