

WHERE WILL EQUITY
MARKETS BE ONE
MONTH FROM NOW?



DOMINIC
PICARDA



SANDY
JADEJA



ALPESH
PATEL



JULY 2013

ShareScoop

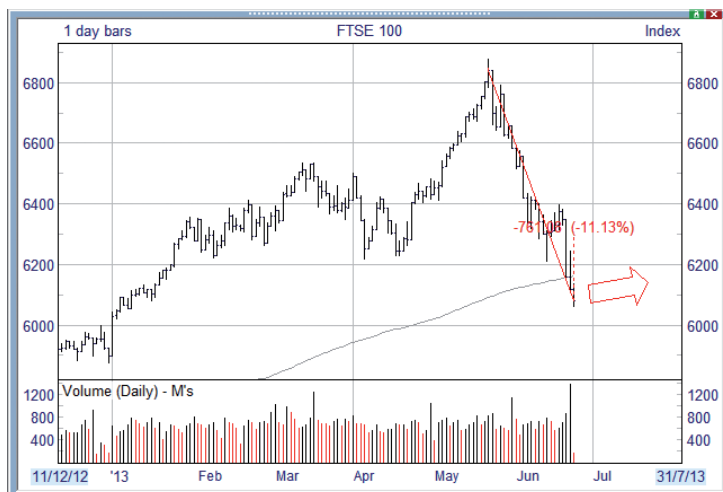
The latest news and tips from ShareScope

MARKET VIEW

It would be obvious to say that markets will be down in a month's time – given their recent falls – but I think they will be up. Concerns about the “tapering” of monetary stimulus and weak data from China provided the excuse for investors to take profits. Japan and emerging south east Asian markets took a hammering.



ALPESH PATEL



As I write the *FTSE*

100 is down around 11% with the US markets the most resilient with just a 5% fall over recent weeks.

Summer is often a weak period for stock markets hence the “Sell in May...” adage so many investors didn't need much pushing.

However, the markets have been making returns because earnings are beating expectations and institutions still need to generate returns. That's why they will be buying on dips such as these.

PHIL'S HIDDEN GEMS

If you use news filters to find stories with certain keywords you'll know that it can sometimes be a bit hit or miss. That is, you might get a lot of stories in which the keyword or phrase features but is not significant. To improve on this, you can now restrict your news searches to the news headline text only. You'll find a **Search headlines only** tickbox when you set up news filters, news alarms or perform *ad hoc* news searches. You may wish to edit existing news filters and intraday news alarms to enable this option.



PHIL TOLHURST

In the latest version of ShareScope Plus and Pro (6.7.0), we now have **Brokers' Price Target**. You can add this as a column to the Broker Forecasts view.

Broker name	Opinion (abbrev)	Date forecast	Date confirmed	Forecast Profit (m)	Forecast EPS	Forecast Dividend	Forecast Turnover	Price Target
Canaccord Genuity Ltd	BUY	5/4/13	13/5/13	86.70	49.80	22.10	2,052.10	£4.96
N+1 Singer	BUY	31/10/12	21/11/12	80.00	47.10	20.50	1,882.00	£3.55
Numis Securities Ltd	ADD	4/3/13	3/6/13	80.50	45.80	21.50	2,011.00	£4.89
Panmure Gordon	HOLD	28/2/13	17/6/13	80.00	48.70	21.60	2,115.00	£4.90
Peel Hunt LLP	BUY	30/5/13	17/6/13	79.99	45.38	21.00	2,070.34	£4.90
Westhouse Securities	ADD	28/2/13	28/2/13	81.00	45.90	21.00	2,098.80	£4.94
Consensus	Buy			80.29	46.42	21.55	2,070.34	

Interserve PLC Year ending Dec 2013 Show min & max values

Gold & Plus: 020 7749 8504 / 0845 045 0111 Pro: 020 7749 8503 / 0845 456 0545

The 0845 numbers should be cheaper if you are calling from outside London.

Previously, a share could only be deleted from a portfolio whilst in the Portfolio view. This option is now available on the context menu in the Graph, Intraday graph and Details views. Alternatively, press **SHIFT-CTRL-DEL** to delete the share. A confirmation dialog will be displayed before deleting the share.

In this release, we have also added a **Pairs Trading** indicator to all versions of ShareScope. This can be found on the **Add indicator** menu. For Plus and Pro users, this can replace the ShareScript indicator that some of you currently use.

