

# Buy – Carnival (CCL)

February 22, 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
2420p	105p away (2315p)	2700p	2.7x	5%

**Observations - For**

- Shares bounced off recent lows and long-term rising support
- MACD back down near falling support trendline
- ADX (trend strength) still rising
- Support from 200-day moving average at 2320p
- RSI down near recent lows; oversold?

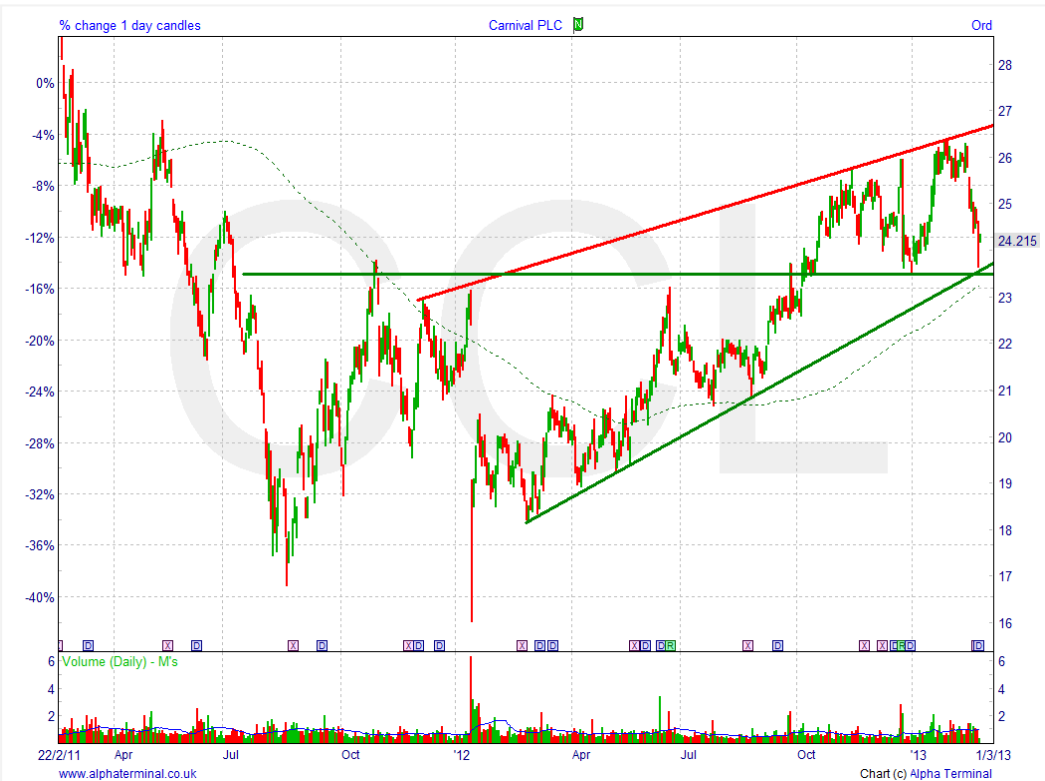
**Observations - Against**

- Falling MACD channel suggests negative divergence
- Bearish cross by Directional Indictaors
- Momentum sill in decline; Neither RSI or Momentum turned up
- Stock still underperforming vs FTSE100; broken rising support
- Higher volumes on recent decline from highs

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

Another incident (engine fire this time) not scared people off, but Cost Concordia remains a corporate/PR overhang and reputation taken a knock. Nonetheless, shares remain in long-term 2.5yr uptrend. Company's recent profit warning of 25% hit to H1 profits from disabled ship and cancellations, and which took shares down sharply, is in-line with what analysts estimated after making comparisons to a similar 2010 incident (13 Feb). Risk of another incident? Can lightning strike thrice? **Next Event:** Q1 results, early March

**Latest Broker 12m Consensus: 14 x Buy, 15 x Hold, 1 x Sell** (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)  
**22-Feb**, HSBC, Overweight, TP 3000p; **15-Feb**, Deutsche, Buy, TP 2930p; **15-Feb**, Barclays, Equalweight, TP 2215p; **14-Feb**, Oriel, Hold; **13-Feb**, Morgan Stanley, Equalweight, TP 2400p; **5-Feb**, ExaneBNP, Outperform, TP 2850p (U); 5-Feb, Numis, Buy, TP 3200p (U)



