

# Sell – WM Morrison (MRW)

April 19, 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	Limit/Target	Reward vs. Risk	CFD Margin
281.5p	13.5p away (295p)	235p	3.4x	5%

**Technical Observations - For**

- Shares in 18-month downtrend channel and found resistance
- MACD already slowed up at trendline over highs
- RSI found resistance at trendline over highs
- Momentum already fallen back to March lows (<100)
- Volume been falling as shares rallied

**Technical Observations - Against**

- Shares been outperforming FTSE100
- Momentum yet to fall back to prior rising lows
- Positive directional indicator falling, but negative not rising
- ADX (trend strength) not strong
- 50-day MA already broken above 100-day; Closing in on 200

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

Barclays says no guarantee there will be an agreement with Ocado (15 Apr) March Kantar UK grocery market share showed Morrison having given up 0.5% in 12 weeks to 17 Mar (26 Mar). Citigroup upgrades to Buy from Neutral and target to 325p form 280p. While trading slowdown is a concern, and potential for bad news on earnings in next few months, there is near-term scope for trading recovery (26 Mar). Sector can be seen as defensive, with groceries a necessity even in troubled times. **Next Event:** IMS 9 May, Ex-div 15 May

**Latest Broker 12m Consensus:** 5 x Buy, 5 x Hold, 15 x Sell (Source: Digital Look & AlphaTerminal) (U = Upgrade / D = Downgrade)  
**11-Apr**, Espirito Santo, Sell, TP 230p; **4-Apr**, Barclays, Underweight, TP 240p; **27-Mar**, Morgan Stanley, Underweight, TP 255p; **14-Mar**, ExaneBNP, U'perform, TP 230p; **14-Mar**, Panmure, Sell, TP 240p; **14-Mar**, Oriel, Sell, TP 255p; **7-Mar**, Barclays, Underweight, TP 240p



**Stock description**

**William Morrison Supermarkets plc** retails groceries through a chain of supermarkets in England. Approximately half of the Group's stores contain petrol filling stations. William Morrison has its own fresh food manufacturing and processing operations, thus allowing them to market a number of own label brands. (FTSE100)

**Graph: 2-year (daily)**

**Stock last used as Trade Idea;**  
24-Jan-2013

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

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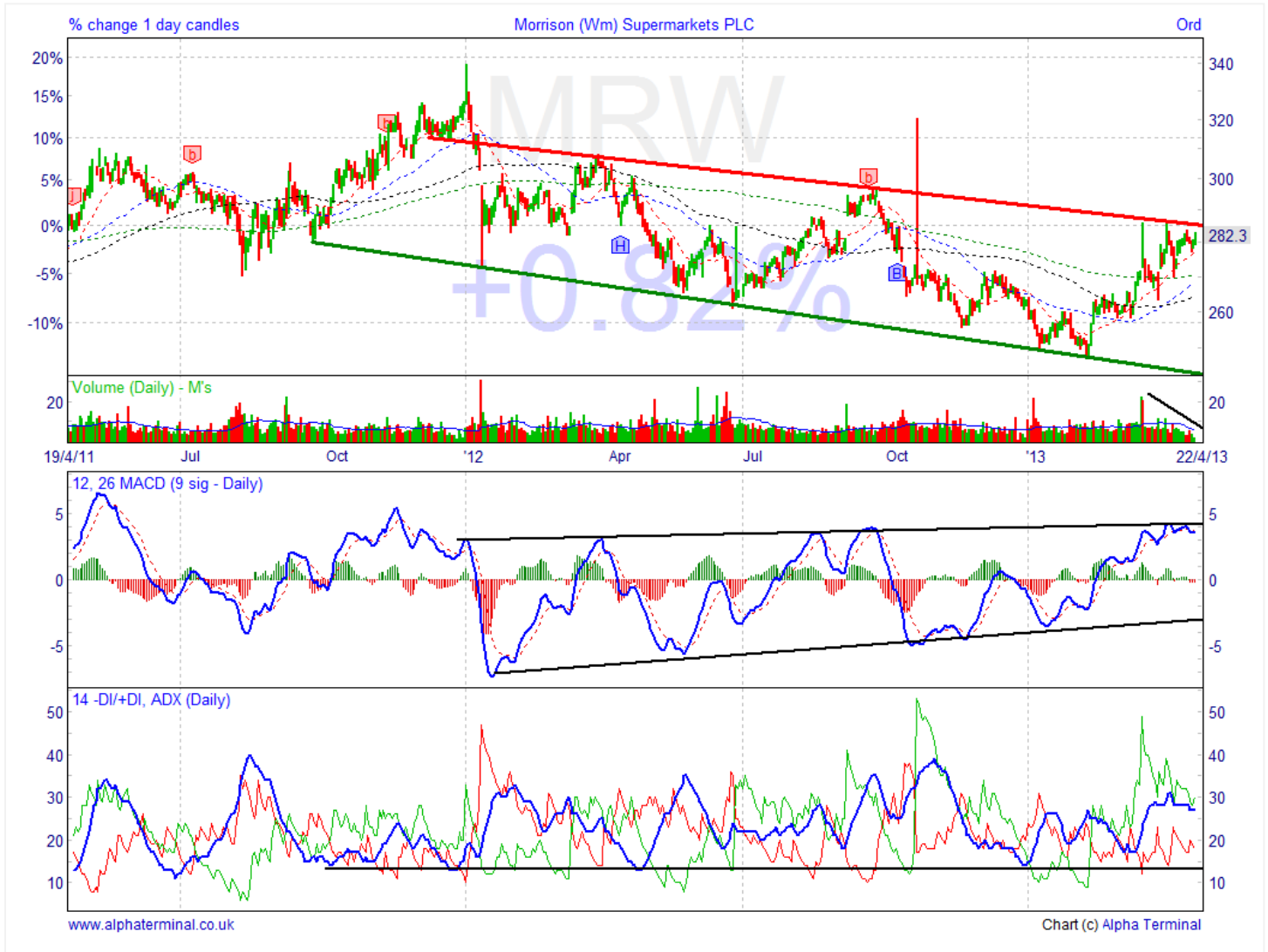
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**Graph: 2-year (daily) - ADX and Directional Indicators, MACD & Volume**



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

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**Graph: 2-year - RSI, Momentum and Performance relative to FTSE 100**



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	0.64	4.67	10.32	-4.04	-1.05	-6.15	12.02	-2.32

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