

Buy – National Grid (NG)

August 5, 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
783p	760p (23p/2.9% below)	850p (8.6%/67p above)	2.9x	5%

- Observations - For**
- Break out of 2yr up-channel, break above 20/50/100 day MA
 - Double support from rising lows and prior
 - MACD made extreme bullish swing
 - Directional Indicators diverging bullishy
 - Momentum indicators positive

- Observations - Against**
- 200-day MA 740p is well below stops
 - Bearish engulfing candle today
 - Stochastics suggests overbought; low summer volumes
 - Slower moving sector on account of defensive qualities
 - Falling volumes since end-May

News / Broker Comments / Important Dates / Observations **

Ofgem announces change to methodology for calculating what generators pay to use electricity transmission network, narrowing UK North/South tariff differences (1 Aug). Librium says Interim statement positive, with long term dividend promise and may be biggest beneficiary of current UK energy policy (29 Jul). Interim statement maintains FY 2014 view, dividend growth in-line with inflation (29 Jul). BoA-ML upgrades on valuation grounds and trims target price. Defensive sector. **Next Event:** H1 results, 21 Nov

Latest Broker 12m Consensus: 7 x Buy, 8 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
30-Jul, SocGen, Sell; **26-Jul**, Morningstar, Hold; **6-Jun**, ExaneBNP, Hold; **31-May**, JPMorgan, Neutral, TP 735p (D); **23-Apr**, BoA-ML, Neutral (D), TP 800p (U); **5-Apr**, Charles Stanley, Accumulate; **22-Mar**, HSBC, Overweight (U), TP 850p (U); **23-Feb**, Credit Suisse, Buy



Stock description

National Grid PLC is an investor-owned utility company which distributes gas. The PLC owns and operates the electricity transmission network in England and Wales, the gas transmission network in Great Britain, and electricity transmission networks in the Northeastern United States. National Grid also operates the electricity transmission networks in Scotland. (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
N/A

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

Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)

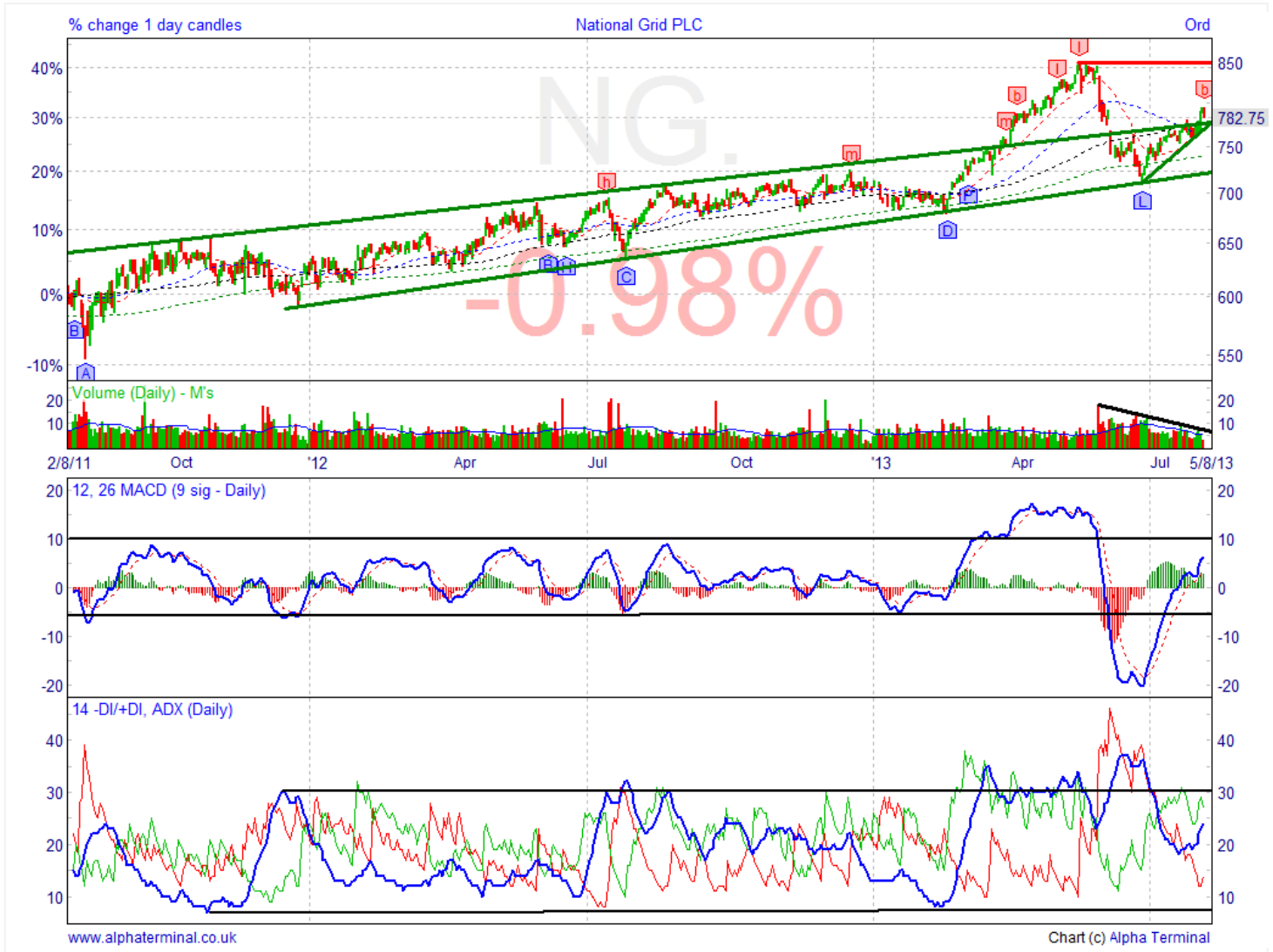
Our research is produced by Accendo Markets Limited. Research produced and disseminated by Accendo Markets is classified as non-independent research, and is therefore a marketing communication. Accendo Markets research has not been prepared in accordance with legal requirements designed to promote its independence and may not comply with FCA guidelines to prevent conflicts of interest and is not subject to any prohibition on dealing ahead of the dissemination of research. As such, this research does not constitute a personal recommendation or offer to enter into a transaction or an investment, and is produced and distributed for information purposes only. Accendo Markets considers information contained within the research to be valid when published, and gives no warranty as to the investments referred to in this material. The income from the investments referred to may go down as well as up, and investors may realise losses on investments. The past performance of a particular investment is not necessarily a guide to its future performance. Prepared by Mike van Dulken, Analyst

Buy – National Grid (NG)

August 5, 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.

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



Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)

Buy – National Grid (NG)

August 5, 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.

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



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	2.25	4.09	-4.31	15.54	33.23	48.39	56.57	26.24

Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)