

# Sell – SSE (SSE)

January 9, 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
1462p	18p (1480p)	1400p	3.4x	5%

**Technical Observations - For**

- Shares back at resistance level in place since October
- MACD falling highs since mid-Oct – negative price divergence
- ADX (trend strength) of prior up-trend still in decline
- RSI fallen back from overbought; Momentum to near neutral
- Performance versus FTSE100 still in decline

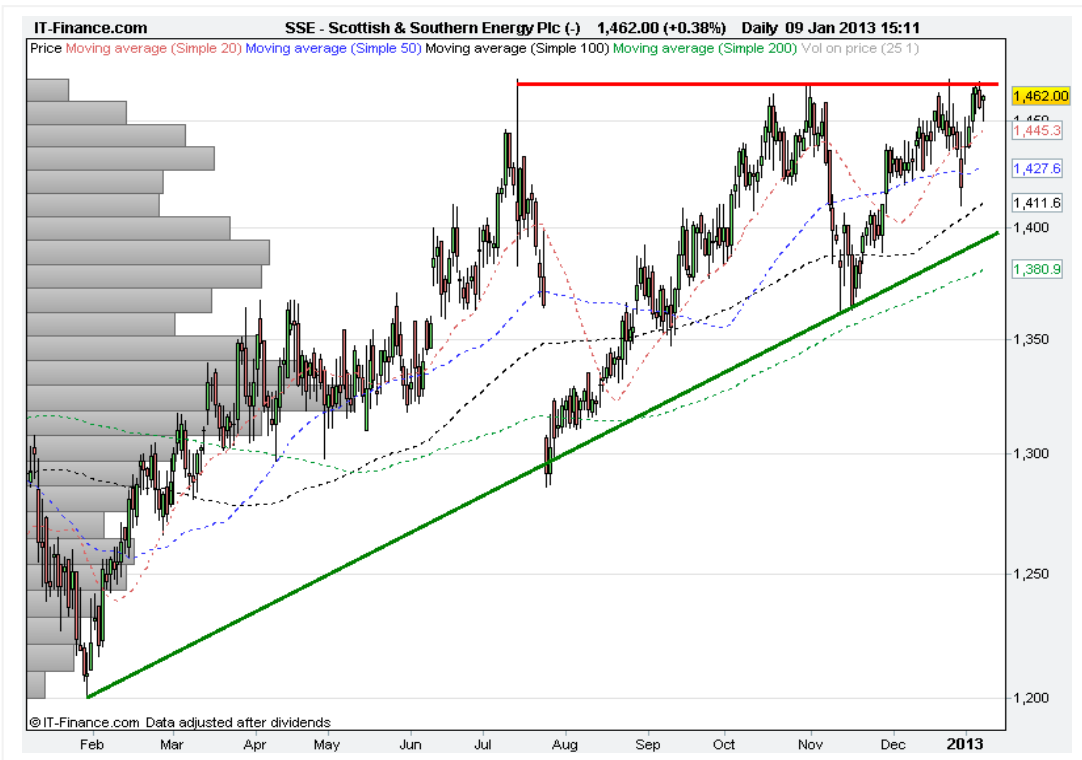
**Technical Observations - Against**

- Share still in long term uptrend
- MACD could bounce off zero making another rising high & low
- Directional Indicators inconclusive
- Support possible from 100-day MA and recent low at 1411p
- Momentum still shows rising lows

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

UK energy sector comes under fire for opaque practices (20 Dec). SSE buys BP's 50% Stake in Sean Gas Field for \$288m (17 Dec). The UK government consultation paper on changes to household gas and electricity tariffs lessens regulatory uncertainty, says Goldman Sachs (21 Nov). Increased risk appetite may see a shunning of defensive utilities. High 5.7% dividend yield could maintain support for the shares. **Next Event:** Ex-div, 23 Jan; Interim management statement, end-Jan

**Latest Broker 12m Consensus:** **7 x Buy, 7 x Hold, 2 x Sell** (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade)  
**8-Jan,** Morgan Stanley, Underweight, TP 1170p; **13-Dec,** Credit Suisse, Outperform, TP 1600p; **30-Nov,** ExaneBNP, Buy, TP 1620p; **26-Nov,** Barclays, Overweight, TP 1585p; **23-Nov,** JPMorgan, Underweight, TP 1190p; **15-Nov,** Citigroup, Sell, TP 1270p



**Stock description**

**SSE PLC** generates, transmits, distributes and supplies electricity to industrial, commercial and domestic customers in the United Kingdom and Ireland. The Company also stores and distributes natural gas, and operates a telecommunications network that offers bandwidth and capacity to companies, public sector organizations, Internet service providers, and others. (FTSE100)

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

**Stock last used as Trade Idea;**  
27-Sept-2011

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

Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)

Our research is produced by Accendo Markets Limited. Research produced and disseminated by Accendo Markets is classified as non-independent research, and is therefore a marketing communication. Accendo Markets research has not been prepared in accordance with legal requirements designed to promote its independence and may not comply with FSA guidelines to prevent conflicts of interest and is not subject to any prohibition on dealing ahead of the dissemination of research. As such, this research does not constitute a personal recommendation or offer to enter into a transaction or an investment, and is produced and distributed for information purposes only. Accendo Markets considers information contained within the research to be valid when published, and gives no warranty as to the investments referred to in this material. The income from the investments referred to may go down as well as up, and investors may realise losses on investments. The past performance of a particular investment is not necessarily a guide to its future performance. Prepared by Michael van Dulken, Analyst

# Sell – SSE (SSE)

January 9, 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.

