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## Morning Market Pulse - Paddy takes flutter on another ugly name change

Mike van Dulken at Accendo Markets, commented to clients this morning:

### Markets Overview:

**FTSE 100 called to open -45pts at 7225** having extended yesterday afternoon's retreat to flirt with last week's 7210 lows. Just below mid-point of current 7130-7373 channel. Bulls need a break above 7245 to clear this morning's highs and give hope of a rebound. Bears require a breach of 7210 for the pullback to continue as far as 7130. Watch levels: **Bullish 7250, Bearish 7205**

**Calls for a negative open** come as investors shun risk assets in favour of safe havens on US-China trade war uncertainty showing no sign of abating soon. If anything, things may have cranked things up a notch. President Trump said the US was not ready to make a trade deal, then applied more pressure on China trade proxy Huawei by adding it to a blacklist. China responded by threatening a ban on rare earth mineral exports.

Asian stocks lower after losses on Wall St. Brent Crude Oil off yesterday's rebound highs, along with Copper while Gold is ticking higher thanks to safe-haven demand and supported by USD off its own rebound highs.

### In corporate news this morning;

Ratings agency Fitch cuts GlaxoSmithKline to 'A-', Stable Outlook; debt leverage to remain high for 'A' rated pharma company, now well above levels consistent with 'A' rating after recent acquisitions; expects free cash flow to be negative-to-break-even for 2 years due to generous dividends.

Paddy Power Betfair (PPB) completes name change to Flutter Entertainment (FLTR).

AstraZeneca, via subsidiary MedImmune, to discontinue some collaboration activities with Inovio.

Experian appoints ind. exec. Mike Rogers as Chairman, succeeding Don Robert who retires.

Non-Standard Finance says 40-day working period for competition regulator CMA's Phase 1 review starts today. NSF has already offered divestment remedy for reduced home credit competition from proposed takeover (hostile) of Provident Financial.

Stobart FY underlying EBITDA in-line with management expectations; de-risked balance sheet. Revenues +39%, underlying EBITDA -24% (Aviation +177%, Energy +60%), adj. net loss widens.

Aveva FY Revenues +11.9% (combined, pro-forma), adj. EBIT +19.8%; recurring revenue share +270bp, pro-forma adj. EBIT margin +160bp, final div +7.4%, net cash +33%, outlook positive, on track for med-term targets (revenue growth at least in-line with industrial software market, increasing recurring revenue to 60% of overall revenue and adjusted EBIT margin to 30%).

Telford Homes FY revenues +12% (build to rent share 31%, up from 21%); pre-tax profit -12.8% due to lower margin construction, gearing -15pts, final div -5.5% (FY flat). Pipeline +22.5% (value +21%), but 70% lower margin build-to-rent; Reiterates pre-tax profit expectations for FY20.

### In focus today:

Data is limited to German Unemployment (8.55am) in Europe and, across the pond, US Mortgage Applications (12pm) and the US Richmond Fed Manufacturing Index (3pm) before US API Crude Oil Inventories (10.30pm; delayed for Monday's US holiday).

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