

10:00 29 Feb 2020

## Tui, Carnival and Kingfisher poised to drop out of FTSE 100

Tui AG (LON:TUI), Carnival PLC (LON:CCL), Kingfisher plc (LON:KGF) and WM Morrison Supermarkets PLC (LON:MRW) could be poised to drop out of the FTSE 100 when a quarterly reshuffle is confirmed next week.

NMC Health PLC (LON:NMC), which has lost around two thirds of its value since December, is certain to be demoted from the blue chip index when FTSE Russell connects its first quarterly review of 2020.

**READ:** Week ahead's key events include Sirius Minerals vote and US jobs report

With its shares suspended after tumultuous few months, NMC's market cap currently stands at just under £2bn.

TUI and Carnival have seen their shares sink sharply since the middle of this month as worries about the effects of the coronavirus outbreak have hit the travel sector particularly hard.

TUI's market cap currently sits at just over £3.6bn and Carnival's at around £3.7bn, smaller than a dozen of the stocks at the top end of the FTSE 250.

### Index relegation rules

Under FTSE Russell's rules for the index, companies get the chop from the FTSE 100 automatically and are shoved into the FTSE 250 if they fall to 111th or below on the list of largest companies by market cap.

The changes will be announced next Wednesday on the basis of closing share prices on Tuesday.

At mid-afternoon on Friday, Carnival was the 111th largest company in London, TUI was 114th, meaning there would be three automatically demoted down to the mid-cap index.

Kingfisher, 109th with a market value of under £3.9bn, Morrison, at 106th with a value of just over £4bn, and Meggitt (LON:MGGT), 104th at £4.1bn, are all in distinct danger of the drop, with Pearson (LON:PSON), DS Smith (LON:SMDS), Centrica (LON:CNA), Sainsbury's (LON:SBRY) and easyJet (LON:EZJ) all flirting with relegation.

Top of the FTSE 250 and primed for promotion is asset manager Intermediate Capital Group (LON:ICP), followed by silver miner Fresnillo Plc (LON:FRES), housebuilder Bellway (LON:BWY), bookmaker GVC Holdings (LON:GVC) and water company Pennon Group (LON:PNN), all valued at above £4.5bn.

Not far behind, Derwent London (LON:DLN), Direct Line (LON:DLG), Unite Group (LON:UTG) and ConvaTec Group (LON:CCTC) will be hoping for some momentum in their shares to push them up into the coveted FTSE 100.

Russ Mould, investment director at AJ Bell, said, with markets looking volatile, last-minute changes ahead of the reshuffle deadline on 3 March could also put several others in danger of the drop, including recent entrant Just Eat

**Price:** 436.1

**Market Cap:** £2.57 billion

### 1 Year Share Price Graph



### Share Information

**Code:** TUI

**Listing:** LSE

52 week	High	Low
	1090	218

**Sector:** Leisure, gaming and gambling

**Website:** www.tuigroup.com

### Company Synopsis:

*TUI Travel, now assimilated into its German parent company, TUI Group, has become one of the world's leading international leisure travel groups operating in over 180 countries with more than 30 million customers in 25 source markets.*

action@proactiveinvestors.com

Takeaway.com (LON:JET) and Hikma Pharmaceutical (LON:HIK).

#### Watch closely

Pearson should avoid the chop, said Mould, but demotion for Pearson would cap a "dreadful period" for the publisher under the guidance of chief executive John Fallon as the company was a founder member of the FTSE 100 and has been ever-present since the launch of the index in January 1984.

He noted that Fresnillo looked poised for a rapid return to the FTSE 100, after its demotion last December.

Looking at possible promotions, he added: "It will only take a small percentage change in these firms' respective market capitalisations to confirm demotion or achieve promotion and investors will be watching these changes closely.

"With so many people's pensions now invested in tracker, or exchange-traded, funds which are designed to mirror and deliver the performance of the FTSE 100 (minus their running costs), private individuals will end up with exposure to the newly-promoted names, whether they are aware of it or not."

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

#### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.