Traders using ShareScope Plus and Pro may also be interested in two new tools requested by some of our professional trader clients:

- **Trade Ticker** - displays any trades that exceed a pre-defined volume or value. For example, you may want to see all trades over £10,000. You can also choose which market to monitor; this could be an exchange, an index such as the *FTSE 350*, or one of your portfolios.
- **Trade events** – (pictured) displays shares that have registered 5 consecutive up or down ticks and/or trades which are a specified % above or below the previous trade in the same instrument.

Time	Name	Movements
11:33:50	ARM Holdings PLC	5 up movements
11:33:37	3G Group PLC	5 down movements
11:33:34	Tesco PLC	5 down movements
11:33:00	Antofagasta PLC	5 up movements
11:32:58	Bellway PLC	5 up movements
11:32:46	Chemring Group PLC	5 down movements
11:32:37	Vodafone Group PLC	5 down movements
11:32:13	Vodafone Group PLC	5 up movements
11:31:45	Randgold Resources Ltd	7 up movements
11:31:21	Randgold Resources Ltd	6 up movements
11:31:18	Randgold Resources Ltd	5 up movements
11:31:05	Vodafone Group PLC	6 up movements
11:30:58	Vodafone Group PLC	5 up movements
11:30:38	SABMiller PLC	8 up movements

Traders use these tools to find stocks with intraday momentum or unusually large trades. These are both different modes of the **Trade List** window. To configure, right-click inside a Trade List window, select **List design...** and then click on the **Modes** tab.

Is value investing still relevant?

You might be interested in this interesting video on the **Investment Compass** website – the debate includes Andrew Lapthorne, star strategist at *Societe Generale*. Investment Compass is a new online TV channel aimed at both private and professional investors. Its brief is to be educational, informative and analytical and provide all forms of investor - from the novice through to the institutionally based professional - with good ideas and simple explanations of key trends and debates.



Investment Compass has been launched by David Stevenson, whom you will probably know from the *Financial Times* and *Investors Chronicle*, and Lawrence Gosling, editorial director of *Investment Week*.

Other recent programmes include: a discussion about investment trust investing with fund managers from *F&C*, *JP Morgan* and *Schroders*; and an introduction to “smart beta” ETF trackers which are becoming very popular in the US.

Go to www.investmentcompass.co.uk to browse the content or watch the Value Investing discussion [here](#).



Vince Stanzione has kindly given us ten free copies of his new best-selling book, **“The Millionaire Dropout”** to give out to ShareScope members on a strictly first-come, first-served basis.

A guide to increasing your income and achieving success, the book is currently ranked in the top 5 of the Amazon and New York Times best-seller lists. Simply email marketing@sharescope.co.uk with your *name*, *account number* and *postcode* to claim your copy. To read more or to purchase from Amazon, please [click here](#).

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GM's COLUMN

Customising the Details view

Customising the Details view is, it has to be said, more challenging than ShareScope's other views. Once you have learnt the basics, however, you can create some extremely useful views which may include company information, price performance, results, forecasts, ranking and risk metrics. The image below shows just part of a Details view that I have created as an example.



TIM CLARKE

Brewin Dolphin Holdings PLC				VITAL STATISTICS		
Financial Services FTSE Mid 250				Rolling P/E	18.25	Profit (£)
Brewin Dolphin Holdings PLC is an investment management company. It has 39 offices throughout the United Kingdom and Channel Islands offering a range of financial services.				Rolling PEG	0.58	Norm pi
				Close	£2.30½	Reporte
				Close + / -	-1¼p	Norm E
				Price %	-0.5	Turnove
				12 month high	£2.44%	Turnove
				12 month low	£1.36%	Operatir
Capital (£m)	631.4	EPIC	BRW	1 week	-3.46	Depreci
Shares (m)	273	ISIN	GB0001765816	1 month	7.87	Interest
Share name	1p Ords	SEDOL	0176581	1 year	67.66	Tax paic
Industry	Financials			5 years	82.44	Dividen
Supersector	Financial Services			10 years	317.48	Dividen
Sector	Financial Services			RISK METRICS		Cash flc
Subsector	Asset Managers			Sharpe Ratio	0.3899	Cash flc
Telephone	+44 2072484400			Sortino Ratio	0.5525	Quick ra
Website	www.brewin.co.uk			Volatility %	16.0262	Current
BROKER CONSENSUS				Correlation	0.5811	Gross g
Broker consensus	Buy			Return Beta	1.5121	Gross g
Consensus change	Stronger			Mean Return %	6.37	Gross g
No. Analysts	5			Mean Active Return %	4.64	Gross g
COMPANY INFORMATION						Gross g
Directors	Chairman: Simon Miller Chief Executive Officer: Mr David Nicol					Gross g

Essentially, the Details view is a collection of boxes containing different information. You can create four different types of box - *List boxes*, *Price graphs*, *Results graphs* and *Results tables* – and you can add as many boxes as you like.

