

Buy – Sainsbury (SBRY)

January 16, 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
324p	9p (315p)	354p	3.3x	5%

Technical Observations - For

- Shares back at key 18-month level and prior support
- MACD back at prior lows – bounce?
- RSI bounced off oversold – positive price divergence
- Momentum bounced off prior lows
- 200-day moving average served as support previously

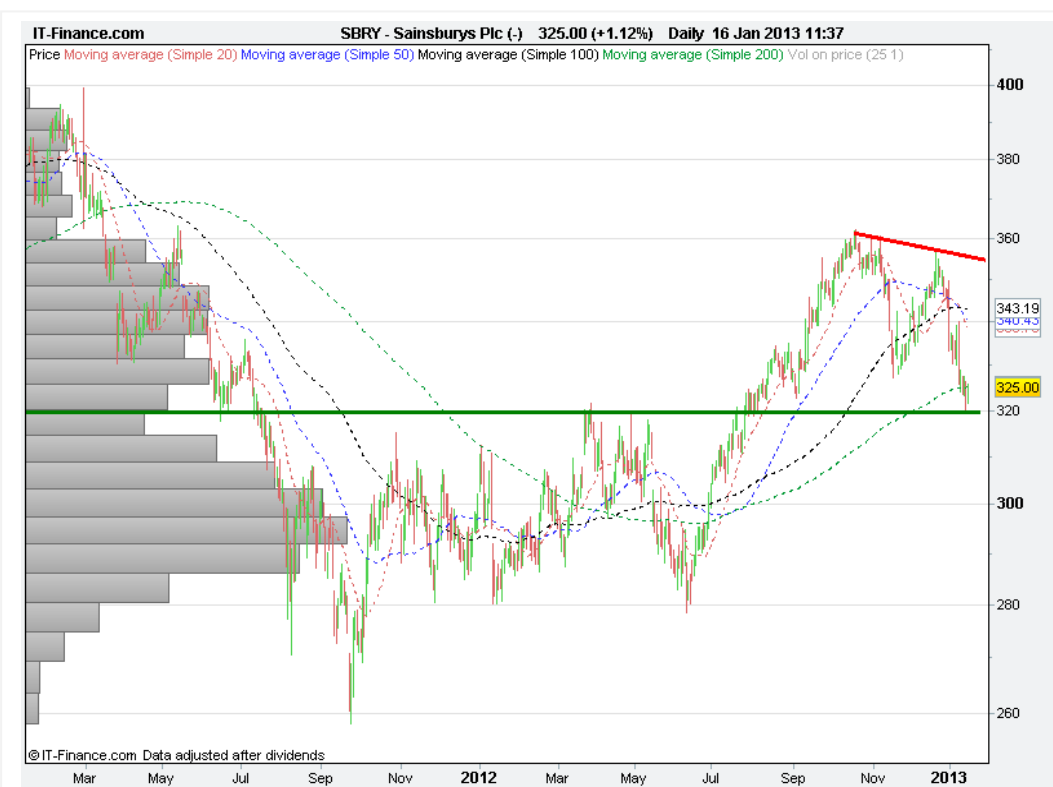
Technical Observations - Against

- Shares testing 200-day moving average – resistance?
- ADX (trend strength) still rising
- Directional indicators inconclusive
- Shares been underperforming FTSE100
- Short term (20/50-day) MAs fallen below long-term 100-day

News / Broker Comments / Important Dates / Observations **

Tesco and SBRY market shares unchanged during six Christmas period compared to last year, while peers Asda and Morrison lost share (15 Jan). Tesco and SBRY argue about accounting methods regarding exchange of customers using accrued points (10 Jan). HSBC downgrades saying still grew faster than peers in Q4, but at slower pace than prior quarters, something it expects to continue. (10 Jan). Brokers point to slowing growth and downgrades after trading update (8-9 Jan). **Next Events:** Q4 trading statement, end-March

Latest Broker 12m Consensus: 7 x Buy, 10 x Hold, 9 x Sell (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
11-Jan, Deutsche, Hold, TP 309p (D); **10-Jan**, Credit Suisse, U'perform, TP 285p; **10-Jan**, HSBC, Underweight (D), TP 325p (D); **9-Jan**, S Pierce, Reduce (D), TP 310p; **9-Jan**, Panmure, Buy, TP 400p; **9-Jan**, Charles Stanley, Accumulate; **9-Jan**, Investec, Sell, TP 280p



Stock description

J Sainsbury plc retails food. The Company operates Sainsbury supermarkets in the United Kingdom, convenience stores, an Internet-based home delivery service, and Sainsbury Bank. The Bank offers saving accounts, credit cards, mortgages, insurance products, and consumer loans. (FTSE100)

