

Buy – Wood Group (WG.)

September 10, 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
811p	780p (31p/3.8% below)	930p (119p/14.7% above)	3.8x	10%

Observations - For

- Bounce off base of 2013 rising channel
- MACD facing north; Stochastics oversold; RSI kicked up
- Momentum recovered from 12-month lows to near positive
- Underperformance of FTSE100 shows base
- Reversal of 25-Jul trade idea ([link](#))

Observations - Against

- MACD yet to break above signal, breached rising lows recently
- 200-day moving average could be hurdle at 821p
- Point & Figure yet to show bullish reversal
- RSI didn't get to oversold
- Momentum not yet gone positive

News / Broker Comments / Important Dates / Observations **

Nomura cuts euro oil services to bearish from neutral on slower rate of global capex growth and lower returns on projects (5 Sept). Company says activities from US shale fields growing and in-line with 2013 outlook (4 Sept). HSBC downgrades on view that replacement of large contracts problematic (22 Aug). Credit Suisse cuts TP after H1 results miss consensus (20 Aug). Numis says H1 results disappoint on guidance and headcount reduction a signal of slowdown (20 Aug). **Next Event:** Interim results, 4 Oct

Latest Broker 12m Consensus: 7 x Buy, 9 x Hold, 0 x Sell (Source: Digital Look, Alpha Terminal) (U = Upgrade / D = Downgrade)

5-Sept, Nomura, Neutral (U), TP 770p (D); **22-Aug**, HSBC, Neutral (D), TP 860p (D); **21-Aug**, ExaneBNP, Buy; **21-Aug**, Numis, Add; **20-Aug**, Credit Suisse, Neutral, TP 850p (D); **5-Jul**, BoA-ML, Buy (U), TP 1040p (U); **5-Jun**, Numis, Add



Stock description

John Wood Group PLC is an international energy service company that provides products and services to the oil and gas and power industries. The Company designs and manufactures submersible pumping systems, well-head systems, and pressure controls. John Wood also provides aftermarket services for heavy industrial turbines and aero gas turbines (FTSE 100)

Graph: 1-year (daily)

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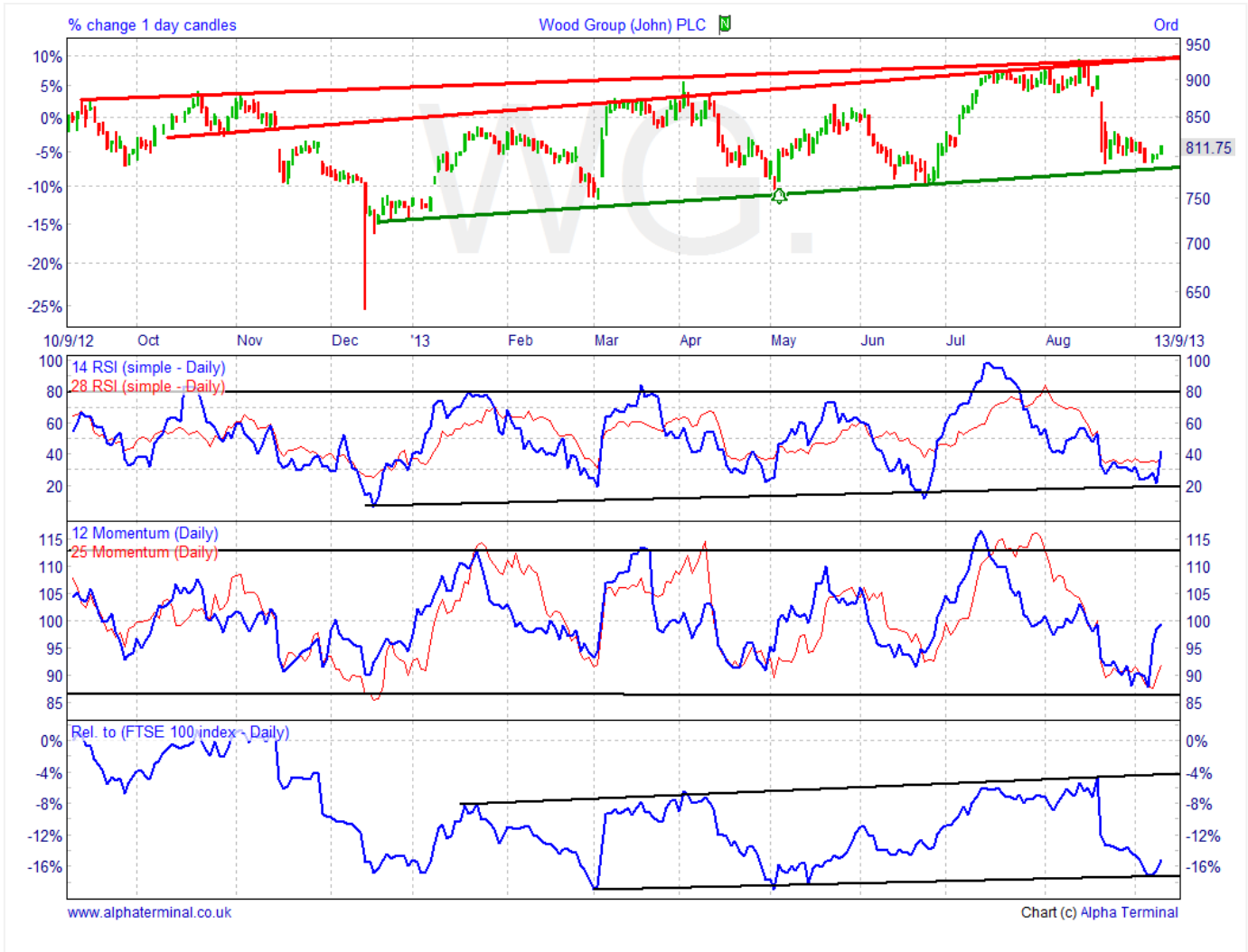
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	-0.28	-9.76	1.91	-5.06	48.4	107.4	155.27	125.8

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