

Sell – Intertek (ITRK)

September 23, 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
3360p	3450p (90p/2.7% above)	2950p (410p/12.2% below)	4.6x	10%

Technical Observations - For

- Falling highs since April
- Test of steep rising lows since end-July
- MACD turned down from 10-month falling highs
- Directional indicators converging bearishly, bearish cross close
- Stochastics topped out

Technical Observations - Against

- Golden cross close (50-day MA breaks above 200-day)
- Potential support at 200-day MA 3210p
- RSI & Momentum still show support from rising lows
- ADX (trend strength) still strong
- Momentum indicators yet to go negative

News / Broker Comments / Important Dates / Observations **

RBC upgrades and lifts TP noting significant recent underperformance and despite full valuation sees limited downside risk (6-Aug). Numis says H1 results below expectations, but stays positive on long term structural growth drivers, high returns and strong balance sheet, but says H2 outlook could weaken (29 Jul). ITRK buys Melbourn Scientific (9 Jul). Goldman lowers TP saying Q1 statement confirmed slowdown in organic growth (20 May) Limited newsflow and broker comment. **Next Event:** Ex-div, 2 Oct; Results mid-Nov

Latest Broker 12m Consensus: 12 x Buy, 8 x Hold, 4 x Sell (Source: Digital Look, AlphaTerminal) (U = Upgrade / D = Downgrade)
16-Sept, Citigroup, Buy, TP 3940p; **12-Sept,** JPMorgan, Overweight, TP 3840p; **10-Sept,** Deutsche, Hold, TP 3243p (U); **30-Aug,** Shore, Sell; **22-Aug,** Credit Suisse, Outperform, TP 3600p (D); **14-Aug,** SocGen, Hold; **6-Aug,** RBC, Neutral (U), TP 3050p (U)



Stock description

Intertek Group plc offers product inspection services. The Company tests textiles, toys, petroleum products, chemicals, electronic products, building materials, and agricultural products. Intertek inspects and certifies products for safety to governments, exporters and importers, and certifies that import duties are declared and paid. (FTSE 100)

Graph: 1-year (daily)

Stock last used as Trade Idea;
15-Jun-2012

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

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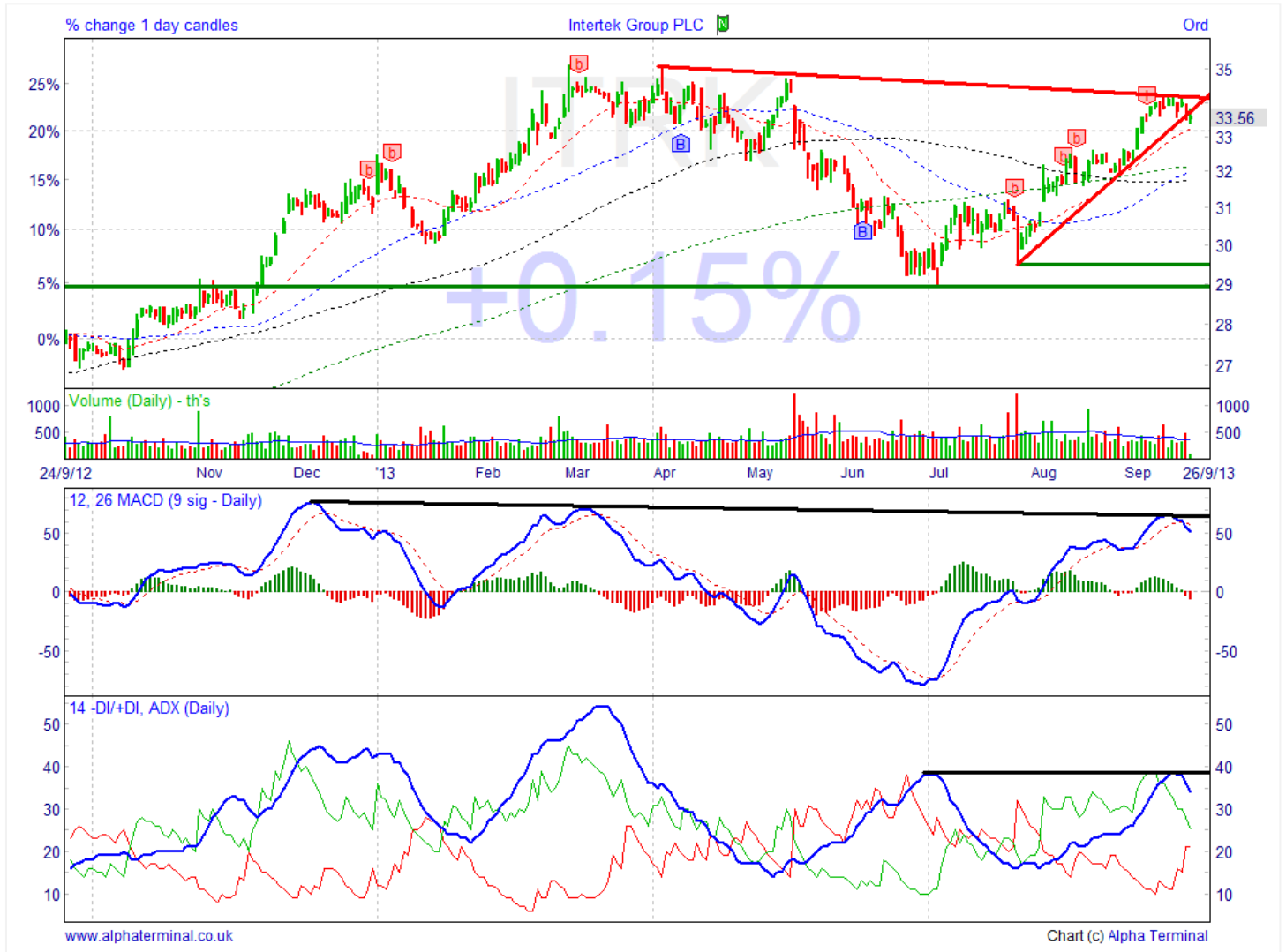
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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

