

Buy – Travis Perkins (TPK)

August 30, 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
1585p	1530p (55p/3.5% below)	1720p (135p/8.5% above)	2.5x	10%

Observations - For

- Shares in long term uptrend, back at rising support line
- MACD slowed up at prior low; support from 100-day MA
- Directional indicators converging bullishy
- RSI & Stochastics kicked up from oversold; Momentum rising
- Reversal of 7 Aug [trade idea](#) closed mid-month

Observations - Against

- Shares yet to break above recent highs and key 1620p level
- 200-day MA support well below stops
- MACD yet to break above signal and go positive
- Momentum yet to go positive
- Point & Figure suggests reversal from 1720p still in progress

News / Broker Comments / Important Dates / Observations **

Citigroup upgrades seeing company as clean way to play improving trends in UK housing market (29 Aug). UBS ups target on management's shift towards more growth oriented stance in H1 as game-changer (8 Aug). Deutsche ups TP highlighting H1 pre-tax profits ahead of forecasts (30 Jul). Peel Hunt ups TP after H1 results slightly ahead of expectations (25 Jul). H1 results showed company confident of sales growth and improving returns. Exposed to UK housing market. **Next Event:** Ex-div, 9-Oct, Interims, mid-Oct

Latest Broker 12m Consensus: 4 x Buy, 10 x Hold, 5 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
30-Aug, Deutsche, Hold, TP 1352p; **29-Aug**, Citigroup, Buy (U), TP 1745p; **23-Aug**, Liberium, Buy, TP 1890p; **8-Aug**, UBS, Neutral, TP 1800p (U); **29-Jul**, Peel Hunt, Hold; **25-Jul**, Numis, Hold; **9-Jul**, Panmure, Hold, TP 1540p; **18-Jun**, Goldman, Neutral (D), TP 1720p,



Stock description

Travis Perkins plc markets and distributes products to the UK construction and building trade industries, including timber, building, and plumbing and heating materials. (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
7-Aug-13

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

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



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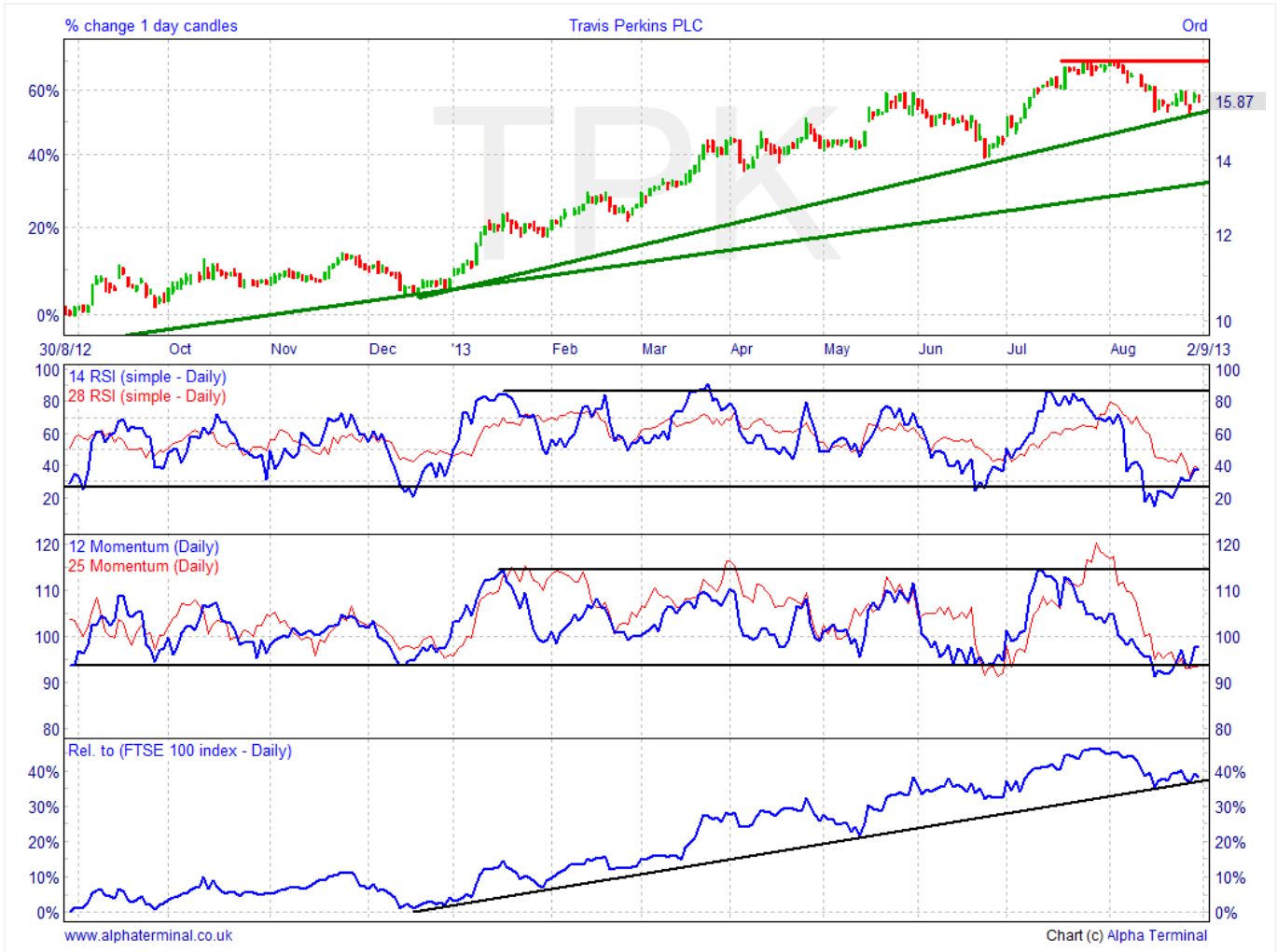
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	0.76	-6.76	3.59	54.68	97.14	97.27	100.89	163.02

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