

Buy – Segro (SGRO)

July 22, 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
307p	295p (12p/3.9% below)	334p (8.8%/27p above)	2.3x	10%

Observations - For

- Shares in accelerated uptrend since November
- Shares close to 2yr highs
- ADX (trend strength) kicked up with DX diverging bullishy
- Shares outperforming FTSE100
- MACD still rising strongly

Observations - Against

- Declining volumes on recent surge
- RSI turned down from overbought; Stochastics overbought
- No real support from moving averages
- Breakout/30p could offer no support; correction could go to 270p
- Half-year results next week could disappoint

News / Broker Comments / Important Dates / Observations **

Segro sells Neckermann site to private consortium for €46m; sells IQ Winnersh Business Park for £245.1m; to use funds to reduce debt (22 Jul). Fitch says new JV reduces leverage (28 Jun) Goldman adds to conviction Buy list, expecting large parts of industrial property market to be structural winners (19 Jun). ExaneBNP downgrades to Sell on valuation grounds after strong performance (28 May). Exposed to economic growth sentiment and interest rates. **Next Event:** H1 results 31 Jul; Q3 results, 24 Oct

Latest Broker 12m Consensus: 8 x Buy, 7 x Hold, 1 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
12-Jul, Deutsche, Hold, TP 320p; **12-Jul**, ExaneBNP, Underperform, TP 270p (U); **4-Jul**, Investec, Sell; **2-Jul**, Goldman Sachs, Buy, TP 355p; **1-Jul**, Jefferies, Hold, TP 245p; **1-Jul**, Peel Hunt, Hold; **20-Jun**, SocGen, Buy, TP 340p (U); **28-May**, Espirito, Neutral, TP 250p



Stock description

SEGRO is a property investment and development company that provides flexible business space across Europe. SEGRO's property portfolio includes offices, light industrial, logistics, warehouses and datacentre properties (FTSE 250)

