

Sell – Premier Oil (PMO)

June 7, 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
346.4p	8.6p away (355p)	31.4p away (315p)	3.7x	10%

Technical Observations - For

- Shares broken below prior low, and MACD below rising support
- Directional Indicators diverging bearishly; ADX on the rise
- Moving averages all breached long ago
- Falling volumes on recent sell-off;
- Resistance trendline in perf. vs. FTSE100

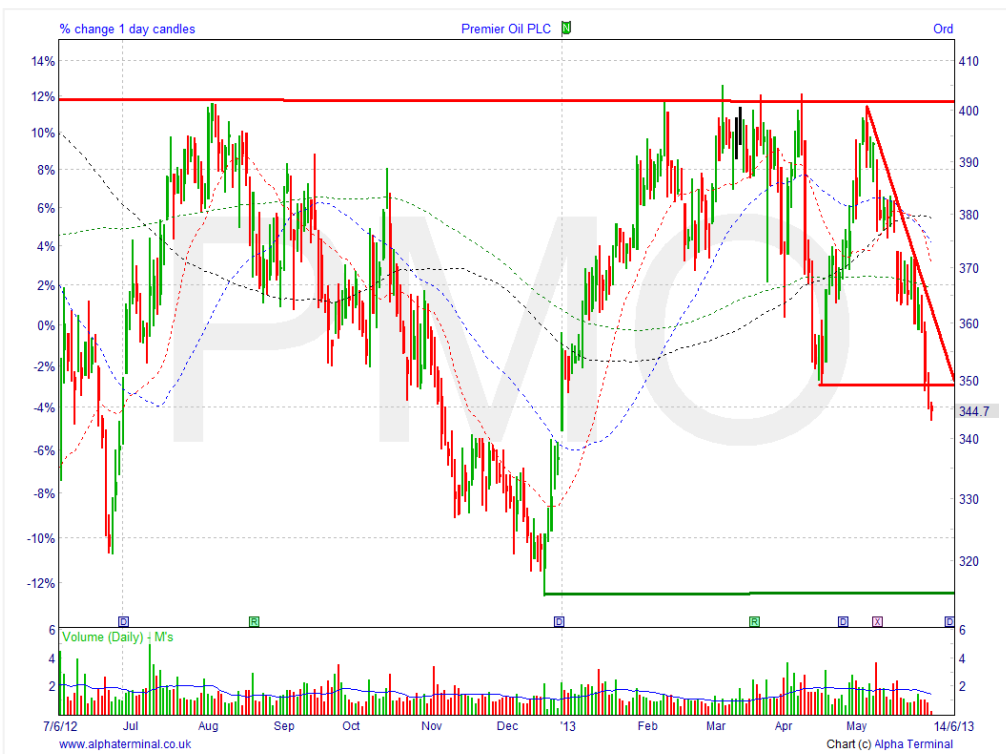
Technical Observations - Against

- RSI down near prior lows – could bounce
- Momentum down near prior lows – could bounce
- Momentum back at rising support
- Stochastics suggests already oversold
- Weak USD and Oil price a consideration

News / Broker Comments / Important Dates / Observations **

Shares fell on news of Matang gas discovery flowing at 25M cu ft/day (13 May). Shares down since interim management statement where output guidance kept at 65-70K boepd (16 May). Luno II flows at 2,044b boepd (7 May). Swedish firm Lundin says PI359 where Luno II found (PMO has 30% stake) may contain 160 barrels (6 May). Shares are a consensus buy, so who's left to buy? Weaker USD benefits oil price, but global growth still more of a concern. **Next Event:** Trading & Ops update, 11-Jul; H1 Results, 22 Aug

Latest Broker 12m Consensus: 17 x Buy, 4 x Hold, 2 x Sell (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade)
4-Jun, Goldman Sachs, Buy, TP 467p (D); **3-Jun**, Investec, Buy, TP 460p; **30-May**, SocGen, Buy, TP 460p; **22-May**, Jefferies, Hold, TP 415p; **21-May**, ExaneBNP, Underperform, TP 407p; **16-May**, Deutsche, Buy, TP 600p; **7-May**, FoxDavies, Buy, TP 485p



