

# Buy – Tullow Oil (TLW)

October 4, 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
1002p	980p (22p/2.2% below)	1090p (88p/8.8% above)	4.0x	5%

**Observations - For**

- Shares back at June support – still in sideways channel
- Spinning top candlestick today – potential reversal
- MACD, RSI & Momentum back near recent lows
- Stochastics oversold
- 200-day MA above target level

**Observations - Against**

- Momentum indicators not officially oversold
- Shares still underperforming FTSE100
- Potential resistance from other moving averages
- Lows of end-July/Aug/Sept failed to offer support
- Shares not bounced properly yet

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

New oil discovery at northern Kenya Well; aiming for 12 over next 12 months (26 Sept). Barclays upgrades TP to 1525p (from 1500p) on Wisting discovery (6 Sept). Partner Statoil announces discovery at Wisting Central well in Norwegian Barents sea (6 Sept). Announces no hydrocarbons at Buzio-1 well in Mozambique to be plugged, abandoned (2 Sept). Completed Aubunshaug well in North Sea – no hydrocarbons (26 Aug). Uganda sees first refinery in 2018 (14 Aug). **Next Event:** Interim management statement, 13 Nov

**Latest Broker 12m Consensus:** 14 x Buy, 10 x Hold, 2 x Sell (Source: Digital Look, Alpha Terminal) (U = Upgrade / D = Downgrade)  
**2-Oct,** Nomura, Neutral, TP 1130p (D); **30-Sept,** ExaneBNP, Outperf, TP 1475p; **27-Sept,** JPMorgan, Overweight, TP 1260; **27-Sept,** Credit Suisse, Neutral, TP 1161p; **19-Sept,** Morningstar, Buy; **17-Sept,** Citigroup, Neutral, TP 1130p; **9-Sept,** BoA-ML, Buy TP 1650p



**Stock description**

**Tullow Oil plc** explores for and produces oil and gas. The Group's assets are in Africa, Europe, South America and Asia. (FTSE 100)

**Graph: 6-year (daily)**

**Stock last used as Trade Idea;**  
19-Jul-12

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

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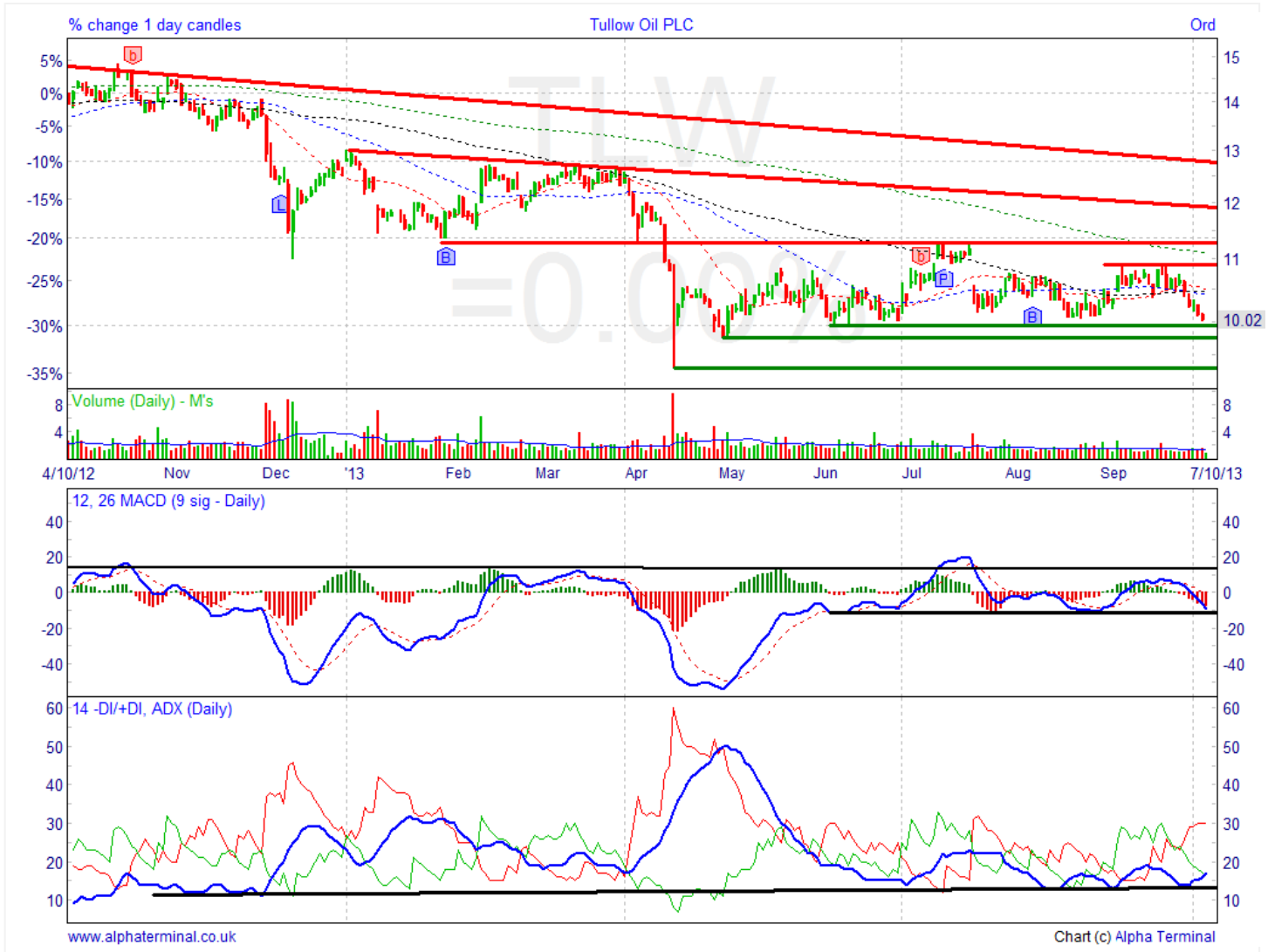
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**Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume**



