

# Sell – Royal Dutch Shell (RDSb)

July 16, 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> 2312p	<b>Stop Loss</b> 2400p (88p/3.85% above)	<b>Profit Limit</b> 2080p (232p/10.0% below)	<b>Reward vs. Risk</b> 2.6x	<b>CFD Margin</b> 5%
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**Technical Observations - For**

- Shares in 2013 shallow falling channel
- Volumes fallen off as shares peaked
- Falling volumes on recent sell-off
- RSI, Momentum & Stochastics overbought
- Directional indicators at bullish extreme

**Technical Observations - Against**

- RSI not corrected from overbought yet
- Momentum not yet negative
- Shares been underperforming index but may have found base
- Point & Figure graph not yet shown reversal
- MACD still in uptrend; not yet overbought

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

Dow Jones says US Shale boom threatens Australian gas projects (15 Jul). UK Regulator decides whether to probe alleged oil price-fixing (15 Jul). Shell Closes Nigerian pipeline again due to leak (12 Jul). US DoJ says Shell to pay >\$118m for alleged pollution. Company says refining chief to become group CEO in Jan (10 Jul). Company announces success at Gulf Of Mexico Vicksburg "A" Well. Company buying back shares. Global growth concerns (China, US, Europe). Oil price US\$ sensitive. **Next Event:** Interim results, 1 Aug

**Latest Broker 12m Consensus:** 18 x Buy, 13 x Hold, 5 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)  
**10-Jul,** ExaneBNP, Neutral, TP 2350p; **5-Jul,** JP Morgan Cazenove, Underweight; **17-Jun,** Jefferies, Buy, TP 2450p; **3-Jun,** Citigroup, Neutral, TP 2200p; **30-May,** Canaccord, Buy, TP 2650p; **20-May,** Morningstar, Outperform; **3-May,** SocGen, Buy; **22-Apr,** Investec, Buy



**Stock description**

**Royal Dutch Shell PLC**, through subsidiaries, explores for, produces, and refines petroleum. The Company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide. (FTSE 100)

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

**Stock last used as Trade Idea;**  
15-Feb-13

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



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	4.16	6.56	8.2	0.95	3.27	35.93	49.56	29.18

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