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Deutsche Bank sees haven in publishing stocks

Broker Deutsche Bank says there's a haven to be had for investors in publishing stocks today.

"The upcoming results season should be a supportive one for the subscription driven, high quality professional information providers," says analyst Chris Collett.

"Macro jitters should have only minimal impact on these defensive operations, while currency upgrades to consensus should provide a backstop for Sterling stocks

The broker picks Informa PLC (LON:INF) and Wolters Kluwer as preferred stocks, with Informa rated 'buy' and the target price lifted to 770p from 730p.

Collett liked Informa for its defensive earnings, currency tailwinds and ongoing turnaround, and Dutch Wolters for high subscription income (76%), improving organic growth trends, and exposure to attractive sub segments.

Daily Mail & General Trust (LON:DMGT) is due to provide a trading update where the broker thinks weak UK ad trends present a downside risk to full year 2016 numbers. It rates shares a 'hold'.

It repeats a 'sell' on Pearson (LON:PSON) and does not think the first half numbers will be a catalyst for the stock given seasonality in the business.

Elsewhere, in broker world today, Peel Hunt pushed up the target on equipment rental Ashtead Group (LON:AHT) to 1,350p from 1,250p and repeated a 'buy'.

On the downgrade front, Essentra (LON:ESNY) has the target downgraded to 715p from 950p but repeats a 'buy'.

Bernstein is also downbeat on Marks & Spencer (LON:MKS), the High Street bellwether retailer, moving it to 'underperform' from 'marketperform'.

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