

Buy – HSBC (HSBA)

April 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:

Opening Price 690p	Stop Loss 20p away (670p)	Limit/Target 742p	Reward vs. Risk 2.6x	CFD Margin 5%
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Observations - For

- Shares in 14 month uptrend, broken above 5.5yr falling highs
- Support found at historical resistance-turned-support
- RSI bounced from oversold and 2yr support
- Momentum found support at 2yr rising lows
- Stochastics suggests oversold

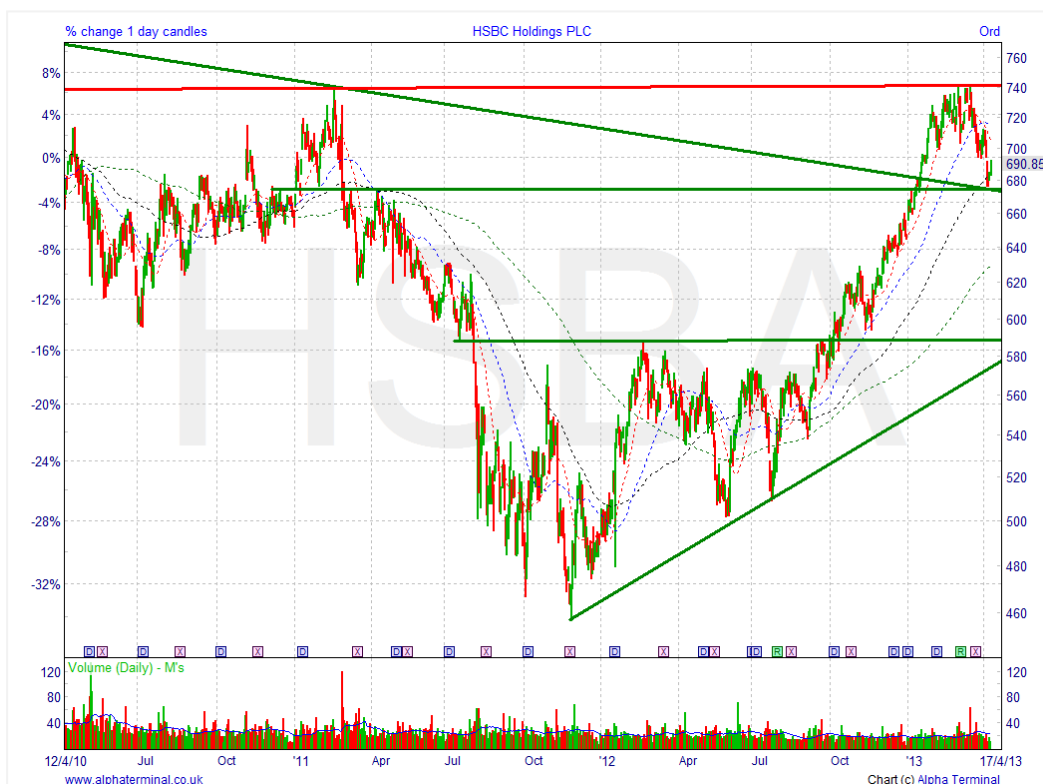
Observations - Against

- ADX (trend strength) fallen to low level; falling volumes
- Directional Indicators & MACD inconclusive
- Momentum not yet gone positive again
- RSI not yet regains breakeven
- Shares begun to underperform FTSE100 after 2 yrs

News / Broker Comments / Important Dates / Observations **

Risk appetite boosted by Fed minutes suggesting growth and other macro data implying continued loos monetary policy (Japan, China). HSBC often moves with the other high beta financials, but is insulated by more exposure to emerging Asia. OK dividend yield. Less impacted than peers by recent rate setting scandals, but not without its own run-ins (money laundering from Mexico and Iran). Unlikely to need as much capital as peers to meet buffer requirements. Consensus Buy. **Next Event:** Q1 2013 interim statement, 7 May

Latest Broker 12m Consensus: 20 x Buy, 6 x Hold, 2 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
5-Apr, Citigroup, Neutral, TP 770p; **5-Apr**, Investec, Buy (U), TP 735p; **3-Apr**, Espirito, Buy, TP 800p; **22-Mar**, BoA-ML, Neutral (U), TP 650p; **21-Mar**, Berenberg, Buy, TP 680p; **19-Mar**, Credit Suisse, Outperform, TP 760p; **19-Mar**, Shore, Buy (U); **14-Mar**, Oriol, Buy (U)



Stock description

HSBC Holdings plc is the holding company for the HSBC Group. The Company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. The Group operates worldwide.

