

# Sell – Randgold Resources (RRS)

April 4, 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
5255p	245p away (5500p)	4630p	2.6x	5%

**Technical Observations - For**

- Bearish flag pattern end-Feb to end-March
- Break below recent and July 2012 lows
- MACD turned back from zero; Momentum also failed at zero
- Directional indicators made bearish cross
- RSI not been overbought since September

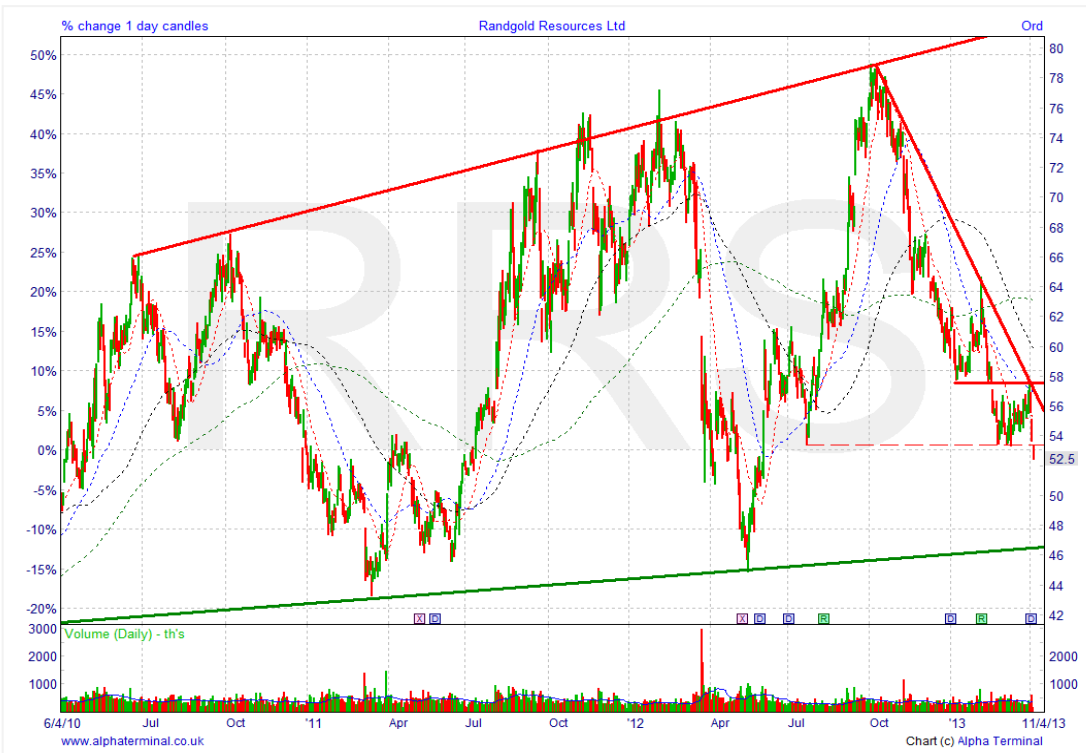
**Technical Observations - Against**

- Momentum in narrow sideways channel
- RSI could soon be oversold; ADX (trend strength) very low
- Stochastics swung to oversold
- Gold price can be erratic (links to world reserve currency USD)
- Shares (and market) still in long-term shallow rising channel

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

CEO says company may announce further 2 JVs in exploration pipeline this year, targets higher cash return to shareholders (2 Apr) Update on attributable reserves sees shares rally, but encounters resistance around 5750p (28 Mar). Citigroup downgrades on concerns about gold and silver prices which are close to entering bear market (-20% declines) and loss of recent momentum (15 Feb). Gold price in 6-month downtrend. Influenced by sentiment on safehavens and USD. **Next Event:** AGM 29 Apr, Q1 results 2 May

**Latest Broker 12m Consensus:** 18 x Buy, 6 x Hold, 2 x Sell (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade) **20-Mar**, Deutsche, Buy, TP 7360p; **7-Mar**, Nomura, Reduce, TP 4650p; **15-Feb**, Citigroup, Sell (D), TP 5540p (D); **5-Feb**, SocGen, Buy, TP 8000p; **5-Feb**, Barclays, Overweight, TP 6500p; **5-Feb**, BoA-ML, Buy, TP 8500p; **1-Feb**, JPMorgan, Overweight, TP 7560p (U)



**Stock description**

**Randgold Resources Ltd.** provides mining services. The Company offers acquisition, development, and exploration of gold and other precious metal in Africa. (FTSE100)

**Graph: 3-year (daily)**

**Stock last used as Trade Idea;** 24-Jan-2013

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

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**Graph: 3-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: 3-year (daily) - RSI, Momentum and Performance relative to FTSE 100**



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-5.58	-2.51	-10.64	-3.14	2.84	-2.6	60.26	98.79

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