

Buy – Bunzl (BNZL)

August 20, 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
1345p	1315p (30p/2.2% below)	1425p (80p/5.9% above)	2.7x	10%

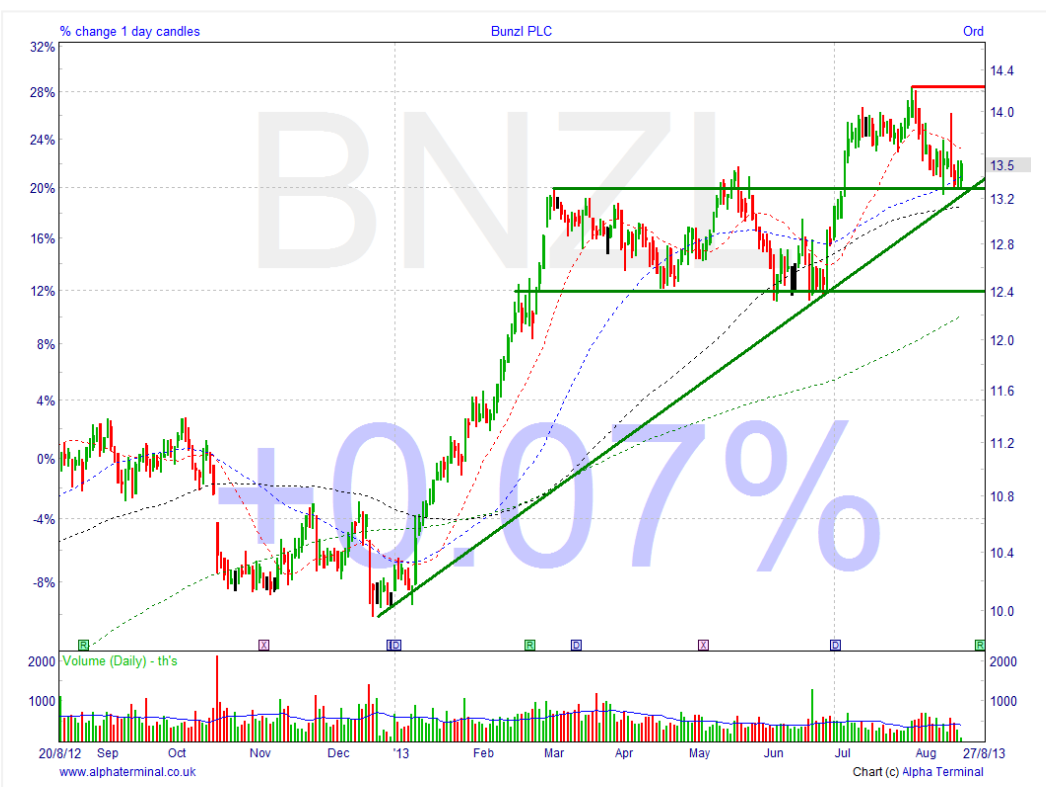
- Observations - For**
- Strong rising trend; Support found around 1325/1330p
 - MACD declines slowed up just below negative
 - Directional Indicators made bullish cross
 - RSI & Momentum down near rising lows (near oversold)
 - Stochastics suggests oversold day

- Observations - Against**
- Volumes not supportive around support
 - Shares been outperforming FTSE100 strongly
 - 200-day MA support a long way away (1225p)
 - 100-day MA below suggested stops
 - ADX (trend strength) fallen back

News / Broker Comments / Important Dates / Observations **

H1 trading in-line with views with revenues +11% YoY and M&A environment remaining positive (26 Jun). Goldman Sachs cuts to Sell believing company well positioned in end-markets and has resilient business model, but shares close to historical highs, multiples stretched and limited potential for earnings upgrades. After recent deals less scope for more acquisitions (6 May). Limited newsflow and broker coverage. Defensive offering. Less exposed to economic/cyclical growth. **Next Event: H1 Results, 27 Aug**

Latest Broker 12m Consensus: 3 x Buy, 3 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
5-Jul, Shore, Buy; **27-Jun**, Numis, Buy (U), TP 1505p; **26-Jun**, Investec, Add, TP 1320p; **21-Jun**, JPMorgan, Overweight, TP 1377p; **19-Apr**, Charles Stanley, Hold; **18-Apr**, Deutsche, Hold, TP 1160p; **18-Apr**, Goldman, Neutral, TP 1195p; **17-Apr**, Canaccord, Sell



