

# Profit-takers move in amid Fed jitters



**LAURA CHESTERS MARKET REPORT**

Early-morning optimism from traders gave way to voracious profit-taking yesterday as the City placed bets ahead of the US Federal Reserve's meeting. The UK followed Asia's lead as confidence swept the market ahead of the Federal Open Market Committee meeting last night.

Traders wagered that the quantitative easing scheme would not yet be reduced – or tapered, and the **FTSE 100 index** soared close to a year high at 6816.39. But during the afternoon session, dealers cashed in their positions ahead of the Fed meeting due after the London market closed. The benchmark index finished the day up just 2.97 points at 6777.7.

Some market watchers thought the markets could correct further. Alastair Winter, chief economist at Daniel Stewart & Co, said: "I am getting more convinced that profit-taking is looming in several markets that could lead to a correction of 10-15 per cent. Globally, most vulnerable are the Nikkei, S&P 500, FTSE 250 and Ibox. Prices are already very fancy."

David Madden, a market analyst at spread better IG, said: "Equity markets have enjoyed a good run ever since the US government temporarily raised the debt ceiling nearly a fortnight ago. The political stalemate across the Pond which led to a partial shutdown of US government has almost guaranteed that the Fed will maintain the status quo tonight. But stocks have slipped into negative territory as we approached the end of the trading day as dealers cash in their positions before the Federal Reserve statement."

One of the stocks leading the market up was retailer **Next** after it raised its profit guidance for the year and reported a strong set of sales numbers. It was top of the table, up 245p to 5.450p.

High street bellwether **Marks & Spencer** joined Next as one of the retail risers as the market acknowledged data that its clothing business could be recovering market share. Shore Capital's analysts retained their buy rating for the stock ahead of its interim results next week and said the broader M&S "investment thesis, based upon self-improvement (evident in beauty, food, home and international), greater capital discipline, stronger free cash generation and so stronger solvency ratios and rising dividends", makes the retailer attractive despite concerns about its clothing business.

M&S, which this week revealed part of its new Christmas ad campaign, featuring the model David Gandy, was 7.6p smarter at 493.2p.

David Gandy in Christmas mood for



### FTSE 100 RISERS

Price	Chg	% Chg
Next	+245.00	+4.71
Experian	+40.00	+3.25
Travis Perkins	+36.00	+1.99
Marks&Spencer	+7.60	+1.57
Melrose Ind	+4.90	+1.29
Kingfisher	+5.50	+1.47
Hargreave Lans	+14.00	+1.20
Balcock Intl	+15.00	+1.19
A.B. Foods	+26.00	+1.18
Tullow Oil	+11.00	+1.18

### FTSE 100 FALLERS

Price	Chg	% Chg
Standard Life	-14.70	-3.98
Pearson	-49.00	-3.59
Stan Chart	-35.50	-2.30
Schroders	-59.00	-2.20
Lon Stock Ex	-28.00	-1.68
Reckitt Ben	-68.00	-1.40
Old Mutual	-2.10	-1.03
Unilever	-25.00	-0.98
SSE	-13.00	-0.90
Aberdeen Ast	-3.70	-0.83

### BUY TED BAKER

Snap up shares in Ted Baker, Jefferies implores. The broker thinks the fashion brand is underestimated by investors and it expects the third quarter update next month to be "solid". Jefferies says the recent weakness in the share price "overlooks the resilience of the UK business and increasingly compelling international potential which is now 30 per cent of group revenue", so it rates it a buy with a 2,150p price target for shares that are 1,710p.

### SELL AFRICAN BARRICK GOLD

Flog shares in African Barrick Gold, Investec advises. The broker notes the African focused miners' good

### FTSE 250 RISERS

Price	Chg	% Chg
African Barr Gold	+27.10	+15.93
Cable&Wire Cms	+2.26	+5.11
Thomas Cook	+6.00	+4.34
Euromoney Inst	+30.00	+2.87
Paragon Gp Cos	+9.20	+2.79
Stagecoach	+9.20	+2.68
3i Group	+9.70	+2.67
BB Aviation	+6.70	+2.60
Premier Farnell	+5.70	+2.59
Mitch & Butl	+9.50	+2.43

### FTSE 250 FALLERS

Price	Chg	% Chg
Go-Ahead	-54.00	-3.11
Centamin	-1.90	-2.53
IP Group	-3.00	-1.85
Hansteen	-2.00	-1.92
Workspace	-9.10	-1.83
888 Holdings	-3.00	-1.82
Ashmore Gp	-7.20	-1.73
Intl Person Fin	-10.00	-1.68
Petra Diamonds	-1.80	-1.56
Ladbrokes	-3.00	-1.55

third quarter results and is "encouraged by the positive production trend" but it remains "cautious" due to the "ongoing cash shortfall", so rates it a sell and has put its target price under review for shares that are 197.2p.

