

Sell – Reckitt Benckiser (RB.)

August 29, 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
4366p	4500p (134p/3.1% above)	3980p (386p/8.8% below)	2.9x	5%

Technical Observations - For

- Shares broken below base of double top formation
- MACD in falling channel; ADX (trend strength) very strong
- RSI fallen significantly, Momentum negative; no MA support
- Outperformance of FTSE100 broken below multi-month lows
- Directional indicators diverging bearishly

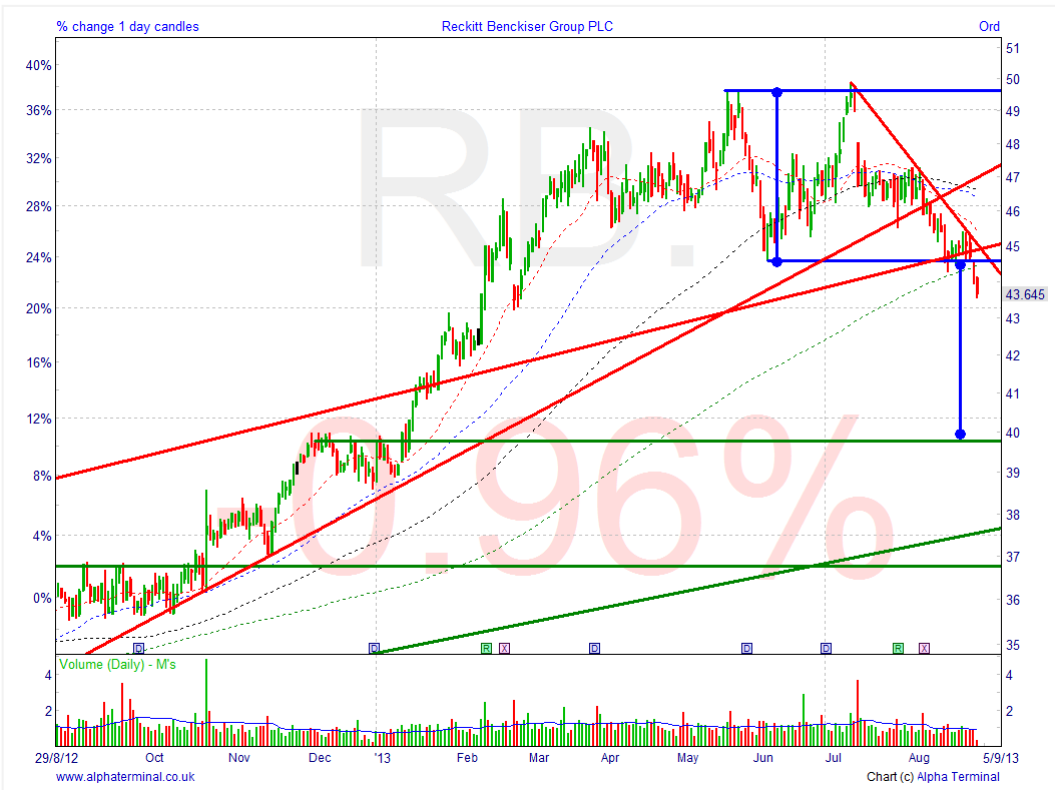
Technical Observations - Against

- MACD already at 1yr low, near base of channel
- RSI & Stochastics in oversold territory
- Momentum only just negative, near support
- Shares considered defensive; could benefit from market turmoil
- ADX (trend strength) could be about to turn down

News / Broker Comments / Important Dates / Observations **

Citigroup says peer L'Oreal in growth rut, which shows no signs of improving. Prefers RB (23 Aug). Deutsche Bank ups target after good H1 numbers with guidance now targeting top-end of previous range. Better core growth and FX moves (30 Jul). Shore Capital says H1 results in-line with expectations driven by good revenue progress and modest margin decline (29 Jul). H1 results suggest focus on health paying off despite tough global markets. Considered defensive stock. **Next Event:** Interim results, 22 Oct

Latest Broker 12m Consensus: 8 x Buy, 13 x Hold, 6 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
9-Aug, Shore, Hold; **7-Aug,** Investec, Sell; **30-Jul,** Jefferies, Hold, TP 4500p; **30-Jul,** JPMorgan, Neutral, TP 4450p; **30-Jul,** Citigroup, Buy; **30-Jul,** ExaneBNP, Underperform, TP 4400p; **30-Jul,** Morgan Stanley, Equalweight, TP 4500p; **16-Jul,** Liberium, Sell, TP 3800p



