

Ocado Group PLC

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FTSE 100 closes ahead as trade deal hopes once again boost sentiment

- FTSE 100 index closes up 57 points
- US stocks reach new highs
- Trump close to deal with Beijing

5.20pm: Footsie closes up

FTSE 100 index joined global markets to head higher on Thursday as traders were buoyed by the possibility of a US, China trade deal.

Footsie closed up around 57 points at 7,237, also aided by a weaker pound, while the mid-cap FTSE 250 also rose, adding nearly 146 points at 20,793.

Just after Wall Street opened, President Trump tweeted that a "BIG DEAL" with China was getting very close, noted Michael Hewson, market analyst at CMC Markets.

"This of course had the wholly intended effect of juicing the markets higher, sending the FTSE100 to one week highs, and markets across Europe higher in general."

US stocks also went north to new highs after Trumps' comments and yesterday's decision, as expected, by the Fed to stand pat on interest rates.

The Dow Jones Industrial Average added nearly 106 points at 28,017, while the broader S&P 500 gained around 14 at 3,156. The Nasdaq added 20 points to 8,673.

In the currency markets, sterling lost 0.54% against the US dollar.

3.45pm: S&P 500 hits record high

London's blue chip index got a leg up and US stocks hit record highs after the flash news by Donald Trump about a potential deal with China.

On Wall Street, the S&P 500 hit a fresh record high, gaining 30 points or 1 % to 3,173, while the Nasdaq and the Dow were also both up 1%.

In the Square Mile, the big cap benchmark is up 82 points or 1.1 % to 7,298, helped by sterling's losses widening to 0.4% to US\$1.3139.

Analysts highlighted Trump's tweet implied both sides want a deal, while the Wall Street Journal provided more reassurance as it reported Washington's negotiators have offered to cut existing tariffs - Beijing's major deal breaker - to get the agreement done.

"All this has sparked hopes a 'phase one' agreement can be put in place before the US smacks another \$156 billion in Chinese goods with tariffs on Sunday," Connor Campbell, financial analyst at Spreadex, said in a note.

"Or, if not a signed off deal itself, then at the very least a delay to that long-scheduled hike in order to give time for the

Price: 1145

Market Cap: £8.14 billion

1 Year Share Price Graph



Share Information

Code: OCDO

Listing: AIM

52 week	High	Low
	1440.5	875

Sector: Retail

Website: www.ocado.com

Company Synopsis:

Ocado was launched in partnership with Waitrose in January 2002, and delivers quality groceries across selected areas of England and Wales. Our business was conceived with one simple objective in mind: to offer busy people a true alternative to going to the supermarket every week. By doing this, we created a totally new shopping experience, built entirely around our customers' needs.

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i's to be dotted and the t's to be crossed," he added.

On this side of the Atlantic, shares seem to be pricing in a narrower Conservative majority, although there remains no real clarity until the 10pm exit poll, which are usually the most accurate.

If they confirm the fewer blue seats, Westminster will have a hung Parliament, a situation where the Footsie will have a better time than sterling, according to Market.com's chief analyst Neil Wilson.

"If efforts to offer a second Brexit vote proceed, sterling may ultimately strengthen as it would offer hope of 'no Brexit' - this would need to be priced by markets and given the uncertainty inherent in such a vote we would expect sterling to trade in a no man's land between the two extremes," he said in a note.

No one was left out at the polling stations, with cats making their appearance too.

I got hurried in and out of the door as this little guy kept trying to run in. #catsatpollingstations
pic.twitter.com/U53c9OXJoH

— Crystal (@cspringall91) December 12, 2019 2.45pm: Trump close to "big deal" with China
The FTSE 100 has gained momentum while Wall Street welcomed Trump's announcement about a potential deal with Beijing around the corner.

"Getting VERY close to a BIG DEAL with China. They want it, and so do we!" he said on Twitter just about at the same time of the opening bell.

The news drove up the indices on the other side of the pond, with the Dow rising 140 points to 28,055, the S&P 500 up 15 points to 3,156, and the Nasdaq jumping 36 points to 8,690.

The London blue-chip index spiked too, gaining 51 points to 7,266, while sterling was still in the red, 0.1% lower at US\$1.3175.

Near 25 point surge to new all-time high for S&P futures on that Trump tweet pic.twitter.com/WY2loL52tp

— David Cheetham, CFA (@DavidCheetham3) December 12, 2019 2.15pm: Election day continues
The FTSE 100 held firm but eased further off the session peak with US stocks seen more mixed at open, even sterling stayed lower as spread betters suggested the Conservatives may be losing ground as polling continues in the UK general election.