Graph: 3-year (daily)

Stock last used as Trade Idea;
28-Oct 2012

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

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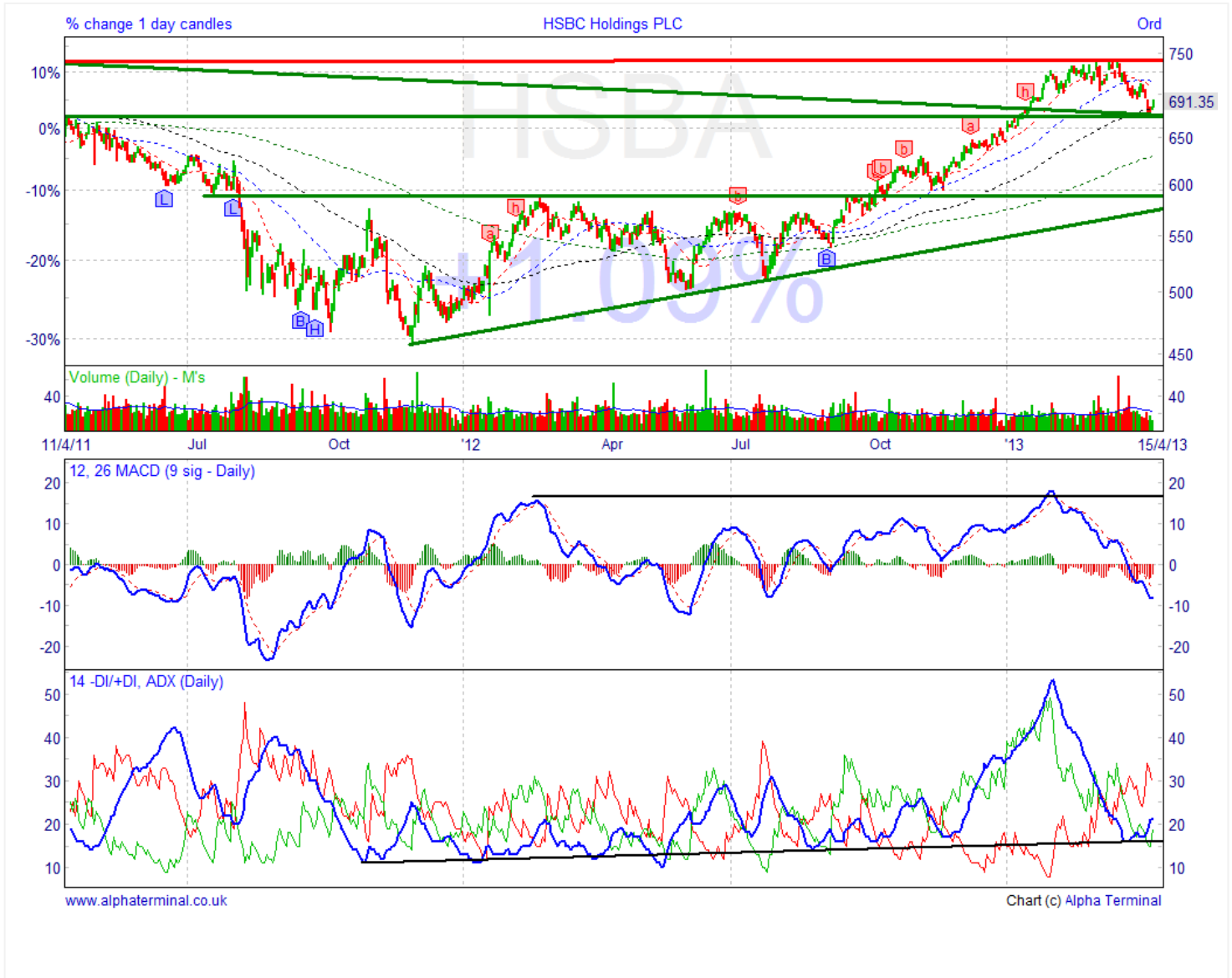
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Graph: 2-year (daily) - ADX and Directional Indicators, MACD & Volume



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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
	-2.8	-6.2	2.01	28.73	4	-0.1	41.66	-7.27

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