

Buy – G4S (GFS)

May 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 249.9p	Stop Loss 7.7p away (242p)	Profit Limit 27.1p away (277p)	Reward vs. Risk 3.4x	CFD Margin 5%
--------------------------------	--------------------------------------	--	--------------------------------	-------------------------

Observations - For

- Shares in 2yr sideways trend
- Support found after sharp correction
- Trend of shallow rising lows intact
- MACD, Stochastics, RSI & Momentum oversold
- ADX (trend strength) near channel highs - potential change

Observations - Against

- 200-day moving average could be early resistance
- Indicators could stay oversold for longer
- MACD at extreme high, and could stay there
- Shares been underperforming FTSE100
- No support from moving averages

News / Broker Comments / Important Dates / Observations **

Canaccord cuts TP after Q1 warning on margin decline persisting in 2013. (8 May). JPMorgan cuts TP saying warnings will confirm why company should be cheap stock, but says Q1 issues should unwind (8 May). Citi says extent of warning and management change means doesn't expect more warnings (8 May). Exane says shares should stay under pressure (8 May). Investec says update shows revenue momentum, but caution on margins (7 May). Panmure says good growth to be delivered (7 May)/ **Next Event:** Interims 30 Jun

Latest Broker 12m Consensus: 13 x Buy, 5 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
8-May, Canaccord, Buy, TP 300p (D); **8-May,** Deutsche, Hold, TP 294p; **8-May,** Numis, Add, TP 300p (D); **8-May,** JPMorgan, Overweight, TP 308p (D); **8-May,** Exane, Neutral, TP 280p (D); **8-May,** Jefferies, Buy, TP 310p (D); **8-May,** Citi, Neutral, TP 270p (D)



Stock description

G4S PLC offers security services. The Company offers security guards, alarms, monitoring, management and transportation of cash and valuables, prison management, and electronic monitoring of offenders. (FTSE 100)

Graph: 2-year (daily)

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

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

Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)

Our research is produced by Accendo Markets Limited. Research produced and disseminated by Accendo Markets is classified as non-independent research, and is therefore a marketing communication. Accendo Markets research has not been prepared in accordance with legal requirements designed to promote its independence and may not comply with FCA guidelines to prevent conflicts of interest and is not subject to any prohibition on dealing ahead of the dissemination of research. As such, this research does not constitute a personal recommendation or offer to enter into a transaction or an investment, and is produced and distributed for information purposes only. Accendo Markets considers information contained within the research to be valid when published, and gives no warranty as to the investments referred to in this material. The income from the investments referred to may go down as well as up, and investors may realise losses on investments. The past performance of a particular investment is not necessarily a guide to its future performance. Prepared by Mike van Dulken, Analyst

Buy – G4S (GFS)

May 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.

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



Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)

Buy – G4S (GFS)

May 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.

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



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	0.89	-16.89	-14.01	-7.79	-9.42	-4.84	14.37	12.19

Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)