

# Buy – Salamander Energy (SMDR)

April 26, 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	Limit/Target	Reward vs. Risk	CFD Margin
181p	16p away (165p)	225p	2.8x	20%

**Observations - For**

- Shares in 18-month rising channel
- MACD slowed up at rising lows
- Directional indicators converging bullishy
- Stochastics suggests shares oversold
- Momentum and RSI bounced from rising/extreme lows

**Observations - Against**

- MACD not yet bounced, still well below zero
- Shares been underperforming FTSE100
- RSI & Momentum yet to regain positive territory
- ADX (trend strength) shows falling highs
- Potential resistance from moving averages around 195p

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

Company announces spudding of bedug-1 Exploration well in the 100% owned Bontang PSC in Indonesia, near recent oil & gas discoveries (16 Apr). Company suspended NK1 Well as potential gas discovery (11 Apr). Indonesia awards 14 new oil and gas blocks to boost production, including 2 to Salamander (21 Mar). Company announces fall in 2012 earnings and production due to major disposals. Expects 50% production increase in 2013. (14 Mar) **Next Event:** AGM, 23 May; Interim results 29 Aug

**Latest Broker 12m Consensus:** 13 x Buy, 5 x Hold, 1 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)

16-Apr, Nplus1, Buy, TP 240p; 12-Apr, Deutsche, Buy, TP 310p; 11-Apr, Jefferies, Buy, TP 300p; 11-Apr, Canaccord, Hold, TP 220p; 14-Mar, Oriol, Buy; 14-Mar, Investec, Buy, TP 250p; 5-Feb, Barclays, Overweight, TP 290p; 5-Feb, BoA-ML, Neutral, TP 264p (U)



**Stock description**

**Salamander Energy PLC** is an independent upstream oil and gas exploration and production company focused on South East Asia.

**Graph: 4-year (daily)**

Stock last used as Trade Idea; N/A

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

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**Graph: 2-year (daily) - ADX and Directional Indicators, MACD & Volume**



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**Graph: 3-year (daily) - RSI, Momentum and Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	4.97	-15.31	-3.35	-13.18	-26.57	-11.07	32.34	-30.08

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