Stock description

Bunzl plc is a distribution group supplying a range of non-food consumable products for customers to operate their businesses but which they do not actually sell. The Company partners with both suppliers and customers in providing outsourcing solutions and service oriented distribution. Bunzl's main customer markets include grocery, foodservice, cleaning and safety. (FTSE 100)

Graph: 2-year (daily)

Stock last used as Trade Idea;
14-Nov-12

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

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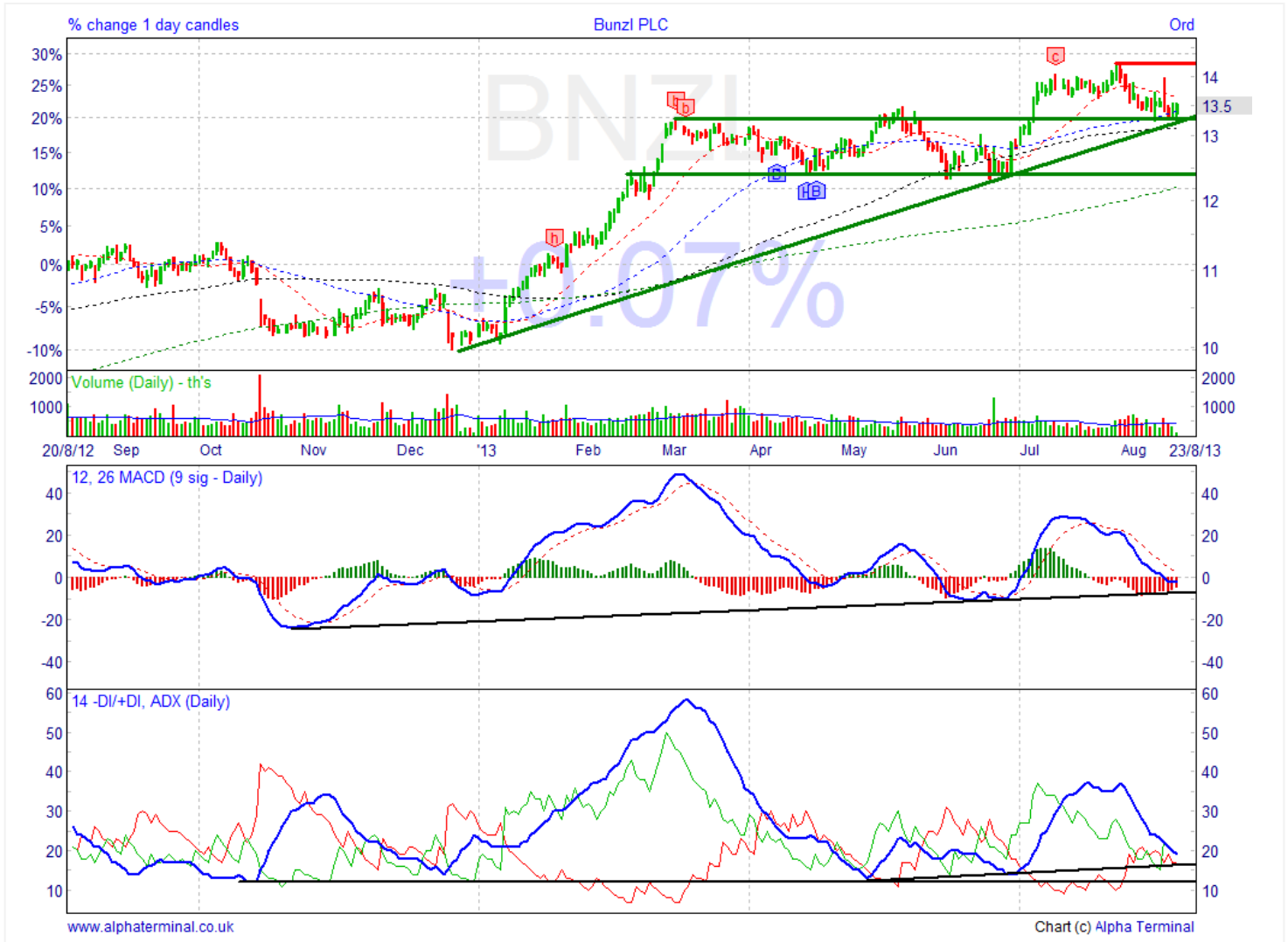
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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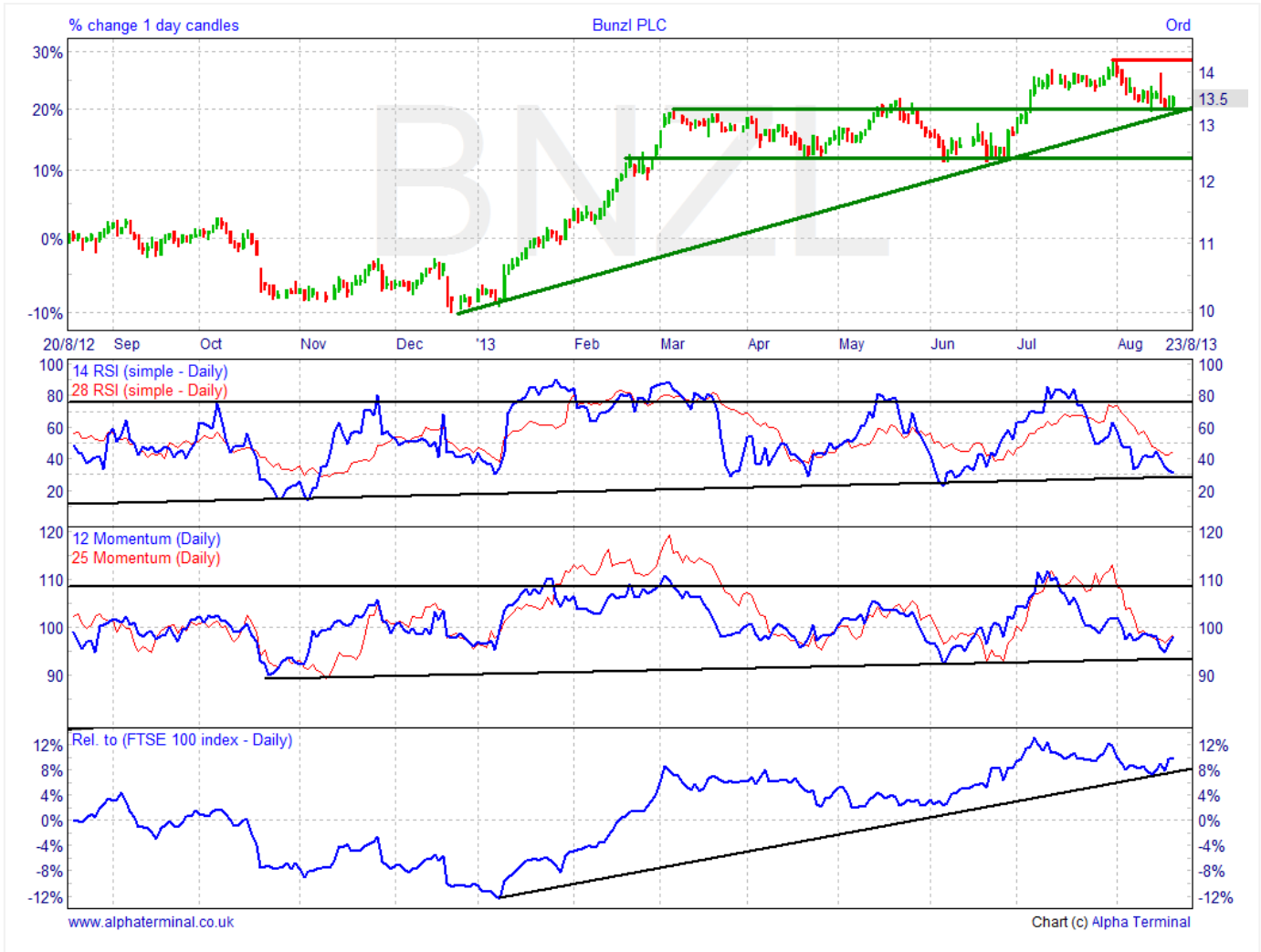
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	0.07	-2.6	3.21	21.4	85.57	98.82	130.77	88.81

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