

Sell – BG Group (BG/)

May 13, 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 1185p	Stop Loss 35p away (1220p)	Profit Limit 144p away (1040p)	Reward vs. Risk 4.1x	CFD Margin 5%
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Technical Observations - For

- Shares in short-term shallow rising channel (7-month)
- Fallback from channel ceiling on declining volumes
- Longer-term (12 month) falling resistance
- RSI, Momentum & Stochastics overbought
- Shares been underperforming FTSE100

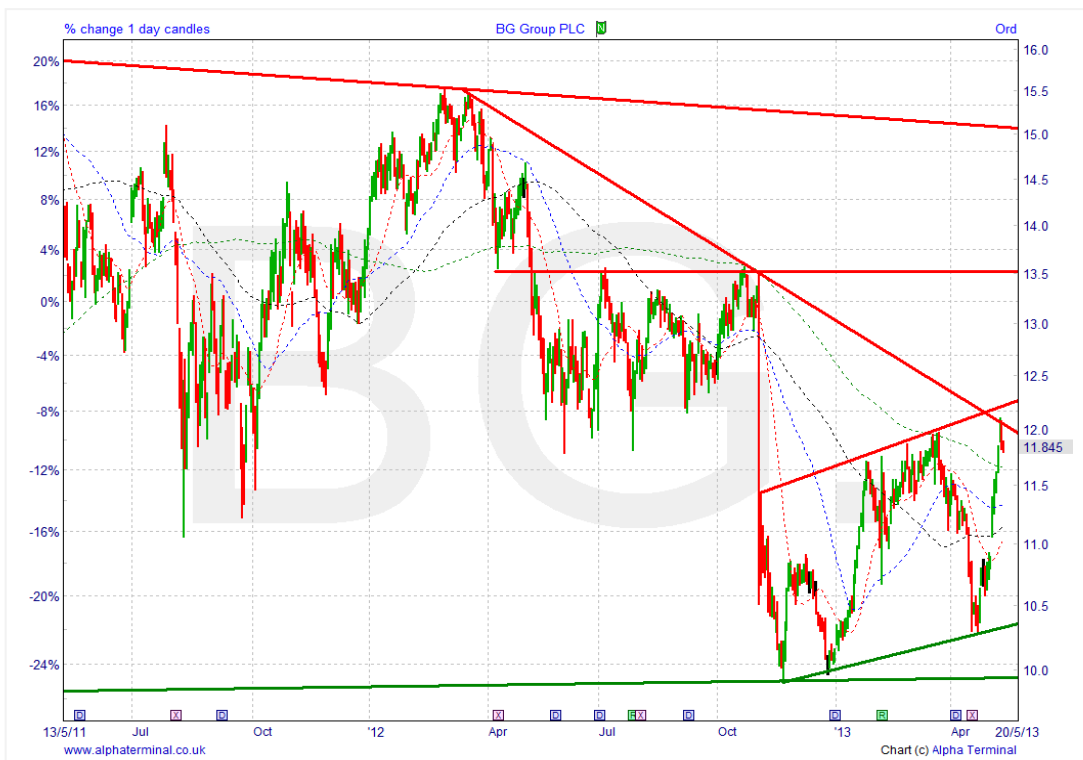
Technical Observations - Against

- RSI & Momentum not yet fallen from overbought
- MACD positive and rising
- Directional indicators still bullish
- 200-day moving average could be supportive at 1166p
- Stock is a consensus 12-month Buy

News / Broker Comments / Important Dates / Observations **

Deutsche Bank ups to Buy from Hold and TP to 1400p from 1350p saying outlook for exploration and production is improving and quality of LNG earnings enhanced by recent contract signings (9 May). BG & Ophir Energy (OPHR LN) announce securing of drilling rig for continuation of East African drilling programme (9 May). BG signs pact with CNOC for sale of Aussie LNG assets (7 May). Liberium says Q1 results ahead of expectations on lower write-downs (2 May) **Next Event:** Strategy Update 14 May; AGM 23 May, Q2 results 26 Jul

Latest Broker 12m Consensus: 20 x Buy, 7 x Hold, 1 x Sell (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade) **8-May**, Canaccord, Buy, TP 1300p; **3-May**, ExaneBNP, Buy; **3-May**, SocGen, Hold; **22-Apr**, Investec, Sell; **2-Apr**, Morningstar, Outperform, **14-Jan**, Morgan Stanley, Equalweight, TP 1170p (D); **7-Jan**, Credit Suisse, Neutral, TP 1215p (D)



