

Buy – Antofagasta (ANTO)

April 24, 2013

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Trade parameters:

Opening Price 906p	Stop Loss 56p away (850p)	Limit/Target 1100p	Reward vs. Risk 3.5x	CFD Margin 5%
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Observations - For

- Shares in 3.5yr sideways trend. Bounce off support
- RSI recovered from extreme low and from oversold
- Increased volumes at recent lows means more vested interest
- Stochastics suggests shares oversold
- No major moving average resistance ahead

Observations - Against

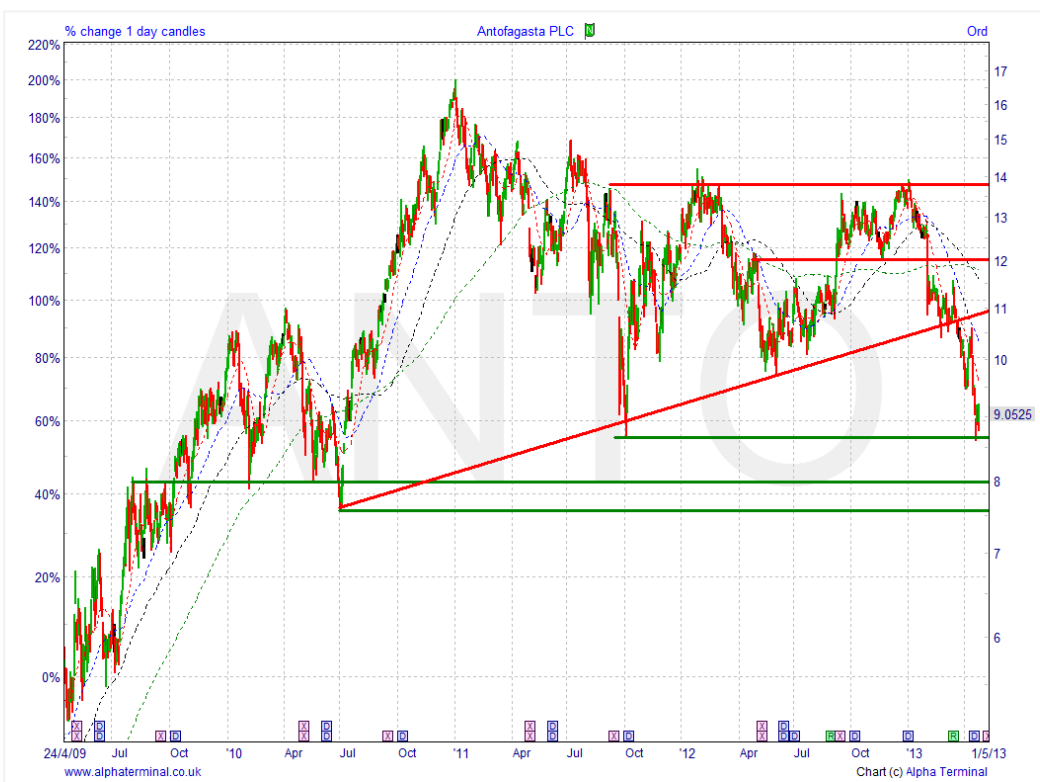
- Shares still in 2013 downtrend; Momentum still below 100
- MACD not yet bounced, still well below zero
- Shares been underperforming FTSE100
- RSI & Momentum show falling highs
- ADX (trend strength) in uptrend during recent share declines

News / Broker Comments / Important Dates / Observations **

Goldman Sachs downgrades commodities to Neutral from overweight for next 3 months (24 Apr). Speculation of ECB cutting interest rates renewed risk appetite on prospect of continued easy monetary policy designed to foster investment and growth (23 Apr). Goldman Cuts TP to 925p from 1060p (23 Apr). Citi says rotation out of miners likely to continue (23 Apr). Company exposed to under pressure copper price, but peer Rio's problems may restrict supply. **Next Event:** Q1 Production, 1 May, Ex-div, 8 May; Q1 results 16 May

Latest Broker 12m Consensus: 6 x Buy, 15 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)

22-Apr, HSBC, Neutral, TP 1080p (D); **16-Apr,** ExaneBNP, Outperform, TP 1400p; **15-Apr,** Citigroup, Sell, TP 830p (D); **10-Apr,** Deutsche, Hold, TP 1126p (D); **8-Apr,** Investec, Sell, TP 934p (D); **3-Apr,** Credit Suisse, Underperform, TP 1000p (D);



Stock description

Antofagasta plc owns and operates copper mines in Chile and conducts exploration activities in Chile and Peru. The Group also operates a rail network servicing the mining region of northern Chile, as well as operates a concession for the distribution of water in this region

Graph: 4-year (daily)

Stock last used as Trade Idea;
N/A

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

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



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Graph: 3-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-4.1	-12.37	-27.98	-22.56	-35.15	-10.55	53.43	12.8

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