Graph: 2-year (daily)

Stock last used as Trade Idea;
24-Jul-2012

****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 FSA 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 Michael van Dulken, Analyst

Buy – Sainsbury (SBRY)

January 16, 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: 2-year (daily) - MACD, ADX and Directional Indicators



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

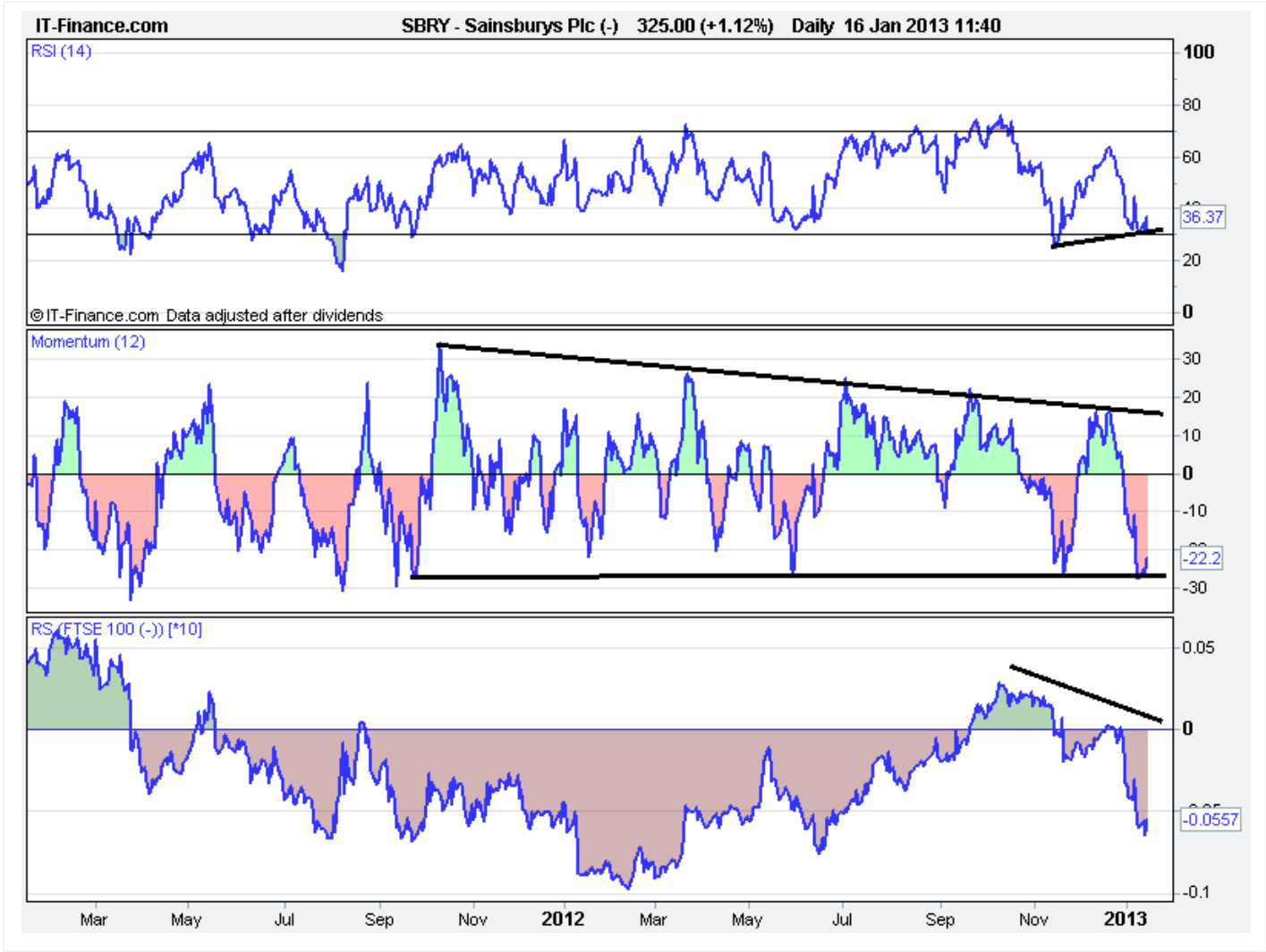
Need help with Technical Analysis? [Click](#)

Buy – Sainsbury (SBRY)

January 16, 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: 2-year (daily) - RSI, Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	2.37	8.08	9.32	3.58	9.36	31.06	77.36	45.25

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

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