

Sell – Sage Group (SGE)

January 17, 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:				
Open	Stop Loss	Limit/Target	Reward vs. Risk	CFD Margin
312.4p	10.6p (323p)	280p	3.1x	10%

Technical Observations - For

- Shares in falling channel since September; back near top
- RSI turned down from oversold; underperforming FTSE100
- Directional indicators converging bearishly
- Stochastics suggest overbought
- Momentum slowed up at recent highs

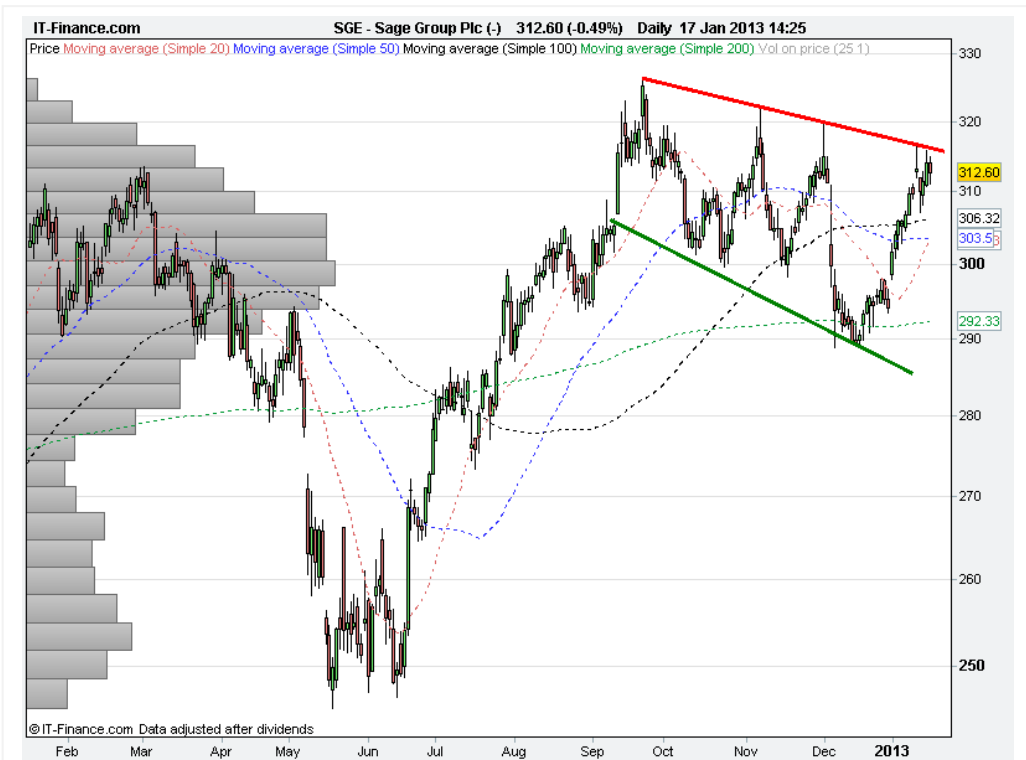
Technical Observations - Against

- MACD made new higher high, not turned below signal
- Support possible again from 100-day moving average at 306p
- RSI not yet fallen below prior high
- Momentum not yet turned down
- Channel could be bullish flag pattern and shares break higher

News / Broker Comments / Important Dates / Observations **

Share buyback can support price (17 Jan). Barclays cuts to underweight, but leaves 260p target, saying company making right noises about change but rate of change too slow (14 Jan). Merchant says FY results dull. Ups target from 280p to 290p but leaves at Hold (5 Dec). Peel Hunt says results in-line, looks at full valuation given slow growth (5 Dec) Lots of brokers still sellers; lots of price targets close to current levels Shares rose after last results. **Next Event:** Interim statement, 23 Jan

Latest Broker 12m Consensus: 4 x Buy, 12 x Hold, 7 x Sell (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade) **16-Jan**, Panmure, Sell, TP 297p; **14-Jan**, Goldman Sachs, Neutral, TP 330p (U); **14-Jan**, Barclays, Underweight (D); **10-Jan**, Morgan Stanley, Equalweight, TP 302p (U); **4-Dec**, Peel Hunt, Sell; **13-Dec**, Investec, Sell; **7-Dec**, ExaneBNP, Sell; **6-Dec**, Socgen, Sell;



