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Ashtead Group is on a Swiss roll

Ashtead Group plc (LON:AHT) got a boost from Credit Suisse as the broker took a brighter view of the plant hire company's prospects.

The Swiss broker said improvements in the demand outlook meant a cautious stance on forecasts and valuation was no longer warranted.

Upgrading Ashtead to 'neutral' from 'underperform', Credit Suisse said: "In conjunction with the strong foreign exchange tailwind post-'Brexit' and an assumed £450m share buyback, we raise our earnings per share estimates by an average of 33% over the 2017E-19E period and raise our target price to 11.50p."

Shares in Ashtead, which owns A-Plant in the UK and Sunbelt in the US, increased 10p, or 0.8%, to 1211p in early London trading.

But another company in the building and construction industry, Wolseley plc (LON:WOS), received tougher treatment from Peel Hunt.

Wolseley said on Tuesday it was cutting up to 800 jobs and closing 80 branches in the UK to save up to £30m a year.

The group blamed a decline in its core repair, maintenance, improvement and heating markets for a £16m fall in UK trading profit to £74m, although its US Ferguson arm did well.

Peel Hunt downgraded the builder's merchant to 'reduce' from 'hold', saying the results offered little to get excited about apart from a currency boost.

"While Ferguson continues to achieve strong growth, the rest of the business looks set to weigh on the group," the broker's analysts said.

"The shares are up 16% in the year to date and now stand on 10-20% premium ratings to the company's long-term averages."

Paper and packaging group Smurfit Kappa Group Public Ltd (LON:SKG) was out of favour with Jefferies International, which downgraded it to 'hold' from 'buy' with a €22 price target.

The broker said it feared increases in European containerboard manufacturing capacity and output will hit pricing power and returns for all corrugated box makers.

Shares in International healthcare communications and public relations group Huntsworth plc (LON:HNT) rose 2% after Peel Hunt upgraded it to 'add' from 'hold' and increased its price target to 50p from 45p.

The broker's Alex DeGroot said the company's turnaround appeared to be on track, although the market focus should be more clearly on 2017.

"Health of course remains the key Huntsworth value driver, and is the source of our target price upgrade today," he said.

Meanwhile both Peel Hunt and Numis Securities went cold on Close Brothers Group plc (LON:CBG), downgrading the merchant banker to 'add' from 'buy' and 'hold' from 'buy' respectively.

Peel Hunt said Close stood out from its peers for its focus on returns rather than growth, but added: "With the shares having risen by about 45% over the last three months, we moderate to 'add'."

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