

**BLANKSTONE SINGTON**  
Investment Managers & Stockbrokers

# MARKET REPORT

Thursday 23 May 2019

Blankstone Sington has provided investment management and financial advice in Liverpool since 1976. We pride ourselves on making investment simple and offering bespoke investment solutions for private clients, trusts and charities. We offer a wide range of services including Discretionary and Advisory Management, Traditional Stockbroking and our AIM Inheritance Tax Portfolio.

## OVERNIGHT FEATURES

			52 week range				52 week range
<b>DJ INDUSTRIAL</b>	<b>-100.75</b>	<b>25776.50</b>	21792.25 - 26828.50	<b>£ = \$</b>	<b>-0.44%</b>	<b>\$1.2610</b>	\$1.2492 - \$1.3420
<b>S&amp;P 500</b>	<b>-8.09</b>	<b>2856.27</b>	2351.10 - 2945.83	<b>£ = €</b>	<b>-0.26%</b>	<b>€1.1317</b>	€1.1006 - €1.1764
<b>NASDAQ</b>	<b>-34.88</b>	<b>7750.84</b>	6192.92- 8164.00	<b>GOLD</b>	<b>-\$1.44</b>	<b>\$1,274.06</b>	\$1173.80- \$1340.70
<b>NIKKEI 225</b>	<b>-132.23</b>	<b>21151.14</b>	18948.58 - 24448.07	<b>BRENT CRUDE</b>	<b>-\$0.75</b>	<b>\$69.45</b>	\$50.77- \$86.03
<b>HK HANG SENG</b>	<b>-490.04</b>	<b>27215.90</b>	24540.63 - 31521.13	<b>10 YR GILT YIELD</b>	<b>-0.02</b>	<b>0.99%</b>	0.97% - 1.75%

## MARKET HEADLINES

Companies trading ex-dividend today: Bunzl, Carnival, DCC, Imperial Brands, Morrisons - the effect of the resulting adjustment to prices is expected to take 3.02 points off the FTSE 100 index.

British employers offered staff pay rises averaging 2.5% as part of wage settlements in the three months to April, industry data showed on Thursday, matching the trend seen earlier in 2019. (Reuters)

German household spending rose at its strongest pace in eight years, driving a rebound in the first quarter, while a pick up in construction activity and surprisingly solid exports also helped Europe's largest economy to get back on track. (Reuters)

## COMPANY NEWS

<p><b>Bakkavor Group</b> 52 week range 113p - 206p Industry: Consumer Goods Subsector: Food Products</p>	<p><b>+0.30</b></p>	<p><b>122.1p</b></p>	<p>Bakkavor Group said that it continues to expect the company's performance this year to be broadly in line with 2018. It added that trading since the year end has been in line with management expectations and guidance for the full year remains unchanged. It said at the time of its 2018 earnings in February that subdued consumer confidence and inflationary pressures had continued into 2019. "Despite current U.K. market challenges, we remain confident that our strategy, combined with our scale and expertise, leaves us well placed to capitalize on future growth opportunities," Bakkavor said. For the year ended Dec. 31, 2018, the company reported a pretax profit of £77.9m on revenue of £1.86bn.</p>
<p><b>Coats Group</b> 52 week range 69.8p - 91.3p Industry: Industrials Subsector: Diversified Industrials</p>	<p><b>-3.63</b></p>	<p><b>78.975p</b></p>	<p>Coats Group said that it anticipates a 2019 performance in line with its expectations despite being hit by currency headwinds in the start of the year. It said sales fell 3% for the four months to April 30, as a result of expected currency headwinds mainly related to weak Indian rupee, Turkish lira and Brazilian real translations. On an organic constant currency basis, group sales grew 2% in the first four months of 2019, Coats said. The company said it remains cautious around current macroeconomic uncertainties.</p>
<p><b>Inchcape</b> 52 week range 486.6p - 799p Industry: Consumer Services Subsector: Speciality Retailers</p>	<p><b>+17.50</b></p>	<p><b>575p</b></p>	<p>Inchcape said that earnings were up, with trading in line with expectations. The car distributor and retailer said that revenue rose 3% to £3.1bn in the four months ended April 30. "Distribution, which comprised more than 90% of our profit in 2018, saw good revenue growth across most markets, most notably Asia, where growth was led by Singapore, and Europe," said Chief Executive Stefan Bomhard. He said that the company is disposing of two of its retail sites in Australia for cash proceeds of £11m. Inchcape said that both its retail and distribution divisions are on track to deliver on its profit guidance.</p>
<p><b>Intertek Group</b> 52 week range 4,387p - 6,014p Industry: Industrial Subsector: Business Support Services</p>	<p><b>-90.00</b></p>	<p><b>5096p</b></p>	<p>Intertek Group said that it is on track to deliver its 2019 targets after a 7.3% rise in revenue for the first four months of the year. The company said revenue for the four months to April 30 was £924.3m compared with £861.2m in the year earlier period. Revenue was up 5.3% at constant currency rates, and organic revenue grew 3.3% at constant rates, Intertek said. By segment, it's organic revenue rose 2.6% in products, 5.3% in trade and 2.9% in resource, the company said.</p>