The UK blue-chip index gained 22 points or 0.4% to 7,238, while sterling was down 0.4% to US\$1.3142.

Analysts at Sporting Index said the Tories were underperforming as turnout has reportedly spiked. The spread betting firm revised down its predicted number of Conservative seats won to 338 from 351, with Labour gaining 16 seats for a total of 224.

"Sporting Index are also betting on voter turnout and punters have been keen to buy the firm's quote of 67%, suggesting this election could yet produce the highest turnout since 1997 when 71% of the country had their say," its analysts said in a note.

On the continent, new ECB boss Christine Lagarde said she plans to start a strategic review in January and complete it by the end of 2020 as she responded to journalists after her first meeting as chair of the central bank.

"The fourth quarter of 2022 is at 1.7% for the inflation projection. It is directionally good but is it the aim we pursue? No, indeed," Lagardere said in her press conference after the ECB made no changes to its monetary policy following the latest council meeting.

"We are very much aware of the side effects. We will continue to monitor the side effects and we might further develop that work," she added.

There was confusion over the meaning of her multicoloured scarf, judged in the same way of the "Draghi tie" indicator, which, according to Finance Twitter, the former head used to hint at policy outcomes based on the colour of his necktie.

1.30pm: ECB unchanged as expected

The FTSE 100 has remained steady in the green while the meeting of the European Central Bank made no changes at its policy meeting, with new governor Christine Lagarde beginning her first press conference.

London's blue chips have gained 29 points or 0.4% to 7,245, while sterling was down 0.1% to US\$1.3172.

While Lagarde is expected to "play it safe" by reiterating Mario Draghi's stance, analysts say, the Q&A session is expected to focus on the components and progress of the coming policy review, potential pressure on fiscal policymakers and pros and cons of negative rates.

"Lagarde has to tread very carefully here, and we think she will," Claus Vistesén, chief eurozone economist at Pantheon, said in a note.

"The ECB is not about to signal an exit from negative rates at this point."

Lagarde says some signs of economic stabilisation #euro

— Michael Hewson ???????? (@mhewson_CMC) December 12, 2019 12.45pm: Wall Street to open higher
The FTSE 100 remained in the green around lunchtime, reflecting a slip back by the pound amid UK election jitters and with Wall Street expected to open higher on the back of last night's dovish statement from the Federal Reserve after the central bank, as expected, left US interest rates on hold.

The UK blue-chip index gained 36 points, or 0.5%, to 7,252, albeit off the session peak of 7,269.80, while sterling was still 0.2% underwater at US\$1.3163.

Bookmakers have been busy placing their odds on the UK elections, with the probability of a conservative majority at 62%, against 32% for a hung Parliament and only 3% on a Labour-led cabinet.

12pm: FTSE 100 stays in the green

The pound has lurched lower for no obvious reason, though it has not affected the Footsie.

Despite all the polls indicating a Tory majority, although with everyone remembering the unexpected hung parliament two years ago, sterling dropped 0.3% to US\$1.3160 having earlier breached an eight-month high above US\$1.322.

The markets remained quiet heading to lunch, with many Britons travelling to their respective polling stations to cast their vote.

The election has been the obvious hot topic on social media, including for investor and analysts, while others did not miss the chance to highlight their politically interested dogs.

Walking to the polling station like: #dogsatpollingstations pic.twitter.com/ocQr98FYGQ

— Hannah Price (@hanhanprice) December 12, 2019

London's blue chips were up 39 points or 0.5% to 7,255 just before midday.

11am: final poll suggests Conservative victory

By mid-morning the FTSE 100 was holding onto its early gains while the final pre-election opinion poll predicted a Conservative victory and larger majority in parliament.

According to Ipsos MORI, the Tories are set to gain a 44% share, followed by Labour with 33% and Liberal Democrats with 12%.

This was among the larger leads indicated for Boris Johnson's party among all the pollsters, varying from 13 points down to five, with the average of three points being higher than that seen in the 2017 election.

"If the election gives the Conservatives a working majority in parliament and assuming global sentiment holds up, we'd expect the negative FTSE-GBP relationship to break down temporarily," Jasper Lawler, head of research at London Capital Group, in a note.

This would mean investors would "simultaneously price in a better economic outcome for Britain by buying sterling while also loading up on the relative value to be found in UK listed shares".

