

Buy – BP (BP)

January 11, 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: | | | | |
|---------------------|--------------------------------|-----------------------------|--------------------------------|-------------------------|
| Open 465p | Stop Loss 15p (450p) | Limit/Target 512p | Reward vs. Risk 3.1x | CFD Margin 5% |

Technical Observations - For

- Shares broken above recent resistance and out of channel
- MACD positive, rising and above signal line
- ADX (trend strength) turned up
- Directional Indicators diverging bullishy
- RSI & Momentum made bullish breaks above falling highs

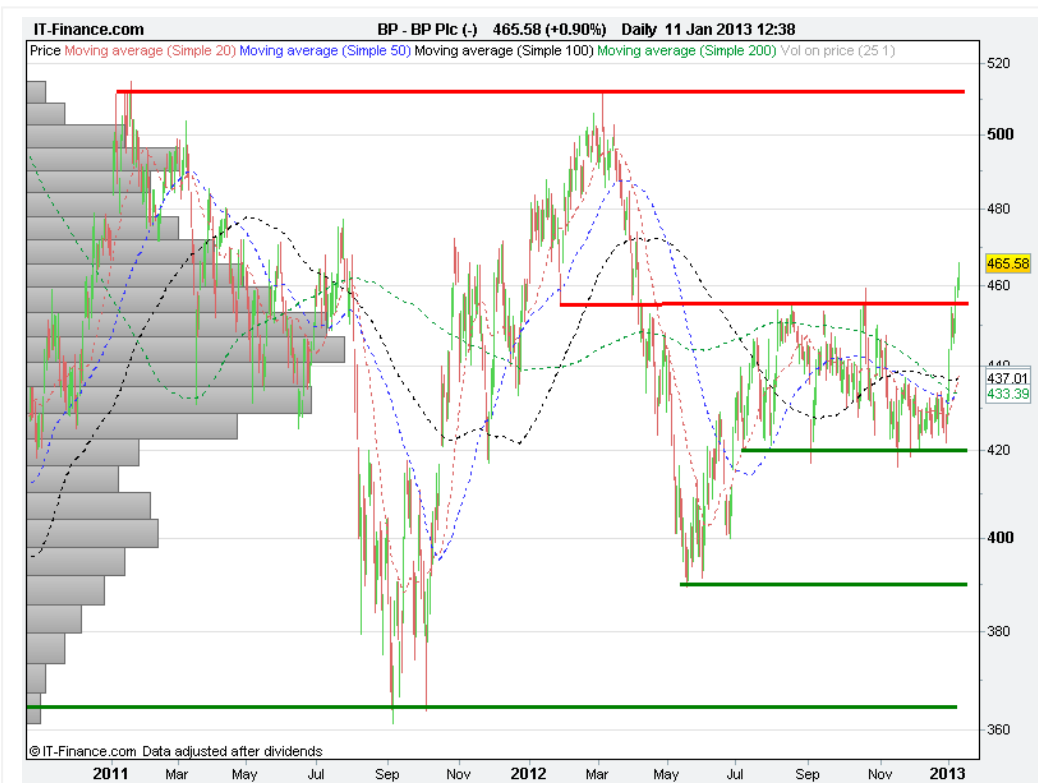
Technical Observations - Against

- RSI up in overbought territory
- Momentum & MACD may find resistance at prior highs
- ADX <25, still not technically strong
- Lack of accompanying volume on share price breakup
- Support from moving averages below stops

News / Broker Comments / Important Dates / Observations **

Shares benefit from positive read across from Transocean’s agreement with the US DoJ to pay \$1.4bn in settlement over the Deepwater Horizon disaster on account of negligence, says broker Exane BNP. With civil trial to start in Feb, Transocean deal increases change of BP being able to settle ahead of trial (4 Jan). Disaster still hanging over the company. Sale of stake in Russian JV changed geographical profile. Good dividend yield may attract those seeking inflation-beating returns. **Next Events:** Ex-dividend, 13 Feb; Q1 results, 30 April.

