

# ► FTSE Investor Update

Wednesday 26<sup>th</sup> October 2022

# ► Vodafone (VOD)

FTSE Investor Update - Wednesday 26<sup>th</sup> October 2022

## Vodafone and Three in talks to create UK's biggest mobile operator

**Vodafone (VOD)** and France's Altice have launched a joint venture to challenge Deutsche Telekom and build a 7-billion-euro fibre broadband network in Germany.

Vodafone said the FibreCo venture would build a "fibre-to-the-home" broadband network available to 7 million German homes, allowing Vodafone to upgrade its existing network in Germany, its biggest market.

FibreCo will invest up to 7 billion euros on the six-year project, which is expected to be 70% financed by debt.

Construction will be contracted to Altice subsidiary Geodesia, with Vodafone Germany responsible for marketing the faster broadband to new customers.

Both companies will own 50% in FibreCo.

Vodafone CEO, Nick Read commented:

*"This partnership builds on Vodafone's significant next-generation network with Altice's industrial expertise and proven fibre-to-the-home construction capabilities"*

The tie-up is subject to regulatory approval and expected to close in the first-half of 2023.





## Qinetiq maintains full year guidance

**Qinetiq (QQ.)** released a strong trading update earlier this month in which it maintained its full-year guidance.

The defence tech giant said organic revenue growth was good and profit was in-line with expectations, backed by strong cash conversion.

First half orders jumped 18% to £800m and Qinetiq has more than 90% of FY23 revenue under contract, allowing it to maintain full-year guidance.

Qinetiq CEO, Steve Wadey said:

*"Against an uncertain and evolving economic backdrop, I am delighted that we have delivered strong and consistent operational performance in the first half of the year. We remain focused on disciplined execution of our strategy to build an integrated global defence and security company, delivering high-value solutions for our customers"...*

*"Our strategy to perform and grow continues to build momentum across the Group, demonstrated by excellent order intake, good organic revenue growth, profit in-line with our expectations and three strategic transactions in the first half of the year."*



# ► Moneysupermarket (MONY)

FTSE Investor Update - Wednesday 26<sup>th</sup> October 2022

## Volatile week for MONY as trading statement beats but Amazon threatens to disrupt insurance market

Shares in **Moneysupermarket (MONY)** swung wildly last week on mixed fundamental catalysts.

A strong Q3 trading update saw the shares surge higher as adjusted earnings came in at the top-end of expectations – driven by strong growth in money and travel channels.

However, the rally was to be short-lived as Amazon announced that it was launching a home insurance portal in the UK, where companies such as Ageas UK, Co-op, and LV will provide third-party services.

The portal, Amazon Insurance Store, will also include customer reviews and ratings on insurance companies and the rate at which the claims were accepted for policies offered, Amazon said.

News of such a major player stepping into Moneysupermarket's domain saw the shares erase all of their trading update gains.



## HSBC drop as leadership shake-up fails to inspire

**HSBC (HSBA)** tumbled 6.9% yesterday after the lender named Georges Elhedery as its new chief financial officer in a surprise shift.

The departure of well-respected finance director Ewen Stevenson is said to make HSBC potentially more vulnerable to pressure from its largest shareholder Ping An who wants to break up the bank.

HSBC's quarterly numbers were relatively solid with adjusted pre-tax profit of \$6.5bn, compared with \$5.5bn a year earlier, beating analyst estimates of \$6bn as a global rise in interest rates helped drive higher returns.

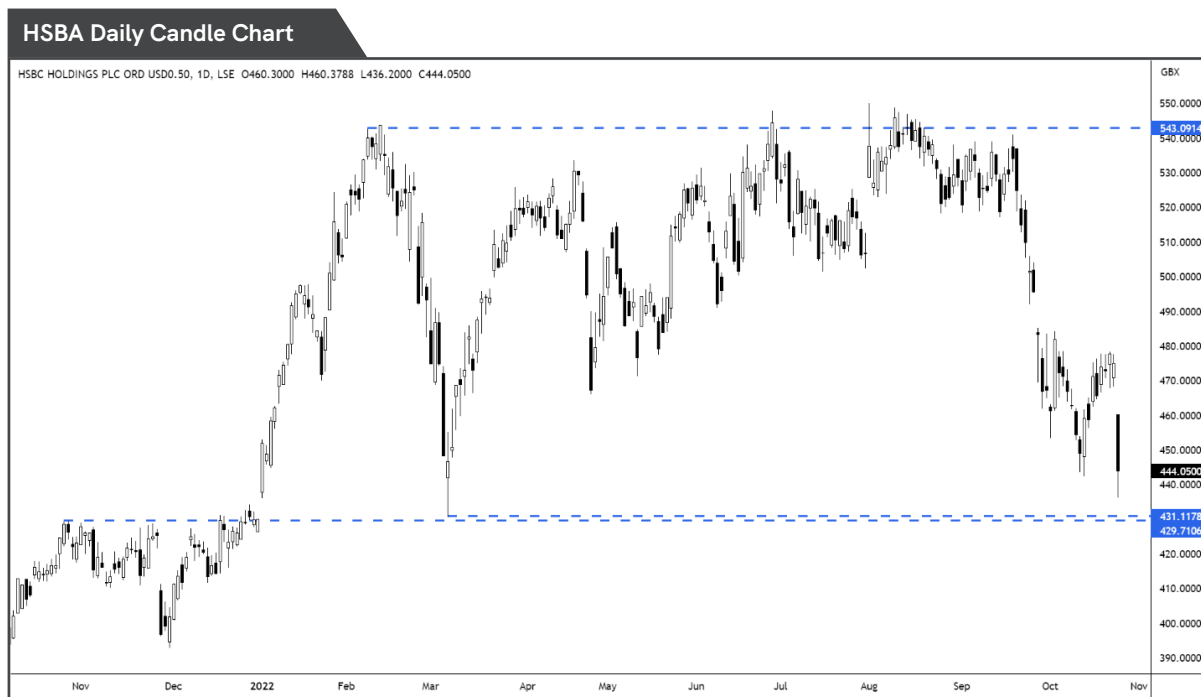


The bank upgraded guidance for net interest income to \$32bn this year and at least \$36bn the next.

However, the bank maintained its guidance for a dividend payout ratio of 50 per cent in 2023 and 2024.

Yesterday's sell-off has seen the shares move back towards a key level of support at 430p - an area which includes the autumn 2021 highs and March 2022 spike lows.

Our bigger picture bullish outlook on HSBC and its potential for market-beating income remains unchanged.



**DISCLAIMER** - All content is provided for general information only and should not be construed as any form of advice or personal recommendation. The provision of this content is not regulated by the Financial Conduct Authority.