

# Sell – Legal & General (LGEN)

August 22, 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:				
<b>Opening Price</b>	<b>Stop Loss</b>	<b>Profit Limit</b>	<b>Reward vs. Risk</b>	<b>CFD Margin</b>
198.9p	206p (7.1p/3.6% above)	175p (23.9p/12.0% below)	3.4x	5%

**Technical Observations - For**

- Shares topped out, drop in volume
- Natural sell-off within longer-term uptrend
- Negative divergence with MACD, ADX, RSI, Momentum
- Momentum gone negative, RSI almost
- Directional Indicators converging bearishly

**Technical Observations - Against**

- MACD not yet gone negative
- Share still in long term uptrend
- Shares been outperforming FTSE100
- Point & Figure chart not yet shown reversal
- No resistance from moving averages

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

Ratings agency S&P says new regulation (RDR, Auto-enrollment) setting playing field for UK life market (20 Aug). BoA-ML ups TP on better cash generation and increased dividend (7 Aug). Barclays says H1 results solid (6 Aug). Panmure ups TP after H1 results beat forecasts. Capital position strong and shares undervalued (6 Aug). Shore says H1 impresses. Positive outlook and strategy offers clarity (6 Aug). Recent market correction and equities & bond may dent investments. **Next Event: Ex-div 28 Aug, 5-Nov Interim results**

**Latest Broker 12m Consensus:** 9 x Buy, 6 x Hold, 3 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **22-Aug**, Morgan Stanley, Equalweight, TP 192p; **22-Aug**, ExaneBNP, Underperform, 128p; **13-Aug**, Citigroup, Neutral, TP 210p (U); **12-Aug**, Barclays, Overweight, TP 188p; **8 Aug**, Shore, Buy; **7-Aug**, Deutsche, Buy, TP 189p; **8-Aug**, BoA-ML, Neutral, TP 210p (U)



**Stock description**

**Legal & General Group plc** is a holding company. The Company, through its subsidiaries, provides savings, risk and investment management services such as annuities, long-term savings, life assurance and financial protection products. Legal & General Group's products are sold through bank, building society relationships, Independent Financial Advisers and directly to customers. (FTSE 100)

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

**Stock last used as Trade Idea;**  
22-May-12

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

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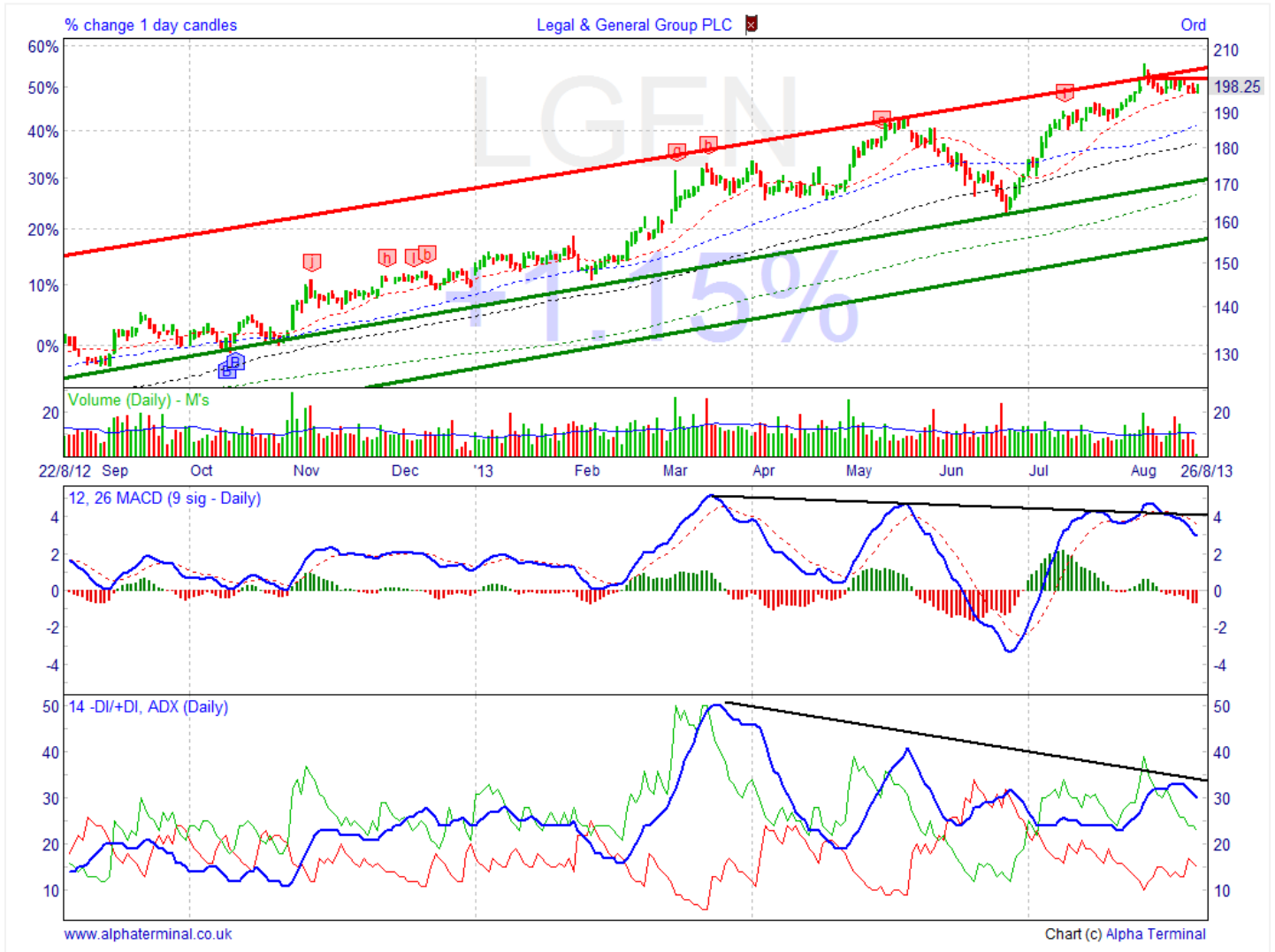
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**Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume**



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

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



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-0.82	4.01	9.53	51.53	100.15	117.85	157.6	89.45

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