Stock description

The Sage Group plc is a software publishing company. The Group develops, publishes and distributes accounting and payroll software for personal computer systems. Via its subsidiaries, Sage also maintains a registered user database which provides a market for their related products and services, including computer forms, software support contracts, program upgrades and training (FTSE100)

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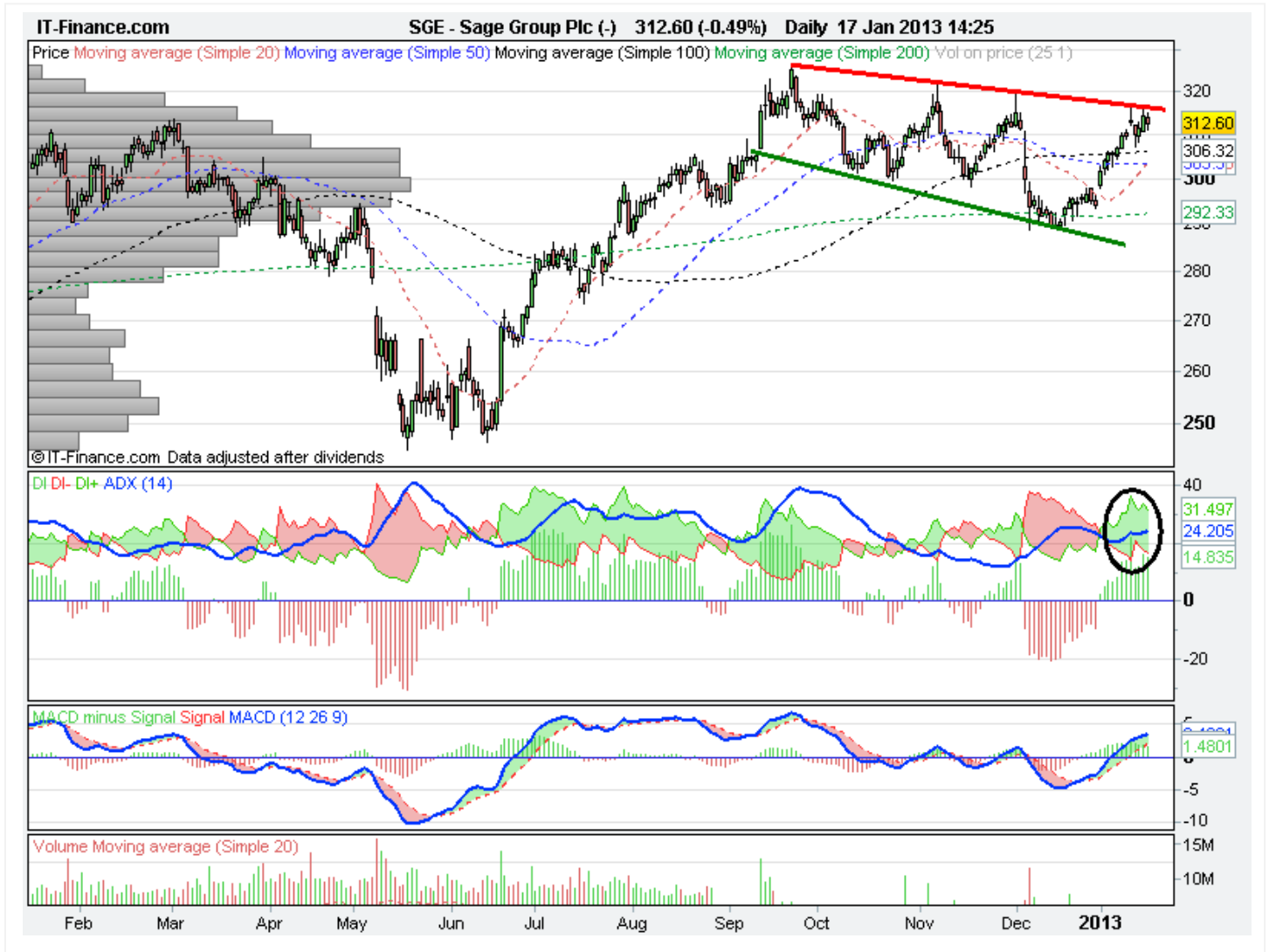
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Graph: 1-year (daily) - ADX and Directional Indicators, MACD & Volume



