

Buy – WM Morrison (MRW)

November 18, 2013

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Trade parameters:				
Opening Price	Stop Loss	Profit Limit	Reward vs. Risk	CFD Margin
269p	262p (7p/2.6% below)	288p (19p/7.1% above)	2.7x	5%

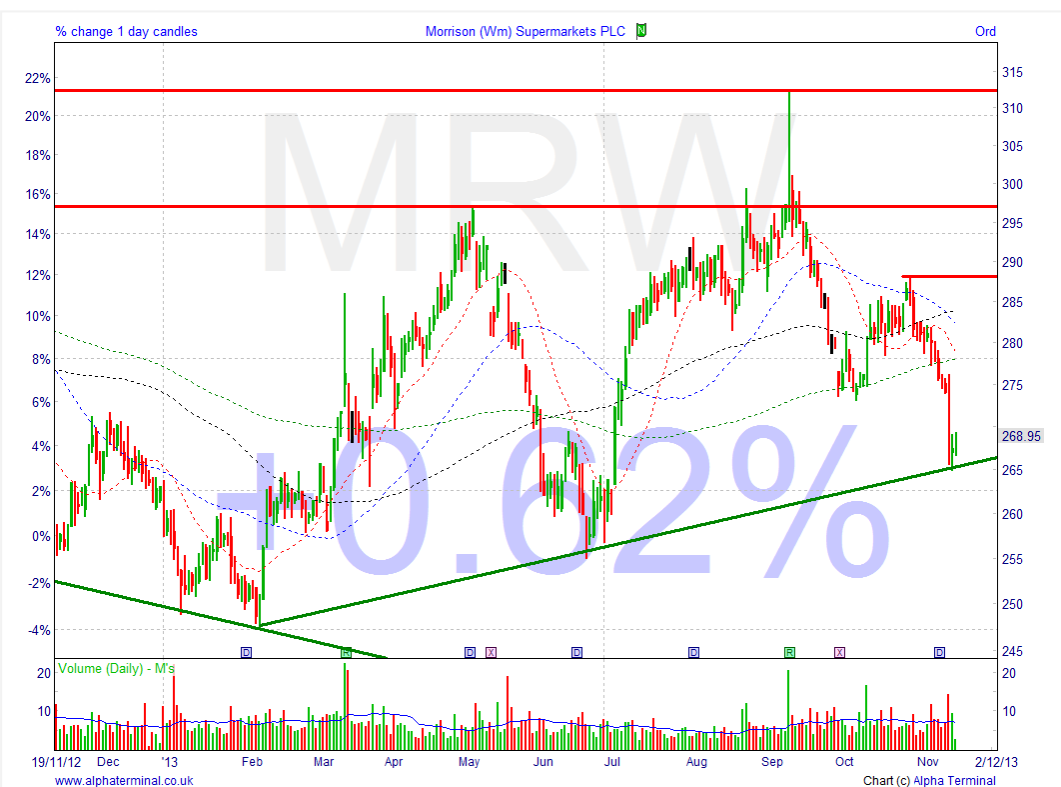
- Observations - For**
- Shares back at 9-month rising support; bounce
 - MACD back at rising support
 - RSI back oversold
 - Momentum turned up from oversold
 - Stochastics turned up from oversold

- Observations - Against**
- Falling highs since mid-Sept
 - MACD still negative and recent rally on flirted with breakeven
 - Directional indicators not yet converging bullishy
 - RSI not yet rebounded
 - Shares still underperforming FTSE100

News / Broker Comments / Important Dates / Observations **

Peer SBRY gets upgrades after H1 results (14 Nov). MRW reports another quarter of weak sales as it struggles to catch up with rivals with more established convenience and on-line offers. Expects rest of year to be challenging, consumer confidence subdued (7 Nov). Recent UK grocery market share shows Morrison falling in 12 weeks to Oct 13 (22 Oct). Deutsche says appeal fades and with concerns about UK food retail downgrades to Sell. (21 Oct). If everyone's a seller, who's left to sell? **Next Event:** Christmas Trading, 20 Jan

Latest Broker 12m Consensus: 2 x Buy, 8 x Hold, 10 x Sell (Source: Digital Look, Alpha Terminal) (U = Upgrade / D = Downgrade)
14-Nov, Goldman Sachs, Sell TP 265p (U); 8-Nov, Deutsche, Sell, TP 250p; 8-Nov, HSBC, Underweight, TP 260p; 8-Nov, JPMorgan, Underweight, TP 245p; 7-Nov, Jefferies, Buy, TP 310p; 7-Nov, Credit Suisse, Neutral, TP 285p; 7-Nov, Panmure, Sell, TP 250p



Stock description

William Morrison Supermarkets plc retails groceries through a chain of supermarkets in England. Approximately half of the Group's stores contain petrol filling stations. William Morrison has its own fresh food manufacturing and processing operations, thus allowing them to market a number of own label brands. (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea; 8-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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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-3.5	-4.9	-6.13	4.33	-13.17	-1.59	-1.52	11.57

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