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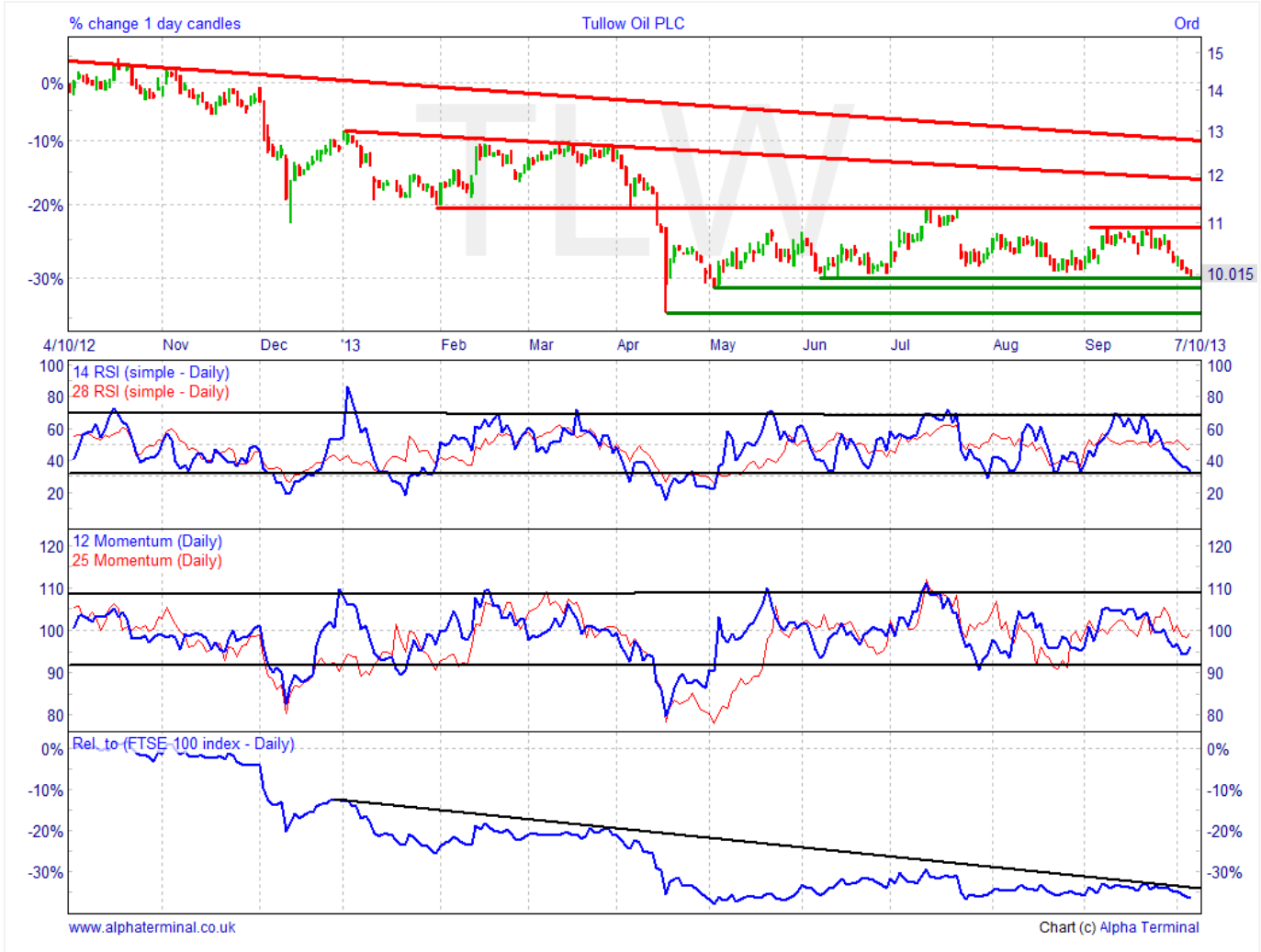
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**Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100**



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-5.37	-2.81	-7.89	-30.23	-26.28	-21.32	-18.04	79.61

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