Here I am going to talk about List boxes only. I am not going to give an exhaustive account; you can find this in **Chapter 10 – Details** of the online [User Guide](#). All the complete boxes you can see in the view above are List boxes apart from the two Results graphs (Turnover and profit).

List boxes contain a list of items. Each item may consist of a description and a value. The List box in the top left contains three items: **Company name**, **Sector** and **Index** although the descriptions have been hidden so that only the values are displayed. In the List box beneath, containing the price information, both the descriptions (e.g. Close) and the values (e.g. £2.30½) are displayed.

You may give a List box a title. You can see that I have given titles to four of the boxes: *Vital Statistics*, *Risk metrics*, *Broker Consensus* and *Company Information*. You can also see that I have added a background colour to some of the boxes.

Let's look at how to create the *Vital Statistics* box.

Right-click in the Details view and select **New List Box** from the context menu. An empty frame will appear on the screen. The thick grey outline lets you know that the box is currently selected.

Now right-click in the List Box and move your cursor to **Add List Box item**. The same menu will appear as when you add a column in the list view.

VITAL STATISTICS	
Rolling P/E	18.25
Rolling PEG	0.58
Projected Yield	3.26
Dividend cover	1.3
Interest cover	52.04
Price to cash flow	15.57
Price to NTAV	13.82
Price to NAV	3.55

Using the **Add General item** option you can add **Rolling P/E**, **Rolling PEG**, **Projected Yield** and **Dividend Cover**. Using the **Add Result...** option you can add **Interest Cover**, **Price to Cash flow**, **Price to NTAV** and **Price to NAV**. Of course, you can add whichever items you are interested in.

Move the cursor over each item in the List Box and you'll notice that they become highlighted and the cursor changes to a hand icon. To move an item to a different position in the list, click on it and drag it up or down to the desired position. Move the cursor over the vertical dividing line between the descriptions and the values and you'll see that you can move this as well by clicking and dragging.

You may find that you need to change the size of the List box to best fit the items you have added. Your List box has eight white anchor points around its frame – in the corners and half way along the sides. Click and drag any of these anchor points to resize the box. To move your List box, click on the grey border of the box and drag. For finer control, you can also use the *up/down/left/right* cursor arrow keys on your keyboard.

To add the title and background colour, right-click within the List Box and select **List Box design** from the context menu. Firstly, make sure the **Heading** option in the top right of the dialog is ticked. Then type "VITAL STATISTICS" into the text field next to it. Now look at the **Background** option beneath it. The background is currently white. Click on the white box to choose a different colour. The remaining options are not relevant to our example list box but they enable you to hide the description text and change the justification of the descriptions and values. Click on **OK** to complete.


Track the performance of your holdings on their price charts

To save going into your portfolios, you can display the performance of your holdings on price charts. Look at the chart for *IG Group* below. You can see a Buy flag and a line from the flag to the latest price.



You can add Buy flags for transactions through the **Events...** option on the Graph context menu (under **Other main graph features**). Flags will be displayed for all your transactions. If you use bar or candle charts, Buy and Sell flags will be displayed at the exact price recorded for the transaction.

The red line drawn between the Buy flag and the latest price is a **Percentage change line**. The absolute and percentage change over the period are displayed at the end of the line. Effectively, this is the performance of your holding. You can link this line to the latest price so that it updates each day.