### HOLD NEXT

Hang on to Next, Cantor Fitzgerald insists. The broker thinks the retailer can do no wrong. Cantor likes its online and directory business and says the opportunity for the group to use its cash flows to buy back shares will continue to lead to improvements in shareholder returns. It has raised its price target to 5,200p and rates it a hold for now, for shares that are 5,450p.

The oil explorer **Tullow** has underperformed but analysts at Investec said it was time to close any short positions on the stock, and rated it a hold as it jetted up 11p to 947p. Oil services group **Petrofac** won a \$650m (£404m) gas contract, in joint venture with Italy's **Bonatti**, to work on the Alrar gas field in south-east Algeria. Liberum Capital predicted the deal could be worth \$350m for Petrofac, and rated it a buy. Liberum said the new contract "confirms Petrofac's strong position in Algeria and adds to visibility of revenue forecasts". Analysts at Goldman Sachs were also fans despite being cautious on the oil sector overall. They predicted the sector will see "exploration spend squeezed

and large new project sanctions delayed". But they said they still see some interesting investment opportunities although they warned investors should be "highly selective".

They raised their recommendation to buy from neutral for Petrofac, which was pumped up 10p to 1,478p.

Over on the mid-cap index, the Tanzania-focused miner **African Barrick Gold** said it was on track with its cost-cutting plan and annual production would exceed its current target. It soared 27.1p to 197.2p.

Liberum's analysts also liked Kurdistan oil explorer **Genel Energy** because of its pipeline and its solid update yesterday but the shares trickled down 2.5p to 957.5p.

AIM-listed **Gable Holdings** added 0.375p to 62.625p when it raised £10.7m through a placing of up to 17.69 million shares at 55p. Analysts at Panmure Gordon rated it a buy from hold and set a price target of 84p.

**Sable Mining** raised £17.1m at 9.5p a share but slipped 0.15p to 9.65p.

US-focused oil and gas trader **Nostra Terra Oil & Gas** was expected to announce additional wells at its Chisholm Trail oil prospect in Oklahoma but the shares declined 0.005p to 0.385p.

### AEROSPACE & DEFENCE

52 Week High	Low	Stock	Price	Chg	Yld	P/E
558	313	Avon Rubber	551.2	+1.2	0.7	20.5
471	301	BAE Systems	452.9x	-1.1	4.3	13.7
323	203	Chemring	223.5	+0.5	3.4	28.3
313	186	Cobham	263.7x	+2.7	3.2	17.6
575	364	Meggitt	568.5	+3.5	2.1	18.2
215	178	QinetiQ	199.0	-	19.9	9.7
1248	493	Rolls-Royce	1151.0x	-9.0	1.8	9.3
301	195	Senior	300.0x	+4.7	1.6	17.5
20031481	Ultra Elect	1925.0	+6.0	2.1	21.0	

### ALTERNATIVE ENERGY

52 Week High	Low	Stock	Price	Chg	Yld	P/E
320	134	Porvair	257.5	+1.0	1.0	25.5
14	7	PV Crystallox	12.9	+0.4	-	0.5

### AUTOMOBILES & PARTS

52 Week High	Low	Stock	Price	Chg	Yld	P/E
377	201	GKN	365.2	+1.8	2.0	12.1
36	23	Torotrak	28.0	+0.4	-	-

### BANKS

52 Week High	Low	Stock	Price	Chg	Yld	P/E
312	209	Barclays	268.4	+2.4	2.4	57.0
23	7	Bk of Ireland	22.1	-0.0	-	3.9
772	503	HSBC	683.5x	-3.2	4.4	14.8
82	40	Lloyds Bk Gp	77.7	-0.3	-	38.8
388	265	RBS	366.5	+1.7	-	6.8
18601385	Stan Chart	1508.0	-35.5	3.6	12.1	

### BEVERAGES

52 Week High	Low	Stock	Price	Chg	Yld	P/E
588	428	AG Barr	529.5	+1.5	1.9	24.0
94	37	Darby	83.0	-0.2	3.5	5.0
624	357	Brinivc	620.0	+0.5	2.9	26.1
21521762	Diageo	2016.5	-10.5	2.4	20.3	
38842611	SABMiller	3263.5	-23.5	1.9	25.5	

### CHEMICALS

52 Week High	Low	Stock	Price	Chg	Yld	P/E
212	235	AZ Elec Mats	284.4	+2.1	3.0	21.0
510	316	Carclco	391.0	+2.0	6.0	60.2
28481998	Croda	263.5	+17.0	2.3	21.0	
281	201	Elementis	263.5	+0.9	2.0	17.9
30152150	Johnson Mat	298.0	-10.0	1.9	19.9	
640	360	Trent	600.0	-	2.6	20.0
17911396	Victrex	1662.0	-6.0	2.3	19.4	
262	144	Synthomer	250.0	-2.3	2.3	15.0
226	163	Zetefoams	180.5	-	2.9	14.9