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

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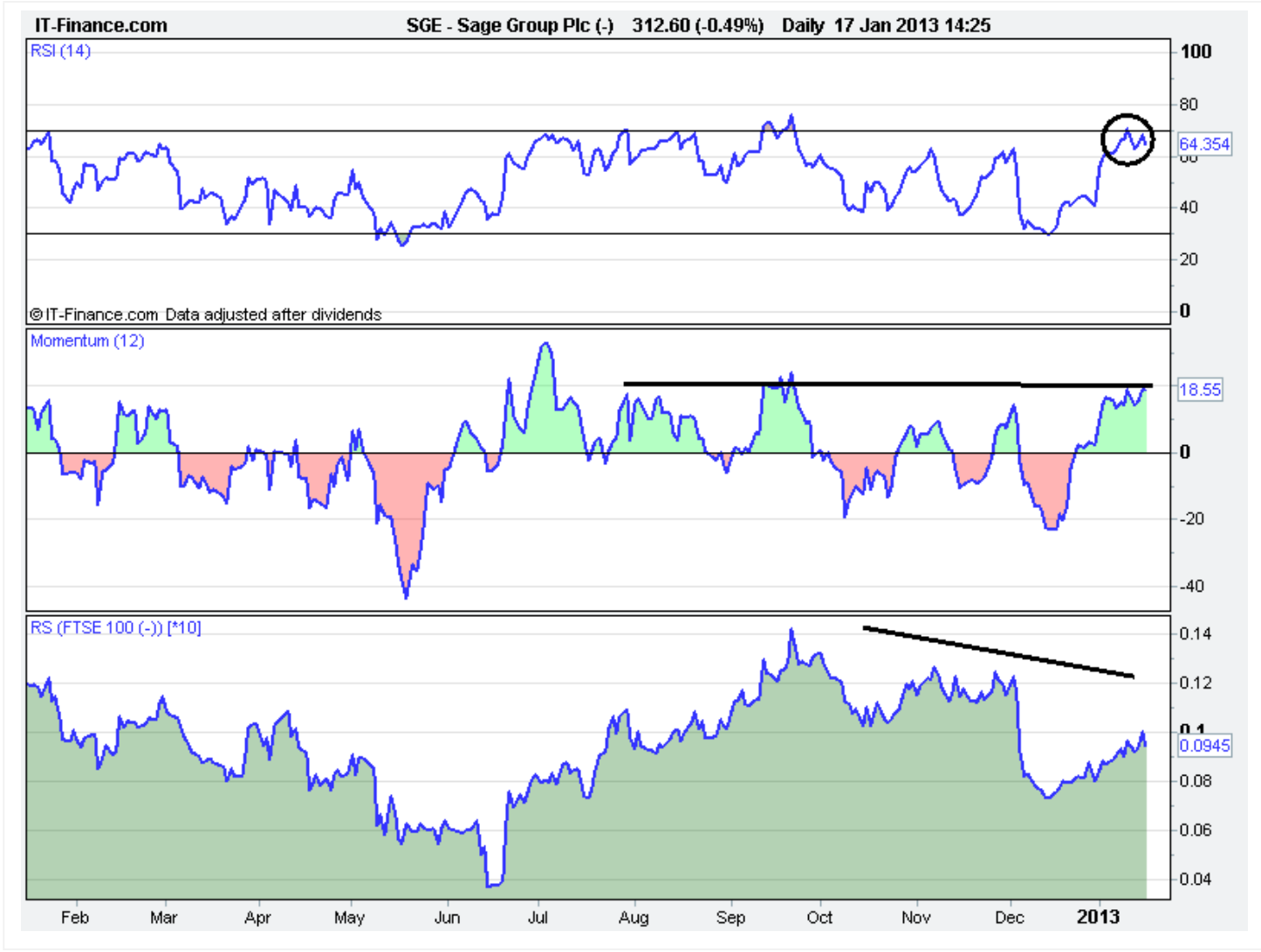
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Graph: 1-year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share	1wk	1m	6m	1yr	2yr	3yr	4yr	5yr
Perf %	0.87	7.98	8.43	2.16	10.23	31.37	75.9	50.37

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