

# ► FTSE Investor Update

Wednesday 9<sup>th</sup> November 2022

# ▶ Flutter Entertainment (FLTR)

FTSE Investor Update - Wednesday 9<sup>th</sup> November 2022

## Flutter Entertainment claim victory in battle with Fox over FanDuel

**Flutter Entertainment (FLTR)** rallied on Monday after the betting giant claimed victory in a long running dispute over Fox Corporation's plans to take a stake in FanDuel, in which Flutter has a majority shareholding.

A US ruling had valued FanDuel at US\$20bn as at December 2020 using fair market value, a price which is subject to a 5% increase up until Fox exercises any option to buy a holding in FanDuel.

As of today, this equates to a valuation for FanDuel of US\$22bn and a cost of US\$4.1bn for Fox to acquire an 18.6% stake.

Peter Jackson, Flutter's CEO commented:

*"Today's ruling vindicates the confidence we had in our position on this matter and provides certainty on what it would cost Fox to buy into this business, should they wish to do so".*

*"FanDuel is winning in the US market and the clear number one operator, a position driven by its exceptional market leading product and efficiency in acquiring customers at scale".*

*"The team remain focused on maintaining our leadership position and we look forward to updating the market on our progress at our US capital markets day on 16th November."*



# ► DS Smith (SMDS)

FTSE Investor Update - Wednesday 9<sup>th</sup> November 2022

## DS Smith staff to strike over pay

Workers at **DS Smith (SMDS)** have voted overwhelmingly to go on strike in a dispute over pay, their union said on Monday.

The industrial action could start as soon as the end of this month.

The union said a strike at DS Smith could have "serious implications" across a range of household names such as Amazon which gets packaging from the company.

DS Smith spokesperson said:

*"We are disappointed with the vote for industrial action, particularly at a crucial time for all of our customers".*

The market's reaction to this news has been tepid and the shares remain in a strong position following DS Smith's market-beating trading update last month.



SMDS Daily Candle Chart



# ▶ TP ICAP (TCAP)

FTSE Investor Update - Wednesday 9<sup>th</sup> November 2022

## TP ICAP third-quarter revenue jumps on market volatility

**TP ICAP (TCAP)** released a strong trading update last week in which it said revenue in the first nine months of the year jumped 10%.

The market-maker benefitted from "*favourable market conditions in Global Broking*", particularly in its largest and most profitably division, Rates.

Reuters reported that trading platforms like TP ICAP are now seeing a rise in client activity after market volatility rose, triggered by Britain's "mini-budget" and larger global economic uncertainties fuelled by rising inflation rates and Ukraine-Russia conflict.

TP ICAP also said the ongoing strengthening of the US Dollar has been a "*meaningful tailwind*" with approx. 60% of the Group's revenue in US dollars.

On the price chart, after surging to highs of 210p last month, TP ICAP have undergone a steady pullback in recent weeks which we expect to resolve in a trend continuation move to the upside.



## Centrica surges on reopening UK's Rough gas storage site

Centrica's (CNA) share price has enjoyed a strong rally from support in recent weeks after it announced it was reopening its Rough gas storage site.

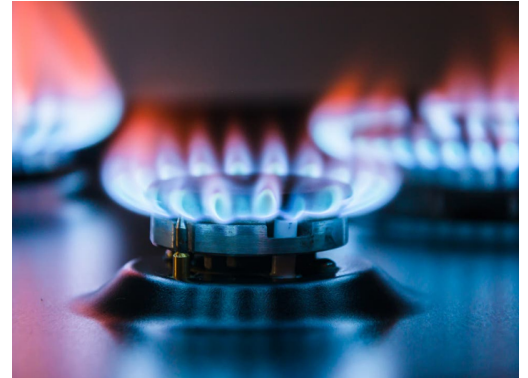
Having completed significant engineering upgrades over the summer and commissioning over early autumn, Centrica can now start using the site to boost its energy resilience.

Centrica will be able to store up to 30 billion cubic feet (bcf) of gas at the site, equating to about 0.85 billion cubic metres (bcm), for British homes and businesses over winter 2022/23.

Centrica CEO Chris O'Shea commented:

*"In the short term, we think Rough can help our energy system by storing natural gas when there is a surplus and producing this gas when the country needs it during cold snaps and peak demand".*

Centrica's long-term aim is to turn the Rough gas field into the largest long duration energy storage facility in Europe, capable of storing both natural gas and hydrogen.



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

**HSBC's (HSBA)** largest shareholder, Ping An called on the bank to spin off its Asian business and urged the global lender to be "*much more aggressive*" in reducing costs by cutting jobs.

This is the first time Ping An have gone public on their views and signifies a ramp up in the intensity of the Chinese insurance giant's activism.

Michael Huang, chair of Ping An Asset Management, told the Financial Times:

*"We will support any initiatives including a spin-off that are conducive to improve HSBC's performance and value."*

He added that it was "*urgent*" that HSBC goes further on cost-cutting to bring down its expenses, which it said were far higher than its rivals, and said a number of senior bankers did not have sufficient experience of working in Asia.

The market reacted in bullish fashion to Ping An's comments and the shares surged higher last week, breathing fresh momentum into the shares.



**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.