Stock description

Reckitt Benckiser Group PLC manufactures and distributes a wide range of household, toiletry, pharmaceutical and food products on a global basis. The Company's products include fabric treatments, disinfectant spray and cleaners, dishwashing detergent, personal care, food, and prescription drugs (*FTSE 100*)

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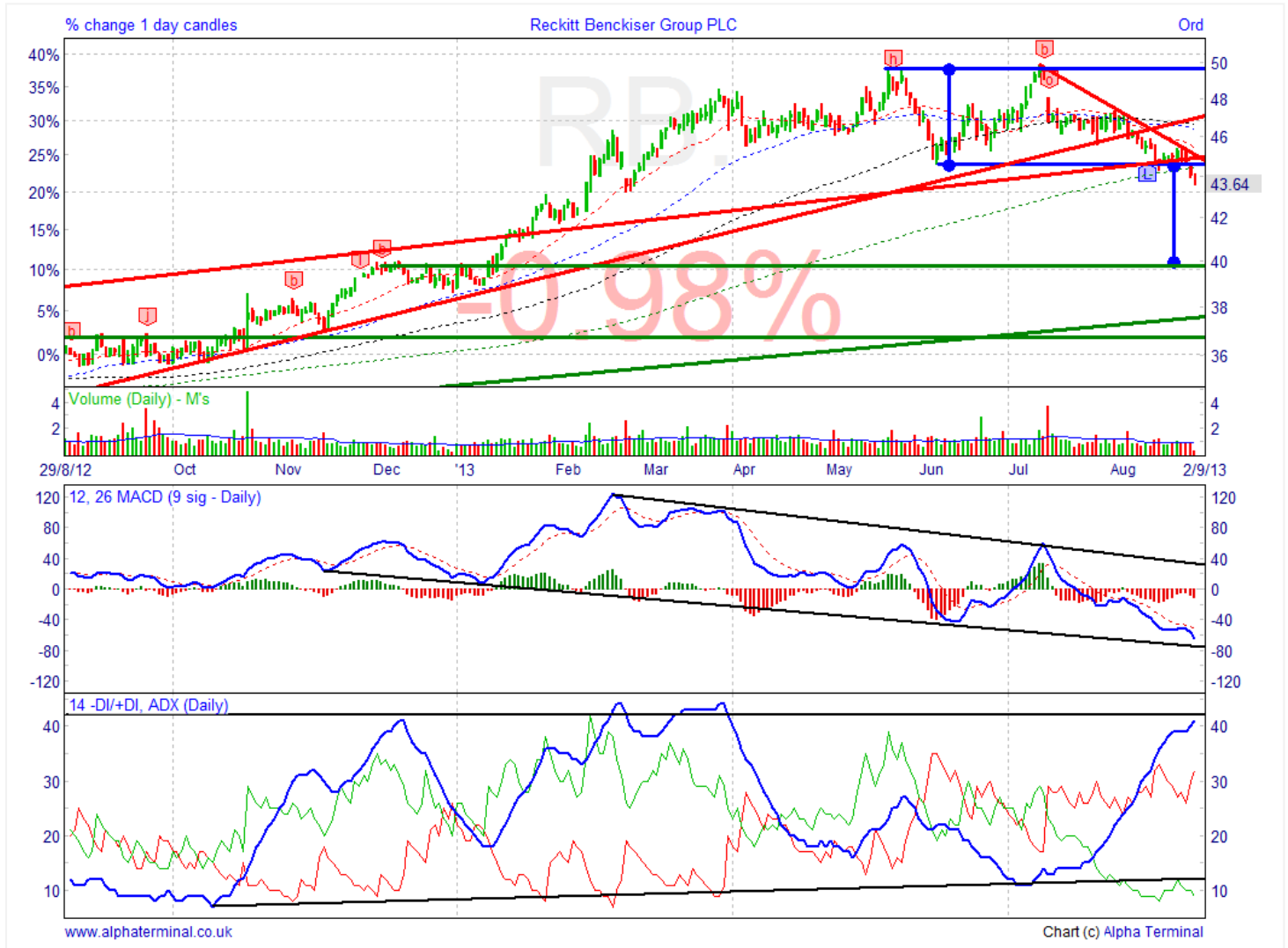
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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

