

Daily Wraps

02:38 19 May 2016

Flat finish for the Footsie as Fed announcement looms

It was back to square one for London's top share index as investors waited for the latest nod and a wink from the Federal Reserve.

The US central bank is set to make an announcement today on interest rates, and while few, if any, are expecting the Fed to hike rates just yet, it might issue some commentary following the meeting that gives more clues as to how soon the next increase is coming.

The FTSE 100 closed the day down just two points at 6,166, having recovered from a soft start in mid-afternoon.

On London's junior market, the picture was a bit bleaker, with the FTSE Aim 100 down nine points at 3,382, while the FTSE Aim All-Share was a point weaker at 725.

The day's star performer was All Leisure Group PLC (LON:ALLG), which last week announced plans to delist from Aim. The shares plunged on the news last week, but today clawed back some of the losses, rising 85% to 3p.

Jiasen International Holding Ltd (LON:JSI) was another eye-catching mover, storming 63% higher to 5.5p, though the reason for the sharp rise was a mystery to the international property fit-out business's management.

There was no mystery behind the reason for the 19% rise in Reach4Entertainment Enterprises PLC (LON:R4E). Gate Ventures increased its stake in the entertainment advertising and marketing company to above 17% on May 17.

Aminex plc (LON:AEX) was wanted after its annual general meeting today. The shares hardened 10% as the Tanzania-focused oil and gas company said all of the resolutions were passed at the meeting today.

Providing the yang to Aminex's ying in the oil sector was Oilex Ltd (LON:OEX), which shed 13% at 0.43p, as Standard Life reduced its holding below 5%.

Accident-prone Chinese fruit grower Asian Citrus Holdings Ltd (LON:ACHL) was left bruised after updating the market. The shares fell 13% to 4.125p as it said frosts had again affected the harvest at its Hunan plantation.

Management appear to have become fed up with the whole affair and have announced plans to shut down the plantation.

Mid-session

Mike Ashley may have a lot on his plate at the moment, but could he be looking to beef up his Sports Direct International PLC empire with Goals Soccer Centres PLC?

That was among the vague theories kicking around in the City on Wednesday as shares in the five-a-side pitch operator rose nearly 10% in morning trading.

Sports Direct (LON:SPD) has been cranking up its stake in Goals (LON:GOAL), increasing it above 5% on March 23 and above 6% on April 14, having bought a 4.9% holding last year.

There was no regulatory news from the company on Wednesday and Sports Direct did not reply to a request for

Share Information

MarketTopic Synopsis:

The End of the Day Wrap provides a summary of the most interesting articles published by Proactive Investors during the day, including all of the main stories and exclusive interviews with executives.

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comment from Proactive Investors before publication of this market report.

A spokesman for Goals declined to comment.

Sports Direct majority shareholder Ashley already owns Newcastle United and has been in the headlines of late.

Newcastle has been relegated to the Championship from the Premier League and Sports Direct itself dropped from the FTSE 100 Index to the second tier in March.

Politicians have ordered Ashley to appear before them to answer questions about Sports Direct's use of so-called zero-hours employment contracts.

Ashley agreed to do so if they visited his East Midlands warehouse first, but the MPs are said to have declined - even though he reportedly offered to fly them there in his helicopter.

The billionaire is also rumoured to want to buy collapsed BHS and turn it into a new version of Woolworth's.

Goals itself has had a tough time, blaming increased competition from new grant-aided full-sized pitches for lower sales and profits last year.

Meanwhile, the Footsie fell 40.48 points to 6127 while the FTSE AIM 100 dropped 10.87 points to 3380 and the FTSE AIM All-Share reversed 1.27 points to nearly 725.

Reach4Entertainment Enterprises PLC (LON:R4E) was among the highest risers, up 18% after Gate Ventures increased its stake in the entertainment advertising and marketing company to above 17% on May 17.

Capital Drilling Ltd (LON:CAPD) offered hopes to all holders of mining shares cowering, metaphorically, in their bunkers waiting for the slings & arrows to let up.

The rig and mining services provider won a number of exploration contracts in the first quarter, indicating that the tide may have turned in the beleaguered sector.

The shares rose 9.4% to a 52-week high of 36p.

Investors also piled into Scancell Holdings Plc (LON:SCLP), the cancer vaccine specialist, by 9% to 16.63p. The company signalled its intent to expand in the US by opening new offices in San Diego.

But DX (Group) PLC (LON:DX.) headed the other way, down 22% at 17.5p, after the parcel courier failed to get planning approval for a new West Midlands distribution hub. It said it may appeal.

