

Sell – John Wood Group (WG.)

March 20, 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	Limit/Target	Reward vs. Risk	CFD Margin
860p	30p away (890p)	760p	3.3x	10%

Technical Observations - For

- Shares slowed up at current levels; Long term up-trend stalled
- MACD shows halt at rising trendline of recent highs
- Positive Directional indicator turned down
- RSI overbought Directional Indicator at extreme high
- Momentum back at recent highs; resistance?

Technical Observations - Against

- Recent 850-860p trading could be merely a pause
- Shares still in long-term uptrend; support from moving averages
- MACD not yet turned down decisively, still positive
- RSI not turned back from overbought
- Momentum not turned back, still positive

News / Broker Comments / Important Dates / Observations **

Company secures 11 new contracts in Africa worth \$240m (20 Jan). Company narrowly avoided demotion from FTSE100 Index, thanks to strong earnings and a dividend hikes boosting the share price (6 Mar). Canaccord says results in-line with expectations and should offer reassurance after poor run of update across sector (5 Mar). Numis upgrades after company reports strong year and expectations of another in 2013 driven by top-line and margin growth (5 Mar) Global growth sensitive stock. **Next Event:** AGM & Interim results, 15 May

Latest Broker 12m Consensus: 8 x Buy, 7 x Hold, 0 x Sell (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade) **18-Mar**, Investec, Hold; **6-Mar**, ExaneBNP, Buy; **6-Mar**, HSBC, Overweight (U); **5-Mar**, Numis, Add, TP 835p; **10-Jan**, Westhouse, Buy; **9-Jan**, Goldman Sachs, Buy (U), TP 912p (D); **20-Dec**, Canaccord, Buy; **5-Oct**, Investec, Hold, TP 800p; **5-Oct**, Deutsche, Hold;



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 (FTSE100)

Graph: 2-year (daily)

Stock last used as Trade Idea;
N/A

****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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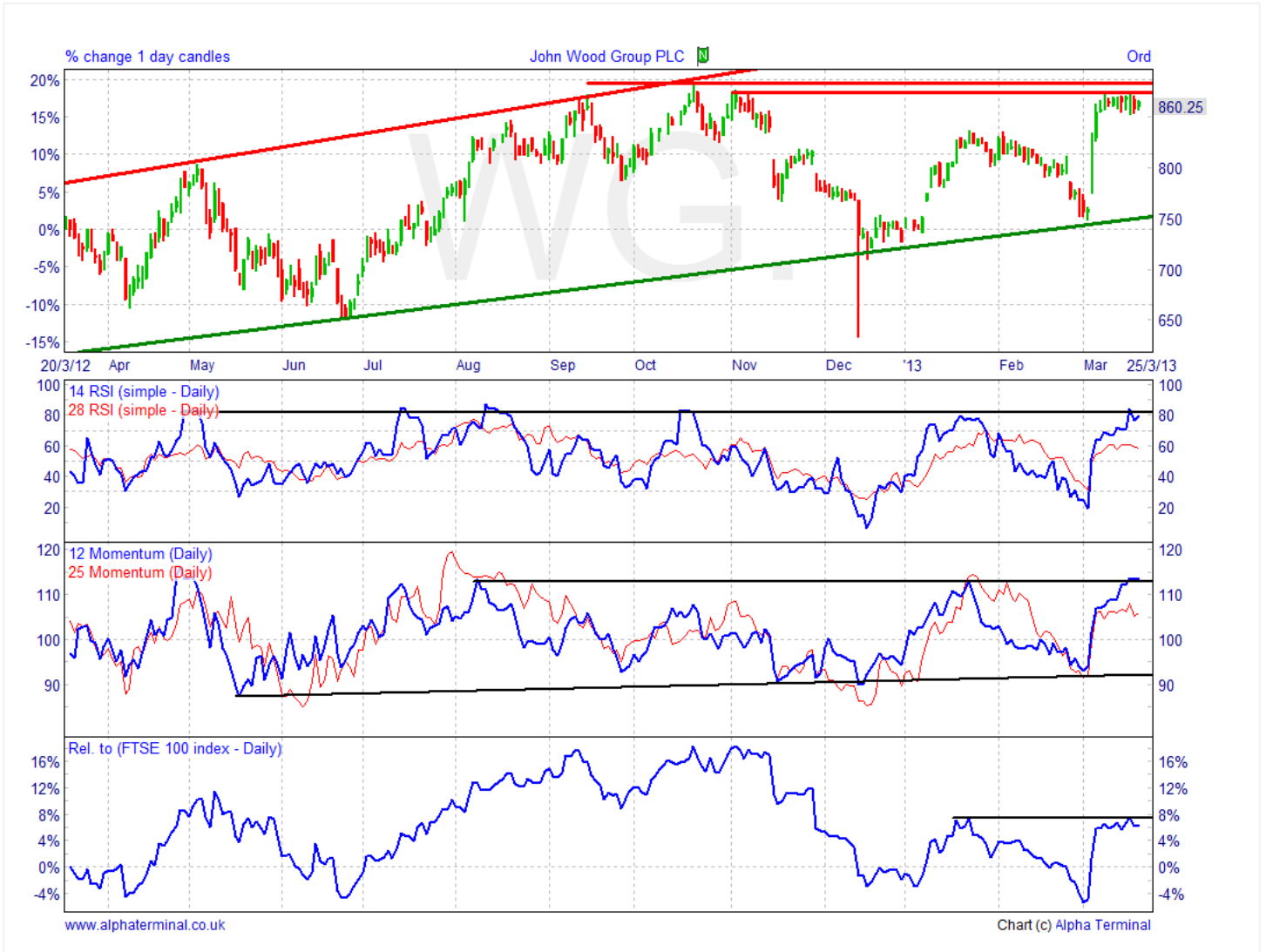
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Graph: 2-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	17.28	7.6	15.16	16.33	33.89	133.19	268.02	111.36

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