

Buy – CRH (CRH)

May 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 1410p	Stop Loss 170p away (1240p)	Profit Limit 490p away (1900p)	Reward vs. Risk 2.9x	CFD Margin 5%
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Observations - For

- Shares in uptrend since Sept 2011 multi-year lows
- After pause, potential resumption of uptrend
- MACD bounce off rising lows; Directional indicators bull cross
- Stop loss below 200-day moving average
- RSI & Momentum in mid-range channel suggesting strong

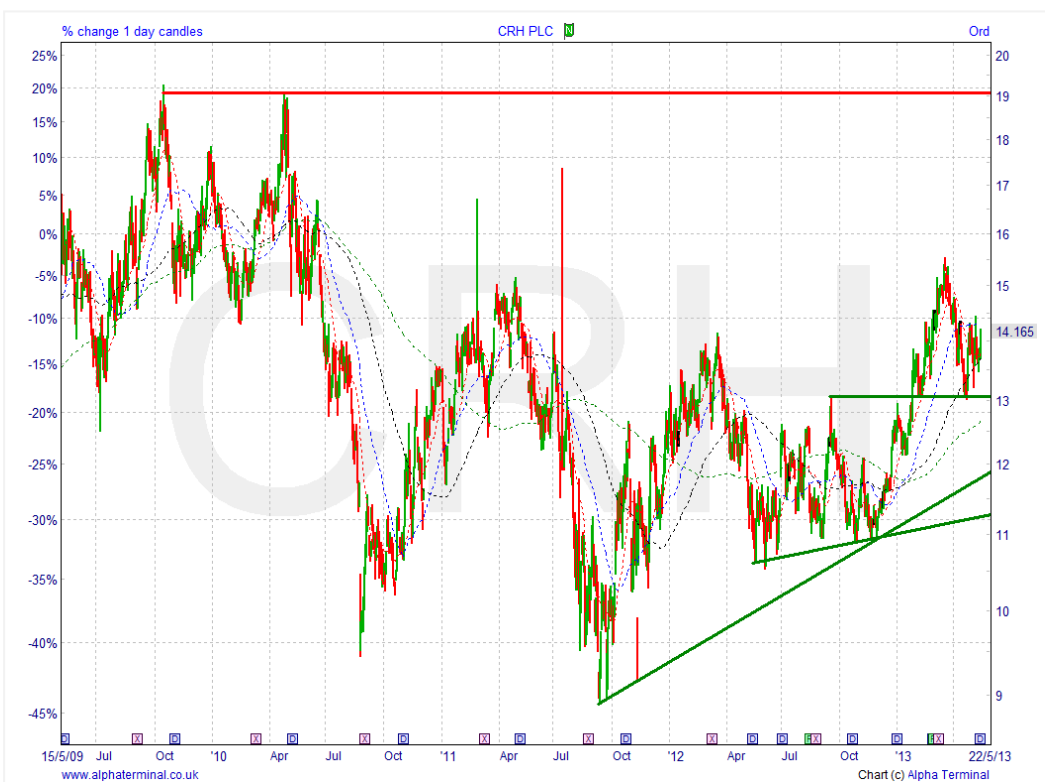
Observations - Against

- ADX broken rising lows
- Shares been underperforming FTSE100 index
- Potential for recent high 1560p to be a hurdle
- Stochastics approaching overbought
- Consensus neutral-to-negative

News / Broker Comments / Important Dates / Observations **

Deutsch cuts TP to 1520p from 1600 after worse-than-expected guidance in its interim statement leads it to cuts its estimates, but points to developed market exposure, high operating leverage and cost savings translating to above sector earnings (9 May). BoA-ML says trading update very weak, even with accounting changes (8 May). Buys Mykolaiv Cement for €96m (26 Apr). Exposed to global growth sentiment, markets rallying, high beta (1.71). Too much exposure to Europe? **Next Event:** Interim results, 20 Aug

Latest Broker 12m Consensus: 6 x Buy, 11 x Hold, 10 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
10-May, ExaneBNP, Hold; **10-May**, Numis, Reduce; **9-May**, Deutsche, Buy, TP 1520p (D); **9-May**, Investec, Buy; **28-Feb**, Goodbody, Sell; **27-Feb**, Jefferies, Buy, TP 1700p; **27-Feb**, SocGen, Hold; **22-Feb**, Liberium, Hold, TP 1150p; **13-Feb**, Goldman, Neutral, TP 1650p



Stock description

CRH plc manufactures cement, concrete products, aggregates, asphalt, clay bricks, chemical lime, security fencing products, and roofing, insulation and other building materials. The Group also operates some 136 builders merchant locations and 54 DIY stores. CRH, via its subsidiaries, operates in some 19 countries, including Ireland, the US, Spain, Germany and the Netherlands. (FTSE 100).