Asian Citrus Holdings Limited (LON:ACHL) soured 10.5% to 4.25p after it said frost had hit its Hunan plantation in China, meaning any 2016 summer orange harvest was likely to be negligible.

London open

Mining stocks dragged the Footsie lower at the outset, although disappointing results from fashion firm Burberry Group PLC (LON:BRBY) have not helped either.

The FTSE 100 was down 32 points at 6,136, with the mining sector off 3.2%.

Further down the greasy pole, Aim stocks were also losing ground, with the FTSE Aim 100 index down 12 points at 3,379 and the FTSE Aim All-share 1.4 points softer at 724.7.

The biggest faller was investment company Concha PLC (LON:CHA), down 13% at 0.53p after long-term shareholder Andrew Black converted 25mIn warrants into Concha shares at an exercise price of 0.35p.

Midatech Pharma Plc (LON:MTPH) found the market hard to please. The shares gave back 19p at 151p after a clinical pipeline update.

Most of the news was positive, but the market picked up on a disappointing development for Midaform, an insulin strip, which failed in trials to demonstrate the release profile seen in previous studies.

This was part of its joint venture with Monosol Rx, called MidaSol Therapeutics.

Midatech said this morning it would "begin the process of evaluating strategic options for this programme".

Logistics firm DX (Group) PLC (LON:DX) fell 11% to 20p as it revealed its plans for a new hub in the West Midlands had failed to win local government approval. The company is considering appealing against the decision.

There has been a spate of late of companies issuing shares and then, unusually, seeing a lift in the share price, and today it was the turn of diamond explorer Golden Saint Resources Ltd (LON:GSR).

The shares rose 16% to 0.0755p as it raised over half a million quid by issuing 958mln shares at 0.056p to major shareholder Millennium Vista Ltd, which now has close to 17% of the company's issued shares.

Capital Drilling Ltd (LON:CAPD) offered hopes to all holders of mining shares cowering, metaphorically, in their bunkers waiting for the slings & arrows to let up.

The rig and mining services provider said it won a number of exploration contracts in the first quarter, indicating that the tide may have turned in the beleaguered sector.

The shares rose 9.4% to a 52-week high of 35p.

Investors also piled into Scancell Holdings Plc (LON:SCLP), the cancer vaccine specialist. The company signalled its intent to grow its presence in the US by opening new offices in San Diego.

Good old Blighty has not been overlooked, as the company said it plans to establish a new base in the Oxford area.

Dr John Chiplin, who is based in the US and is currently Scancell's non-executive chairman, will assume the role of executive chairman.

Professor Lindy Durrant, currently joint chief executive officer (CEO), will become chief scientific officer, allowing her to focus fully on the innovative drug discovery that underpins Scancell's novel technology platforms. Dr Richard Goodfellow remains as CEO.

The shares climbed 4.9% to 16p.

Opening snapshot

The FTSE 100 was down by just over 40 points (0.66%) to 6,126. Starting the day slightly lower, as expected.

The biggest winner was Vodafone Group PLC (LON:VOD) at 228.80p up just under 1%.

Anglo American PLC (LON:AAL) was the biggest loser, down over 3% to 607.50p.

Energy firm SSE PLC (LON:SSE) reported a 19% fall in annual profits. It said plummeting wholesale gas prices and lower household energy were to blame.

After a profit fall, Burberry said it expects the "challenging environment for the luxury sector to continue".

Japan dodged a recession and grew at an annual pace of 1.7% in the first quarter of the year pushing stocks higher.

The Nikkei 225 closed slightly higher at 16,664.91.

Preview at 6.56am

London's FTSE 100 is expected to start Wednesday slightly lower, after good economic news equalled bad news for Wall Street.

The Dow Jones slumped 180 points, 1.02%, on Tuesday amid positive economic statistics which coupled with comments from Federal Reserve officials highlighted the possibility of a June interest rate rise.

Falling 0.94% the S&P 500 closed at 2,047 while the Nasdaq dipped 1.25% to 4,715.

In Asia, equities snapped a three day positive run.

Japan's Nikkei moved 0.23% to 16,614, while Hong Kong's Hang Seng dropped 1.5% to 19,812, and the Shanghai Composite moved 1.4% lower to 2,802.

Australia's ASX 200 was down 0.65% to 5,360.

In commodity markets, Brent crude continued to rise towards US\$50 per barrel - with futures changing hands at around US\$49.45. Gold, meanwhile, was priced at US\$1,273 per ounce.

Back in London, spread betting and CFD group IG Markets sees the FTSE 100 15 points lower - calling the blue chip benchmark at 6,141 to 6,146 about an hour before Wednesday's open.

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