

# Daily Wraps

12:50 06 Oct 2015

## Footsie digs itself out of a hole

The top-share index put in a late spurt, powered by resource stocks, to finish in the black.

The FTSE 100 index closed at 3,522, up 13 points on the day, as heavy hitters such as Anglo American, Fresnillo, Glencore and Randgold from the mining sector and Royal Dutch, BP and BG from the oil sector notched up gains of more than two percent.

Supermarkets were also wanted, ahead of Tesco's (LON:TSCO) results tomorrow, with Morrisons the pick of the bunch, up 3.2%, though Tesco and Sainsbury's were not far behind.

At the wrong end of the Footsie languished lager seller SABMiller (LON:SAB), which put out a trading update this morning.

There was not a lot wrong with the statement, and what hurt the share price - which was down 3.8% at 3,622p - was a report that it had knocked back a takeover proposal from Anheuser-Busch InBev.

Passenger statistics for EasyJet (LON:EZJ) dragged the no-frills airline's shares 48p lower to 1,760p.

Among the mid-caps, investors tucked in Greggs (LON:GRG) after its better-than-expected trading update. The shares finished 82p higher at 1,158p.

Aquarius Platinum (LON:AQP) was the day's best performer, surging 37% to 11p as Sibanye Gold made a buy-out bid for the miner.

First Quantum Minerals (LON:FQM) was another big mover, adding one-third to its stock market value, after finalising the terms of a replacement precious metals stream agreement for the Company's Cobre Panama project.

Independent Resources (LON:IRG) and Nostra Terra Oil & Gas (LON:NTOG) have struck a deal to acquire a 50% non-operated stake in producing assets in Egypt.

The pair of AIM oil companies, which set up a joint venture last month, is to acquire the stake in the East Ghazalat concession for US\$3.5m.

Shares in Independent rose 10% to 0.83p while Nostra's shares gained 26% to 0.125p.

On the downside, Paragon Entertainment (LON:PEL) lost almost a third of its value after a profit warning caused by delays to certain projects.

### MID-SESSION WRAP

Talk that brewer SABMiller (LON:SAB) rebuffed an informal takeover offer burst any potential bubbles in the London market on Tuesday.

The maker of Peroni Nastro Azzurro and Pilsner Urquell knocked back a £66.4bn bid from Anheuser-Busch InBev last week because it was too low, reports said.

### Share Information

#### MarketTopic Synopsis:

*The End of the Day Wrap provides a summary of the most interesting articles published by Proactive Investors during the day, including all of the main stories and exclusive interviews with executives.*

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The London-based group's shareholders reportedly want £45 a share rather than the £40 represented by the proposal.

Investors reacted negatively to the news, sending SABMiller's shares down 120p to 3,644p.

SABMiller did not give a formal stock market response to the reports following an upbeat trading update, which the company said it released early due to the interest from ABI.

Analyst Phil Carroll at Shore Capital said: "Our view is that there is not enough in SAB's trading performance to defend a potential formal bid from AB InBev.

"We have retained our BUY recommendation on SAB on the basis that we expect an offer from AB InBev to be forthcoming and to be above 4,000p per share."

The FTSE 100 Index managed to crawl 10 points higher to 6,308 while Germany's Dax shook off losses to rise 32 points and France's CAC-40 lifted 17.5 points.

In contrast to an anticipated increase, German factory orders declined 1.8% month-on-month (M/M) in August, with weakness in domestic and overseas orders, down 2.6% M/M and 1.2% M/M respectively.

On a slightly brighter note, German retail purchasing managers figures fell slightly, but rounded off the best quarter since 2006.

French retail sales showed a further slight fall in September, but Italian retail PMI numbers rose to their highest since January 2010.

In Asia, the Shanghai Composite rose half a per cent to 3,053 towards the close while Japan's Nikkei 225 climbed 1% to 18,186.

Back in London, there was some brighter news to offset recent economic gloom as new car sales rose 8.6% year-on-year in September, according to the Society of Motor Manufacturers.

On the corporate front, baker Greggs (LON:GRG) heated up 66p to 1,142p on news of better-than-expected third quarter sales.

Elsewhere, Aquarius Platinum (LON:AQP) shone 3.2p to 11.25p as Sibanye Gold made a buy-out bid for the miner.

