

# Buy – Aggreko (AGK)

August 5, 2013

Leveraged products involve a high level of risk and you can lose more than your original investment. They are not suitable for everyone so please ensure you understand the risks involved and if necessary please obtain investment advice from a financial adviser before investing. This report is not a personal recommendation and does not take into account your personal circumstances or appetite for risk.

Trade parameters:				
Opening Price	Stop Loss	Profit Limit	Reward vs. Risk	CFD Margin
1630p	1555p (75p/4.6% below)	1810p (11.0%/180p above)	2.4x	10%

**Observations - For**

- Shares found support at 3yr rising lows
- Piercing candlestick pattern – bullish reversal
- 200-day MA in-line with falling highs which is target
- Stochastics suggests oversold
- RSI found support after sell-off

**Observations - Against**

- MACD in-conclusive
- No moving average support
- Still in falling channel, which could persist
- ADX (trend strength) lows; DIs still diverging bearishly
- Shares been underperforming FTSE100

**News / Broker Comments / Important Dates / Observations \*\***

Panmure downgrades on mixed results and uncertainty from trading update, noting conversion rate of quotes to contracts unusually low, with profits volatility likely in short-term (2 Aug). Cantor says H1 results light and says meeting peak capacity demand in emerging markets will remain a problem, but AGK well positioned (1 Aug). Company commissions new 220MW gas-fired plants in Africa (2 Jul). UBS cuts to Hold on valuation grounds (16 Jun). Brokers largely positive. **Next Event:** Interim report, 14 Aug; Ex-div 4 Sept

**Latest Broker 12m Consensus: 9 x Buy, 7 x Hold, 2 x Sell** (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)  
**2-Aug**, Panmure, Hold (D), TP 1822p (D); **1-Aug**, Seymour Pierce, Buy, TP 2200p; **2-Jul**, Westhouse, Buy, TP 2502p; **1-Jul**, Espirito Santo, Buy, TP 2350p; **19-Jun**, UBS, Neutral (D), TP 1850p (D); **19-Jun**, Deutsche, BUY, TP 2250p; **19-Jun**, Credit Suisse, Neutral



**Stock description**

**Aggreko plc** provides specialist power and temperature control rental services in two main product areas, mobile electricity generators and temperature control equipment. Aggreko also supplies oil-free diesel compressors used to eliminate oil based contaminants in the food, pharmaceutical and textile industries. The Group operates through approximately 118 depots in 23 countries worldwide (FTSE 100)

**Graph: 1-year (daily)**

**Stock last used as Trade Idea;**  
7-Nov-12

**\*\*Source:** DowJones Newswires, Reuters News or Company Press releases, Bloomberg.com

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**Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume**



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**Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-8.35	-5.75	-7.2	-26.43	0.09	0.1	179.89	137.74

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