

Sell – WM Morrison (MRW)

August 8, 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	Profit Limit	Reward vs. Risk	CFD Margin
288.2p	300p (11.8p/4.1% above)	256p (32.2p/11.2% below)	2.7x	5%

Technical Observations - For

- Shares topped out again on falling volumes
- MACD turned down below signal; DIs converging bearishly
- RSI & Stochastics fallen back from overbought
- Momentum fallen negative
- Shares been underperforming FTSE100

Technical Observations - Against

- Last low was higher the one prior
- MACD still positive
- Shares not yet fallen below 280-285p
- Potential support from 200-day MA at 270p
- Point & Figure chart not yet shown reversal

News / Broker Comments / Important Dates / Observations **

UK market share falls to 11.7% in 12 weeks to 7 Jul (16 Jul). ExaneBNP ups to Neutral citing better macro outlook and greater margin resilience (10 Jul). Oriel says returns will make from Ocado tie-up will be dilutive for some time and still questions surrounding Waitrose's strategy (2 Jul). Citigroup downgrades to neutral after reviewing Euro food retailers. Sound economics but less enthused by management's direction, after caving in to markets for cash return (24 Jun). **Next Event:** Interim statement, 12 Sept; Ex-div 2-Oct

Latest Broker 12m Consensus: 1 x Buy, 10 x Hold, 9 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade)
10-Jul, ExaneBNP, Neutral, TP 280p (U); **4-Jul**, underweight; **26-Jun**, JPMorgan, Underweight, TP 245p; **24-Jun**, Citigroup, Neutral (D), TP 280p (D); **21-Jun**, Nomura, Neutral, TP 310p; **6-Jun**, Shore, Sell, TP 230p; **28-May**, Barclays, Equalweight, TP 295p



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. (FTSE 100)

Graph: 2-year (daily)

Stock last used as Trade Idea;
19-Apr-13

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

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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, MACD and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-0.35	2.16	-1.3	1.66	3.26	4.76	9.59	2.42

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