

# Rowan Dartington

Weekly Corporate and Economic Calendars

27.11.2017



Rowan  
Dartington

Corporate Calendar

| Date       |                    |          |                        |             |                 |          |
|------------|--------------------|----------|------------------------|-------------|-----------------|----------|
| 27/11/2017 | No Major Reporting |          |                        |             |                 |          |
| 28/11/2017 | Gooch & Housego    | Finals   | Topps Tiles            | Finals      | KCOM            | Interims |
|            | Pets at Home       | Interims |                        |             |                 |          |
| 29/11/2017 | Britvic            | Finals   | Impax Asset Management | Finals      | Pennon          | Interims |
| 30/11/2017 | Marstons           | Finals   | Ex-Dividend            |             |                 |          |
|            | Greene King        | Interims | Hill & Smith           | JD Sports   | Johnson Matthey | Norcros  |
|            | ASOS               | AGM      | Severn Trent           | Tate & Lyle | Land Securities |          |
| 01/12/2017 | No Major Reporting |          |                        |             |                 |          |

## Economic Calendar

| Date       | Time  |   | Actual | Forecast | Previous |
|------------|-------|---|--------|----------|----------|
| 27/11/2017 | 15:00 | USD New Home Sales (MoM) (OCT)                        | -      | -6.3%    | 18.9%    |
| 28/11/2017 | 10:00 | EUR OECD Economic Outlook                             | -      | -        | -        |
|            | 13:30 | USD Advance Goods Trade Balance (COT)                 | -      | -\$65.1b | -\$64.1b |
|            | 14:00 | USD S&P CoreLogic CS 20-City (MoM) SA (SEP)           | -      | 0.3%     | 0.45%    |
|            | 14:00 | USD S&P/Case-Shiller Composite-20 (YoY) SEP)          | -      | 6.0%     | 5.92%    |
|            | 15:00 | USD Consumer Confidence Index (NOV)                   | -      | 124.0    | 125.9    |
| 29/11/2017 | 09:30 | GBP Net Consumer Credit (OCT)                         | -      | 1.5b     | 1.6b     |
|            | 09:30 | GBP Mortgage approvals (OCT)                          | -      | 65.0k    | 66.2k    |
|            | 13:30 | USD Gross Domestic Product Annualised (QoQ) (3Q S)    | -      | 3.2%     | 3.0%     |
|            | 13:30 | USD Gross Domestic Product Price Index (3Q S)         | -      | 2.2%     | 2.2%     |
|            | 15:30 | USD DOE U.S. Crude Oil Inventories (NOV 24)           | -      | -        | -1855k   |
|            | 19:00 | USD U.S. Federal Reserve Releases Beige Book          | -      | -        | -        |
| 30/11/2017 | 01:00 | CNY Manufacturing PMI (NOV)                           | -      | 51.5     | 51.6     |
|            | 10:00 | EUR Euro-Zone Consumer Price Index Core (YoY) (NOV A) | -      | 1.0%     | 0.9%     |
|            | 13:30 | USD Personal Income (OCT)                             | -      | 0.3%     | 0.4%     |
|            | 13:30 | USD Personal Spending (OCT)                           | -      | 0.2%     | 0.6%     |
|            | 13:30 | USD PCE Core (YoY) (OCT)                              | -      | 1.4%     | 1.3%     |
|            | 23:30 | JPY National Consumer Price Index (YoY) (OCT)         | -      | 0.2%     | 0.7%     |
| 01/12/2017 | 09:30 | GBP Markit UK PMI Manufacturing s.a. (NOV)            | -      | 56.5     | 56.3     |
|            | 15:00 | USD ISM Manufacturing (NOV)                           | -      | 58.3     | 58.7     |
|            | 15:00 | USD ISM Employment (NOV)                              | -      | -        | 59.8     |
|            | 18:00 | USD Baker Hughes U.S. Rig Count (DEC 01)              | -      | -        | 923      |

Source: Dailyfx

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# Stock Focus

Avon Rubber (AVON)

Hold

GVQ: 9 (4+2+3)

Risk 5

The end of the company's ten-year sole source mask contract with the US DOD in 2018 has raised concern that this will lead to the company's profits flat lining or even declining. However, the company's management appears confident that the new products that have been developed in its Protection division will be more than adequate to offset the impact. In the current year to September 2018, military revenues, which make up c.60% of overall Protection revenues, are expected to be flat as the contribution from the DOD contract reduces. But Law Enforcement and Fire, which contribute the other c.40% of revenues, are still expected to grow healthily (c.6-7% guided) and so total Protection revenues should still be up 2-3% in constant currency terms. Also, a further margin increase is seen as likely as the mix of revenues improves as a result of the lower DOD contribution. Meanwhile, Dairy division revenues are expected to grow 6-7% this year and it is also likely to see an increase in its margin as last year's investment spending in the business leads to increased profit now dropping through. Beyond the current year, management sees orders coming through for its many newer higher price point products in Protection and thus overall sales in this division should be at least flat until the last DOD contract orders are fully out of the system. Management is certain that it will receive orders for the principal new products, the M53A1 respirator and the M69 aircrew mask system, as the JE-RDAP contract set up by the DOD will set out schedules of deliveries required from each of the companies included in it. So it does not face any competition in the supply of these products. Overall, the existing businesses should be able to achieve low single digit revenue growth and mid-single digit profit growth in the next two to three years. But such levels of growth seem to be fully reflected in the current share price, with the prospective PEs being 16.7x and 16.0x, respectively, for 2017/18 and 2018/19. Because of this, our current recommendation is Hold.

Share Price: £15.60

FY'9/18 Results: 16.7x

Market Cap: £357m

FY'9/18 Dividend Yield: 1.4%