

Buy – AMEC (AMEC)

September 20, 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 1109p | Stop Loss 1080p (29p/2.6% below) | Profit Limit 1185p (76p/6.9% above) | Reward vs. Risk 2.6x | CFD Margin 10% |
|-------------------------------|--|---|--------------------------------|--------------------------|

Observations - For

- Shares breakout above 12-month falling highs
- MACD positive and in rising channel
- Directional indicators diverging bullishish
- ADX (trend strength) strong, and strengthening
- Underperformance of FTSE100 reversing

Observations - Against

- RSI in overbought territory
- No support from moving averages anywhere near
- Stochastics near overbought
- Directional indicators near 2013 extremes
- Volume nothing special on breakout

News / Broker Comments / Important Dates / Observations **

European oil services cut to bearish from neutral by Nomura (20 Sept). AMEC says won't make offer for Kentz (12 Sept) AMEC and Morrison awarded 5y contract worth £200m from Wales, West utilities (9 Sept). Wins Brownfield modifications contract for Cladhan field in North Sea (6 Sept). Kentz rejects 565-580p offer from AMEC (19 Aug) Shares trade in wide range after H1 results show profits -2%, but affirms FY guidance and strong cash flow with better margins in H2 (8 Aug). **Next Event:** Interims, 19 Nov; Ex-div 27 Nov

Latest Broker 12m Consensus: 8 x Buy, 6 x Hold, 3 x Sell (Source: Digital Look, Alpha Terminal) (U = Upgrade / D = Downgrade)

20-Sept, Deutsche, Buy, TP 1250p; **20-Sept,** Nomura, Buy, TP 1230p; **21-Aug,** HSBC, Neutral, TP 1130p; **20-Aug,** Credit Suisse, Outperform, Buy, TP 1250p; **20-Aug,** JPMorgan, Neutral, 1301p; **20-Aug,** ExaneBNP, Underperform, TP 1110p; **20-Aug,** Liberum, Hold



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 (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
14-Jan-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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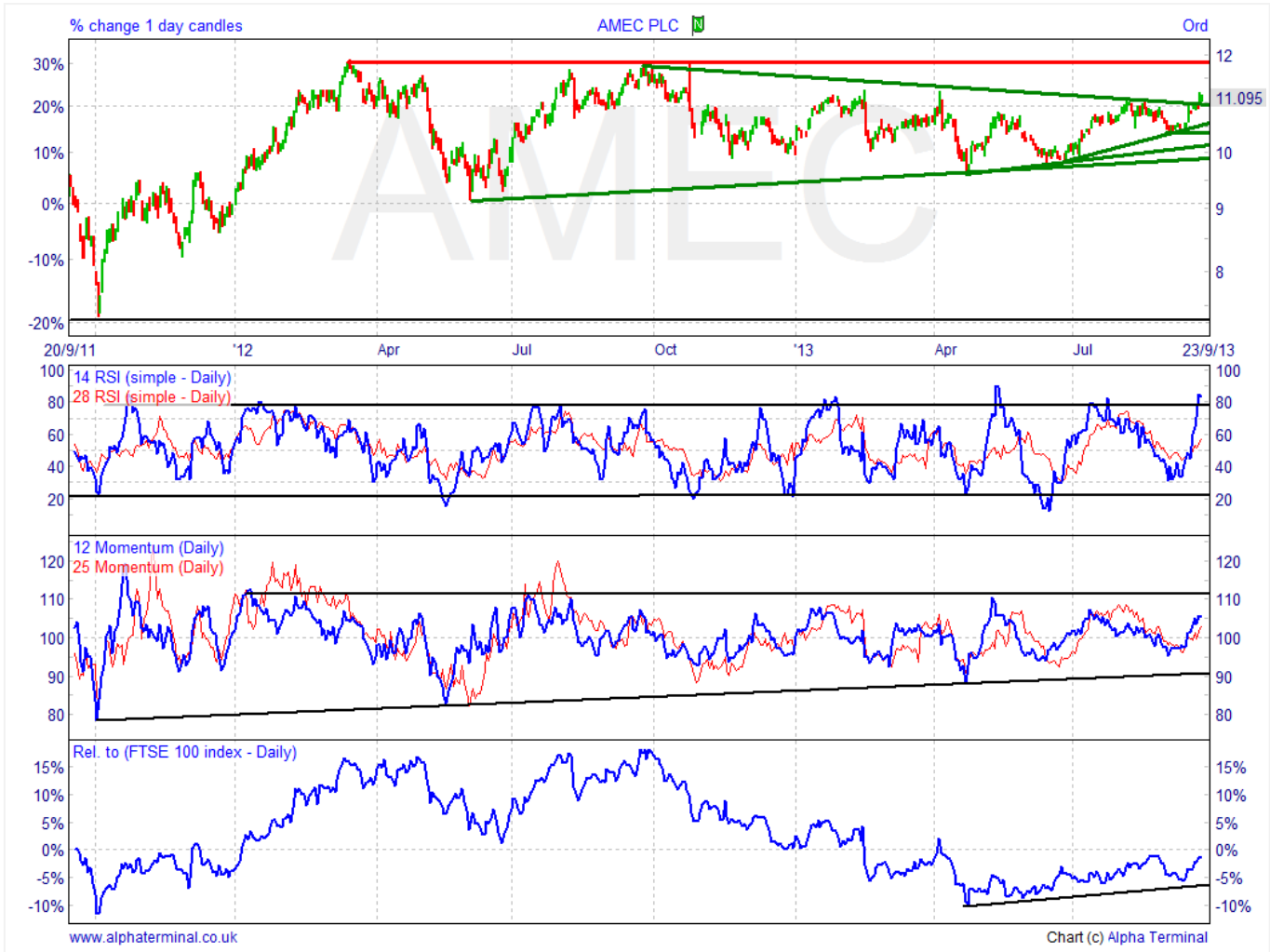
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Graph: 2-year (daily) - RSI, Momentum and Performance relative to FTSE 100



| Share Perf % | 1wk | 1m | 3m | 1yr | 2yr | 3yr | 4yr | 5yr |
|--------------|------|------|-------|-------|-------|-------|-------|-------|
| | 2.92 | 3.69 | 10.84 | -5.33 | 31.85 | 11.68 | 44.47 | 74.31 |

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