

## press release

16 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 16 January 2011.**

#### ■ Tuesday

##### **Experian (Q3 interim management statement)**

Investors have been getting use to solid updates from the company and in the present climate will be hoping for more of the same. Comments about further moves into emerging markets would be worth noting. As this statement comes only nine weeks after its interim results it is unlikely for there to be any major news

##### **We currently list Experian as a BUY**

Other companies reporting today include Rio Tinto (Q4 production report) – BUY, Burberry (Q3 interim management statement) – SELL

#### ■ Wednesday

##### **Man Group (Q3 interim management statement)**

Man Group was one of the worst performing FTSE 100 stocks in 2011 and has continued to suffer so far this year. There has been a number of broker downgrades in January already. Falling confidence in the group and the performance of its main funds has made it difficult to establish a support level. The market will be looking to the management for any comment that could stop the outflow of funds.

##### **We currently list Man Group as a BUY**

Other companies reporting today include Fresnillo (Q4 production report) – BUY, Pearson (trading statement) – BUY

#### ■ Thursday

##### **ASOS (Q3 trading statement)**

It has been suspected for sometime that high street retailers are losing out to online retailers, or retailers that have a strong online presence as part of their strategy. As a number of retailers have started to report on their Christmas period trading results we have started to see this gap widen.

Although we don't expect ASOS to have been isolated from the slowdown in consumer spending, we don't expect results to be too disappointing. Given the sell off of the share price since June 2011 and with the company generating a strong operating cash flow yield of circa 31% we recommend investors 'buy' ASOS.

##### **We currently list ASOS as a BUY**

## **Associated British Foods (Q1 management statement)**

An unseasonably warm autumn may have affected revenues for Associated British Foods' retail business in the last quarter and may impact sales in the next quarter. However, we expect budget brands such as Primark, that offer customer's value and low prices, to do well in 2012, as the UK and Europe start to feel the brunt of austerity.

Profit margins were poor in 2011, despite strong sales growth. However, cotton and sugar prices have been weakening, which should help profit margins improve for Associated British Foods. In addition, we expect to see good growth from the group's emerging market operation.

We recommend Associated British Foods as a 'buy' for investors seeking a moderately defensive business that offers potential for growth. We believe the business is well positioned to take advantage of the difficult trading conditions that both companies and consumers are facing, as pressure on disposable income is offset by favourable raw material inputs.

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

Other companies reporting today include SAB Miller (Q3 trading statement) – SELL

## Economic Diary

Economic announcements for the w/c 16 January 2012

### **17 January Consumer Price Indices - December 2011**

Last month UK inflation, as measured by the CPI index, was 4.8%, falling from 5.0% the month before. Inflation, according to the RPI index, fell from 5.4% to 5.2%, and core inflation (that's with food, energy and tobacco stripped out) fell from 3.4 to 3.2%. Since then, data from BRC Nielsen has revealed a sharp fall in shop price inflation. Has the recent price discounting on the high street led to another fall in the inflation figures? Today's data will be significant for another reason. This will be the last month in which inflation data includes the effect of January 2011's VAT hike.

### **18 January Labour Market Statistics, November 2012 – ONS**

Last month revealed a 128,000 rise in quarterly unemployment, taking UK unemployment to 8.3%, the highest level since 1996. There was a 63,000 fall in employment. In the three months to November, total pay including bonuses rose by 2.0%, and by 1.8% excluding bonuses. In the year to November, inflation as measured by the RPI index was 5.4%, meaning that the average worker saw real income fall significantly over the period.

### **20 January Retail Sales, December 2011 – ONS**

Will today's data on retail sales during the key month of December support the encouraging findings from BRC/KPMG?

## **Other economic announcements include:**

### **17 January**

- EU Inflation (HICP), December – Eurostat
- Consumer Price Indices - December 2011

### **18 January**

- US Producer Price Index, December – BLS
- Labour Market Statistics - January 2012 – ONS

### **19 January**

- US Consumer Price Index, December – BLS
- US Real Earnings, December 2011 – BLS
- EU Quarterly balance of payments, Q3/2011, 2nd release – Eurostat

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- Euro area monthly balance of payments, November 2011 – Eurostat

## 20 January

- Retail Sales, 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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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](http://www.share.com). Access is available to customers and registered users of the site.

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