

Buy – Glencore (GLEN)

January 10, 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:				
Open 388p	Stop Loss 18p (370p)	Limit/Target 460p	Reward vs. Risk 4.0x	CFD Margin 10%

Technical Observations - For

- Share in strong uptrend since mid-November
- Break above long-term falling highs
- MACD positive, rising and above signal line
- ADX (trend strength turned up sharply
- Directional Indicators diverging bullishy

Technical Observations - Against

- RSI up in overbought territory
- Momentum up near recent highs
- Stochastics up at overbought zone
- Support from 200-day MA well below at 354p
- FSTE100 index at multi-year highs; overextended?

News / Broker Comments / Important Dates / Observations **

Risk appetite up in 2013 after fiscal cliff deal in US. Overnight Chinese Trade balance data suggests more demand from rest of world, calming fears of slowing growth for raw materials. Ethical and corporate governance issues regarding mining operations around the world. Company in process of a complicated and drawn out merger transaction with Xstrata, in which it has a 34% stake. Earnings reports from peers could impact **Next Events:** South African hearing on GLEN-XTA merger, 31 Jan; Preliminary, 2012 results, 5 Mar;

Latest Broker 12m Consensus: 7 x Buy, 3 x Hold, 1 x Sell (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
31-Oct, UBS, Buy, TP 425p (U); **2-Oct**, Charles Stanley, Hold; **2-Oct**, AlphaValue, Reduce (U), TP 325.8p (U); **28-Sept**, ExaneBNP, Neutral, TP 430p; **11-Sept**, BoA-ML, Buy, TP 450p; **10-Sept**, Jefferies, Buy, TP 400p; **5-Sept**, Sanford Bernstein, Neutral;



Stock description

Glencore International PLC, through its subsidiaries, supplies commodities and raw materials to industrial consumers. The Company operates in three groups: Metals and Minerals, Energy Products, and Agricultural Products. (FTSE100)

Graph: 19-month (daily)

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

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

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Graph: 19-month (daily) - MACD, ADX and Directional Indicators



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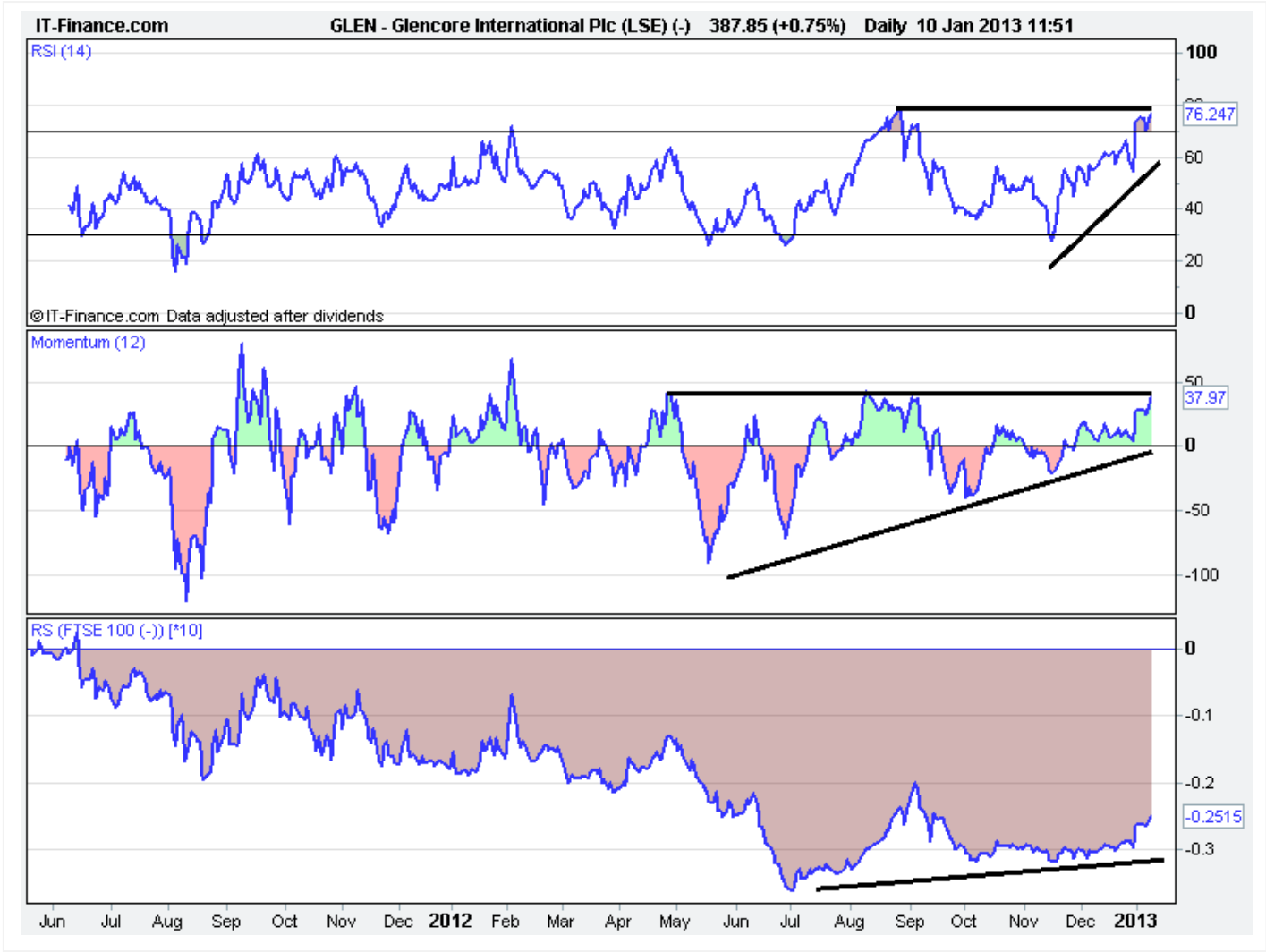
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Graph: 19-month (daily) - RSI, Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	3.31	12.67	20.79	-1.94	n/a	n/a	n/a	n/a

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