Citigate Dewe Rogerson

Redhall attracts attention

SMALL CAPS

By Neil Hume and Bryce Elder

Redhall, the engineering services group, was in focus yesterday. Its shares continued their recent good run, rising a further 4.8 per cent to a near six-month high of 216½p amid talk of a bid approach.

Traders reckon the company could be a target for Babcock International, given that two of Redhall's key markets are nuclear and defence.

Gulfsands Petroleum was marked 3.7 per cent higher at 182¼p as its partner in Syria, Emerald Energy, revealed a takeover approach. The two companies control the giant Block 26 licence and production at Khurbet East field, which is operated by Gulfsands and is targeted to reach 18,000 barrels of oil per day later this year.

Van hire group **Northgate** dropped 18.9 per cent to 54¾p as investors began to realise the impact of the deeply discounted placing and open offer announced by the company on Friday.

C&C, the maker of Magners Irish cider, fell 16.4 per cent to €1.84 after it was forced to restate last week's trading update to show that sales were actually down 5 per cent in the first four months of 2009, not up.

Renold rose 25.6 per cent to 24¼p as followers of David Schwartz bought stock after the industrial chain maker was tipped by the stock market historian in the Weekend FT.

Renold is due to issue full-year results this morning and traders will be keen to see whether the company announces a rights issue to bolster its balance sheet and resolve a pension deficit.

Hutchison China Meditech rose 12.5 per cent to 76½p after the release of trial data on HMPL-004, a drug for treating ulcerative colitis and Crohn's disease – a $5bn market. Panmure Gordon said the data would help HCM find a licensing partner ahead of the start of Phase III clinical trials.

Bus maker **Optare** advanced 13.2 per cent to 5.3p as directors declared the purchase of millions of shares.