Latest Broker 12m Consensus: 19 x Buy, 14 x Hold, 2 x Sell (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **7-Jan**, AlphaValue, Sell (D), TP 388p; **4-Jan**, ExaneBNP, Outperform, TP 575p; **19-Dec**, JPMorgan, Overweight, TP 525p (D); **14-Dec**, Credit Suisse, Neutral (D), TP 475p (D); **30-Oct**, Investec, Buy, TP 460p; **30-Oct**, Charles Stanley, Accumulate (U);



Stock description

BP plc is an oil and petrochemicals company. The Company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals. BP's chemicals include terephthalic acid, acetic acid, acrylonitrile, ethylene and polyethylene. (FTSE100)

Graph: 2-year (daily)

Stock last used as Trade Idea;
5-Jul-2012

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

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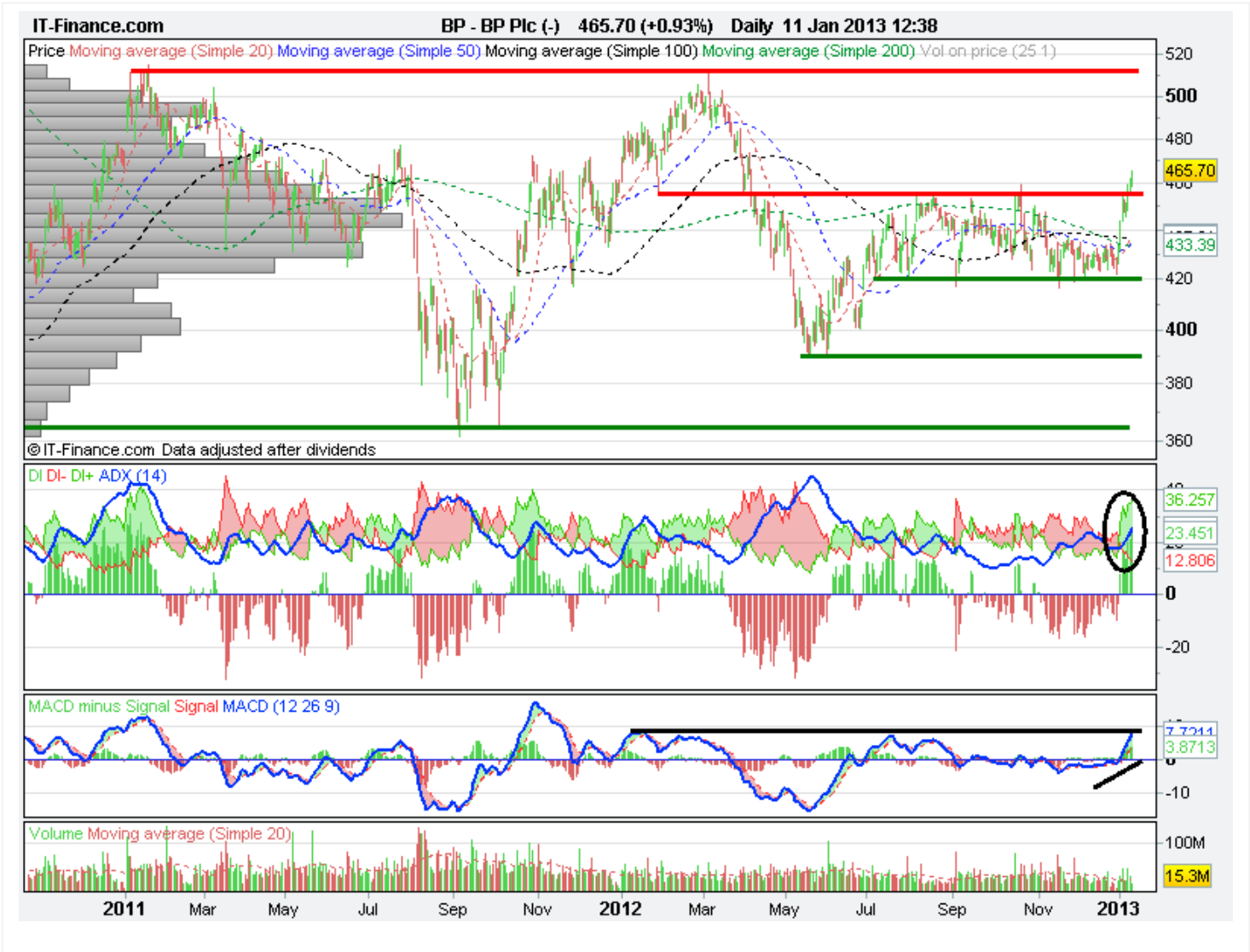
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Graph: 2-year (daily) - MACD, ADX and Directional Indicators



