

# Buy – Shire (SHP)

April 11, 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
1962p	62p away (1900p)	2150p	3.0x	5%

**Observations - For**

- 200-day moving average (thick blue) support/resistance for 3yr
- MACD close to prior lows; ADX (trend strength) rising).
- Directional indicators converging bullishly
- RSI in oversold territory; Momentum bounce off rising support
- Stochastics suggests oversold

**Observations - Against**

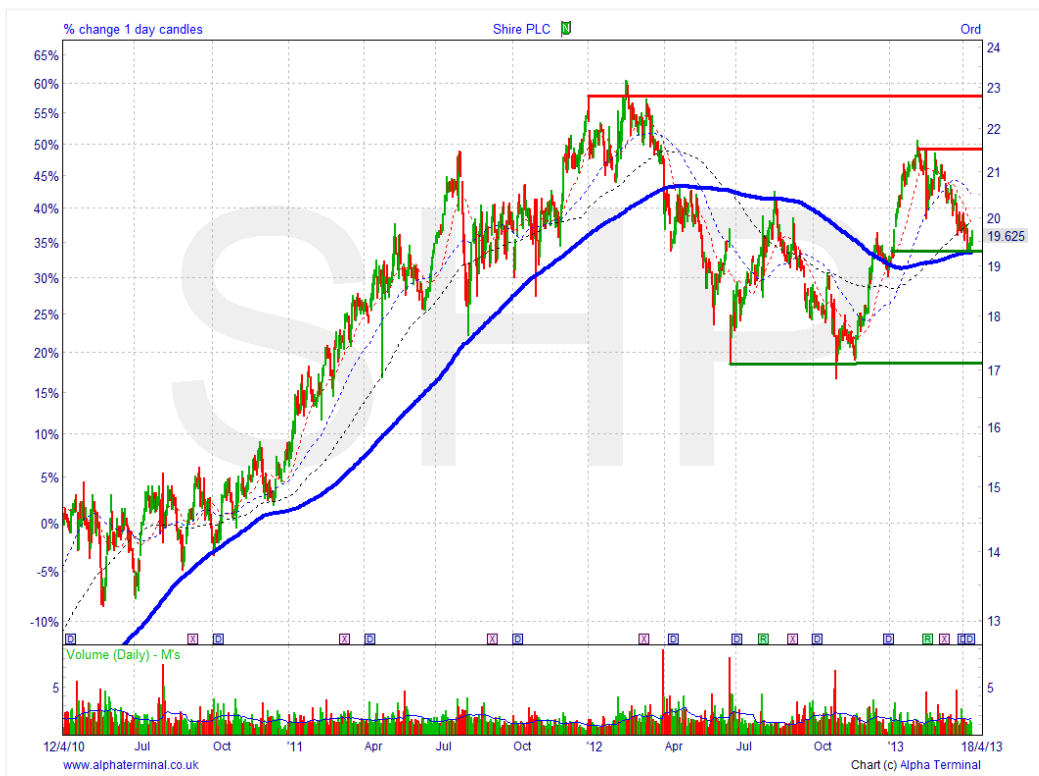
- MACD not yet bounced
- Momentum not yet gone positive again
- Shares been underperforming FTSE100
- RSI not yet bounced
- ADX (trend strength) well off recent highs

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

Company buying back shares regularly, normally considered supportive for share price (11 Apr). Company to buy SARCode Bioscience for \$160m adding dry eye treatment to stable (25 Mar). Dow Jones news says potential acquisition target for major Pharma (1 Mar). Nomura cuts to neutral seeing limited prospects for Attention Deficit Hyper Activity drug Vyanase and for US price growth as biggest brand Concerta goes generic, a negative overhang (28 Feb). Consensus Buy. **Next Event:** AGM, 30 Apr; Q1 Results 2 May

**Latest Broker 12m Consensus:** 24 x Buy, 5 x Hold, 0 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)

**9-Apr,** JPMorgan, Overweight, TP 2340p; **4-Apr,** Goldman Sachs, Strong Buy, TP 2675p; **2-Apr,** ExaneBNP, Outperform, TP 2300p; **2-Apr,** Credit Suisse, Outperform, TP 2350p; **12-Mar,** Deutsche, Buy, TP 2325p; **5-Mar,** BoA-ML, Neutral, TP 2157p;



**Stock description**

**Shire PLC** markets, licenses and develops prescription medicines. The Group focuses its operations on attention deficit and hyperactivity disorders, human genetic therapies, gastrointestinal, and renal diseases.