Graph: 4-year (daily)

Stock last used as Trade Idea;
2-Apr-13

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

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



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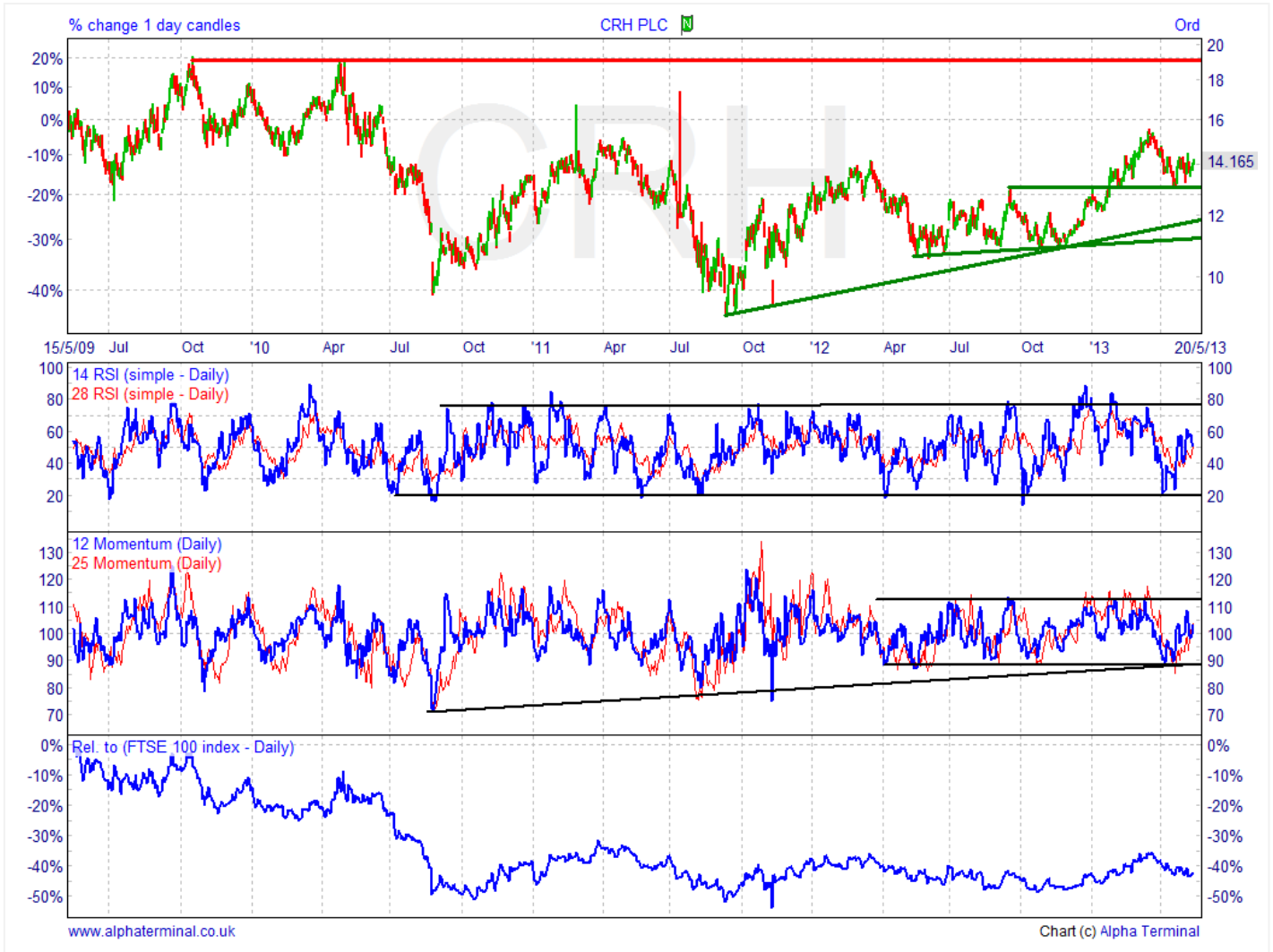
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Graph: 2-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-1.29	3.39	0.53	28.07	2.85	-9.24	-9.26	-16.3

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