

**HD** **UK Market Talk Roundup: Shares Gaining**

**WC** 1,446 words

**PD** 7 August 2014

**ET** 20:53

**SN** Dow Jones Institutional News

**SC** DJDN

**LA** English

**CY** Copyright © 2014, Dow Jones & Company, Inc.

**LP**

Stocks on the rise in the UK today. Compiled by Dow Jones Newswires Markets Desk, [markets.eu@dowjones.com](mailto:markets.eu@dowjones.com)

1053 GMT Rio Tinto PLC's (RIO) higher-than-anticipated cost savings and lowered FY14 capital expenditure guidance show executives are serious about austerity, says Sam Twidale, a London-based analyst at Schroders. "That is exactly what the market was looking for," he says. Twidale says some investors were worried Rio "might start communicating a higher [future capex] number to strike balance between growth and guidance." Rio should still behave relatively cautiously, he argues, given uncertainty over **China's** outlook and the effect rising **iron-ore** supply is having on the commodity's price. "All eyes now are really on early 2015 and the full-year result when shareholders will be looking to see some cash come back," he says. Schroders holds Rio Tinto shares in its funds. In London, shares are up 1.6% at 3445p. ([rhiannon.hoyle@wsj.com](mailto:rhiannon.hoyle@wsj.com); Twitter: @RhiannonHoyle)

**TD**

Contact us in London. +44-20-7842-9464  
[markettalk@wsj.com](mailto:markettalk@wsj.com)

0856 GMT [Dow Jones]--Numis Securities raises its Savills PLC (SVS.LN) forecast after the real estate services **firm** posted strong 1H earnings, with pretax profit up 15% and underlying profit up 16%. The broker has increased 2014 underlying pretax profit to GBP90 **million**, from GBP85.5 **million** and EPS to 51.3p, from 48.6p. 2015 underlying pretax profit has been increased to GBP105m, from GBP100.3 **million** while EPS has been increased to 58.7p, from 56.0p. "The main driver of this upgrade is the U.S., where the Studley business has been integrated effectively, and we now expect annualized cost saving synergies of \$1m due to the integration of the old Savills business into Studley's premises," Numis said. It has a buy rating on the stock and 761p target price. Shares up 18p, or 3.13%, at 592p. ([ian.walker@wsj.com](mailto:ian.walker@wsj.com)) Contact us in London. +44-20-7842-9464 [Markettalk.eu@dowjones.com](mailto:Markettalk.eu@dowjones.com)

Contact us in London. +44-20-7842-9464  
[markettalk@wsj.com](mailto:markettalk@wsj.com)

0834 GMT [Dow Jones]--Rio Tinto's first-half results "give grounds for confidence in Rio's ability to deliver growth and contain key costs in a difficult pricing environment," says Sanford C. Bernstein, with earnings per share of \$2.77 beating both Bernstein's estimate and consensus. Says a 3% rise in Rio's ebitda is creditable performance given falling **iron ore** prices, achieved partly through cost improvements. Bernstein reckons Rio's **iron ore operations** remain "world-beating" given their high quality geology, proximity to Asian markets and access to strong rail and port infrastructure, while its **copper** and aluminium businesses should soon start to make a meaningful contribution to Rio's profit. Rates Rio at Outperform; shares up 1.8%. ([andrew.people@wsj.com](mailto:andrew.people@wsj.com))

Contact us in London. +44-20-7842-9464  
[markettalk@wsj.com](mailto:markettalk@wsj.com)

0828 GMT [Dow Jones]--Aviva (AV) remains firmly on the road to recovery, working hard to make its relatively recent travails a distant memory, Hargreaves Lansdown says, after the insurer reported a good

set of 1H earnings with most key metrics either in line or above expectations. "The strategy of cost containment, disposal of non-core assets and debt reduction are continuing to show signs of progress," Richard Hunter, Head of Equities at Hargreaves Lansdown Stockbrokers says. Investors are beginning to believe in Aviva's recovery story, with the market consensus having recently strengthened slightly to a buy, Mr. Hunter adds. Shares up 14 pence, or 2.8%, at 504 pence. (ian.walker@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0826 GMT [Dow Jones]--Citi Research lifts its target price on Hikma Pharmaceuticals (HIK.LN) to 2000p from 1850p, and says the pharmaceutical **company's** recent **acquisition** of Bedford Labs could be a transformational deal for the group. "We see the potential for Bedford Labs to be similarly transformational as the 2011 **acquisition** of Baxter's MSI business, which doubled Hikma's Injectables portfolio," Citi says. The broker maintains its buy stance. Shares +0.4% at 1702p. (jana.simmons@wsj.com) Contact us in London. +44-20-7842-9464Markettalk.eu@dowjones.com

