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Broker Spotlight - Tullow Oli, Kingfisher, Dairy Crest, WH Smith, Royal Mail, Rambler...

Tullow Oil (LON:TLW) has been rated a sell by Cantor Fitzgerald, which has started coverage of the Irish oil explorer.

The last 12 months have been challenging for the oil and gas sector and in particular for Tullow, it says.

Retrenchment has seen reduced exploration expenditure significant cost saving initiatives and the suspension of its dividend.

Even so, an overreliance on debt to fund risky ventures could prove costly believes the broker.

Sell with a 342p target price.

Ladbroke's (LON:LAD) though is attracting fans with Peel Hunt upgrading its view to 'buy' from hold.

Talk that Paddy Power is circling is one possibility, but the broker sees plenty of self-help potential including at Ladbroke's withdrawing Sky from retail and a significant increase in digital marketing.

Given the level of debt and marketing investment required, the current dividend might be under threat, but even with that possibility the risk/reward now looks more attractive said Peel Hunt.

JP Morgan has lowered its Royal Mail (LON:RMG) price target slightly to 515p due to the current headwinds though the broker likes the postal group longer term.

A 'neutral' stance reflects weaker parcel dynamics due to overcapacity, weaker letter revenues, GLS profit headwinds and a full valuation, it said.

In particular, the broker suggests that every 100bp (1%) of parcel price/mix equals a 6% reduction in earnings.

Bank of America Merrill Lynch has shifted Kingfisher (LON:KGF) from 'underperform' to 'neutral' after the B&Q and Castorama owner posted higher quarterly profits last month, despite unfavourable foreign exchange movements.

Dairy Crest (LON:DCG) got the thumbs-up from analysts at broker Investec following annual results last month in which the Cathedral City cheddar maker reported further success with the flagship cheese brand and hiked its dividend despite lower profit.

Espirito Santo Execution Noble lost its appetite for shares in WH Smith (LON:SMWH) after a trading statement on Wednesday in which the UK stationery retailer reported a 1% rise in total group sales, but said like-for-like sales were flat against the same period a year ago. The broker downgraded the shares to neutral.

Dixons Carphone (LON:DC) was occupying the attention of analysts at Numis Securities, Barclays Capital and Citigroup following an update on Wednesday in which the electrical goods chain forecast annual profit ahead of expectations after a cut-price Easter and an international shake-up.

Numis reiterated its 'add' on the company, saying: "Although we think a PE premium would be hard to sustain over the medium-term due to the industry margin structure, we still see upside to forecasts and remain positive."

Barclays Capital confirmed its 'overweight' recommendation on Dixons but upped its price target to 540p from 515p.

Citigroup reiterated its 'buy' and increased its target price to 535p.

Goldman Sachs kept its 'sell' advice on miner Antofagasta (LON:ANTO) but lifted its price target to 650p from 625p.

Rambler Metal's best assay from drilling at its 1807 zone at the Ming mine reported 12.1m at 7.8% copper, 4g/t gold and 22g/t silver.

Meanwhile, a new copper-gold zone has been identified down plunge of the historic workings at the Ming North, which has yet to feature in a resource and reserve estimate made by the company.

In short, the drilling shows the copper sulphide zones have significant extension potential and ahead of an expected

summer of newsflow 'buy' with a target price of 46p says Cantor.

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