

Buy – AMEC (AMEC)

January 14, 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:				
Open	Stop Loss	Limit/Target	Reward vs. Risk	CFD Margin
1086p	36p (1050p)	1190p	2.9x	10%

- Technical Observations - For**
- Shares broken above recent resistance
 - Directional Indicators diverging bullishy
 - MACD positive, rising and above signal line
 - RSI positive and rising from oversold in November
 - 200-day moving average above suggested stops

- Technical Observations - Against**
- Volume dropped on breakout
 - ADX <25, still not technically strong
 - Share been underperforming since October
 - Momentum close to being overbought
 - May have to wait for 50-day MA to break above 200-day

News / Broker Comments / Important Dates / Observations **

AMEC commissioned to deliver full geological model of Paragon Diamonds project in Lesotho (14 Jan). Goldman Sachs adjusts rating on oil services stocks – upgrades AMEC to Buy from neutral and raises target price to 1241p from 1221p, thanks to attractive cash returns via dividends and share buybacks (9 Jan). Wins significant Kuwait National petroleum Company contract for new oil refinery (4 Dec). Share buyback can be considered supportive for share price. **Next Events:** Preliminary results, 14 Feb

Latest Broker 12m Consensus: 11 x Buy, 4 x Hold, 2 x Sell (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
11-Jan, JPMorgan, Neutral, TP 1301p; **10-Jan**, Deutsche, Buy, TP 1350p; **9-Jan**, Goldman Sachs, Buy (U), TP 1241p (U); **12-Dec**, Credit Suisse, Outperform, TP 1250p (D); **15-Nov**, Nomura, Buy, TP 1340p (U); **15-Nov**, SocGen, Buy TP 1320p



Stock description

AMEC PLC provides consulting, engineering and project management services to the world's energy, power and process industries. The Company project manages the delivery of major industrial and infrastructure projects, such as power networks, and supplies engineering, procurement and construction management services in the energy and mining industries. (FTSE100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
28-Nov-2012

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

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



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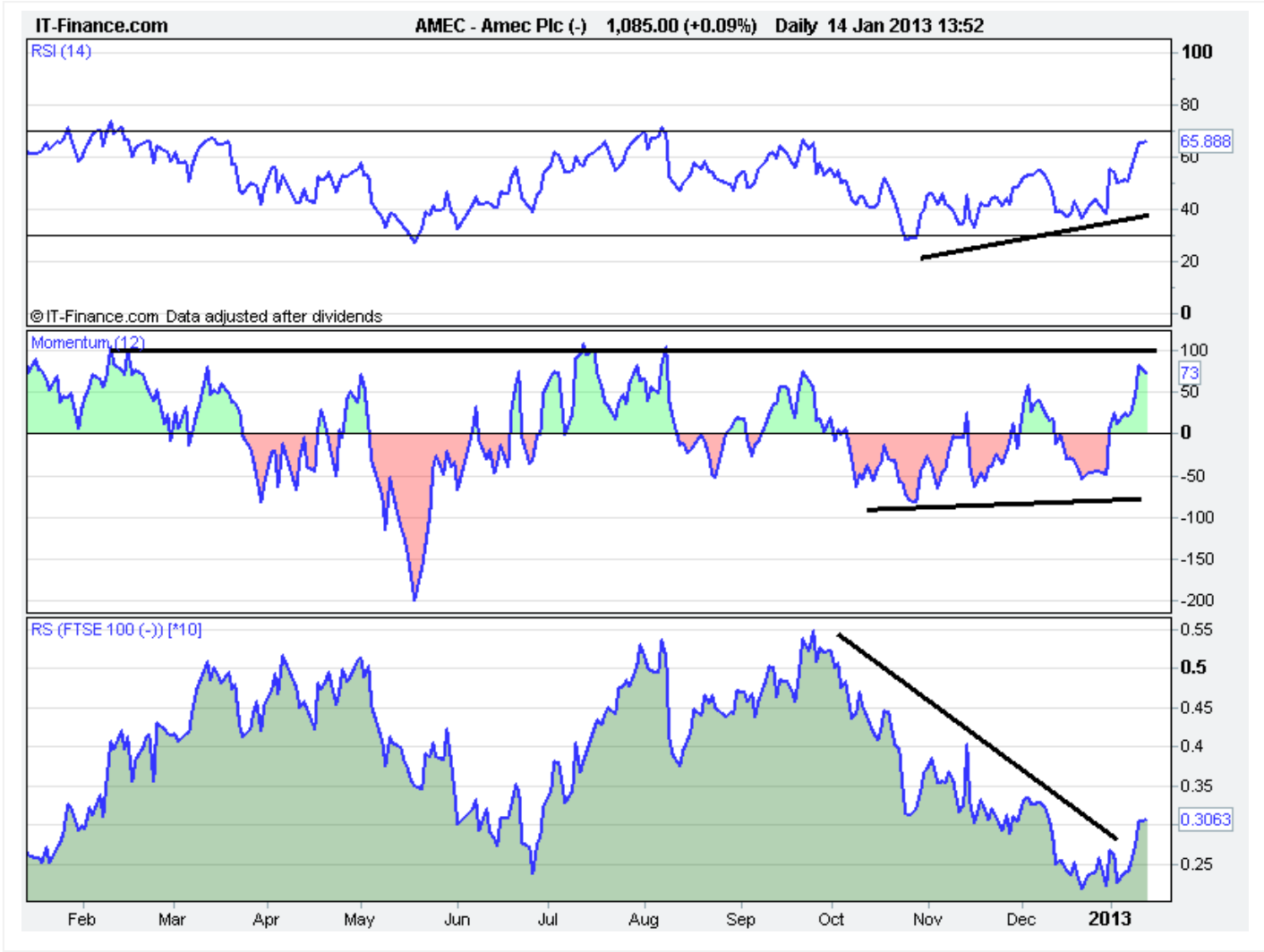
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Graph: 1-year (daily) - RSI, Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	4.83	3.24	3.14	11.17	-9.13	40.45	97.99	69

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