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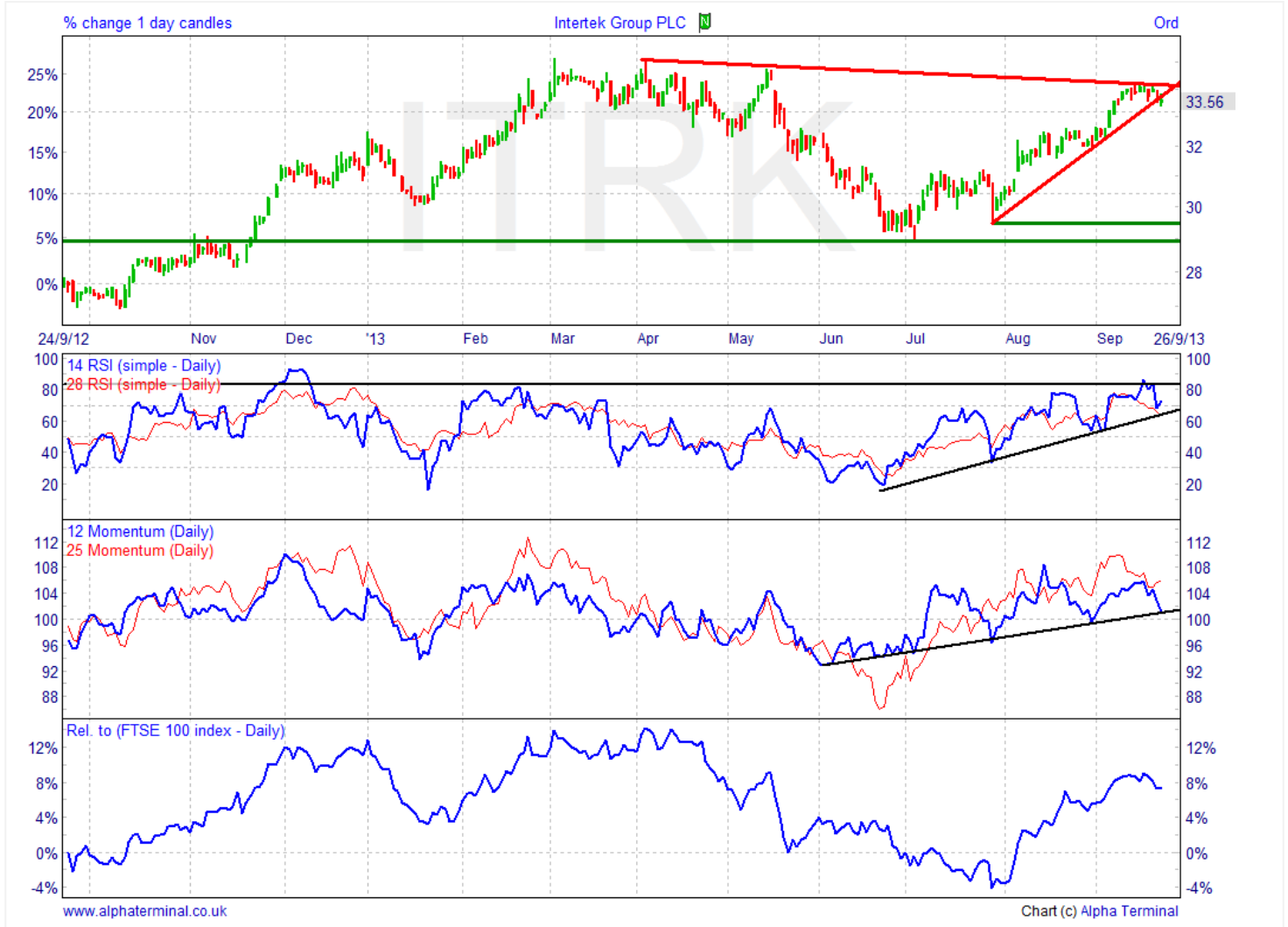
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-0.77	3.99	13.25	21.53	67.7	85.27	163.04	308.39

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