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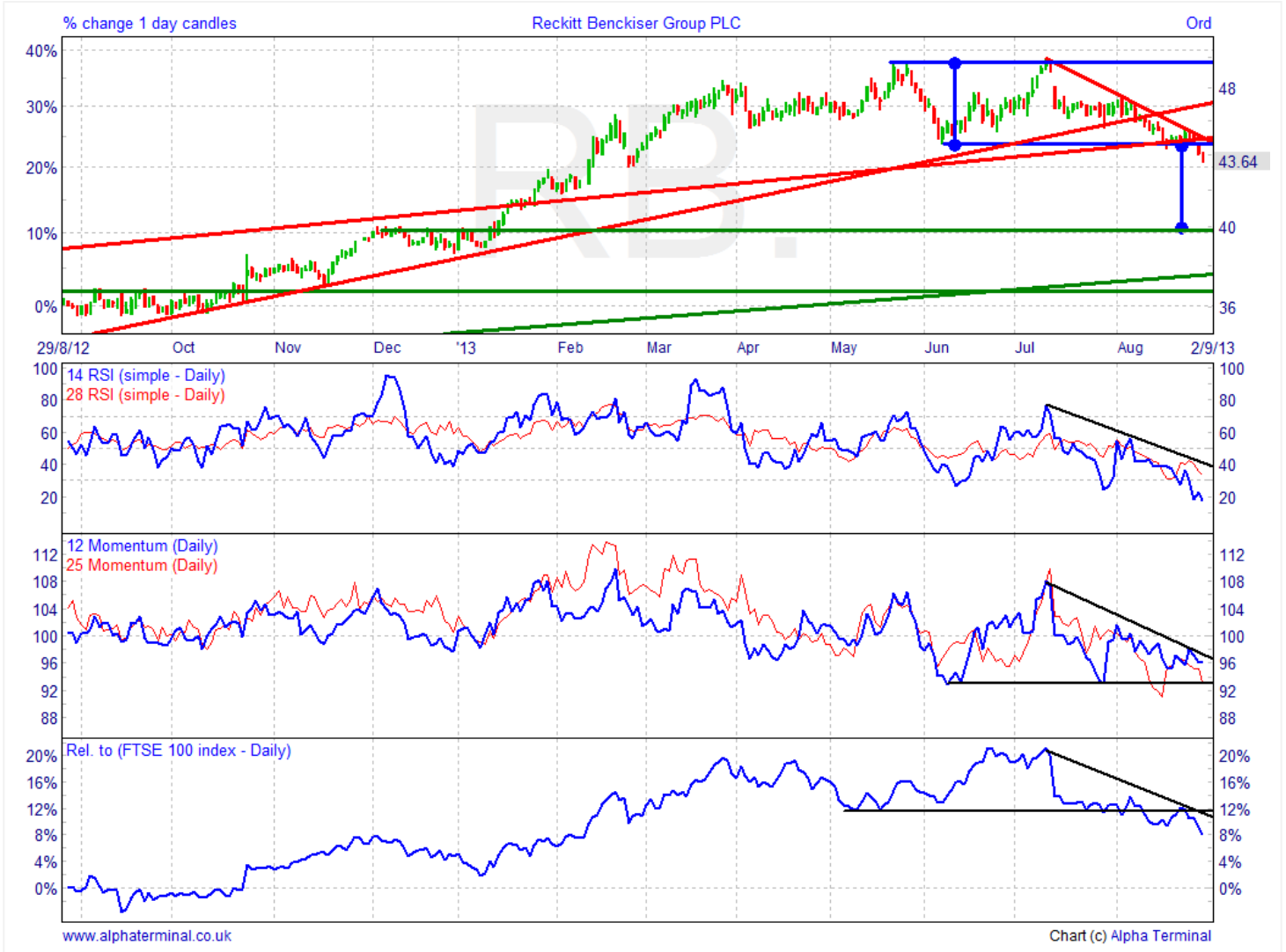
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Graph: 1-year - RSI, MACD and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-2.86	-5.75	-6.89	21.5	32.48	32.16	52.18	54.76

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