The Footsie has not moved significantly since building up an early lead, currently up 45 points or 0.6% at 7,261, while the pound is flat at US\$1.3198.

Helping the blue chip index, it has been a day of upgrades in the City, with Bank of America upping its recommendation for HSBC (LON:HSBA) to 'buy' from 'neutral' while maintaining the 650p target.

Meanwhile, Deutsche Bank upgraded Ryanair Holdings PLC (LON:RYA) to 'buy' as one of its "most preferred" European airlines, alongside British Airways owner International Consolidated Airlines Group PLC (LON:IAG) and Wizz Air Holdings PLC (LON:WIZZ).

The industry is expected to see demand outstripping supply next summer, analysts said.

JP Morgan also raised FTSE 250-listed chemical business Synthomer PLC (LON:SYNT) to 'neutral' from 'underweight' and trimmed the target price to 300p from 375p.

9.45am: UK housing sector to remain weak until 2021

The FTSE 100 has added to earlier gains despite some gloomy housing market news.

The big cap index has gained 31 points to 7,246 while sterling, which reached a high above 1.322 against the dollar overnight, is now up just 0.1% at \$1.3204.

A survey of Britain's surveyors showed falling housing demand in November.

The Royal Institution of Chartered Surveyors (RICS) said its new enquiries balance came to -9%, albeit shrinking from October's -15%, while new sales instructions at -11% indicated another decline in home listings.

"Today's figures support our view that, even if the election causes uncertainty to ease, housing market activity will not pick up in any meaningful way next year," said Gabriella Dickens, assistant economist at Capital Economics.

"In fact, we think that house prices and transactions will grow weakly until at least the end of 2021."

Later today traders will be keeping an eye on the continent as Christine Lagarde chairing her first European Central Bank meeting, though no large and immediate policy changes are expected.

Instead, attention will be on whether the Frenchwoman represents continuity from the Draghi era as most market participants have assumed, with analysts at RBC Capital Markets suspecting that her message "will not differ substantially from her predecessor".

8.30am: Subdued early progress

The FTSE 100 index made a quiet start to election day as Britons set off to decide whether to break the Brexit deadlock or prolong the agony.

The index of blue-chip stocks opened just 5 points higher at 7,220.89.

WATCH: Morning Report: G3 Exploration survives to fight another day

On a day in which the media outlets are on political shutdown until voting finishes up, the City won't have an inkling until the first exit poll at 10pm whether Jeremy Corbyn has been able to reel in Boris Johnson's lead.

In other words, the market fireworks will be saved until Friday.

"While the polls have consistently given the Conservatives a decent lead over the past few weeks, some of the gaffes this week from both sides could well have shifted the voting calculus, particularly when voting intentions as far as party lines are concerned have never been less clear," said Michael Hewson of CMC Markets.

"The toxicity of the respective candidates towards certain parts of the electorate has meant that for a lot of voters there will be a lot of nose holding going on today, when they ponder their choices in the privacy of the polling booth."

Wall Street ended on the front foot after the US Federal Reserve's non-event, no-change interest rate call, while Asia's main markets were calm and in positive territory too.

Turning to the London market, the price action was pretty subdued with little movement among the blue-chip stocks.

Deutsche Bank's increases to share price targets of AstraZeneca (LON:AZN) and GlaxoSmithKline (LON:GSK) made little difference. The London arm of the German bank rates the drug stocks respectively 'buy' and 'hold'.

Associated British Foods (LON:ABF) and 3i (LON:III) were a little weaker at the open as they began trading without entitlement to a dividend payment, trimming just over a point off the Footsie's gains.

Dropping down a division, an upbeat trading statement from civil engineer Balfour Beatty (LON:BBY) pushed the shares 3% higher.

Proactive news headlines:

Bacanora Lithium PLC (LON:BCN) has described 2019 as a critical year that has seen a number of significant developments which have added value for shareholders. In a statement, ahead of today's AGM, the company noted that it had secured one of the world's biggest lithium producers - Ganfeng Lithium - as a cornerstone investor - with a 29.9% shareholding. Ganfeng also took a 22% direct stake in the company's flagship Sonora mine development project in Mexico.

