

# Market Preview

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## ITV finals take spotlight for 'hump day' results

FTSE 100 broadcaster ITV plc (LON:ITV) will be taking the spotlight among results from the blue-chip companies on Wednesday, while there will be also added flavour from both the miners and housebuilders as Rio Tinto and Taylor Wimpey release their full year results.

Away from the company news, US factory orders and home sales data may catch some eyes ahead of the US's GDP data on Thursday.

### ITV to report finals in shadow of uncertainty

Shareholders in ITV may be approaching the broadcaster's full-year results with some trepidation after expectations of a softer fourth quarter in its update in November.

The cautious atmosphere hasn't been helped by chief executive Carolyn McCall's comments that an "uncertain economic environment" was knocking the company's national advertising revenue.

Analysts at The Share Centre said that the group's "thoughts and plans for the year ahead will be important" given the "ever-changing media landscape", adding that the shares had hit a 5-year low in December and not followed the market higher so far this year.

However, there may be a silver lining in the company's digital and content production arms, which McCall is pushing to compete with streaming giants like Netflix while also reducing the firm's reliance on TV advertising revenue.

There was also some more hope from analysts at broker Liberum on Tuesday, who said that the company's results could be "slightly ahead of consensus" given its belief that December was "not as bad as feared".

Analysts also expect that advertising revenue will be "slightly better" than the 6-8% drop ITV guided for back in November's trading update.

### Taylor Wimpey takes second place in trio of reporting housebuilders

Taylor Wimpey PLC (LON:TW.) will be committed to maintaining margins as it reports its final results, which should help the group hold steady if the housing market faces a downturn.

The firm is aiming to return a total of £600m to shareholders in 2019, an aim that analysts do not expect to change.

### Comparatives tough for Rio Tinto

2017's impressive growth numbers will make it difficult for Rio Tinto PLC's (LON:RIO) to match during 2018, nonetheless, the group is still expected to slowly build upon the previous year.

Modest commodity price rises and improved production should help the top line while it doesn't seem to have suffered to the same extent as some of its peers with production issues at certain operations and cost should, therefore, be kept in check.

Investors will be keen on the group's outlook for which they are confident for the long term, but US-China trade disputes could sour the more medium-term outlook.

However, Rio is likely to see supportive prices in the short term for iron ore following the tailing dam accident in Brazil.

## Share Information

### MarketTopic Synopsis:

*Market Preview is published daily before trading kicks off, giving investors a roundup of macroeconomic and corporate news that is likely to move the markets along with the expected opening level of the major indices.*

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Significant announcements expected on Wednesday February 27:

**Finals:** ITV plc (LON:ITV), Taylor Wimpey PLC (LON:TW.), Rio Tinto PLC (LON:RIO), St James's Place PLC (LON:STJ), Weir PLC (LON:WEIR), Provident Financial PLC (LON:PFG), Metro Bank PLC (LON:MTRO), Capital & Counties PLC (LON:CAPC), Nichols plc (LON:NICL), Tarsus Group PLC (LON:TRS), FBD Holdings PLC (LON:FBH), Unite Group PLC (LON:UTG)

**Interims:** Avingtrans PLC (LON:AVC), Clinigen Group PLC (LON:CLIN), Redde Plc (LON:REDD)

**Economic data:** US factory orders; US pending homes sales

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