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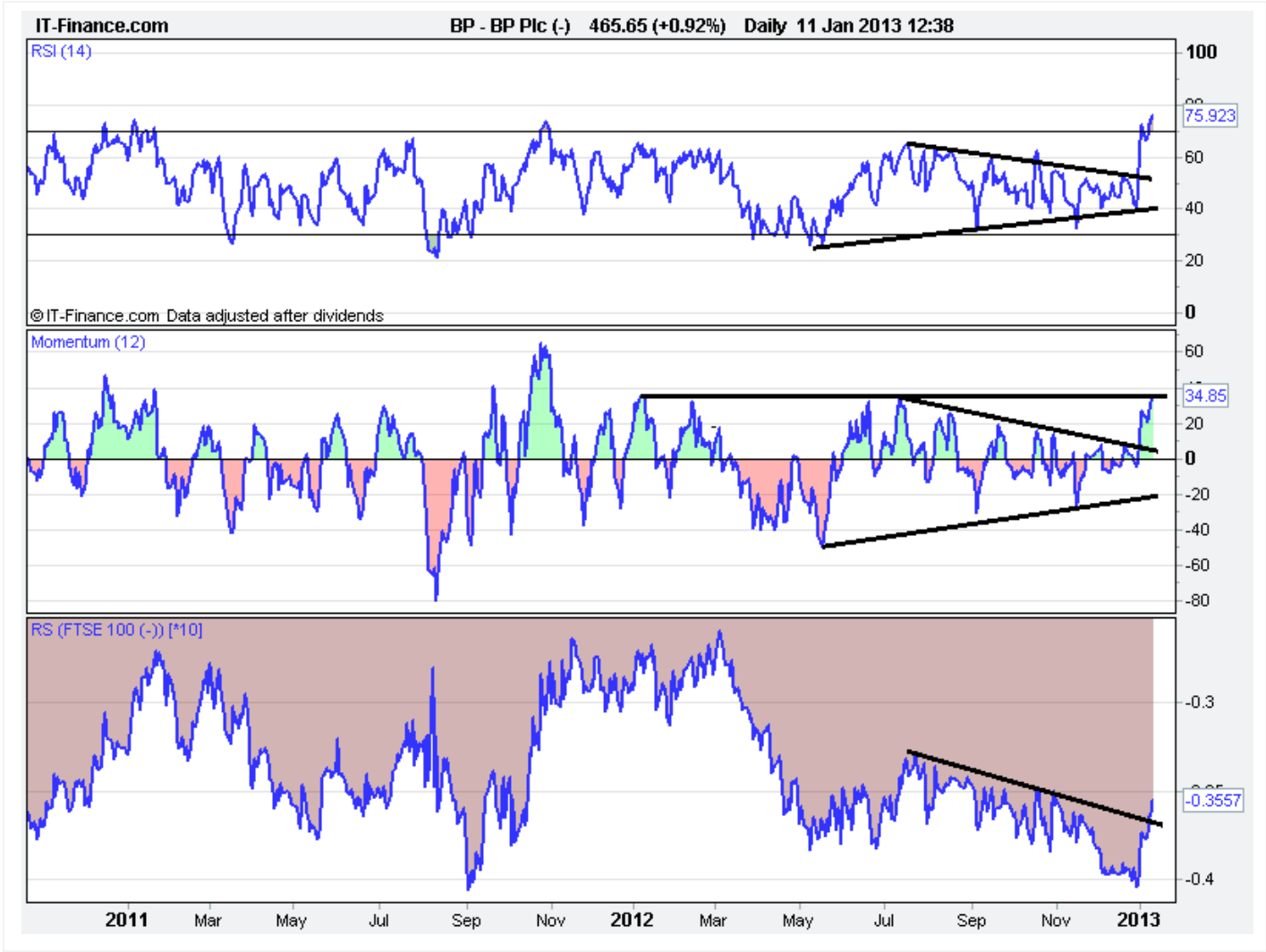
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Graph: 2-year (daily) - RSI, Performance relative to FTSE 100



| | | | | | | | | |
|---------------------|------------|-----------|-----------|------------|------------|------------|------------|------------|
| Share Perf % | 1wk | 1m | 3m | 1yr | 2yr | 3yr | 4yr | 5yr |
| | -5.64 | 2.65 | 14.26 | 1 | -17.72 | 1.52 | 77.54 | 59.65 |

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