

Buy – Burberry (BRBY)

March 15, 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	Limit/Target	Reward vs. Risk	CFD Margin
1435p	55p away (1380p)	1600p	3.0X	5%

Observations - For

- Shares in 5/6-month uptrend; Defined rising channel
- Break above late-May 2012 highs; resistance turned support?
- Directional Indicators diverging bullishly
- Momentum positive and shows support around breakeven
- ADX (trend strength) on the rise

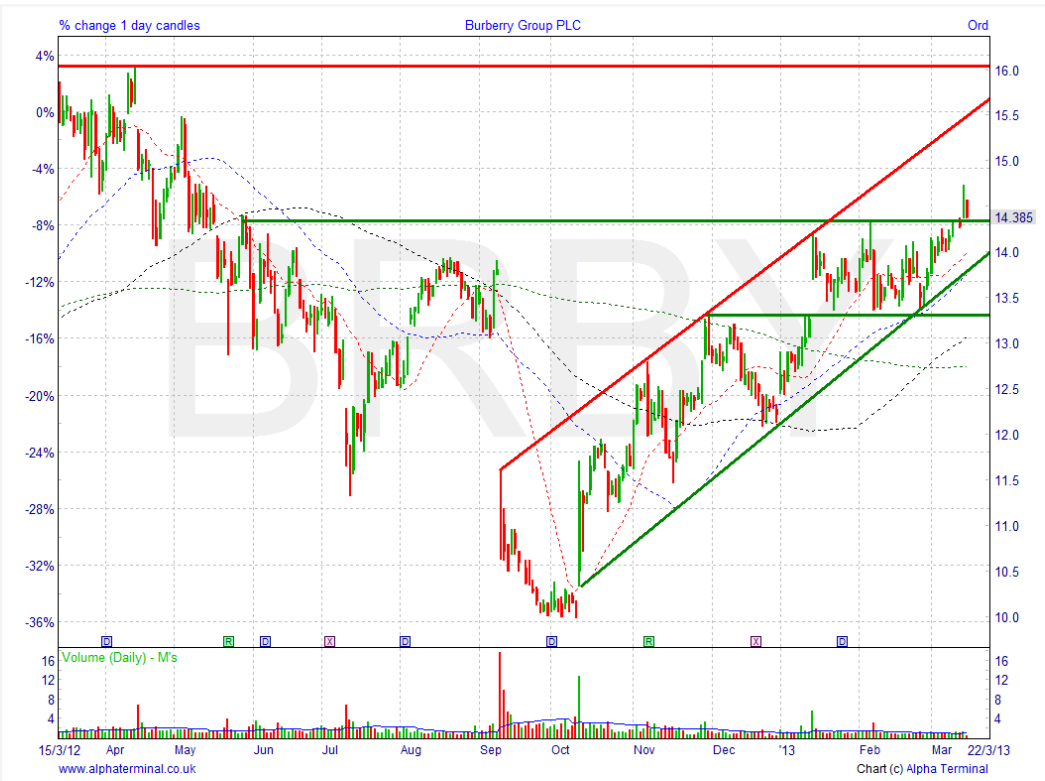
Observations - Against

- RSI could soon be overbought (but possible ascending triangle)
- Momentum shows falling highs Since Oct
- Breakout from pause could have been false
- Absence of support from major moving averages
- Any early test of rising support could endanger stops

News / Broker Comments / Important Dates / Observations **

SocGen initiates at Hold with 1380p target saying BRBY faces new obstacles and challenges, including slowing revenue trends with above average exposure to Asia ex-Japan not offsetting slower growth jewelry/leather. Execution risk exists (12 Mar). Company appoints new COO (4 Mar). CFO to step down in July (7 Feb). Management stability in question after recent changes. Shares recovered strongly after last September's profits warning. **Next Event:** FY 2012 Preliminary results, 21 May (estimated)

Latest Broker 12m Consensus: 8 x Buy, 14 x Hold, 1 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
12-Mar, SocGen, Hold, TP 1380p; **6-Mar**, Sanford Bernstein, Neutral; **8-Feb**, Seymour Pierce, Buy; **7-Feb**, Morgan Stanley, Equal-weight, TP 1300p; **7-Feb**, BoA-ML, Buy, TP 1520p; **25-Jan**, HSBC, Neutral, TP 1500p; **24-Jan**, ExaneBNP, Neutral, TP 1625p;



Stock description

Burberry Group PLC is a global luxury brand with British heritage, core outerwear and large leather goods base. The Company designs and sources apparel and accessories, selling through a diversified network of retail, digital, wholesale and licensing channels worldwide.