**Stock description**

**Carnival plc** owns and operates cruise ships. The Company offers cruise vacations in North America, continental Europe, the United Kingdom, South America, and Australia. Dually-listed company with CCL US. (FTSE100)

**Graph: 1-year (daily)**

**Stock last used as Trade Idea;**  
 29-Jan 2013 ([link](#))  
 7-Jan 2013 ([link](#))

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

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



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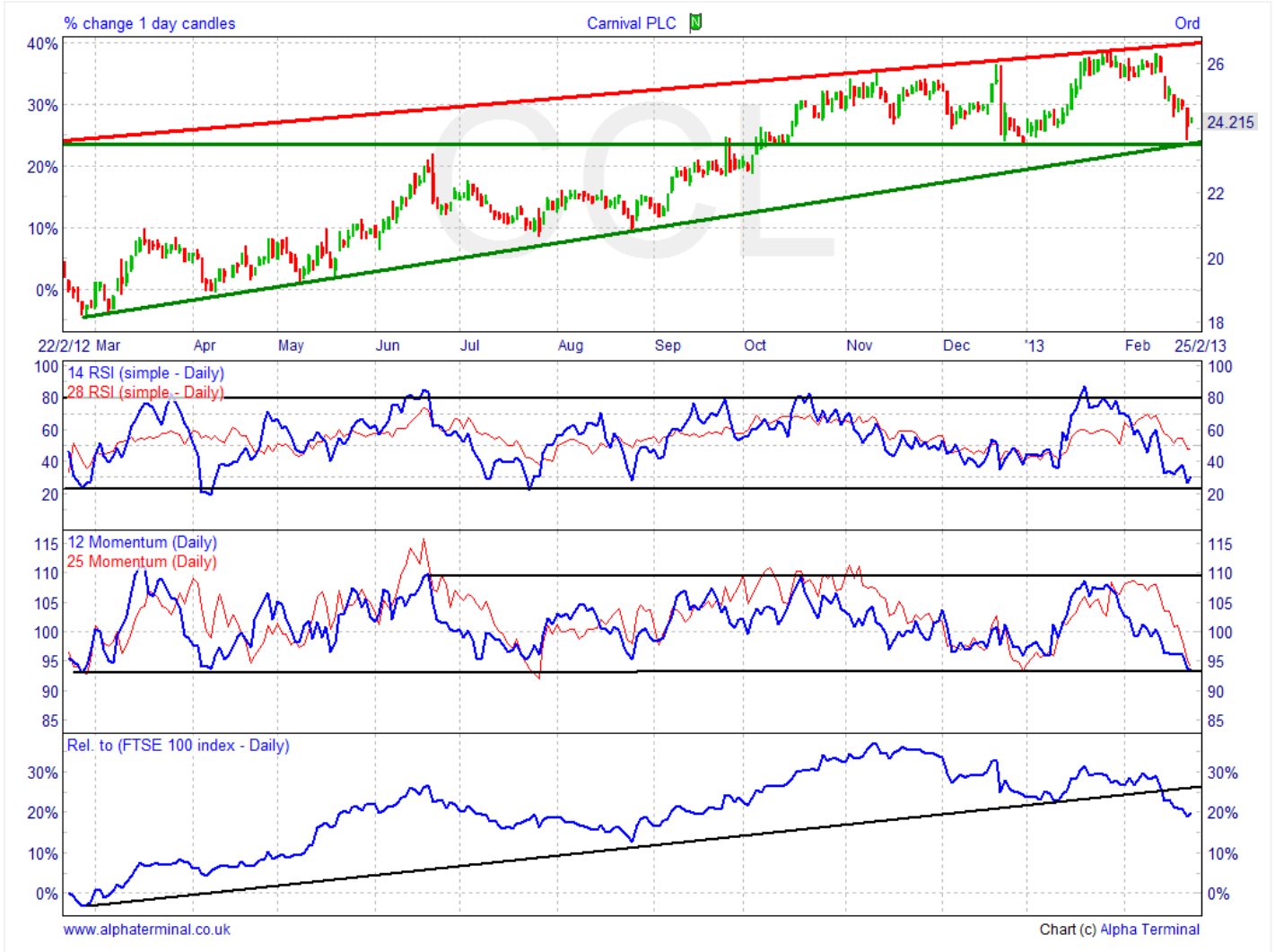
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**Graph: 1-year (daily) - RSI, Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-3.14	-7.15	-3.79	27.65	-9.81	-2.4	73.71	22.67

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