

Buy – Royal Dutch Shell (RDSb)

August 22, 2013

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Trade parameters:				
Opening Price	Stop Loss	Profit Limit	Reward vs. Risk	CFD Margin
2126p	2080p (46p/2.2% below)	2285p (159p/7.5% above)	3.5x	5%

Observations - For

- Shares found support at prior low
- MACD & Stochastics oversold
- ADX (trend strength) still rising – channel still valid
- RSI & Momentum kicked up from oversold
- Reversal of 16 Jul [trade idea](#) closed yesterday

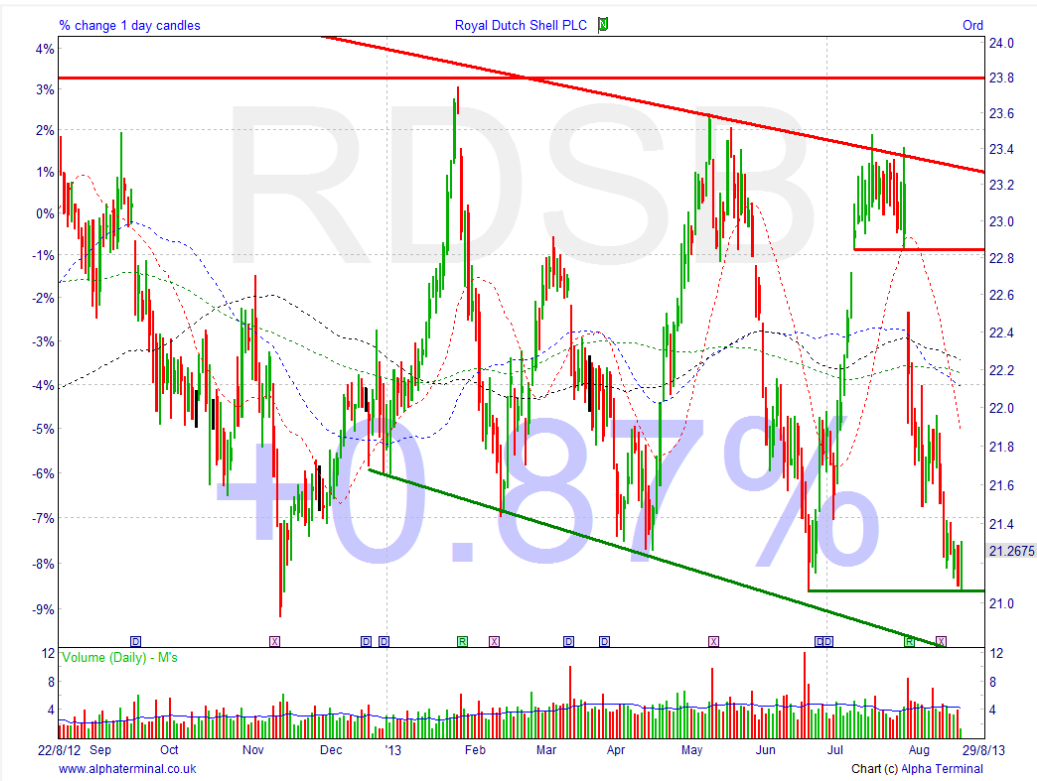
Observations - Against

- Shares been underperforming FTSE100 strongly
- Shares not yet bounced decisively – could be too early
- ADX (trend strength) fallen back
- No support from moving averages
- Moving averages could be resistance early

News / Broker Comments / Important Dates / Observations **

Co buying back own shares which can be supportive (21 Aug). Builds \$200m Indonesian lubricant plant for cars (20 Aug). Shell among bidders for Newfield Malaysian Chinese Energy Assets (16 Aug). Barclays upgrades on ability to fund both Capex and dividend from organic cash-flow without relying on ambitious growth or divestments. Q4 completion of Repsol deal should help as should new CEO (14 Aug). Unrest in Middle East supporting price of Brent Crude. **Next Event:** Q3 Results, 31 Oct

Latest Broker 12m Consensus: 15 x Buy, 15 x Hold, 5 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **15-Aug,** Canaccord, Buy; **14-Aug,** Barclays, Overweight (U), TP 2400p; **13-Aug,** ING Buy; **2-Aug,** ExaneBNP, Neutral, TP 2350p; **2-Aug,** Morningstar, Outperform, **2-Aug,** SocGen, Buy; **5-Jul,** JP Morgan Cazenove, Underweight; **17-Jun,** Jefferies, Buy, TP 2450p;



Stock description

Royal Dutch Shell PLC, through subsidiaries, explores for, produces, and refines petroleum. The Company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide. (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
16-Jul-13

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

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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
	-1.09	-8.59	-7.68	-7.66	9.3	28.75	27.06	17

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