

Morning Market Pulse

10:04 30 Apr 2019

BP beats, WTB misses, GLEN cuts

Markets Overview:

FTSE 100 called to open flat at 7440, holding the upper half of a 3-day sideways channel 7410-7457. Bulls still need a break above yesterday's highs to open the door for 7500. Bears require a breach of twin rising support at 7405 to jeopardize the post-Christmas uptrend. **Watch levels: Bullish 7460, Bearish 7400**

Calls for a flat open come after a mixed session in Asia, which followed a flattish US close. Overnight sentiment dented by a China PMI miss, ahead of more US-China trade talks today, begging more questions about global growth.

In corporate news this morning;

BP Q1 underlying replacement cost profit \$2.4B (-8.8% YoY, -32.1% QoQ) beats \$2.3B est); Operating cash flow \$5.9B (excludes \$0.6B Gulf of Mexico spill payments, includes \$1B working capital build). Oil & Gas Upstream Production +2% YoY, Costs -3.9%. Dividend +2.5% YoY.

Standard Chartered \$1B buyback approved; Q1 Operating income \$3.8B, +6% QoQ, -2% YoY; Expenses \$2.4B -15% QoQ, -2% YoY; Underlying pre-tax profit \$1.38B +220% QoQ, +10% YoY; NIM -1bp QoQ, -3bp YoY; Global outlook remains uncertain, but end-Q1 sentiment encouraging.

Glencore Q1 Copper Production -7% YoY. Cobalt +56%, boosted by Katanga which faces export/sale constraints. Zinc +8%, Nickel -10%, Ferrochrome flat, Coal +8%. FY production guidance trimmed for Copper, Nickel, Ferrochrome and Oil.

UK CMA may accept Rentokil undertakings over MPCL to avoid in-depth merger investigation. Final decision 27 June, but could be extended until 22 Aug.

DS Smith trading in-line; growth in corrugated box volumes and market share gains driven by e-commerce. All regions growing, UK, Italy and Poland particularly strong; US solid. Margins and operating cash flow to grow in second half.

Whitbread full year results at lower end of consensus; underlying revenues £2.05B, +2.1% (accommodation +3.5%, UK like-for-like -0.6%), underlying pre-tax £438M, +1.2%, Return on capital 12.2%, -30bp; UK network 76K rooms with 20K

pipeline (7K in Germany). Tender offer June to return £2B Costa proceeds. Cash +£500m. Div +2%.

St James's Place Q1 Gross inflows -7.6% YoY, Net inflows -16.1%, AUM +15.1%, 95.9% retention rate -3bp, net inflows as % of AUM 9.1% (-240bp).

Sirius Minerals launches Stage 2 Financing of \$3.8B including a combination of \$2.5B credit facility, \$400M share placement (18-31% discount), \$644M 8.5% convertible bonds, \$500M secured bonds.

Weir Group Q1 orders +18% (-7% excluding ESCO), Mineral orders +3%, Aftermarket +9%, ESCO +5%, Oil & gas -23%. Guidance unchanged.

Hochschild says first quarter output leaves it firmly on track to meet 2019 production/cost targets.

Greene King full year pub like-for-like sales +2.9%, ahead of market; local pubs +4.6%, Easter like-for-like +4.6%; During second half made further progress on debt refinancing plan.

In focus today:

First quarter Eurozone GDP (10am) could impact the Euro, as could Inflation from member states throughout the morning (France, Italy, Spain) and early this afternoon (Germany).

This afternoon, listen out for US Wages (1.30pm) and House prices (2pm), Chicago PMI (2.45pm) and Pending Home Sales (3pm), all of which could move USD with a knock-on for GBP and the FTSE and of course global sentiment.

US-China Trade talks also resume, so expect soundbites a plenty to keep investors on their toes.

Quarterly results season continues with a busy line-up including Apple, General Electric, GM, Mastercard, McDonalds, Merck and Pfizer.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)1202 770386 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior columns and opinions we have published. These references may be selective, may reference only a portion of an column or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.