

press release

9 January 2012

The forward look from The Share Centre

Sheridan Admans, investment research manager at The Share Centre, gives his thoughts on what to expect from companies announcing results w/c 9 January 2011.

■ Monday

Companies reporting today include Morrison's (trading Statement) – HOLD

■ Tuesday

Marks & Spencer (Q3 interim results)

We expect this interim statement to show the company's food sales and overseas strategy is continuing to progress well.

An unseasonably warm autumn may have affected revenues in the last quarter. The high expectation of a poor turnout on the high street during the festive season will also have impacted clothing sales.

Marks & Spencer has a strong reputation in the UK for high quality produce at good value. This reputation should pay dividends at this time of austerity when people will be more conscious of their discretionary spending.

We currently list Marks & Spencer as a BUY

Other companies reporting today include Howden Joinery (trading statement) – HOLD, Smiths News (interim management statement) - BUY

■ Wednesday

Sainsbury (Q3 interim results)

We expect these results to be uninspiring for investors. Like many UK centric retailers, we expect Sainsbury to have found trading conditions tough in the run up to the festive period. We suspect the Gok Wan headline incentive launched earlier in the year to have had a mixed response, as competitors have sought to retain and attract customers with various strategies in these challenging times.

Like many of its competitors Sainsbury has offered discounts, incentives and competitive pricing in an effort to increase footfall. This is likely to have led to larger volumes sold, but limited revenue growth.

We currently list Sainsbury as a HOLD

■ Thursday

Ashmore (trading update)

Fund management groups have been under pressure of late, as continued uncertainty has seen investors taking money out of the market. Followers of the group will be keen to hear if emerging markets are proving more resilient than its European rivals. The share price fell sharply in the autumn and will need to see signs of more positive news to help consolidate recent improvement.

We currently list Ashmore as a SELL

Tesco (trading statement)

We expect this update to reiterate that UK trading conditions remain challenging. Investors will be keen to hear how the company's international operations are performing and we suspect it will report positive progress. However, as with others in its sector, we suspect the UK operations to be uninspiring.

Overseas operations continue to offer growth opportunities and diversification of revenue streams, which still makes Tesco more attractive than its UK centric rivals.

We currently list Tesco as a BUY

Other companies reporting today include Booker (Q3 interim results) – BUY, Mothercare (Q3 trading statement) – SELL, Cape (trading statement) – HOLD

■ **Friday**

AGA Rangemaster (trading update)

AGA Rangemaster's last update pointed to slowing demand for its iconic cookers in Europe. The group intends to raise prices for its products at the start of the new year and investors will hope sales of its newest products can help alleviate the revenue decline. As a result of the economic situation the company has also been reorganising some of its operations.

We currently list AGA Rangemaster as a BUY

Other companies reporting today include Fresnillo (Q4 operations review) – BUY

Economic Diary

Economic announcements for the w/c 9 January

10 January, UK housing Market Survey, December – RICS

Last month the headline index from the RICS housing market survey improved, rising to minus 17 from minus 24 in October. The index tracking new enquiries was unchanged at plus 7, while the index tracking new instructions rose from plus 3 to plus 10. So, in November it appears supply saw a marginally better improvement than demand, meaning downward pressure on prices.

10 January, Retail Sales Monitor, December – BRC/KPMG

Today's retail sales monitor from BRC and KPMG will draw close attention. What will the index say about the very important December trading period?

12 January, Governing Council meeting of the ECB in Frankfurt – ECB and Monetary Policy Committee Meeting and Announcement – Bank of England

In today's meetings of the interest rate setting committees of both the Bank of England and ECB, the euro area bank is more likely to command the headlines. While it is possible that the Bank of England may announce more QE, on balance it seems likely that this is still a month or more away. The ECB, however, is widely expected to cut rates from 1.0 per cent. If it does so, it will be the third month in succession to see a rate cut.

Other economic announcements include:

9 January

- Financial Services Survey – CBI/PwC

10 January

- December UK housing Market Survey – RICS
- Retail Sales Monitor, December – BRC/KPMG

11 January

- EU National accounts (GDP Q3 3rd estimate) – Eurostat
- UK Trade, November 2011 – ONS

12 January

- Governing Council meeting of the ECB in Frankfurt – ECB
- Monetary Policy Committee Meeting and Announcement – Bank of England
- Index of Production, November 2011 – ONS

13 January

- Producer Price Index, December 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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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 / Lisa@lansons.com / SarahW@lansons.com

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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.

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