Graph: 2-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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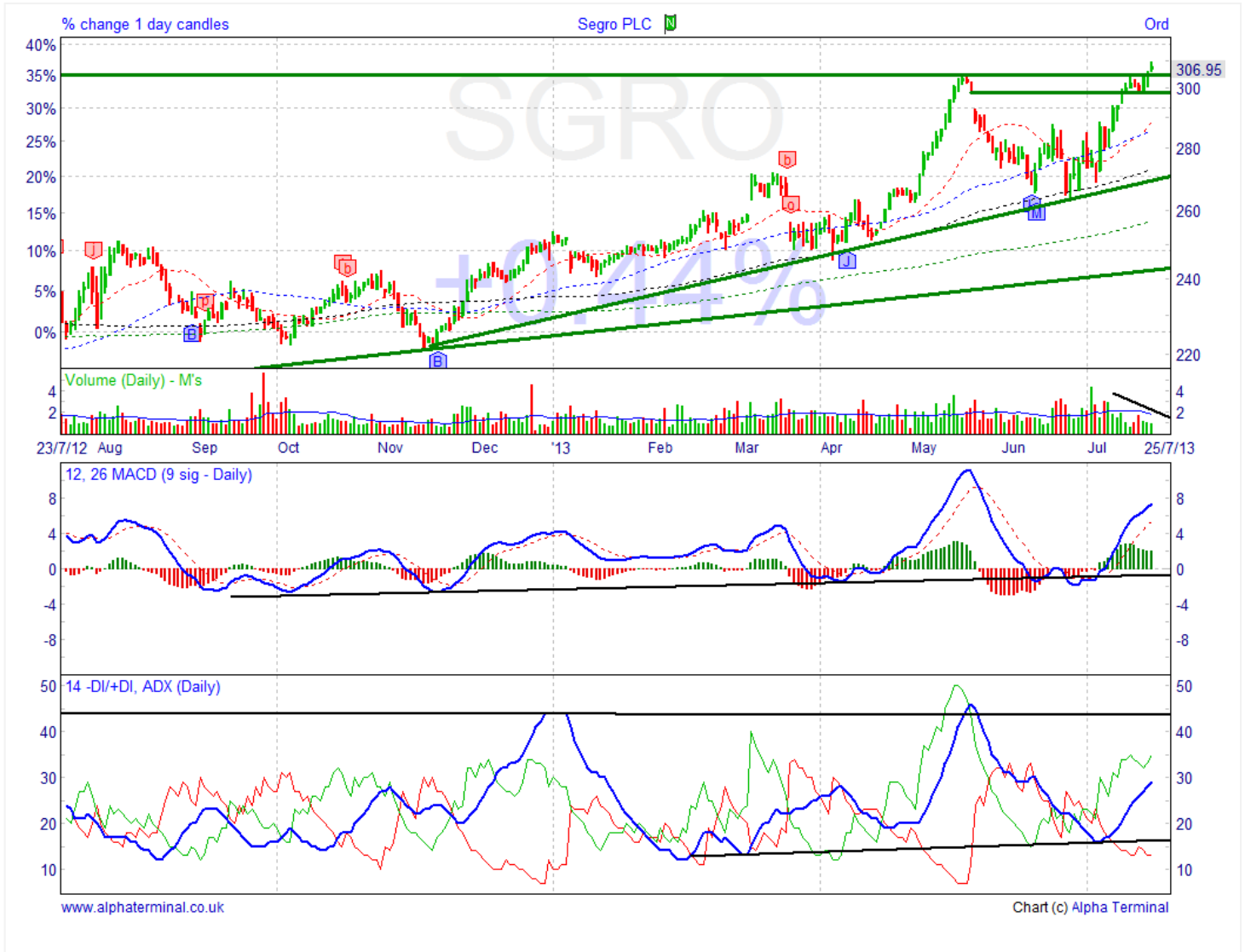
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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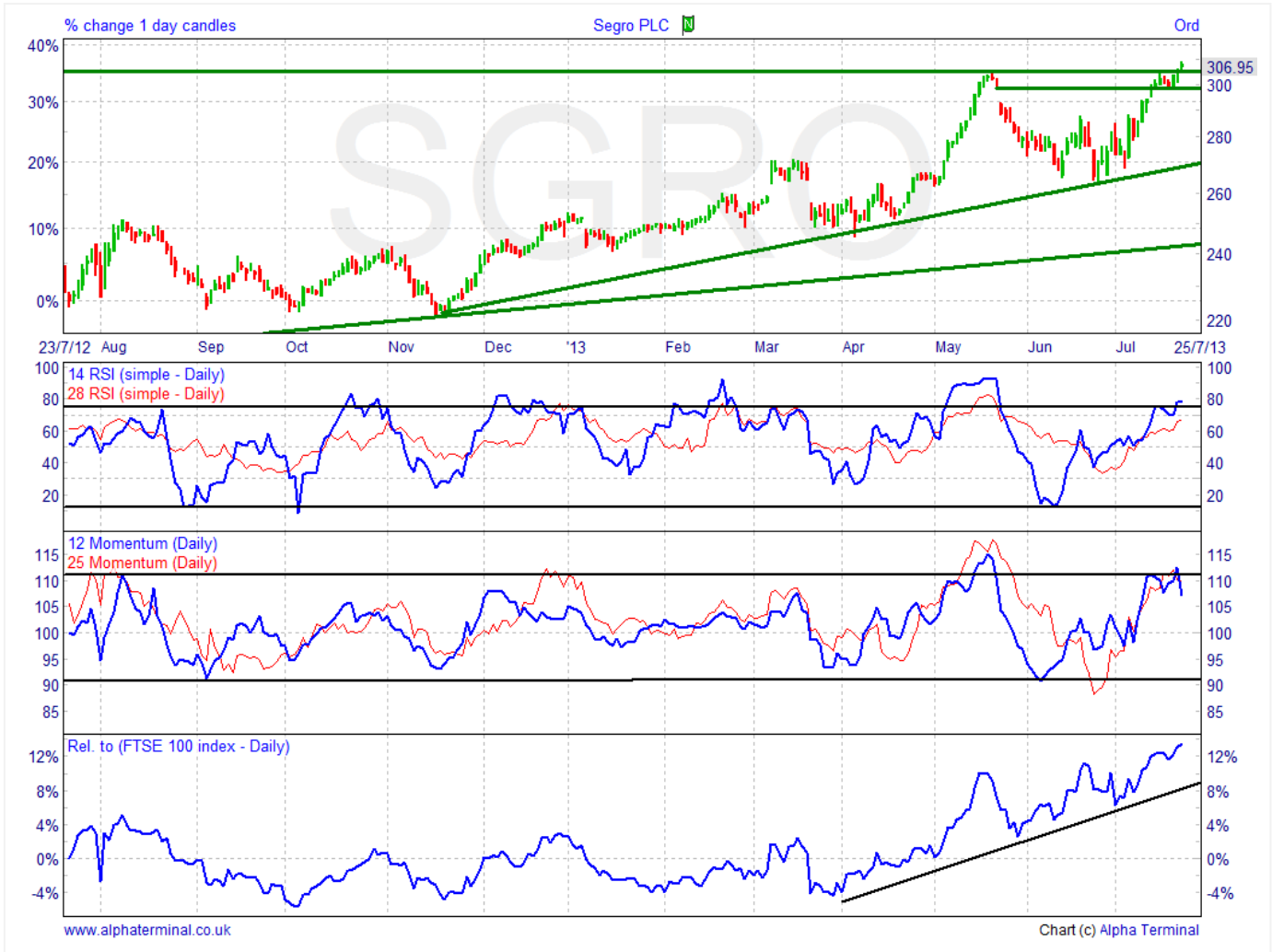
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	2.37	11.07	15.89	36.02	-1.73	8.56	18.08	-46.9

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