**Graph: 4-month (hourly) - ADX and Directional Indicators, MACD & Volume**



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

Need help understanding this page? [Click](#)

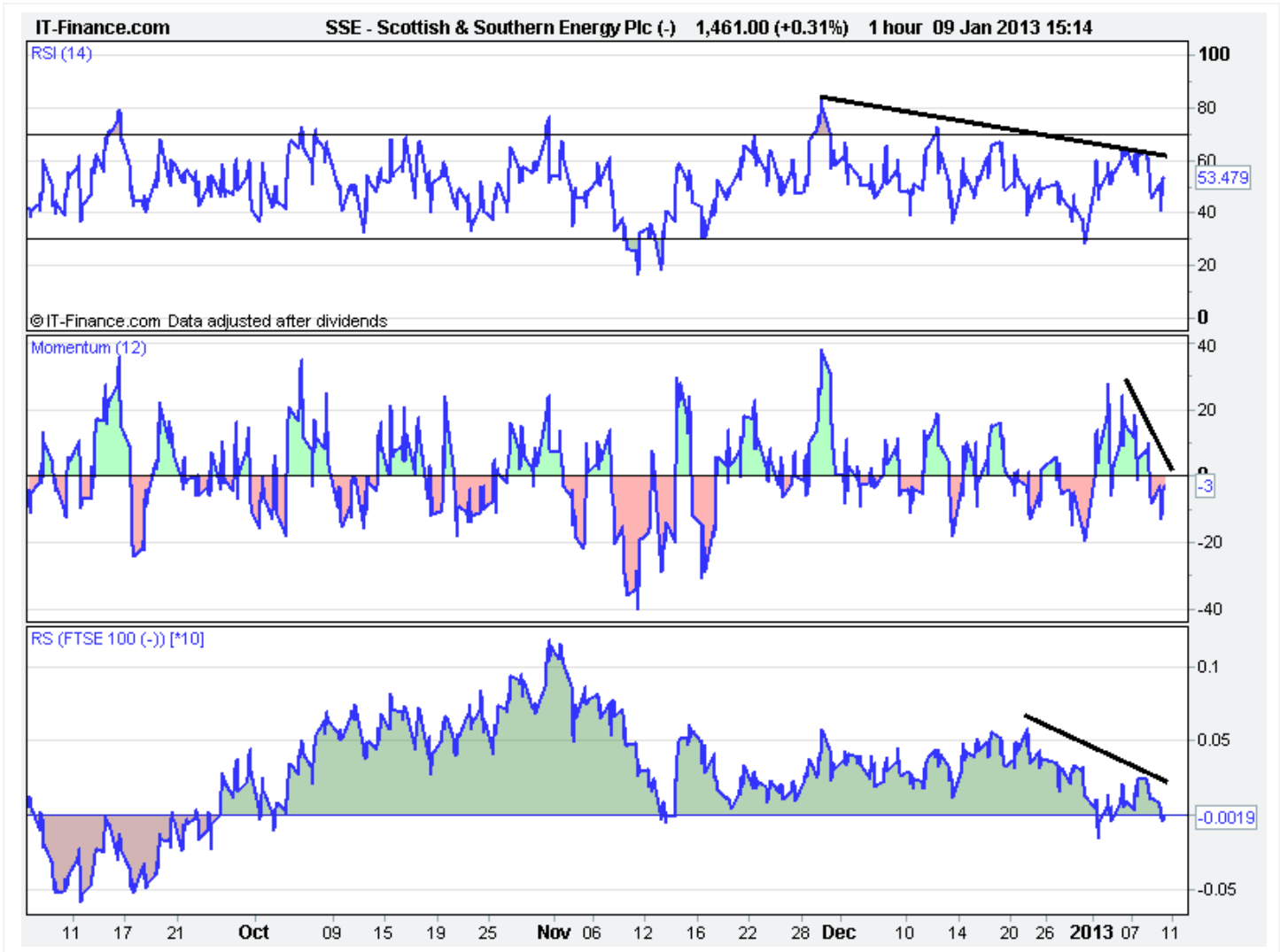
Need help with Technical Analysis? [Click](#)

# Sell – SSE (SSE)

January 9, 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.

**Graph: 4-month (hourly) - RSI, Momentum and Performance relative to FTSE 100**



Share	1wk	1m	6m	1yr	2yr	3yr	4yr	5yr
Perf %	3.07	2.2	3.29	12.34	20.69	24.7	24.49	-4.04

Need help understanding this page? [Click](#)

Need help with Technical Analysis? [Click](#)