

# Buy – Kingfisher (KGF)

January 23, 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	Stop Loss	Limit/Target	Reward vs. Risk	CFD Margin
270.7p	5.7p (265p)	290p	3.4x	5%

**Technical Observations - For**

- Shares back at convergence of two support trendlines
- MACD back at trendline of rising lows
- RSI & Momentum back at prior support
- Stochastic suggests oversold
- Negative directional indicator turned back down

**Technical Observations - Against**

- Shares price shows falling highs since August
- Certain indicators not yet turned back up
- Moving averages at 280p could be a hurdle
- Momentum shows falling highs
- Shares underperforming FTSE100; volume up on recent decline

**News / Broker Comments / Important Dates / Observations \*\***

ExaneBNP picks stock as top pick for 2013 reckoning this will be different to last, helped by strong balance sheet and high cash conversion (22 Jan). UBS cuts target after peer Home retail's update shows weak sales, particularly in big-ticket items (18 Jan). Seymour says departure of COO is a surprise, as he had CEO potential (19 Dec). Company exposed to UK consumer confidence. Trade idea is repeat of profitable [11 December](#) publication. **Next Events:** Q4 trading statement, 21 Feb; Prelim FY results 26 Mar

**Latest Broker 12m Consensus:** **14 x Buy, 7 x Hold, 3 x Sell** (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)  
**23-Jan**, Deutsche, Hold, TP 290p (D); **23-Jan**, Citigroup, Buy, TP 330p; **23-Jan**, BoA-ML, Underperform, TP 260p; **22-Jan**, ExaneBNP, Outperform, TP 350p (U); **18-Jan**, UBS, Neutral, TP 280p (D); **17-Jan**, Seymour, Sell, TP 240p; **16-Jan**, Barclays, Overweight, TP 325p



**Stock description**

**Kingfisher plc** sells a wide range of home improvement consumer goods. The Company conducts retail operations through stores located throughout the world. (FTSE100)

**Graph: 1-year (daily)**

**Stock last used as Trade Idea;**  
11-Dec-2012

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

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



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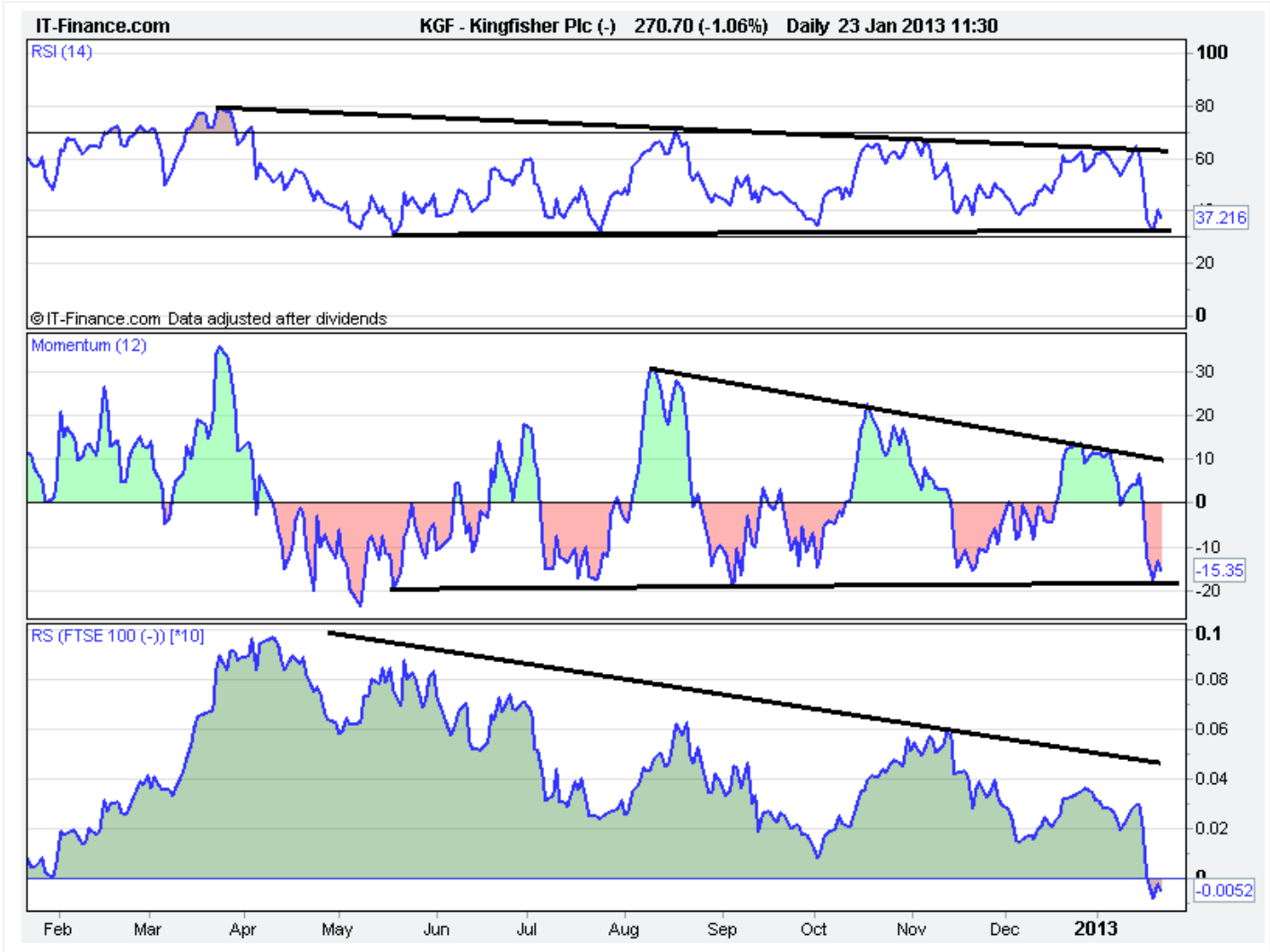
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**Graph: 1-year (daily) - RSI, Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-6.4	-4.18	1.25	5.01	3.29	26.2	98.28	80.01

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