

## press release

14 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 14 November 2011.**

#### ■ Monday

##### **ITV (interim management statement)**

We wonder if the hopes for ITV in 2012 can be sustained by the major sporting events, especially the Olympics, or if the current economic environment will cancel them out? The recent volatility in the share price would suggest that the market is uncertain. In ITV's last update the group was expecting advertising rates to slow in the second half of the year. How much these have slowed will be key for investors.

**We currently list ITV as a BUY**

**Other companies reporting today: Lonmin (full year results) – SELL**

#### ■ Tuesday

##### **Burberry Group (interim results)**

Burberry released a very positive update in October. However, the current valuation of the share price still looks high and this was the reason behind the recent downgrade of our recommendation to a 'sell'. The company has a high cash level on its books so we hope this update mentions how it plans to spend some of this.

**We currently list Burberry as a SELL**

##### **British Land (interim results)**

London is a big draw for international business as it is a major trading centre that sits between America and Asia. British Land operates a large portfolio of primary property in London where rent prices have held up and at present we expect they will continue to do so. We are not expecting any surprises from these results, but do expect British Land to say market conditions are challenging.

A fall in the share price since July currently makes the valuation more attractive for investors, with a forward estimated yield of 5.10%

**We currently list British Land as a BUY**

#### ■ Wednesday

##### **ICAP (interim results)**

The general view in the market is that volatility is good for firms such as ICAP. However, this has recently been questioned so investors will be very keen to hear the CEO's comments. There are

also growing concerns over the current pressure on investment banks, which could lead to lower future trading volumes for ICAP.

**We currently list ICAP as a HOLD**

**Other companies reporting today: Reed Elsevier (interim management statement) – HOLD, Imagination Technologies (trading statement) – BUY, Enquest (interim management statement) – BUY**

## ■ Thursday

### **Rexam (interim management statement)**

Results issued in August indicated demand for Rexam's products was improving and since then the cost of raw materials should have fallen. With this in mind the update should be positive, however, it is difficult to predict as the markets remain uncertain.

**We currently list Rexam as a HOLD**

### **Amec (interim management statement)**

Recently Amec has been winning contracts within the North Sea region and we expect this update to announce more wins. In August the company highlighted acquisitions as the way forward and investors would appreciate an update on what is in the pipeline and what may be the next steps.

**We currently list Amec as a HOLD**

### **Mothercare (interim results)**

Economic factors are likely to prove sensitive for quite some time as austerity packages start to take effect in the UK and Europe. 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 spending. Everyone is aware the recovery will be slow and Mothercare is likely to continue to feel the squeeze like most UK and European retailers.

**We currently list Mothercare as a HOLD**

**Other companies reporting today: Centrica (interim management statement) – BUY, Capita Group (Q3 interim results) – HOLD, Intertek (interim management statement) – HOLD, National Grid (interim results) – HOLD, SABMiller (interim results) – SELL**

## ■ Friday

### **Aga Rangemaster (interim management statement)**

Interim results issued in August showed although sales were slowing the company was benefitting from cost cutting measures. We are unlikely to see the effect of this in this update and so, if trading remains weak, we could see an adverse reaction on the share price.

**We currently list Aga Rangemaster as a BUY**

### **Chesnara (Interim management statement)**

The problems in Europe and its impact on financial companies mean that currently Chesnara's share price looks cheap. This has resulted in the company's yield appealing to income investors. In addition to the European effect and the low interest rate environment the sector has been hit by proposed changes to regulation over capital funding. We expect these results to show Chesnara maintaining its pursuit for growth via acquisition despite conditions remaining challenging.

We currently list Chesnara as a BUY

## Economic Diary

### Economic announcements for the w/c 14 November 2011

#### 15 November Flash Estimate EU and euro area GDP, Q3, Eurostat

Did the Eurozone drop into recession territory in Q3, and which, if any, economies within the region saw contractions in GDP during the period in question? The first estimate of growth for the Eurozone, and indeed the EU, always draws attention, but, on this occasion, with a growing number of surveys indicating the Eurozone is very close to recession, this data will be scrutinised more closely than usual.

#### 15 November, Consumer Price Indices, October 2011 – ONS

This week inflation will be subject to much media interest. On the 15th, the latest set of inflation figures will be released. Last month the CPI index hit 5.2% in September, equalling the highest reading for the index ever. The RPI index stood at 5.6%, the highest reading since 1991. The Bank of England has predicted that inflation will fall back quite sharply in the next few months. Did today's data support this prediction?

#### 16 November Bank of England, – Inflation Report

On the 16th, the latest Bank of England Inflation Report will be released. In view of the recent spate of bad news on the economy, will the report see a marked downward revision in growth projections? Will the bank drop hints about any additional quantitative easing to follow?

#### 15 November

- Flash Estimate EU and euro area GDP, Q3, Eurostat
- Consumer Price Indices, October 2011 – ONS

#### 16 October

- Consumer Price Index, October 2011 – BLS
- Real Earnings, October – BLS
- Bank of England, – Inflation Report
- EU Inflation (HICP), October – Eurostat
- Labour Market Statistics, November 2011 – ONS
- GDP and the Labour Market - 2011 Q3, November Labour Market update – ONS

#### 17 October

- Retail Sales, 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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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.

## **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 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>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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