

# Buy – BHP Billiton (BLT)

February 26, 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:				
Current Price	Stop Loss	Limit/Target	Reward vs. Risk	CFD Margin
2078p	68p away (2010p)	2250p	2.5x	10%

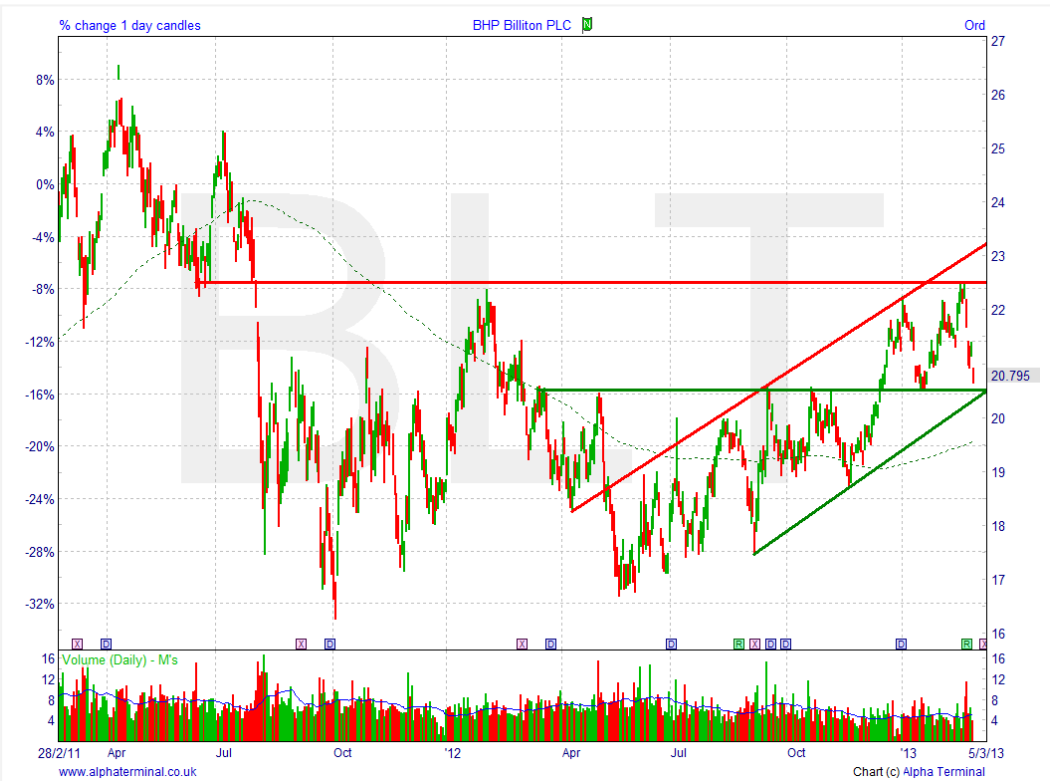
- Observations - For**
- Shares back near recent rising and horizontal support 2050p
  - Shares sold off 7.5% (3x FTSE100)
  - MACD back at breakeven where it last bounced
  - Stochastics suggest oversold; Momentum near rising lows
  - Moving averages still rising

- Observations - Against**
- 200-day moving average below suggested stops
  - MACD lower high (negative divergence); broken rising support
  - Directional indicators made bearish cross
  - Shares underperforming FTSE100
  - Higher volumes on recent decline from highs

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

Australia's three biggest iron ore ports were shutting down Monday as rough sea conditions caused by Tropical Cyclone Rusty forced the suspension of ship loading operations (25 Feb). Outgoing CEO Kloppers says Chinese mineral demand to slow over next 5 years (24 Feb). Citigroup downgrades to neutral from buy but nudges TP up to 2300p from 2200p, following strong share price performance, with positive catalyst of CAPEX cuts and cost reductions now priced in (21 Feb) **Next Event:** Ex-div, 6 Mar; March Production, 17 Apr;

**Latest Broker 12m Consensus: 12 x Buy, 10 x Hold, 3 x Sell** (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **21-Feb,** Goldman Sachs, Buy, 2500p (U); **21-Feb,** Citigroup, Neutral (D), TP 2300p (U); **21-Feb,** UBS, Buy, TP 2400p (U); **20-Feb,** Credit Suisse, Neutral, 2400p; **20-Feb,** JPMorgan, Neutral, TP 2400p; **20-Feb,** Morgan Stanley, Overweight, TP 2310p



**Stock description**

**BHP Billiton Plc** is an international resources company. The Company's principal business lines are mineral exploration and production, including coal, iron ore, gold, titanium, ferroalloys, nickel and copper concentrate, as well as petroleum exploration and production. Dually-listed company with BHP AU (FTSE100)

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

Stock last used as Trade Idea; 22-Oct 2012 ([link](#))

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

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



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**Graph: 2-year (daily) - RSI, Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-6.31	-1.52	7.52	-0.45	-14.55	-1.77	77.43	23.78

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