**Graph: 3-year (daily)**

**Stock last used as Trade Idea;**  
4-Jan 2013

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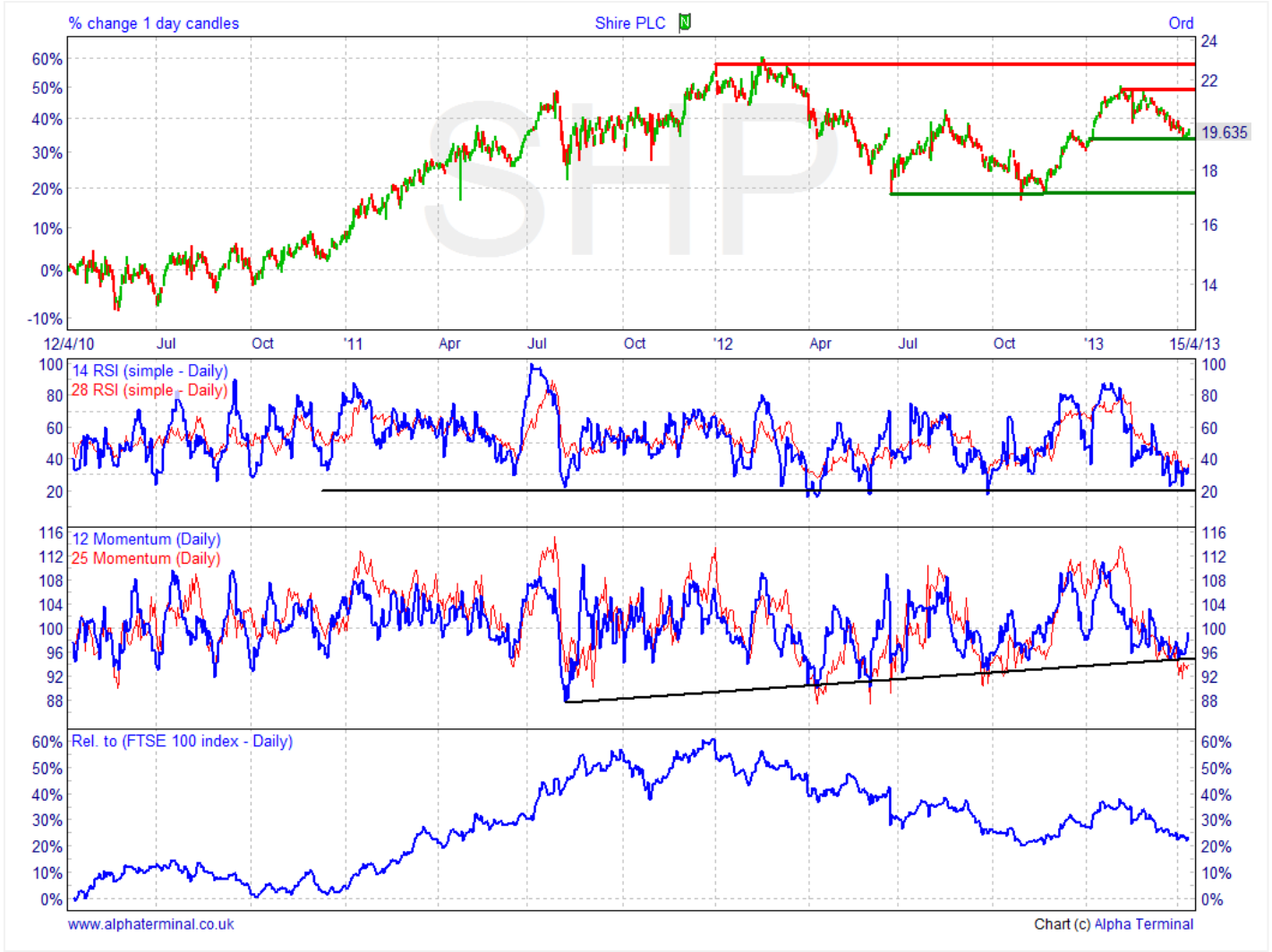
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**Graph: 3-year (daily) - RSI, Momentum and Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	0.08	-3.56	-3.84	1.32	6.77	34.21	124.66	105.39

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