

# Sell – Smiths Group (SMIN)

January 15, 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.

<b>Trade parameters:</b>				
Open	Stop Loss	Limit/Target	Reward vs. Risk	CFD Margin
1209p	36p (1245p)	1100p	3.0x	10%

**Technical Observations - For**

- Shares slowed up at 1200p level after significant gains
- MACD turned down from highs, below signal line
- Directional indicators converging bearishly
- RSI fallen back from overbought; Momentum fallen from highs
- Stochastics suggest overbought

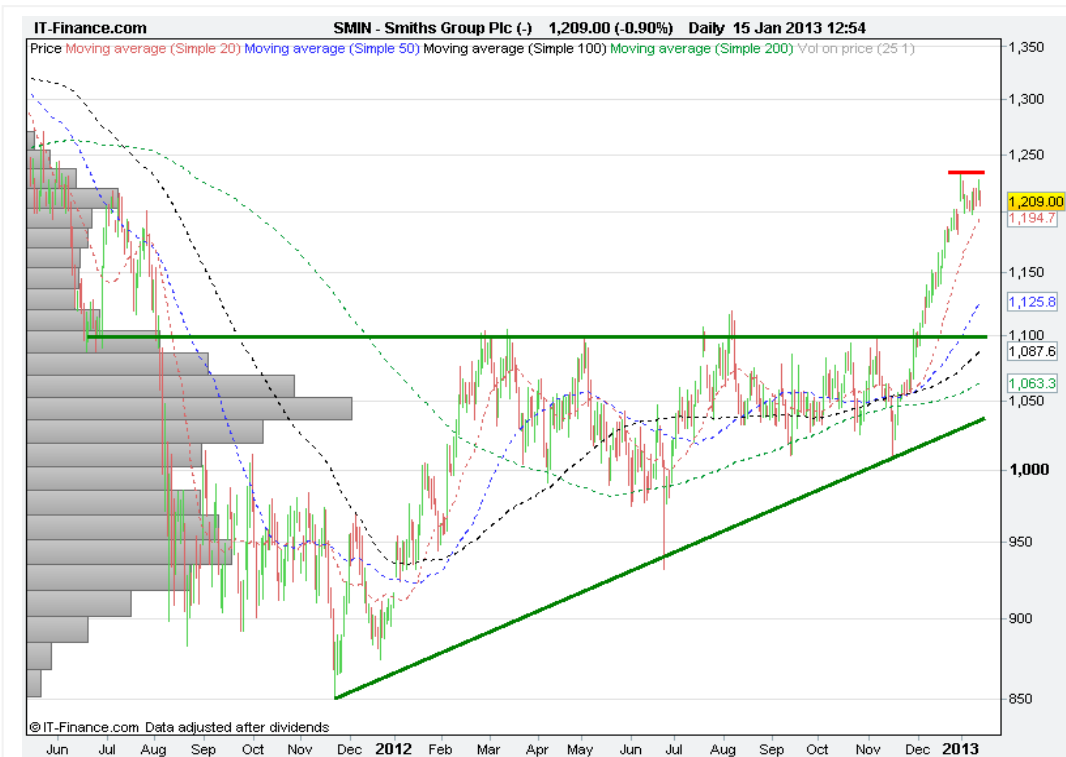
**Technical Observations - Against**

- ADX (trend strength) still very strong; DI's not crossed yet
- MACD not yet gone negative
- Moving averages still rising, no negative crosses
- Momentum & RSI not yet gone negative
- Old ascending triangle suggest more upside potential

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

Deutsche upgrades to Buy from Hold and TP to 1335p from 1150p saying cost programmes underway in underperforming divisions and US spending uncertainty should be resolved in Q1. Invensys disposal of Rail to Siemens could mean disposals by Smits could come soon (14 Dec). Company says trading in-line with consensus (20 Nov). Nomura starts at Neutral with TP of 1150p, with sentiment cautious due to US fiscal situation (6 Nov). Low (3.3%) dividend yield at current levels. **Next Event:** Interim results, 20 March

**Latest Broker 12m Consensus: 9 x Buy, 3 x Hold, 3 x Sell** (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade)  
**10-Jan**, B0A-ML, Underperform, TP 1170p (U); **14-Dec**, Deutsche, Buy (U), TP 1335p (U); **26-Nov**, ExaneBNP, Outperform, TP 1230p;  
**21-Nov**, Jefferies, Buy, TP 1600p; **21-Nov**, Northland Capital, Outperform, TP 1200p; **31-Oct**, SocGen, Sell, TP 940p