## COMPANY RESULTS

### Interim results

**Hollywood Bowl Group**  
52 week range  
178p - 245p  
Industry: Consumer Services  
Subsector: Recreational Services

+9.00 235p

Hollywood Bowl Group said that first half fiscal 2019 pretax profit rose and that the board believes this result puts the company on track to deliver on management expectations for the full year. It said that for the six months ended March 31, pretax profit was £16.4m compared with £14.6m in the same period last year. Revenue for the period was £67m, compared with £63.6m the year before. Operating profit, one of the company's preferred metrics, was £16.8m, compared with £15.0m the prior year. Like for like revenue grew 4.4% during the period, with all revenue lines showing growth on the comparative period last year, the company said. The board declared an interim dividend of 2.27p per share, up 11.8% from the year prior.

**Mitchells & Butlers**  
52 week range  
238p - 291.4p  
Industry: Consumer Services  
Subsector: Restaurants & Bars

+10.25 252.75p

Mitchells & Butlers said that first half pretax profit and revenue rose and the board is pleased with the trading performance and the momentum the business carries into the second half of the year. The group said that pretax profit for the 28 weeks ended April 13 was £75m compared with £69m in the same period last year. Revenue for the period was £1.19bn, compared with £1.13bn in 2018. The company said this was due predominantly to growth in like for like sales. Operating profit, the company's preferred metric, was £140m, compared with £137m the prior year.

### Final results

**United Utilities Group**  
52 week range  
682.4p - 873.6p  
Industry: Utilities  
Subsector: Water

-4.70 778.1p

United Utilities Group said for the year ended March 31, pretax profit was £436.2m, compared with £432.1m in fiscal 2018. Revenue for the period was £1.81bn, compared with £1.74bn the year before. Stripping out exceptional and other one off items, underlying operating profit, the company's preferred metric, was £684.8m, compared with £645.1m in 2018. Reported operating profit was £634.9m, compared with £636.4m. The company said in March that reported operating profit would be hit by costs related to exceptionally dry weather in the summer, as well as by guaranteed minimum pension equalization and restructuring costs of £52m. As at 31 March 2019, the group had an IAS 19 net pension surplus of £484m, compared with a net pension surplus of £344m at 31 March 2018. The board proposed a final dividend of 27.52p per ordinary share, compared with 26.49p last year, taking the total dividend to 41.28p per share, compared with 39.73p the year prior.

## ECONOMIC CALENDAR

	GMT	Actual	Forecast	Previous
German Manufacturing PMI (MAY P)	07:30	44.3	44.8	44.4
German Services PMI (MAY P)	07:30	55.0	55.4	55.7
Eurozone Manufacturing PMI (MAY P)	07:30	47.7	48.1	47.9
Eurozone Services PMI (MAY P)	08:00	52.5	53.0	52.8
Eurozone Composite PMI (MAY P)	08:00	51.6	51.7	51.5

## YESTERDAY'S HIGHLIGHTS

<u>UK Main Market Winners</u>		<u>UK Mid Cap Winners</u>		<u>Top 3 UK Sectors</u>	
Smurfit Kappa Group	+5.49%	Metro Bank	+15.24%	Forestry & Paper	+2.74%
DS Smith	+3.77%	Peta at Home	+13.85%	General Industrials	+2.19%
Hikma Pharmaceuticals	+3.10%	IG Group Holdings	+12.51%	Software & Computer Services	+2.08%
<u>UK Main Market Losers</u>		<u>UK Mid Cap Losers</u>		<u>Bottom 3 UK Sectors</u>	
Marks & Spencer Group	-9.37%	Galliford Try	-9.45%	Electricity	-3.25%
easyJet	-5.83%	Babcock International	-9.31%	Automobiles & Parts	-2.98%
Persimmon	-5.53%	Hilton Food Group	-6.43%	Leisure Goods	-2.54%

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