

Buy – BP (BP/)

June 17, 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 459p	Stop Loss 14p away (445p)	Profit Limit 51p away (510p)	Reward vs. Risk 3.6x	CFD Margin 5%

- Observations - For**
- Shares 1yr rising channel; 2yr rising lows;
 - MACD back down near prior lows; 200-day MA at 450p
 - Directional indicator converging bullishy
 - RSI oversold, near recent rebounds; Stochastics oversold
 - Momentum near recent lows; Underperf of FTSE100 reversing?

- Observations - Against**
- MACD not yet turned up; 200-day MA was tested last time
 - RSI & Momentum yet to recover much
 - Potential resistance at recent highs 485p
 - Limited broker updates of late
 - Overhang from Gulf of Mexico disaster

News / Broker Comments / Important Dates / Observations **

JPMorgan ups European energy sector to overweight from neutral. BP is top three pick (17 Jun). BP revised estimates for proven resources of natural gas in former Soviet Union by almost a third, bringing numbers in-lieu with Western accounting standards (12 Jun). Gulf of Mexico still a major overhang, although false compensation claims being managed. Higher oil price a benefit as it rallies on conflict and supply fears. Shale seen as threat to oil price, but BP involved in exploration. **Next Event:** Q2 Results, 30 Jul, Ex-div 7 Aug

Latest Broker 12m Consensus: 14 x Buy, 20 x Hold, 2 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
9-May, Investec, Hold; **2-May,** SocGen, Hold; **1-May,** ExaneBNP, Buy; **22-Mar,** Canaccord, Hold, TP 500p; **11-Mar,** Morningstar, Hold; **20-Feb,** Credit Suisse, Neutral, 475p; **6-Feb,** Nomura, TP 455p; **6-Feb,** Jefferies, Hold, TP 450p;



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 (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
11-Jan -2013

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



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-0.29	-1.31	2.49	9.26	6.99	31.52	-3.24	-19.88

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