

Sell – BG Group (BG)

November 8, 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
1265p	1305p (40p/3.2% above)	1150p (115p/9.1% below)	2.9x	5%

Technical Observations - For

- Shares found resistance at prior highs
- MACD slowed up; 4-day red candle sell-off
- RSI & Stochastics turned down from overbought
- Directional Indicators converging bearishly
- No major support from moving averages

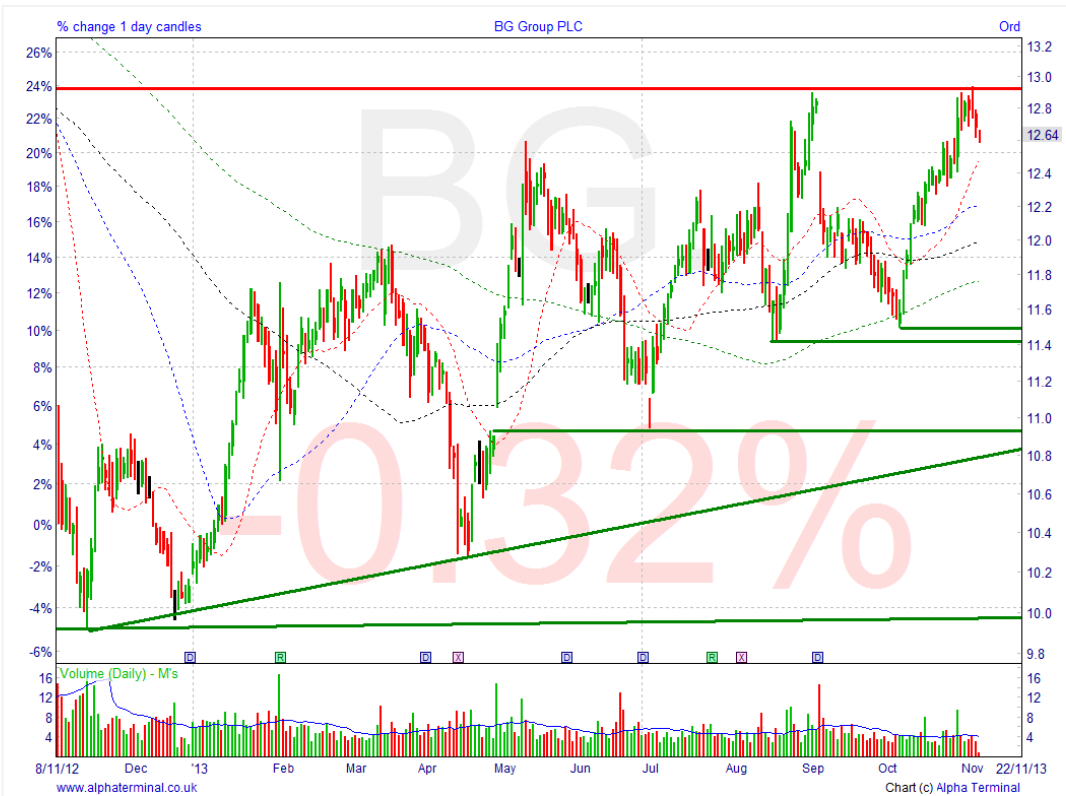
Technical Observations - Against

- MACD not yet gone negative
- Momentum not yet gone negative
- ADX (trend strength) still rising
- 200-day moving average may slow shares up before limit
- Volume not risen on sell-off

News / Broker Comments / Important Dates / Observations **

BG's Q3 results show drop in earnings on lower production, but beat estimates thanks to E&P and LNG segments and low tax rate (31 Oct). BG sells entire stake in TGGT for \$213m (17 Oct). BG completes drill test in Tanzania (2 Oct). Credit Suisse downgrades on too-high consensus. Also expects negative momentum to re-emerge in 2014 (11 Sept). Barclays downgrades on issues in Egypt, Norway and US reducing expectations for 2014 and 2015 (10 Sept). Consensus Buy, but latest updates mixed. **Event:** Q4/FY results, early Feb

Latest Broker 12m Consensus: 16 x Buy, 7 x Hold, 3 x Sell (Source: Digital Look, AlphaTerminal) (U = Upgrade / D = Downgrade)
4-Nov, SocGen, Hold, TP 1400p; **1-Nov,** ExaneBNP, Buy, TP 1450p; **27-Sept,** Investec, Sell, TP 1100p; **11-Sept,** Credit Suisse, Underperform (D), TP 1190p; **10-Sept,** Barclays, Equalweight (D), TP 1320p (D); **10-Sept,** Canaccord, Hold, TP 1250p;



Stock description

BG Group PLC operates as an integrated natural gas company. The Company explores, develops, produces, liquefies, and markets hydrocarbons with a focus on natural gas. BG Group extends its services throughout global networks (FTSE 150)

Graph: 1-year (daily)

Stock last used as Trade Idea;
13-May-2013

****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



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

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



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-0.73	7.32	4.79	19.61	-7.45	0.82	11.68	50.87

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