

Sell – Wood Group (WG.)

July 25, 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
891p	935p (44p/4.9% above)	780p (109p/12.5% below)	2.5x	10%

Technical Observations - For

- Shares at top of defined rising channel; outside-day candlestick
- MACD showing top out and drop below signal
- Directional indicators converging bearishly
- RSI fallen back from overbought; Stochastics overbought
- Momentum almost back to breakeven

Technical Observations - Against

- Momentum not yet gone negative
- Potential support at 280p 200-day MA
- ADX (trend strength) kicked up recently
- MACD not yet made decisive fall below signal line
- Shares not yet 3% from recent highs

News / Broker Comments / Important Dates / Observations **

Awarded pact by Esso Highlands in Papua New Guinea; no value given (23 Jul). Gulf of Mexico business won contracts worth \$550m (9 Jul). BoA-ML upgrades to and ups TP on low risk reimbursable model with strong cash flow and earnings growth (5 Jul). Wins 3yr operations & maintenance contract from Nexen Petroleum (4 Jul). Company sees trading in-line with expectations and consensus (27 Jun). Wins contract with Conocophillips worth \$60m (25 Jun). Limited broker coverage. **Next Event:** Interim results, 20 Aug

Latest Broker 12m Consensus: 7 x Buy, 6 x Hold, 1 x Sell (Source: Digital Look, Alpha Terminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **9-Jul**, BoA-ML, Buy (U), TP 1040p (U); **5-Jun**, Numis, Add; **30-May**, Morgan Stanley, Overweight (U), TP 1040p (D); **9-May**, Investec, Hold; **22-Apr**, ExaneBNP, Buy; **28-Mar**, Goldman Sachs, Neutral (D), TP 945p (U); **6-Mar**, HSBC, Overweight (U)



Stock description

John Wood Group PLC is an international energy service company that provides products and services to the oil and gas and power industries. The Company designs and manufactures submersible pumping systems, well-head systems, and pressure controls. John Wood also provides aftermarket services for heavy industrial turbines and aero gas turbines (*FTSE 100*)

Graph: 1-year (daily)

Stock last used as Trade Idea;
20-Mar-13

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

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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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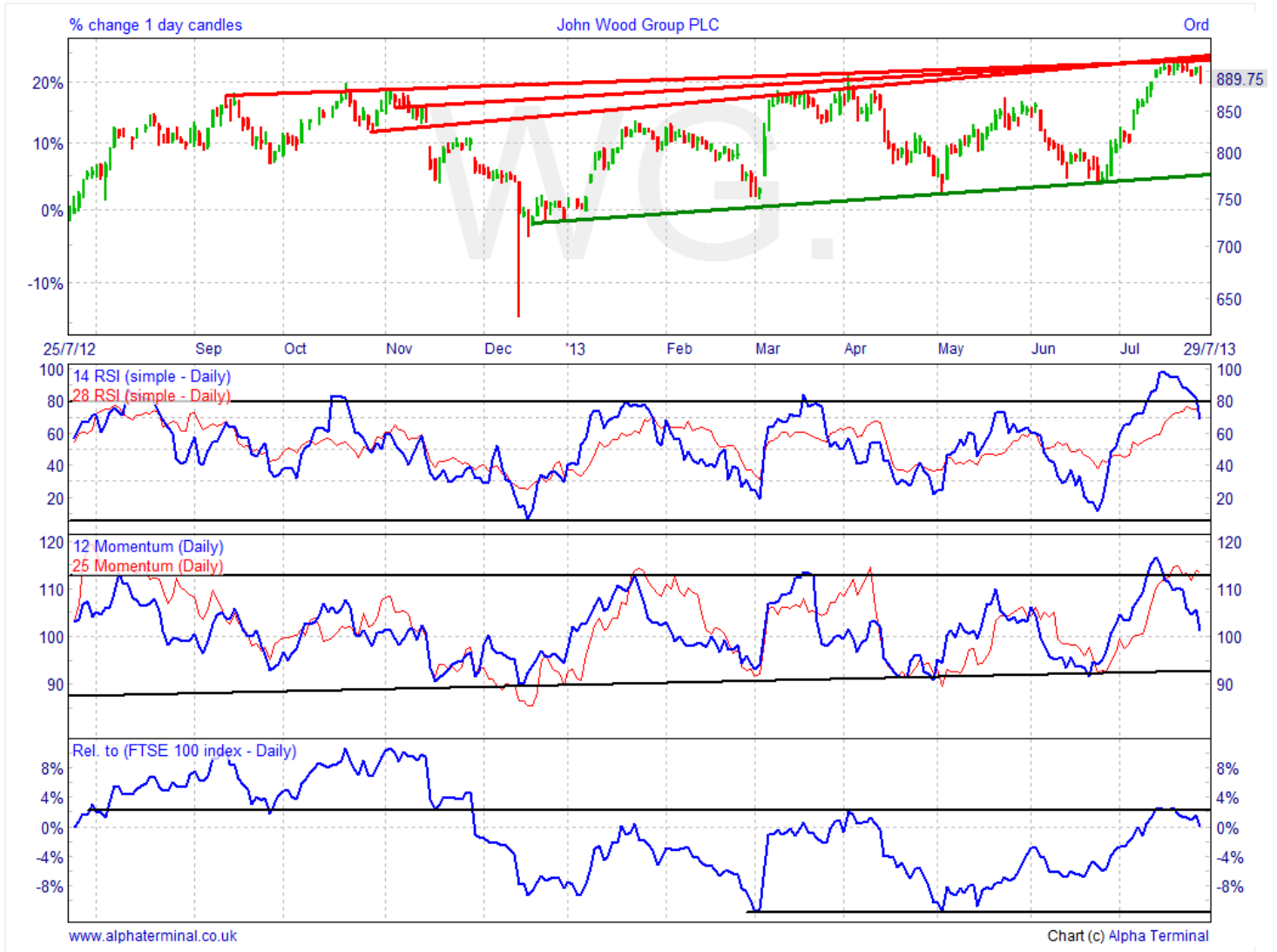
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Graph: 1-year - RSI, MACD and Performance relative to FTSE 100



Share	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
Perf %	-1.71	13.89	11.61	17.97	31.1	144.57	233.15	115.77

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