

Buy – Standard Chartered (STAN)

February 14, 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:

Current Price 1721p	Stop Loss 71p away (1650p)	Limit/Target 1975p	Reward vs. Risk 3.6x	CFD Margin 10%
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Observations - For

- Break above 1700p after strong gains from 1450p
- Completion of bullish flag pattern (break after sideways pause)
- MACD above zero and in solid uptrend
- Directional indicators made bullish cross
- Momentum positive and with rising lows

Observations - Against

- ADX (trend strength) fallen back sharply
- RSI inconclusive (although didn't bounce off oversold)
- Momentum fallen back negative near previous lows
- Stochastics could suggest overbought
- Many brokers neutral with lower TPs

News / Broker Comments / Important Dates / Observations **

Numis starts coverage at Add with a 1864p target seeing it as undervalued (7 Feb). Morgan Stanley still prefers HSBC to STAN, but sees upside limited. On STAN sees key focus as commentary around revenue outlook and asset quality and Q1 trends given Asian economies showed pickup (6 Feb). Company looks to have escaped LIBOR and PPI mis-selling, but still had to deal with flaunting US sanctions which cost it last summer, but it has bounced back strongly. **Next Event:** FY Results, 5 Mar

Latest Broker 12m Consensus: 11 x Buy, 13 x Hold, 4 x Sell (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **12-Feb**, Deutsche, Hold; TP 1710p (U); **11-Feb**, ExaneBNP, Neutral, TP 1550p; **5-Feb**, Morgan Stanley, Equalweight, TP 1516p; **1-Feb**, Buy, TP 1920p (U); **29-Jan**, Goldman Sachs, Neutral, TP 1950p (U); **29-Jan**, Espirito Santo, Buy; **16-Jan**, Nomura, Buy, TP 1800p (U)



Stock description

Standard Chartered plc is an international banking group operating principally in Asia, Africa, and the Middle East. The Company offers its products and services in the personal, consumer, corporate, institutional and treasury areas. (FTSE100)

Graph: 3-year (daily)

Stock last used as Trade Idea; 29-Jan-2013 ([link](#))

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

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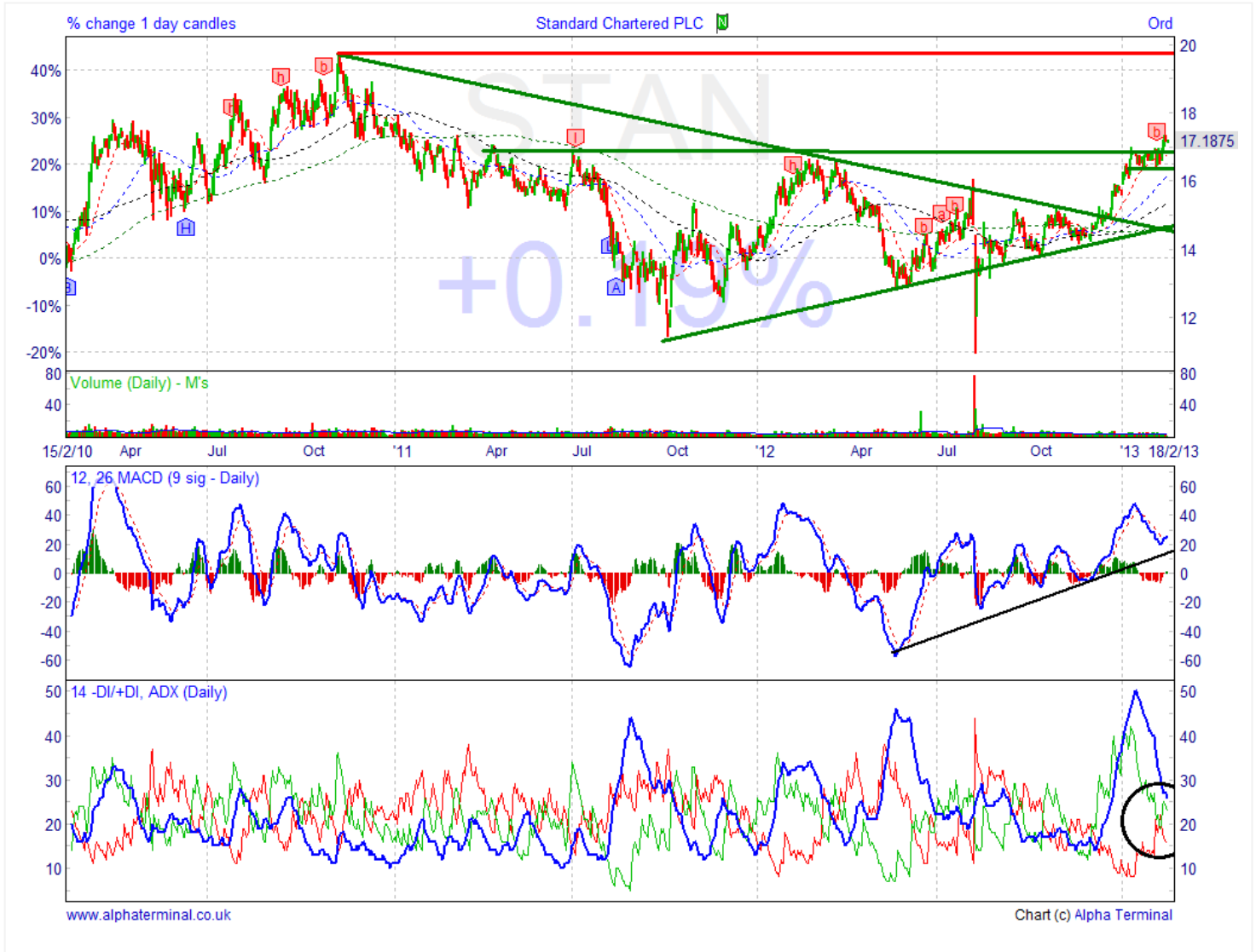
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Graph: 3-year (daily) - MACD, ADX and Directional Indicators



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



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	1.87	3.59	21.49	6.05	1.63	18.29	172.33	28.98

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