

# Sell – Burberry (BRBY)

August 29, 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
1533p	1620p (87p/5.7% above)	1300p (233p/15.2% below)	2.7x	5%

**Technical Observations - For**

- Shares fallen back from 2yr highs for 4<sup>th</sup> time
- Fallback from ceiling of 2013 shallow rising channel
- MACD topped out, Momentum gone negative
- RSI & Stochastics turned down from overbought
- Directional Indicators made bearish cross

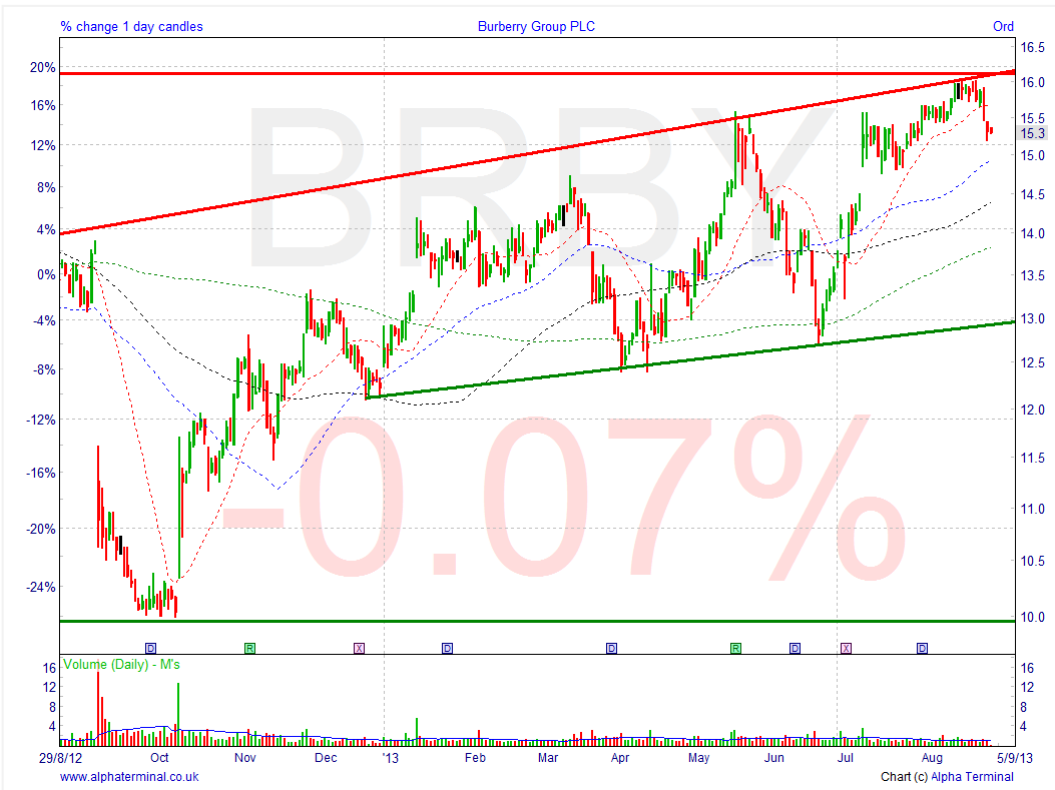
**Technical Observations - Against**

- Shares been outperforming FTSE 100
- RSI & Momentum show rising lows since April
- MACD not yet gone negative
- Point & Figure chart shows reversal
- Moving averages could slow up declines around 1400-1450p

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

Luxury peer Hermes expects FY13 revenues +10%, as business picked up in Q2 thanks to strong US sales (18 Jul). Credit Suisse ups target after strong Q1 update and outperformance in China. Notes Japan a risk. (12 Jul). Hargreaves says impressive start to year with online strength offsetting any footfall weakness (10 Jul). HSBC upgrades on strategic initiatives coming together (2 Jul). Shares rallied on Q1 update, results beat expectations. Some consider luxury goods defensive. **Next Event:** H1 trading, 15 Oct; H1 Results 14 Nov

**Latest Broker 12m Consensus:** 7 x Buy, 14 x Hold, 2 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **22-Aug**, Citigroup, Neutral, TP 1550p; **12-Jul**, Credit Suisse, Outperform, 1700p (U); **11-Jul**, UBS, Neutral, TP 1530p (U); **11-Jul**, JPMorgan, Neutral, TP 1450p (U); **10-Jul**, Morgan Stanley, Equalweight, TP 1400p; **5-Jul**, Berenberg, Buy, TP 1700p (U)



**Stock description**

**Burberry Group PLC** is a global luxury brand with British heritage, core outerwear and large leather goods base. The Company designs and sources apparel and accessories, selling through a diversified network of retail, digital, wholesale and licensing channels worldwide (*FTSE 100*)

**Graph: 1-year (daily)**

**Stock last used as Trade Idea;**  
15-Mar-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**



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

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**Graph: 1-year - RSI, MACD and Performance relative to FTSE 100**



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-3.71	-0.07	6.62	15.21	10.63	78.01	213.4	218.75

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