

Buy – SABMiller (SAB)

December 17, 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
3000p	2900p (100p/3.3% below)	3300p (300p/10.0% above)	3.0x	5%

Observations - For

- 6-month sideways pattern; bounce off lows
- MACD down at prior low
- Directional indicators converging bullishly
- RSI bounced from oversold
- Stochastics suggests oversold

Observations - Against

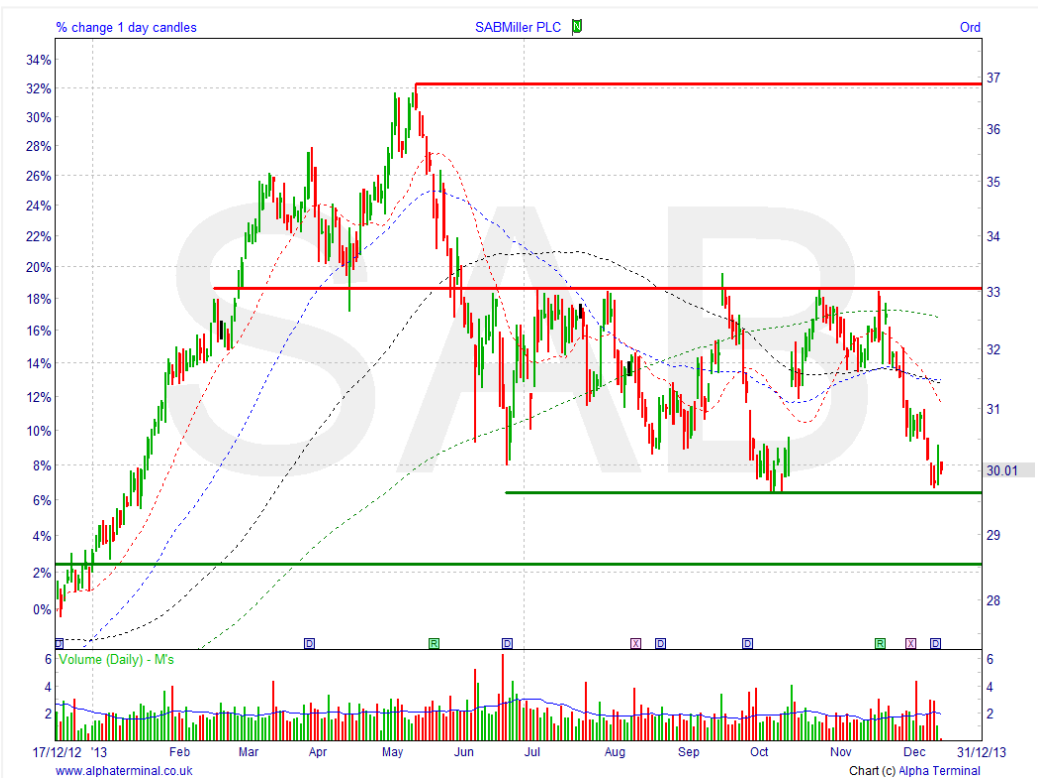
- Tentative bounce; no support from moving averages
- MACD still negative and below signal, no bounce
- Momentum bounce but still negative
- Moving averages a potential hindrance around 3150p
- Point & Figure chart shows no reversal yet

News / Broker Comments / Important Dates / Observations **

SAB says planning on \$100m extension to Ghana brewery to expand in Africa, the world's fastest growing beer market (21 Nov). Liberum encouraged by margin expansion and pricing trends in key emerging markets, but still sees it as expensive (21 Nov). Company warns that FX depreciation versus the USD will weigh on earnings next year (21 Nov). Citigroup downgrades to Neutral from Buy and TP to 3200 from 3550p on too high volume and margin guidance in LatAm (14 Oct) **Next Event:** Trading statement, 21 Jan

Latest Broker 12m Consensus: 16 x Buy, 13 x Hold, 4 x Sell (Source: Digital Look, Alpha Terminal, Bloomberg) (U = Upgrade / D = Downgrade)

13-Dec, JPMorgan, Overweight, TP 3500p; **12-Dec,** Credit Suisse, Neutral, TP 3250p; **10-Dec,** Berenberg, Buy, TP 3600p; **29-Nov,** Panmure, Buy, TP 3600p; **22-Nov,** Barclays, Equalweight, TP 3325p; **21-Nov,** Liberum, Sell; **21-Nov,** Canaccord, Hold, TP 3000p



