

Market Preview

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Sumo no heavyweight but finals should show good development, yet unlikely to divert from Brexit

There will be little on the corporate front to divert attention from the Brexit saga on Tuesday as small caps dominate the corporate results diary, with games developer Sumo Group PLC (LON:SUMO) perhaps the biggest name.

Sumo's full-year numbers are likely to meet expectations, according to analysts at Peel Hunt, after a trading update in January provided them with comfort for 2018.

The City broker expects the AIM-listed firm to report 2018 adjusted pre-tax profit of £9.1m, up from £7.5m in 2017, on sales of £34.1m, up from £28.6m.

The Peel Hunt analysts said they await the important launch of Team Sonic Racing on 21 May across Nintendo Switch, Playstation 4, Windows and Xbox One, which drives its royalty revenue growth forecasts going forward.

They also pointed out that Sumo has yet to announce the next two pieces of its own IP, set to launch this year, as well as at least two more big-name deals.

Brexit watch

The clock is ticking down to Wednesday afternoon's emergency summit in Brussels at which Theresa May will ask EU leaders for another extension to the Article 50 date which currently would see the UK leave the bloc without a deal this Friday, 12 April.

If the prime minister can strike a deal with the opposition Labour party, with talks ongoing Monday, there may be time to get a final 'meaningful' vote on the Brexit deal she has already agreed with the EU in on Tuesday afternoon, otherwise she will be approaching the leaders empty-handed and is likely to face a rocky reception.

With Brexit on a knife-edge, and May seemingly as intractable as ever, it is anyone's guess what the end of this week might bring.

Significant announcements expected on Tuesday April 9:

Finals: Sumo Group PLC (LON:SUMO), City Pub Group PLC (LON:CPC), Destiny Pharma plc (LON:DEST), Anexo Group PLC (LON:ANX), Luceco PLC (LON:LUCE), One Media IP Group PLC (LON:OMIP), Mission Marketing Group PLC (LON:TMMG), Anexo Group PLC (LON:ANX), Property Franchise Group PLC (LON:TPFG)

Interims: Avacta Group PLC (LON:AVCT), Nanoco Group PLC (LON:NANO)

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