

Buy – InterContinental Hotels (IHG)

October 7, 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	Stop Loss	Profit Limit	Reward vs. Risk	CFD Margin
1795p	1750p (45p/2.5% below)	1930p (136p/7.6% above)	3.0x	5%

Observations - For

- Shares back at rising support; bullish hammer candlestick
- MACD rising lows top
- RSI bounced off prior low
- Momentum shows rising lows
- Stochastics oversold

Observations - Against

- MACD shows falling highs
- ADX (trend strength) lows
- Dead cross (50-day fallen below 200-day)
- Momentum indicators still negative
- Shares underperforming FTSE100

News / Broker Comments / Important Dates / Observations **

Company buying back its own shares almost daily. Can be supportive for share price (7-Oct). SocGen initiates coverage at Buy, despite stock +16% over 12 months, believing current valuation does not take into account growth prospects in US and longer term greater China (19 Sept). UBS upgrades to Buy from Hold, TP 2200o from 2205p, noting improvement on a number of its concerns as well as share price weakness (5 Sept). Exposed to consumer appetite and discretionary spend. **Next Event:** Q3 results, 5 Nov

Latest Broker 12m Consensus: 14 x Buy, 12 x Hold, 1 x Sell (Source: Digital Look, Alpha Terminal) (U = Upgrade / D = Downgrade)
2-Oct, Morningstar, Hold; **27-Sept**, Investec, Buy; **19-Sept**, SocGen, Buy, TP 2200p (D); **12-Sept**, JPMorgan, Hold, TP 1920p; **11-Sept**, Numis, Add, TP 2100p, **5-Sept**, UBS, Buy (U), TP 2200p; **22-Aug**, Nomura, Hold, TP 2066p; **12-Aug**, Jefferies, Hold, TO 1770p



Stock description

InterContinental Hotels Group PLC owns and operates a portfolio of hotel businesses. The Group's portfolio is comprised primarily of various franchised hotels from an established and diverse group of brands. InterContinental Hotels manages hotel loyalty and priority club rewards programs. The Group operates hotels in countries and territories all over the world. (FTSE 100)

Graph: 6-year (daily)

Stock last used as Trade Idea;
N/A

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

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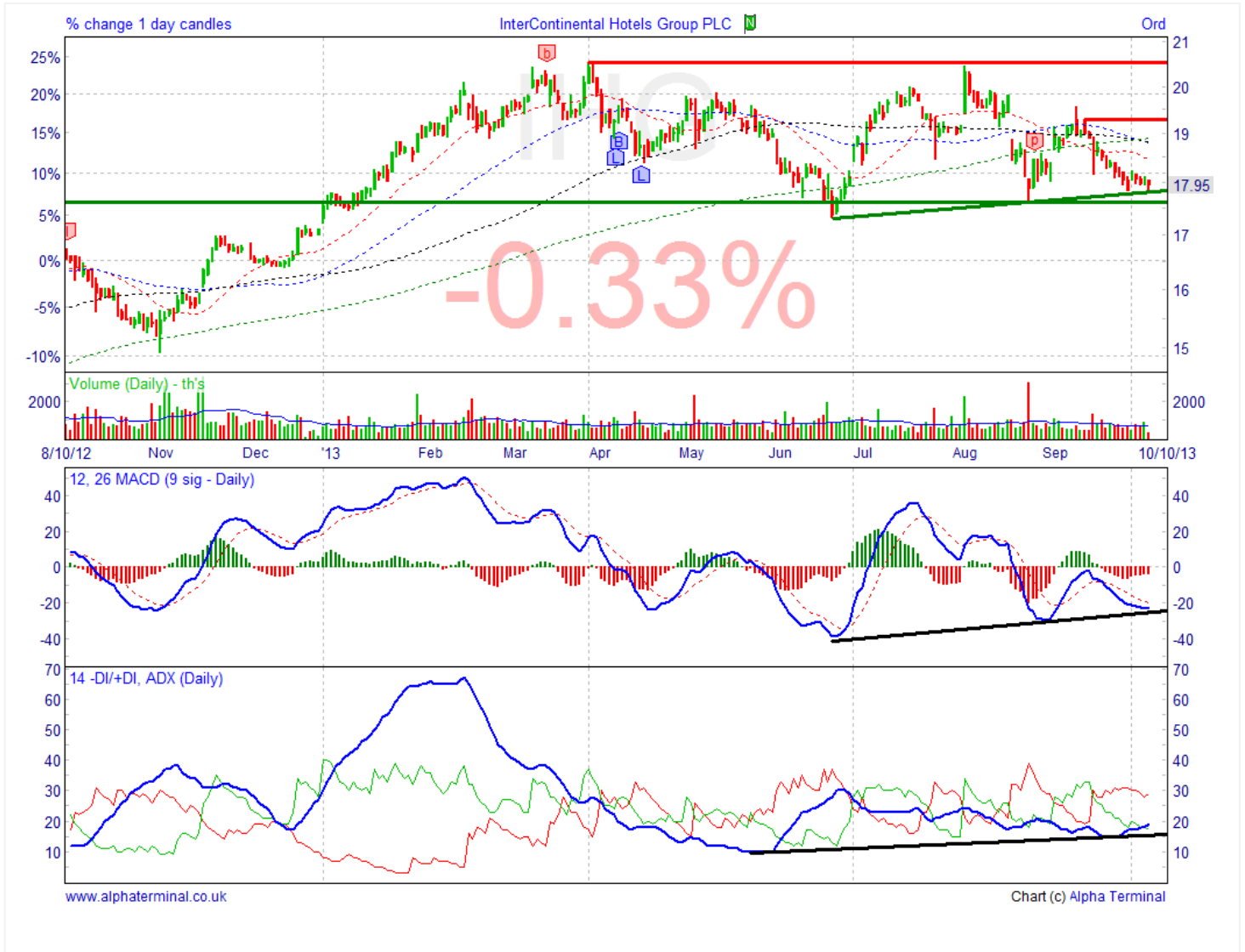
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-0.55	-4.98	-8.51	8.59	65.74	54.87	118.1	215.47

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