Stock description

Premier Oil plc is an international oil and gas exploration and development company with producing interests in the United Kingdom, Indonesia, and Pakistan. The Company has continuing exploration and appraisal efforts in the United Kingdom, South and South East Asia, and Africa. (FTSE 2500)

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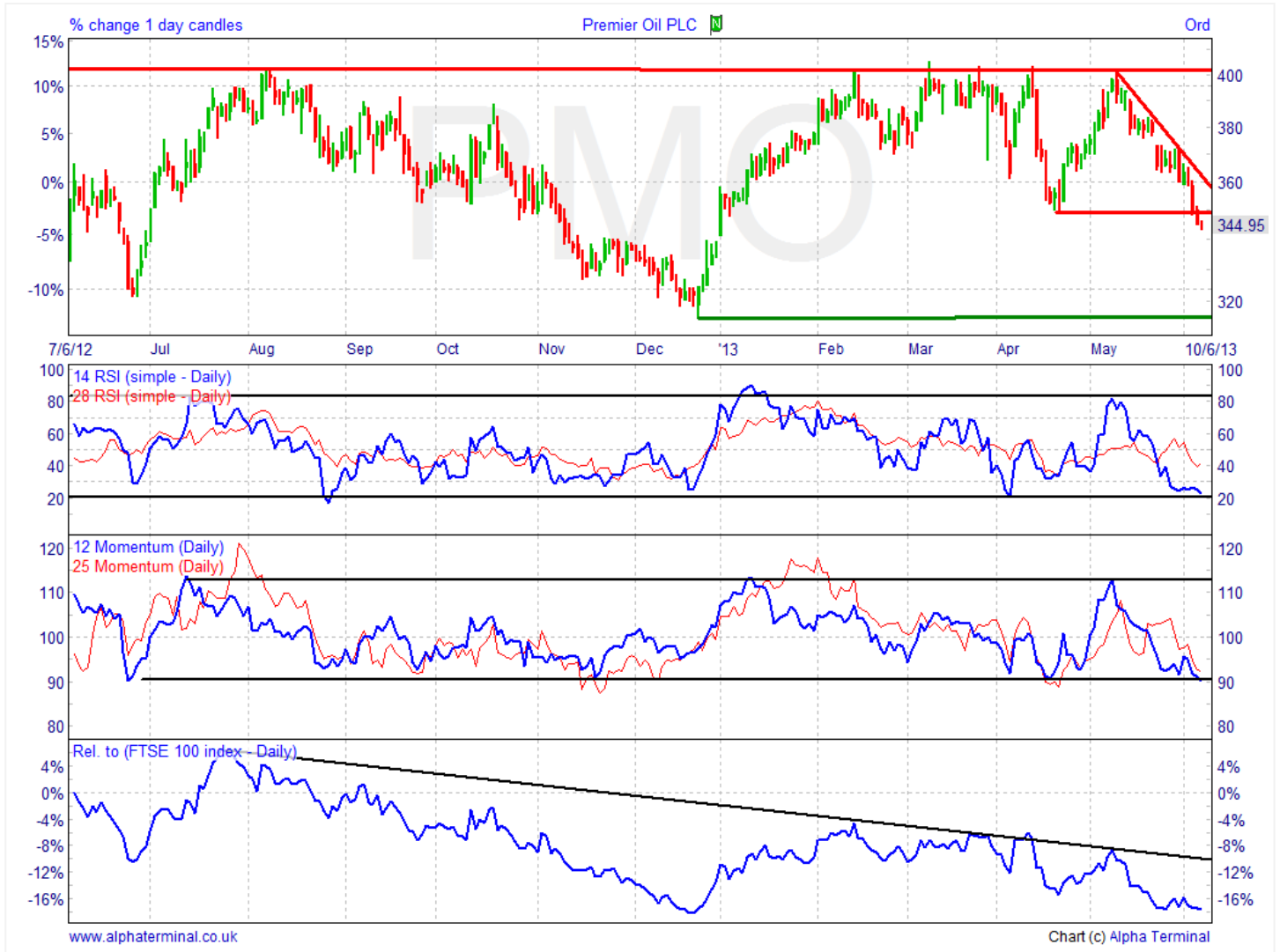
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Graph: 1-year - RSI, Momentum and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-6.69	-12	-13.18	-2.36	-27.65	16.05	21.68	5.13

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