Graph: 1-year (daily)

Stock last used as Trade Idea; 8-Oct-2012

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

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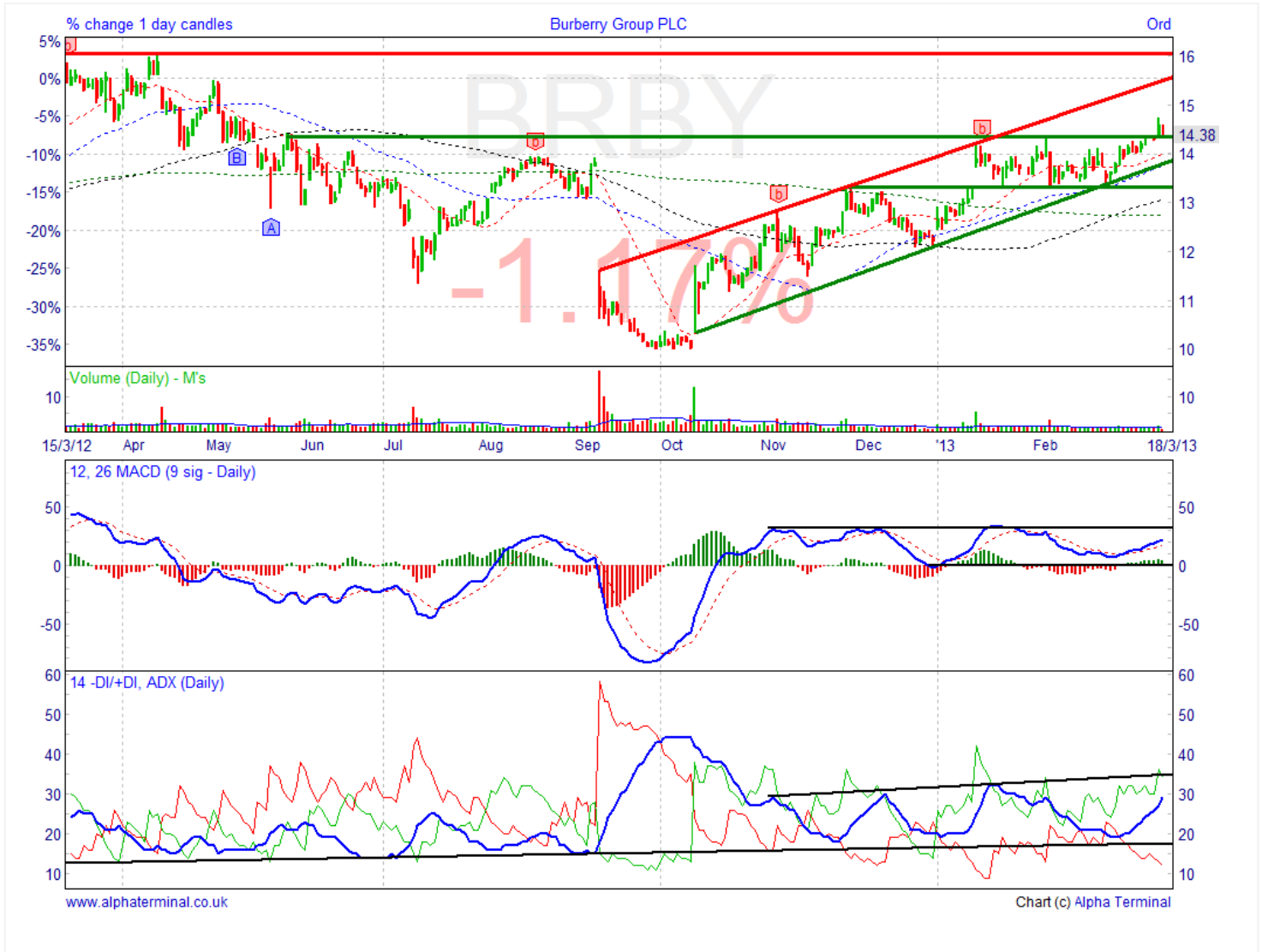
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	9.19	5.66	14.23	-7.53	29.69	103.69	430.26	211.24

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