Stock description

SABMiller plc is an international beer company. The Company bottles and distributes beer through breweries worldwide. SABMiller also bottles and distributes a number of soft drinks (FTSE100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
26-Jan-12

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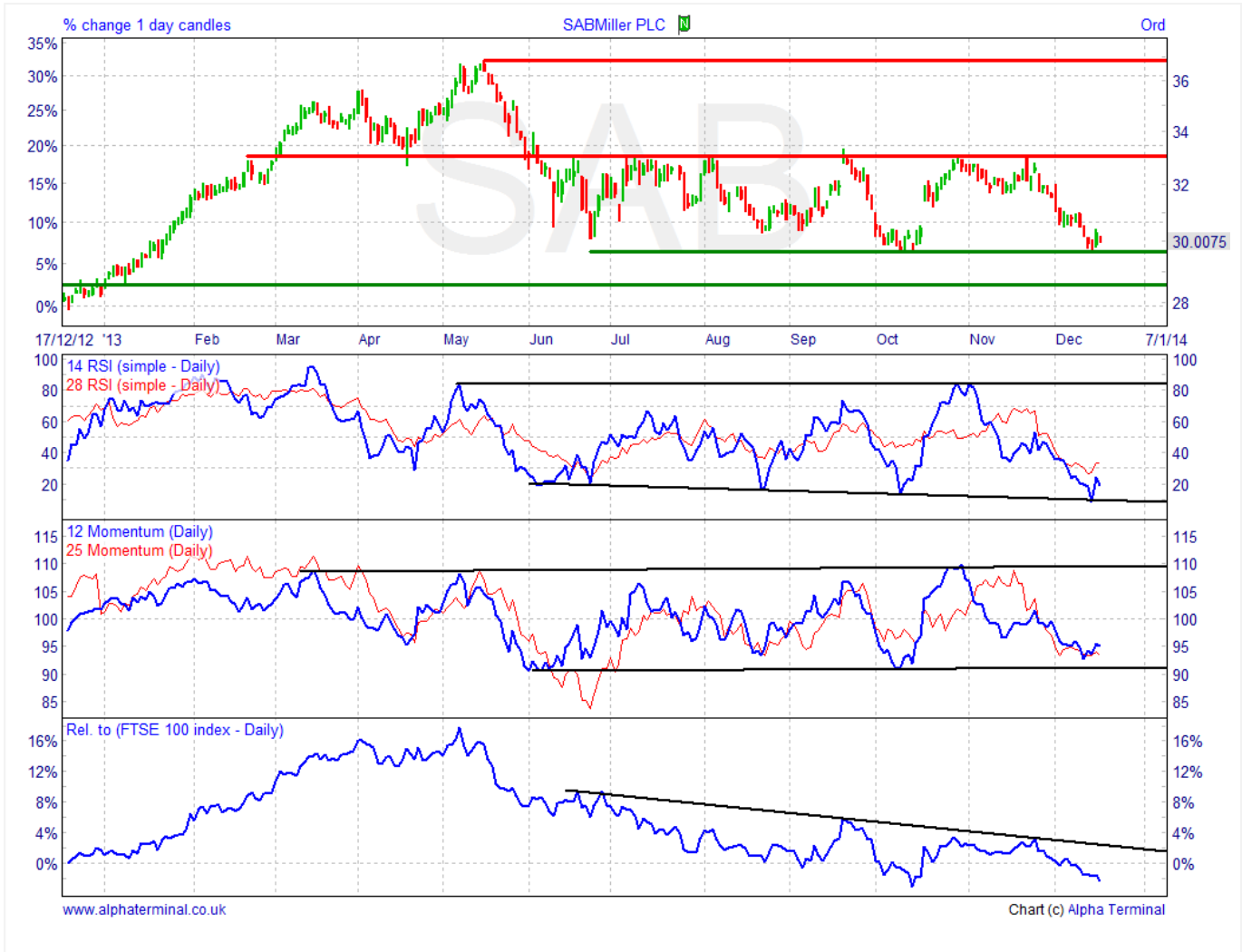
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-2.72	-7.07	-7.7	6.73	37.43	31.67	65.6	157.35

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