

Sell – Rolls Royce (RR)

November 27, 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
1231p	1275p (44p/3.6% above)	1120p (111p/9.0% below)	2.5x	5%

Technical Observations - For

- Shares slowed up again at all-time highs
- MACD topped out and crossed signal line
- Directional indicators converging bearishly
- RSI & Stochastics turning back from overbought
- Momentum dropped back

Technical Observations - Against

- Potential early support via moving averages ~1140/1150p
- Directional indicators not made bearish cross
- Momentum not gone negative
- No bearish crosses by moving averages yet
- Point & Figure chart shows no reversal

News / Broker Comments / Important Dates / Observations **

Wins \$215 Jet technology contract for F-35 program (25 Nov). Wins \$138m contract for Petrobras oil services support (21 Nov). Wins \$300m Qatar airways order (18 Nov). Wins \$5bn Etihad airways order at Dubai air show (18 Nov). Investec upgrades to after interim management statement confirms trading in-line with expectations. Expects relief rally after underperformance (8 Nov). Interim results taken positively by market. In terms of consensus, if everyone's a buyer, who's left to buy? **Event:** FY prelim results, 13 Feb

Latest Broker 12m Consensus: 9 x Buy, 1 x Hold, 4 x Sell (Source: Digital Look, AlphaTerminal) (U = Upgrade / D = Downgrade)

15-Nov, Alphavalue, Sell (D), TP 1066p (U); **8-Nov**, Jefferies, Buy, TP 1400p; **8-Nov**, Investec, Buy (U), TP 1250p (U); **19-Sep**, Charles Stanley, Accumulate; **19-Sep**, Deutsche, Hold, TP 1020p (U); **19-Sep**, Liberum, Buy, TP 1340p; **16-Sep**, Morgan Stanley, Buy, TP 1300p



Stock description

Rolls-Royce Holdings PLC manufactures aero, marine and industrial gas turbines for civil and military aircraft. The Group designs, constructs and installs power generation systems, transmission and distribution systems, and equipment for the marine propulsion, oil and gas pumping, and defense markets. (FTSE 100)

Graph: 9-months (daily)

Stock last used as Trade Idea;
6-Nov-2013

****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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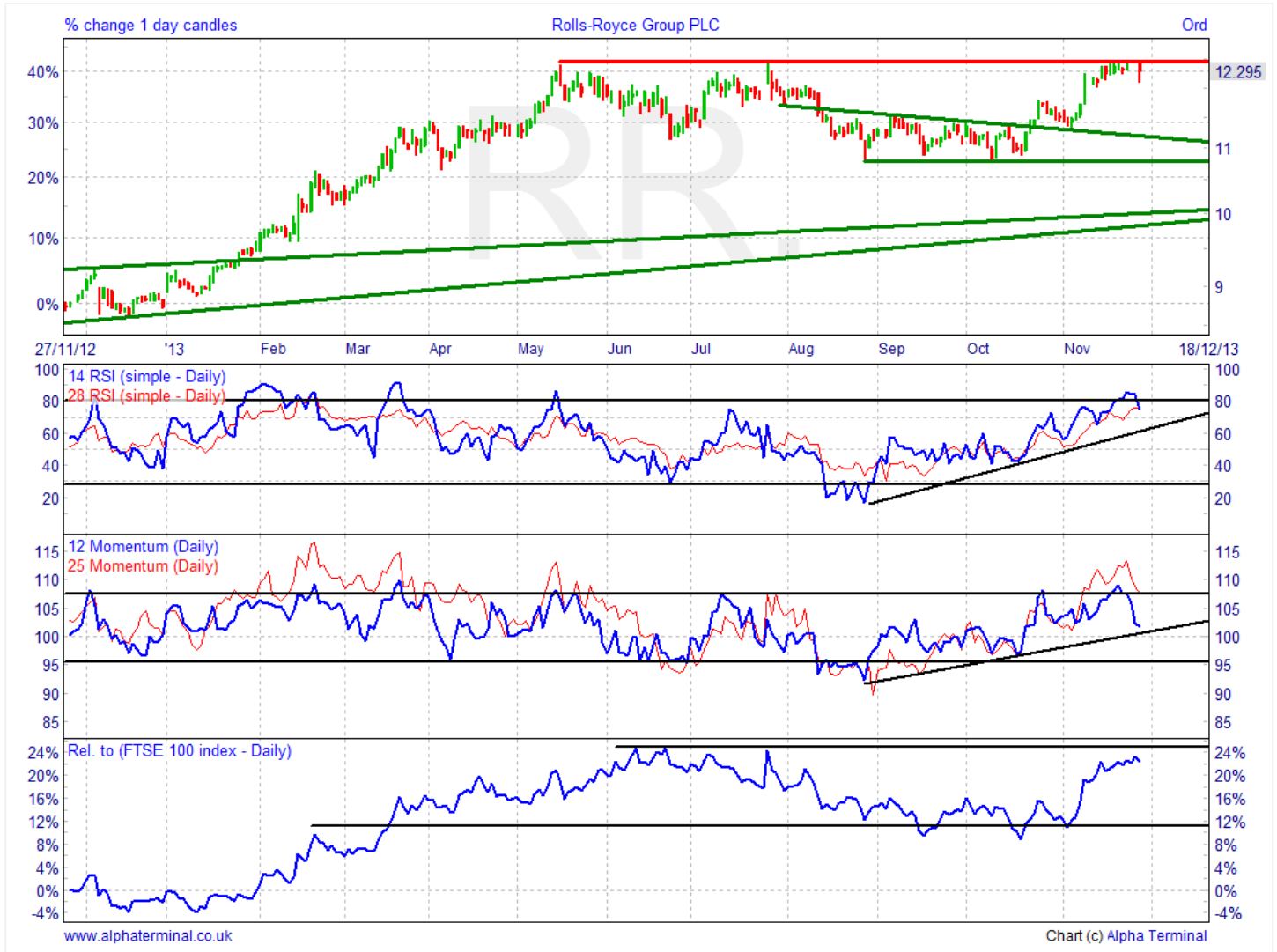
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-0.45	5.99	9	40.03	68.66	98.79	147.88	352.52

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