Kromek (LON:KMK), a worldwide supplier of detection technology focusing on the medical, security and civil nuclear markets, announced that its three senior executives on Wednesday purchased a number of ordinary shares in the company. It noted that Sir Peter Williams, its chairman, acquired 50,000 shares at a price of 22.50p each, taking his holding to 200,000 shares on 0.06% of the company; chief executive officer, Dr Arnab Basu acquired 20,000 shares at 17.95p each taking his holding to 2,972,000 or 0.86%; and Derek Bulmer, chief financial officer, purchased 20,000 ordinary shares at 17.94p each giving him a holding of 132,292 shares or 0.04%.

Braveheart Investment Group PLC (LON:BRH) has increased its shareholding in a business called Pharm 2 Farm (P2F) to just under 52% from 33.33%. The additional £200,000 it has ploughed in will allow P2F to open a new manufacturing facility in Nottingham and to expand its sales team.

Belvoir Group PLC (LON:BLV) is to acquire Lovelles, a privately-owned franchised estate agency network with 19 branches in the Lincolnshire and Humber region. In an update accompanying the acquisition news, the lettings agent said that trading in the second half of the financial year to date continues to be strong and it should comfortably achieve market expectations for the full year.

Tekcapital PLC (LON:TEK) has hailed an agreement made between its portfolio company Salaris Ltd, and a food ingredient broker, to market Microsalt in US. In an update on Thursday, the intellectual property investor, which owns a

97.5% stake in Salarius, said that Accurate Ingredients was brought on board to help sell Microsalt, Salarius' product which contains 50% less sodium than regular salt. Tekcapital noted that over 20 new potential customers are in the process of testing and evaluating the use of Microsalt on their products.

Echo Energy PLC (LON:ECHO) told investors that the drill programme for the Campo La Mata exploration well (CLMx-1), at the Tapi Aike project, has completed. In a statement, Echo said the well was drilled down to 2,513 metres and wireline logging has taken place. Drilling data and initial analysis has encouraged the exploration partners to take the next steps to move the well through completion and testing.

IronRidge Resources Limited (LON:IRR) told investors it has seen its 'most significant drill intersection to date' from the Ewoyaa lithium project, in Ghana, as it received the third and final batch of assay results from recent drilling. Broad and high-grade results were returned from the programme, the company said.

Avation PLC (LON:AVAP) has leased one of the ATR 72-600 aircraft in its order book to Swedish regional airline Braathens. The plane will be the fifth that Avation has leased to Braathens, the first of which is due to be delivered this month. Avation also announced that its credit rating had been upgraded to 'positive' from 'BB' by the Japan Credit Rating Agency.

Ncondezi Energy Limited (LON:NCCL) has selected a preferred financial advisor to prepare the project financial model and finalise tariff submission for its integrated 300MW coal fired power project and coal mine in Tete, Mozambique. In a statement, the AIM-listed company said it has appointed Synergy Consulting to move the project forward and drive the negotiation process with Electricidade de Moçambique (EDM). It has also appointed KPMG Auditores e Consultores S.A. to provide tax services related to the project financial model.

Custodian REIT PLC (LON:CREI) has trumpeted positive total returns in its first half despite "a struggling retail sector and continued UK political uncertainty". David Hunter, chairman of the investment trust, added that going forward while retail was struggling, there remained "supply and demand imbalances that should continue relatively low vacancy rates and further rental growth" across the rest of the commercial property market.

Rockfire Resources PLC (LON:ROCK) said analysis of four new drill holes at its Plateau project in Queensland, Australia showed further "potentially economic" gold grades. Assay results from the BPL015 drill hole showed an interval of seven metres at 2.3 grammes of gold per tonne (g/t), within a broader interval of 12m at 1.3 g/t and a larger interval of 29m at 0.63 g/t just below the surface. The hole also revealed an individual intercept of 1m at 7.8 g/t.

Base Resources Ltd (LON:BSE) has issued a definitive feasibility study for its Toliara Project in south-west Madagascar that it says further burnishes the credentials of the world-class mineral sands discovery. A key development milestone, the DFS has set out formally the economic potential of mining ilmenite, together with zircon and rutile, from the deposit and was essentially consistent with an earlier preliminary assessment of the area.

Premier African Minerals Limited (LON:PREM) has raised just over £262,000 from a crowdfunding round. Shares were sold at 0.1p, with the money earmarked for its Zimbabwe tungsten and lithium operations. George Roach, chief executive, added that delays to electrification work at the RHA tungsten mine due to currency issues holding up parts means the re-start will be in 2020.

