

Buy – Glencore (GLEN)

January 20, 2014

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	Profit Limit	Reward vs. Risk	CFD Margin
339p	316p (23p/6.8% below)	400p (61p/18.0% above)	2.7x	5%

- Observations - For**
- Break above 2.5yr falling highs on rising volume
 - Break back into rising channel
 - Break up through major moving averages
 - MACD, Momentum and RSI all positive and rising
 - Directional indicators diverging bearishly

- Observations - Against**
- RSI getting up toward overbought
 - Stochastics suggests overbought
 - Early days for breakout
 - Point & Figure chart shows at prior resistance
 - Potential resistance at Sept/Nov highs 348p

News / Broker Comments / Important Dates / Observations **

Citigroup turns 'bullish' on Miners upgraded from neutral, supported by stronger EU and US economies and weaker commodity currencies. Has GLEN among key picks (16 Jan). Barclays upgrades GLEN, seeing it having strongest positive momentum. Stays negative on sector overall (10 Jan). China GDP growth data not as weak as expected today. Imports of raw materials from Australia still rising in 2013. Exposed to economic growth sentiment and demand for raw materials. **Next Event:** IMS + Q4 production, 11 Feb

Latest Broker 12m Consensus: 12 x Buy, 3 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Bloomberg) (U = Upgrade / D = Downgrade)
16-Jan, Investec, Sell, TP 299p (D); **15-Jan,** Deutsche, Buy, TP 375p (U); **10-Jan,** Barclays, Overweight (U); **17-Dec,** Credit Suisse, Outperform, TP 400p; **13-Dec,** JPMorgan, Overweight, TP 350p (D); **26-Nov,** UBS, Neutral, TP 330p; **22-Nov,** Liberum, Sell (D)



Stock description

Glencore Xstrata plc is a diversified natural resources company. The Company operates in three groups: Metals and Minerals, Energy Products, and Agricultural Products. Glencore Xstrata offers its products and services around the world. (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
14-Aug-2013

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

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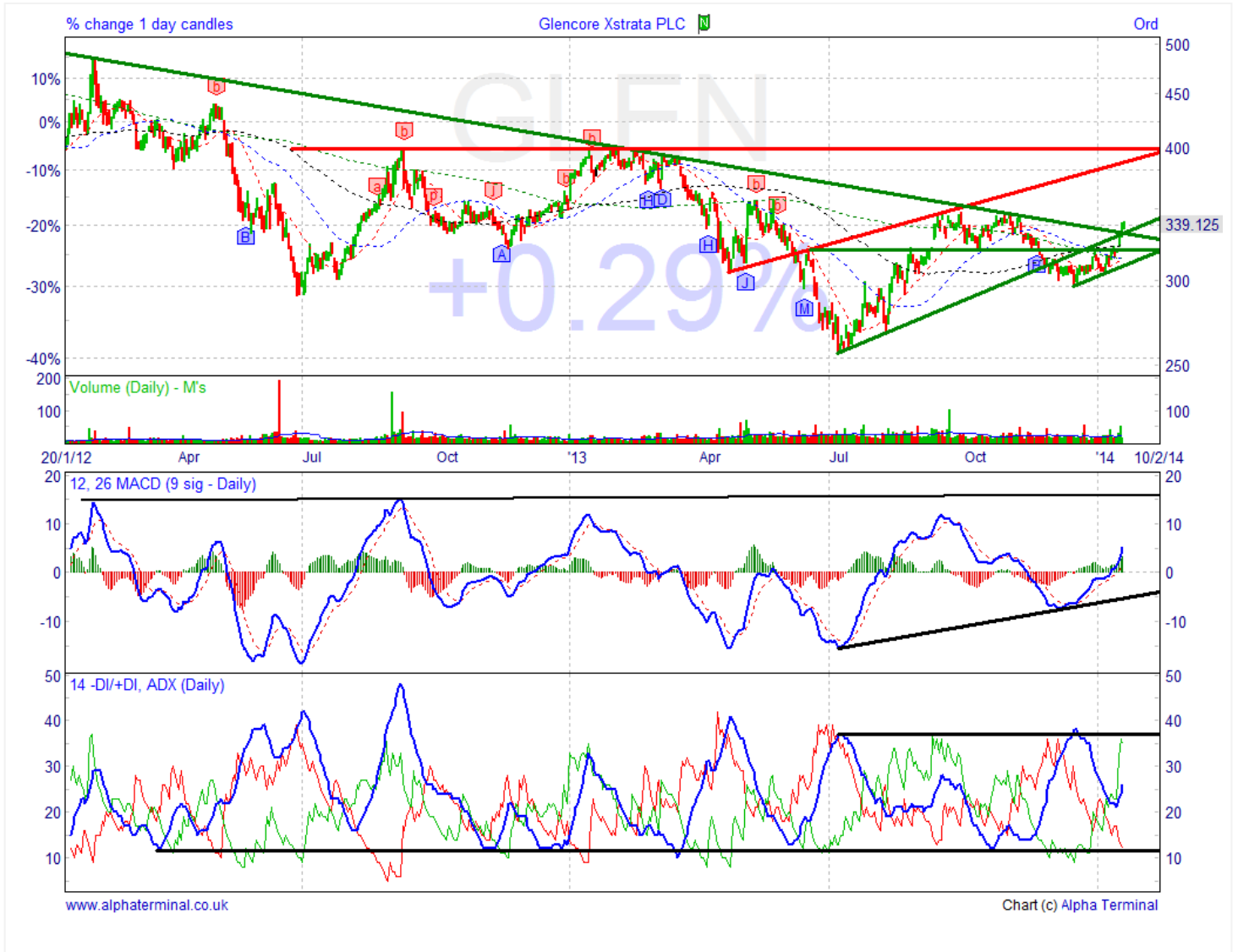
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Graph: 2-year (daily) - ADX and Directional Indicators, MACD & Volume



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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
	6.82	10.55	-0.31	-11.56	-21.88	n/a	n/a	n/a

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