**Stock description**

Smiths Group plc is a global technology company. The company delivers products and services for the threat & contraband detection, medical devices, energy and communications market worldwide. (FTSE100)

**Graph: 18-month (daily)**

Stock last used as Trade Idea; 15-May-2012

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

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**Graph: 18-month (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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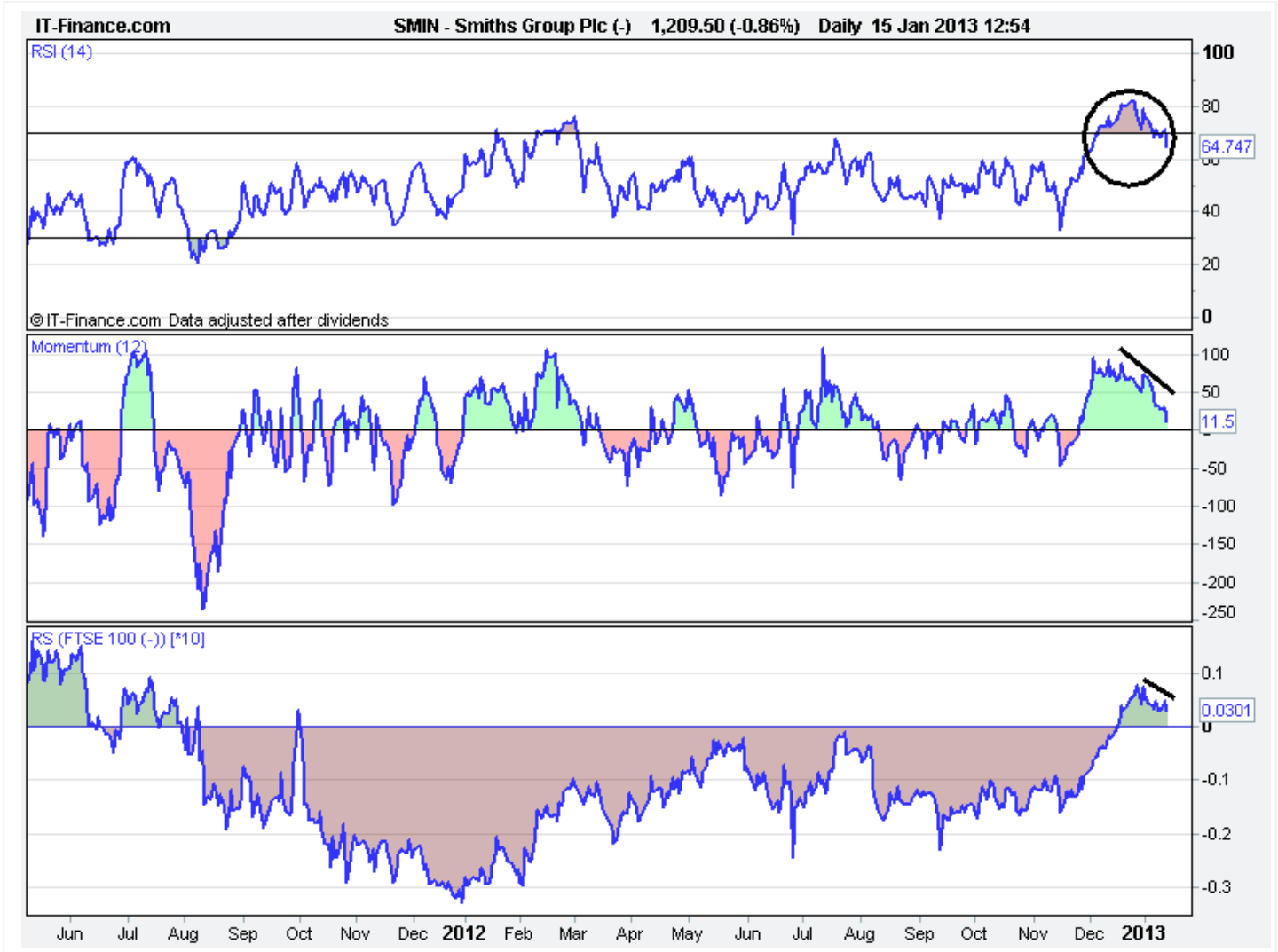
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**Graph: 18-month (daily) - RSI, Momentum and Performance relative to FTSE 100**



Share	1wk	1m	6m	1yr	2yr	3yr	4yr	5yr
Perf %	0.04	5.18	14.35	28.8	-12.56	16.67	42.14	19.91

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