

# Buy – Anglo American (AAL)

May 8, 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
1650p	150p away (1500p)	430p away (2080p)	2.9x	5%

- Observations - For**
- Shares made double-bottom; possible rebound?
  - MACD bounced; Stochastics show rebound
  - Directional indicators made bullish cross
  - ADX (trend strength) turned down
  - Miners underperformed on recent market push; catch-up?

- Observations - Against**
- MACD not yet gone positive
  - RSI & Momentum rebounded strongly – near overbought
  - Shares been downtrend since early 2011
  - Shares been underperforming FTSE100 for 3 yrs
  - 200-day moving average could be hurdle

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

Glencore-Xstrata talked of M&A opportunities and big deals in particular. (3 May). Anglo American Platinum to scale back S African job cuts (3 May). UBS cuts TP to 1720p from 2000p following a cut in its 2013/14 Platinum price forecasts (30 Apr). Nomura upgrades to Neutral from Reduce noting share price fall in recent weeks (29 Apr). Goldman Sachs cuts TP to 1400p from 1450p on reduced copper earnings (23 Apr). Exposed to global growth sentiment. High beta (1.67). **Next Event:** Production update 18-Jul

**Latest Broker 12m Consensus: 9 x Buy, 15 x Hold, 3 x Sell** (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)  
**7-May**, Goldman Sachs, Sell, TP 1400p; **30-Apr**, UBS, Neutral, TP 1720p (D); **29-Apr**, Nomura, Neutral (U), TP 1700p; **22-Apr**, JPMorgan, Neutral, TP 1930p; **22-Apr**, RBC, Outperform; **22-Apr**, HSBC, Overweight, TP 2250p (U); **22-Apr**, Deutsche, Buy, TP 2170p



**Stock description**

**Anglo American PLC** is a global mining company. The Company's mining portfolio includes bulk commodities including iron ore, manganese and metallurgical coal, base metals including copper and nickel and precious metals and minerals including platinum and diamonds. Anglo American PLC has mining operations in Africa, Europe, North and South America, Asia and Australia. (FTSE 100).

**Graph: 2-year (daily)**

**Stock last used as Trade Idea;**  
3-Jul-12

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

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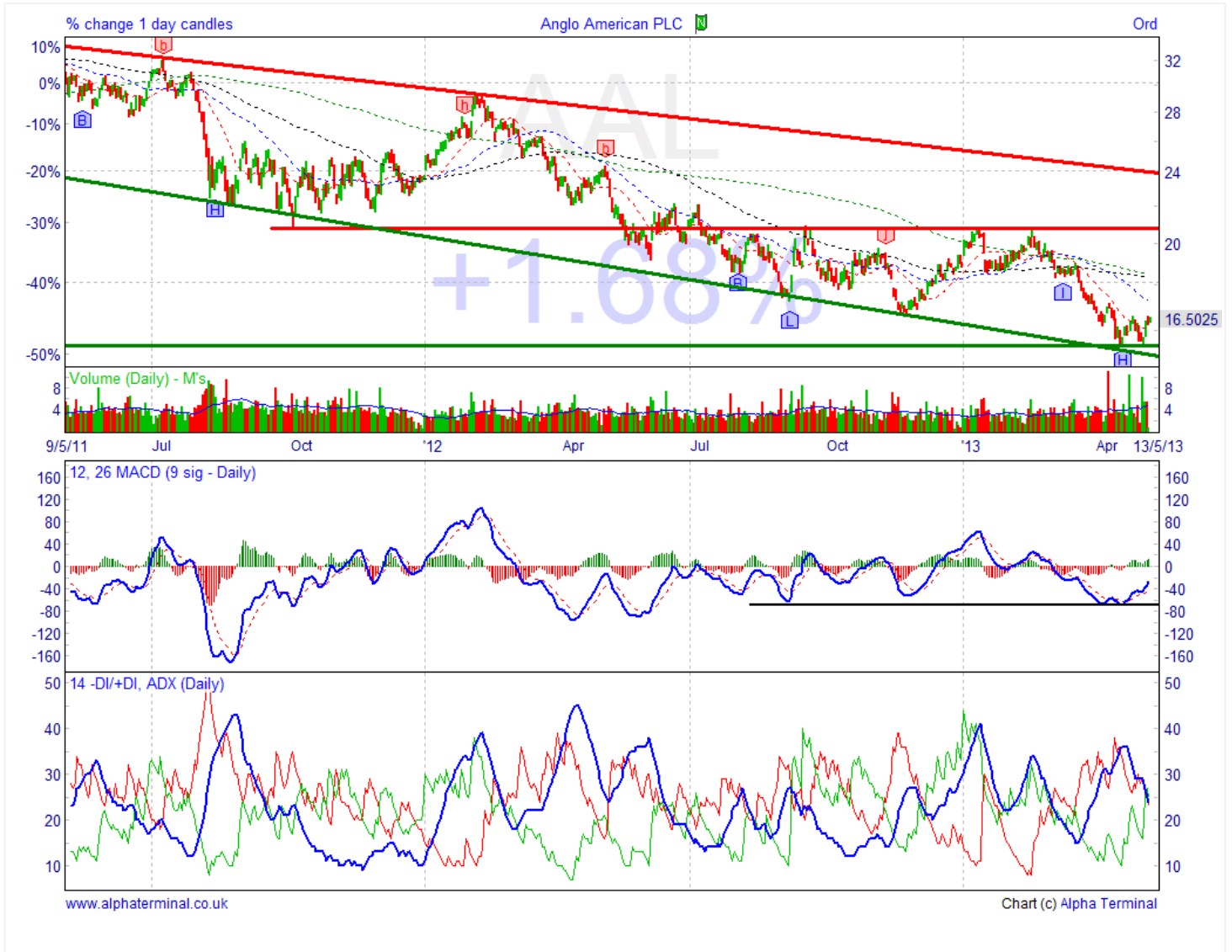
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**Graph: 2-year (daily) - ADX and Directional Indicators, MACD & Volume**



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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
	2.52	0.3	-14.84	-24.07	-44.85	-38.7	14.31	-53.4

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