### CONSTRUCTION & MATERIALS

52 Week High	Low	Stock	Price	Chg	Yld	P/E
15	9	Accsys	12.6	-0.0	-	4.9
141	80	Alumasc	136.5x	-	3.3	20.7
321	207	Balfour Beat	287.4x	+1.5	4.9	44.2
307	226	Costain	290.5	+3.2	3.8	7.8
15821090	CRH	1520.0	-2.0	3.5	23.2	
1164	647	Galliford Try	1147.0x	+4.0	3.2	16.0
360	148	Giessem MJ	320.2	+4.0	0.8	14.8
206	121	Henry Boot	185.0	-	2.6	25.3
1163	558	Keller	1049.0x	+24.0	2.2	22.9
18431041	Kier	1806.0x	+9.0	3.8	18.9	
1122	583	Kingspan	1073.3	-9.7	1.0	28.6
82	48	Low and Bonar	76.8	+1.0	3.2	-
189	86	Marshalls	173.0x	+0.2	3.0	59.5
835	500	Morgan Sind	783.0	-23.0	3.4	10.8

### ELECTRICITY

52 Week High	Low	Stock	Price	Chg	Yld	P/E
722	518	Drax	660.5	-4.0	3.0	15.0
415	195	KSK Power Ven	200.0	-5.0	-	21.4
16901363	SEE	1428.0	-13.0	5.9	31.9	

### ELECTRONIC & ELECTRICAL EQUIPMENT

52 Week High	Low	Stock	Price	Chg	Yld	P/E
1419	987	Daiglight	1125.0	+5.0	1.3	26.8
149	103	Ezy Tech	145.0	-	2.8	11.6
586	410	Halma	559.0	+7.0	1.9	22.2
253	170	Laird	252.5	+5.0	4.8	14.4
325	238	Morgan Cruc	302.0x	+2.0	3.4	10.9
17781204	Oxford Inst	1310.0	+5.0	0.9	33.4	
21281442	Renishaw	1648.0	+23.0	2.4	18.0	
25091670	Spectris	2296.0x	+9.0	1.8	19.0	
204	112	TT Electronics	201.0x	+1.2	2.5	13.4
173	82	Voilex	124.8	+7.8	2.5	-
16059395	XP Power	157.0	+6.5	3.4	19.3	

### EQUITY INVESTMENT INSTRUMENTS

52 Week High	Low	Stock	Price	Chg	Yld	P/E
317	258	Aberdeen UK	317.0	+0.5	3.0	33.8
1020	654	Aberforth Sm	1014.0	+3.0	2.2	38.9
467	363	Alliance Tst	451.0	+2.0	2.1	52.4
214	164	Asian Total Rtn	190.1	+1.0	1.7	65.6
588	427	Bankers	584.0x	+8.5	2.4	42.2
157	142	Better Capital	155.0	-	-	91
143	116	British Assets	142.2	-0.2	4.4	21.6
524	443	British Empire	503.0	-	1.9	33.4
522	405	Brunner	522.0	+3.0	2.7	39.1
19701452	Caledonia	1970.0	+4.0	2.4	39.6	
430	327	Candover	408.5	+4.5	-	6.8
379	303	City of London	378.0x	-0.7	3.8	24.6
156	137	Daxion Abs	153.8	-1.8	-	17.1
286	219	Dunedin Inc	285.5	-0.5	3.8	26.5
308	243	Edinburgh Drgp	279.0	+3.6	0.8	82.7
624	456	Edinburgh Inv	579.0	+3.0	3.9	26.3
24081781	Electra	2306.0	-9.0	9.4	94.9	
769	500	European Int	763.0	-	2.1	49.6
848	604	F&C Glo Smi	Co389.0	+4.0	0.8	-
384	304	F&C Inv Tst	382.0x	-	2.4	54.4
1572	1172	Fidelity Euro	1569.0	+2.0	1.8	56.5
904	552	Fidelity Spec	896.5	+8.5	1.5	67.7
504	370	Finsbury	496.0x	+1.8	2.1	45.9
554	413	Graphite Ent	548.0	-1.0	0.9	-
909	601	Hend Eur Foc	909.0	+2.0	2.1	52.0
805	533	Hend Inv Tst	790.5x	-7.5	2.2	45.0
178	134	Hend High Inc	178.0x	+3.0	4.7	21.1
553	338	Hend Smi Co	549.0	+2.5	1.2	88.0
668	496	Herald Inv Tst	664.5	+7.5	0.2	-
1251	980	HGCapital	1120.0	-	2.1	34.9
123	108	J Liang Infra	114.9	+0.1	5.4	74.0

### AEROSPACE & DEFENCE

52 Week High	Low	Stock	Price	Chg	Yld	P/E
1183	878	JPM American	1175.0	-	1.1	85.1
228	191	JPM Asian	215.2	+1.2	1.1	88.6
100	66	JPM Brazil	76.0	-		