To add a line like this, click on the **Percentage change** button  on the Graph toolbar. This is the toolbar running down the right hand side of the ShareScope window. Now, hold down the SHIFT key whilst clicking

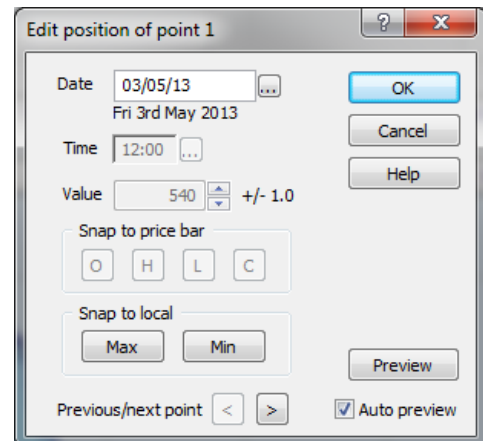
in the place that you want the line to start and drag to the latest price. The line will still be drawn if you don't hold down the SHIFT key, so that you can see the change values, but it won't remain on the chart.

The line will automatically lock to the closing prices on the start and end dates. You might prefer to lock the start point of the line to the actual transaction price. Right-click on the line and select **Edit end point values...**

The dialog (pictured) shows the settings for the start point of the line. By default, the **Value** field will show the closing price; use the up and down arrows to move the start point of the line to the actual purchase price. Click on **OK** to complete.

Right-click on the line again and select **Colour, style and settings...** In the dialog box that is displayed, select **Extend to latest date/time**. This ensures that the line will always link to the latest price.

In ShareScope Plus and Pro, it is possible to display an intraday price/bar/candle on the historical graph (**List design...** > **Price** tab). This will link the percentage change line to the intraday bar.

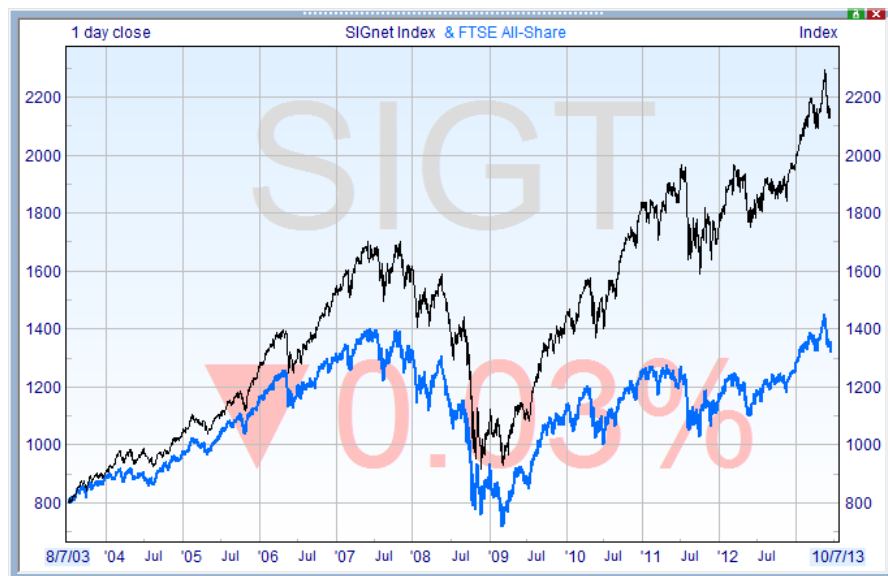


SIGnet Index

Since 2005, ShareScope has calculated the **SIGnet Index** which you can find in the Indices list. The index was devised by SIGnet, the Serious Investor Groups Network, to provide a more balanced measure of overall UK equity market performance by reducing the influence of the few very large companies and sectors.

Although the dominance of individual companies has decreased somewhat over recent years, the largest five companies represent 25% of the FTSE All-Share market cap. Just four sectors - *banks, oil & gas producers, miners and pharmaceuticals* - represent 41% of the index capitalisation.

The SIGnet Index is an unweighted average of the *FTSE Actuaries Industry Sectors* which are published daily in the *Financial Times* and which can also be found in the Indices list in ShareScope. There are 39 Industrial Sector Indices which means that no sector can have more than a 2.5% influence and indirectly limits any company to a 1.25% influence (sectors with only one constituent are ignored).



Measured over the last ten years, the *FTSE All-Share* is up 64.2% (the *FTSE 100* is up 51.5%), whereas the SIGnet index is up 162.9%.

SIGnet is a 850-strong network of experienced private investors. For more information, call Carol Jacques on **01273 880 326**, email membershipsignet@btinternet.com, or visit www.signet.org.uk.

ShareScope on Google+

Along with **Facebook**, we'll also be using **Google+** to provide links to useful articles and videos which we feel may be of benefit to your investing. To visit our page, please [click here](#) (you'll need to create a login to do so).