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0826 GMT [Dow Jones]--Numis Securities upgrades Hargreaves Lansdown PLC (HL.LN) to buy from hold after recent share price weakness. Retains 1,220p target, saying the investment services **firm** is benefiting from the structural pensions shift to defined contribution from defined benefit. Expects Hargreaves to continue to deliver strong growth in assets under administration for the foreseeable future. Numis has, however, cuts its FY15 EPS forecast by 2% to 40.0p and FY16 forecast by 3.8% to 45.9p. Assumes margins will continue to fall as direct to retail platform market moves to a mass market from a niche one. (tapan.panchal@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0819 GMT [Dow Jones]--Despite forecasting a 5% reduction in net debt this year for Enterprise Inns PLC (ETI.LN), broker Numis remains cautious about the UK pub **firm**, saying, "there is still much to be done to turn the business." The third quarter IMS shows that the **company** benefited from the World Cup and a better start to summer. Enterprise is making progress in many areas, but beer volumes are continuing to fall sharply in the wet-led pub segment and weather-comps in the fourth quarter are tough, Numis adds, reiterating a Hold rating and 125p target price. Shares up 2.1% at 122p. (razak.baba@wsj.com; Twitter: @Raztweet)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0816 GMT [Dow Jones]--Rio Tinto's (RIO.LN) first half results are a "very strong set of numbers," says Liberum Capital, mainly due to improved cash flow thanks to its reduced capital spending. Notes Rio cut its 2014 capex guidance to \$9 **billion** from \$11 **billion**, but says the miner's long term capex guidance has been raised with Rio now expecting \$8 **billion** annual spend over the medium term. With no offsetting output growth, that means Rio's free cash flow yield is likely to decline, reducing Liberum's estimate of Rio's net present value. Maintains sell recommendation, with a price target of GBP28; Rio is up 1.5% in London at 3443p. (andrew.peaple@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0814 GMT [Dow Jones]--Canaccord Genuity lifts its stance on Afren (AFR.LN) to speculative buy from hold for risk-tolerant investors. The broker says the **oil & gas company's** share price has weakened to around 100p, leaving 19% potential upside to its 120p target price. "Afren has an attractive portfolio of producing assets, development projects, and early stage developments, offering growth through to the latter part of this decade," Canaccord says. Shares +1.8% at 102.4p. (jana.simmons@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0802 GMT [Dow Jones]--Rio Tinto (RIO) trades 1.8% higher at 3452p after releasing solid 1H results, notes Jefferies. The **mining** giant is one of Jefferies top picks in the sector, combining a "strong operational performance, low operating risk, bullet-proof balance sheet, leading FCF growth, and inexpensive valuation." Has a buy rating, with a target price of 4100p. Adds Rio should also benefit from relative stability in the **iron ore** price in the short term and a higher **iron ore** price in 4Q as seaborne supply growth significantly decelerates. (nick.cawley@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

0739 GMT [Dow Jones] UK insurer Aviva (AV.LN) produced 1H results that were either in line, or just ahead of expectations on every metric, notes Panmure Gordon. Operating profits rose 4% and the interim dividend was up 4.5% to 5.85p. Panmure believes the outlook for the final dividend is particularly positive, and maintains a Buy recommendation on the share with a Target Price of 585p. The shares trade 0.9% higher Thursday at 494p. (gary.stride@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

Contact us in London. +44-20-7842-9288  
Markettalk.eu@dowjones.com

(END) Dow Jones Newswires

August 07, 2014 06:53 ET (10:53 GMT)

**CO** rtz : Rio Tinto PLC | craaus : Rio Tinto Ltd

**IN** i111 : Coal Mining | i211 : Metal Ore Mining | i221 : Iron/Steel/Ferroalloys | imet : Mining/Quarrying | i1 : Energy | i22 : Primary Metals | ibasicm : Basic Materials/Resources

**NS** c1521 : Analyst Comments/Recommendations | ccat : Corporate/Industrial News | mirono : Iron Ore Markets | namt : All Market Talk | ndjmt : Dow Jones Market Talk | neqac : Equities Asset Class News | nfiac : Fixed Income Asset Class News | c15 : Performance | c152 : Earnings Projections | m14 : Commodity Markets | m142 : Metals Markets | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter

**RE** uk : United Kingdom | austr : Australia | china : China | eurz : Europe | london : London (UK) | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | eecz : European Union Countries | eland : England | weurz : Western Europe

**PUB** Dow Jones & Company, Inc.

**AN** Document DJDN000020140807ea87001iy