

Buy –Balfour Beatty (BBY)

July 29, 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
251.2p	240p (11.2p/4.5% below)	290p (15.5%/38.8p above)	3.5x	10%

Observations - For

- Shares broken out from sideways channel
- MACD positive and rising; shares broken above MAs
- ADX (trend strength) kicked up with DX diverging bullishy
- RSI & Momentum show rising lows
- Underperformance of FTSE100 shows breakout

Observations - Against

- Potential resistance form 200-day MA at 255p
- RSI now overbought; Momentum at recent highs
- Stochastics shows overbought; low summer volumes
- Falling highs from Nov 2012, in-line with 200-day MA
- Shares been underperforming FTSE100

News / Broker Comments / Important Dates / Observations **

Appointed preferred bidder for £346m contract for transmission assets of Gwynt y Mor offshore wind farm on north Wales coast (29 Jul). Awarded £41m Olympic roof reconfiguration contract (25 Jul). Gets 5yr, £70m extension to Yorkshire Water Contract (17 Jun). Balfour Beatty Leed JV awarded a place on major water networks framework by Sydney Water (11 Jul). H1 trading update in-line (11 Jul). Lots of contract announcements. Exposed to economic growth. Consensus neutral/negative. **Next Event:** H1 results 14 Aug

Latest Broker 12m Consensus: 3 x Buy, 8 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
25-Jul, Deutsche, Hold, TP 220p; **12-Jul**, RBC Capital, Neutral, TP 200p (D); **11-Jul**, BoA, Neutral, TP 240p; **11-Jul**, Investec, Sell, TP 170p; **11-Jul**, Liberium, Sell, TP 190p; **18-Jun**, Goldman Sachs, Neutral, TP 241p; **10-Jun**, Panmure, Buy, TP 310p; **4-Jun**, HSBC, Hold



Stock description

Balfour Beatty plc operates an international engineering and construction group. The Group provides civil and specialist engineering, design and management services for businesses in the transport and energy sectors. Balfour Beatty also invests in a number of privately funded infrastructure projects and developments in the United Kingdom and overseas. (FTSE 250)

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



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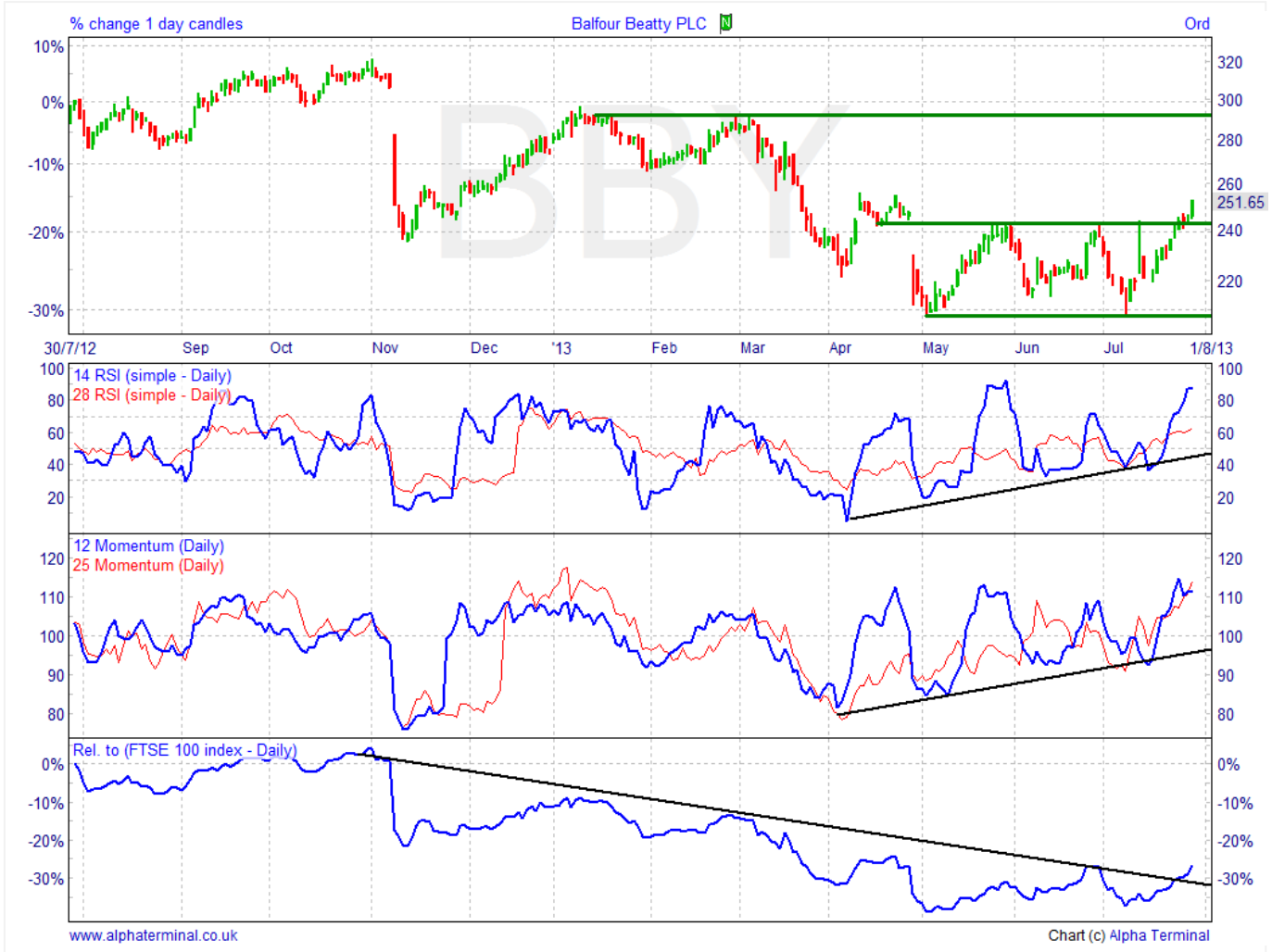
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	8.53	5.62	17.77	-15.7	-14.15	-1.87	-7.3	-27.54

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