Specialist healthcare company BTG (LON:BTG) upset investors, indicating that full-year revenue will be in the bottom half of the group's guidance range. Shares bumped 9% or 62p lower to 601p.

In the small cap space, Independent Resources (LON:IRG) and Nostra Terra Oil & Gas (LON:NTOG) have struck a deal to acquire a 50% non-operated stake in producing assets in Egypt.

The pair of AIM oil companies, which set up a joint venture last month, is to acquire the stake in the East Ghazalat concession for US\$3.5mln.

Shares in Independent rose 20% to 0.9p while Nostra's shares gained 21% to 0.12p.

UK potash mine developer Sirius Minerals (LON:SXX) nudged 0.5p higher to 18.75p as the firm said it expects the final decision on its Yorkshire mine site to be released shortly.

Conversely, Paragon Entertainment (LON:PEL) dropped some 29% to 1.78p as it said that, due to delays on certain projects, it now expects full year results for this year to be below current expectations.

Fibre optic network group CityFibre Infrastructure (LON:CFHL) sparked 3p to 70.5p on news of the first contract in a

deal with Vodafone (LON:VOD) to connect to some of its UK mobile cell sites.

#### LONDON OPEN

Shares in London and mainland Europe were on the back foot on Tuesday as economic data from the region disappointed.

The FTSE 100 Index fell 23 points to 6,275 while Germany's Dax was down 30 points and France's CAC-40 was one point off.

In contrast to an anticipated increase, German factory orders declined 1.8% month-on-month (M/M) in August, with weakness in domestic and overseas orders, down 2.6% M/M and 1.2% M/M respectively.

On a slightly brighter note, German retail purchasing managers figures fell slightly, but rounded off the best quarter since 2006.

French retail sales showed a further slight fall in September, but Italian retail PMI numbers rose to their highest since January 2010.

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On the corporate front, baker Greggs (LON:GRG) heated up 66p to 1,142p on news of better-than-expected third quarter sales.

Brewer SABMiller (LON:SAB) lost its fizz by 38p to 3,726p as it released a trading update early due to an expected takeover bid by rival Anheuser-Busch InBev.

Elsewhere, Aquarius Platinum (LON:AQP) shone 3.47p to 11.5p as Sibanye Gold made a buy-out bid for the miner.

Specialist healthcare company BTG (LON:BTG) upset investors, indicating that full-year revenue will be in the bottom half of the group's guidance range. Shares were bumped 10% lower to 598p.

In the small cap space, Independent Resources (LON:IRG) and Nostra Terra Oil & Gas (LON:NTOG) have struck a deal to acquire a 50% non-operated stake in producing assets in Egypt.

The pair of AIM oil companies, which set up a joint venture last month, is to acquire the stake in the East Ghazalat concession for US\$3.5m.

Shares in Independent rose 13.3% to 0.85p while Nostra's shares gained 14.7% to 0.1p.

UK potash mine developer Sirius Minerals (LON:SXX) nudged higher today as the firm said it expects the final decision on its Yorkshire mine site to be released shortly.

Conversely, Paragon Entertainment (LON:PEL) dropped some 26% to 1.85p as it said that, due to delays on certain projects, it now expects full year results for this year to be below current expectations.

#### MARKET PREVIEW

London's blue-chip shares are set for a nervy start, but expected to open slightly ahead this morning as investors continue to shrug off dire European industry data.

Yesterday saw a swathe of disappointing service sector purchasing managers' index data from the UK and the

Eurozone, but the FTSE100 ended the day significantly higher on stronger commodity prices, a trend which should push the index around six points higher.

It seems investors could also be willing to take a punt on China's improvement.

Angus Nicholson at IG, said: "The Chinese PMIs seemed to have eased fears that the economy would collapse while the US non-farm payrolls (NFP) numbers have pushed back the likely date of a rate rise by the Fed into 2016."

That was the case on Wall Street, where the Dow Jones was some 304 points higher at 16,776 while the S&P 500 and Nasdaq rose 36 points and 73 points to 1,987 and 4,781 respectively.

In Asia, the Shanghai Composite rose half a per cent to 3,053 at time of writing while Japan's Nikkei 225 climbed 1% to 18,186.

On the corporate front today, investors will be looking at whether Greggs can keep on rolling in its trading update, while keeping an eye on whether Ted Baker is still in fashion with the release of its interim results.

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