Anglo African Oil & Gas PLC (LON:AAOG) has told investors it is taking steps to cut costs amid missing payments from the Congolese authorities and as such it warned it will not be able to drill the proposed TLP-103C-ST well. Some US\$5.3mln is due for work at the Tilapia field in the Republic of the Congo, and the AIM-quoted company is now assessing its funding options.

Yellow Cake PLC (LON:YCA) has seen the value of its uranium holdings increase by US\$29.3mln in its latest half-year. The value of the firm's uranium holdings rose to US\$246.7mln in the six months to 30 September, attributed to a US\$30.4mln uranium purchase being slightly offset by a US\$1.1mln loss in the period.

Genel Energy PLC (LON:GENL) said it has been informed by the Kurdistan Regional Government's Ministry of Natural

Resources that payments relating to invoices for August and September oil production, due in November and December, will be received in January 2020.

Falcon Oil & Gas Ltd. (LON:FOG) (CVE:FO) said at its Annual General & Special Shareholders meeting, held in Dublin, Ireland on Wednesday, all resolutions considered and voted upon by the shareholders were approved.

6.45am: FTSE 100 set for front foot start

The FTSE 100 is set to start Thursday's session on the front foot, albeit trading volumes may be on the low side as Britain goes to the polls.

CFD and spreadbetting firm IG Markets sees the blue-chip benchmark up 17 points, with the price made at 7,229 to 7,232.

Britain's general election opens a surge of potential volatility - albeit at the moment practically all political activity brings some degree of uncertainty - so, stock market investors will be keen to see exit polls later tonight.

"Voting begins this morning in the UK General Election with the pound continuing to hold up well, and with campaigning now over the next move in sterling is likely to come with the release of the first exit poll just after 2200GMT, when markets will get the first indication of their preferable outcome, which already appears to be partly priced in, or other more unwelcome scenarios," said Michael Hewson, analyst at CMC Markets.

"While the polls have consistently given the Conservatives a decent lead over the past few weeks, some of the gaffes this week from both sides could well have shifted the voting calculus, particularly when voting intentions as far as party lines are concerned have never been less clear.

"The toxicity of the respective candidates towards certain parts of the electorate has meant that for a lot of voters there will be a lot of nose holding going on today, when they ponder their choices in the privacy of the polling booth."

Last night, Wall Street stocks were marked higher as the Federal Reserve left interest rates unchanged, as expected, and significantly gave no clues when rate cuts may occur - nobody indicated any desire to move policy at all for 2020.

The Dow Jones finished 29 points or 0.11% higher, at 27,911, whilst the S&P 500 rose by 0.29% closing at 3,141. The Nasdaq climbed 0.44% to 8,654.

In Asia, meanwhile, Japan's Nikkei advanced by 0.14% to 23,424 and Hong Kong's Hang Seng surged 1.32% to 26,996, and the Shanghai Composite was on the back foot, losing 0.22% to 2,917.

Around the markets

The pound: US\$1.3208, up 0.09%

Gold: US\$1,473, up 0.77%

Brent crude: US\$64 per barrel, down 0.53%

Bitcoin: US\$7,154, down 0.58%

Significant announcements expected for Thursday December 12:
UK general election

ECB interest rate decision

Trading announcements: Ocado Group PLC (LON:OCDO), Serco Group PLC (LON:SRP), PZ Cussons PLC (LON:PZC)

Interims: Superdry PLC (LON:SDRY), Dixons Carphone PLC (LON:DC.), Purplebricks Group PLC (LON:PURP), Fuller Smith & Turner PLC (LON:FSTA), Polar Capital Technology Trust PLC (LON:PCT), Versarien PLC (LON:VRS), Vianet Group PLC (LON:VNET)

Finals: Caretech Holdings PLC (LON:CTH)

Ex-dividends to clip 1.1 points off FTSE 100 index: 3i Group plc (LON:III), Associated British Foods PLC (LON:ABF)

AGMs: Bacanora Lithium PLC (LON:BCN)

Economic data: US jobless claims

Headlines

Fed holds rates steady with no change through 2020 - Financial Times

Amazon told to answer Deliveroo deal concerns in five days - BBC News

Chevron is writing down as much as \$11 billion worth of assets - CNBC

Amazon's fight with Trump is about much more than \$10bn - BBC News

Twitter seeks to build an open social media platform - Financial Times

Peloton stock pedals toward abyss after losing touch with reality - Fox

Disney+ passes 22mln downloads on mobile devices - CNBC

UK pub sector expands for first time in 10 years - BBC News

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