Stock description

BG Group plc specializes in the exploration, production, transmission and distribution of gas, oil and liquefied natural gas. The Group also develops, owns and operates gas-fired power generation plants. (FTSE100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
31-Oct-2012

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

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Graph: 2-year (daily) - ADX and Directional Indicators, MACD & Volume



Moving averages on price:
Green: 200-period, Black: 100-period, Red: 50-period, Red: 20-period

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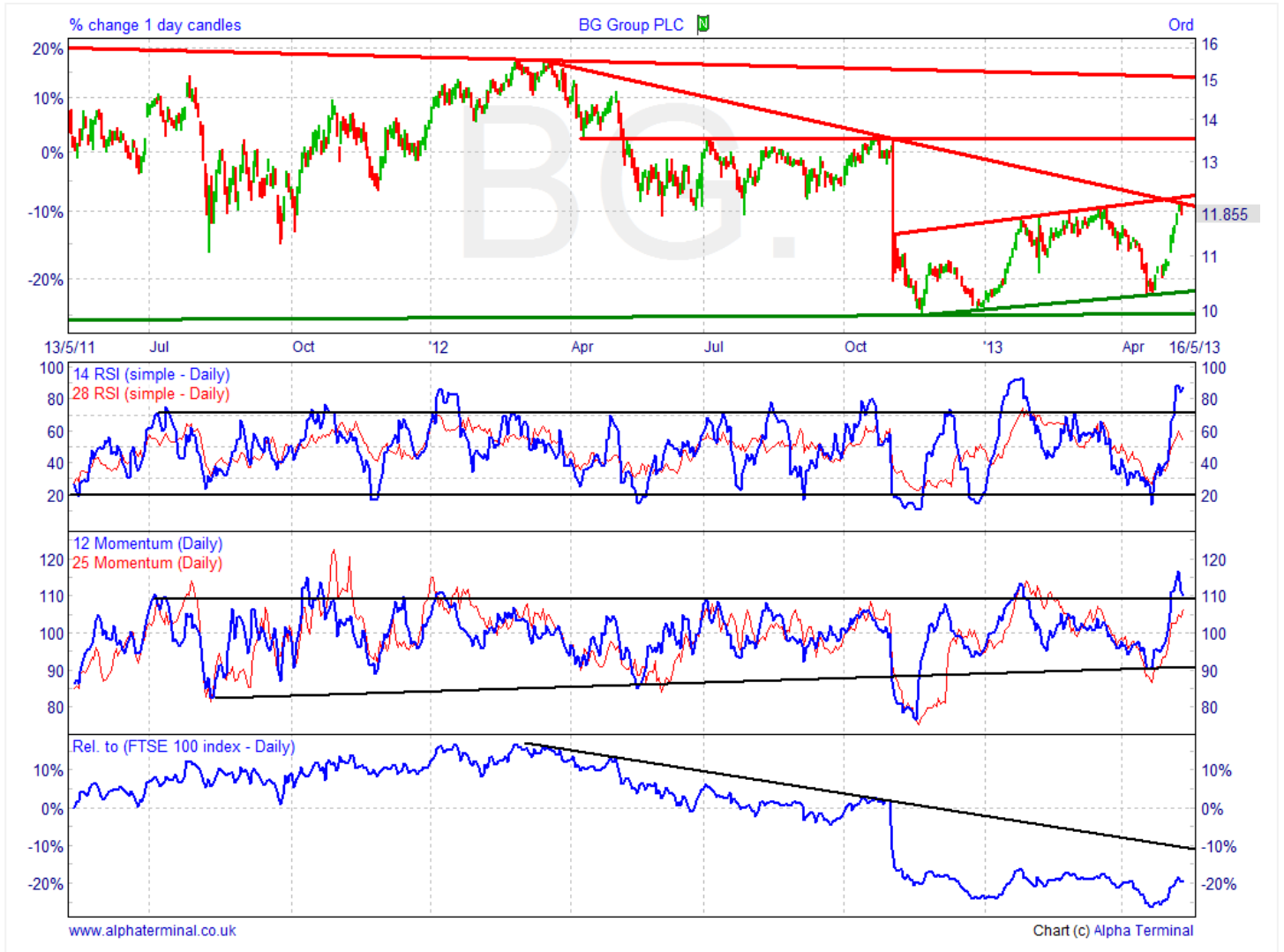
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Graph: 2-year - RSI, Momentum and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	4.42	5.54	4.15	-11.24	-11.47	14.45	8.83	-14.9

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