

Sell – Weir Group (WEIR)

February 13, 2012

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	Stops	Limit/Target	Risk/reward	CFD Margin	Est trade duration
1993p	2050p (57p trail; 20p step)	1860p	2.3x	10%	10 days

Technical Observations - For

- Breakdown from rising wedge pattern. New falling resistance
- MACD failed to rise back above zero
- ADX low (could rebound) with DIs diverging bearishly;
- Momentum falling highs
- Shares been underperforming FTSE100 index

Technical Observations - Against

- Shares still in long-term uptrend
- RSI not got to overbought recently
- ADX (trend strength) low
- 200-day moving averages could be supportive before limit
- Stops could be too tight

News / Broker Comments / Important Dates **

Announces deal to buy Lodowici for \$294m cash (10 Feb). Credit Suisse ups target adjusting estimates for FX following Novatech £113m cash acquisition (30 Jan). Investec sees Novatech deal as small and sensible (25 Jan). JPMorgan cuts rating on lower US natural gas price and high inventories. Uncertainty about demand for fracking equipment. **Next Event:** FY Prelim results, 29 Feb

Broker 12-month Consensus: 13 x Buy, 5 x Hold, 0 x Sell (Source: Digital Look) (U = Upgrade / D = Downgrade)
7-Feb, Panmure, But, Buy, TP 2550p; **30-Jan**, Credit Suisse, Outperform, TP 227p5 (U). **24-Jan**, Goldman Sachs, Buy; **23-Jan**, JPMorgan, Neutral (D), TP 2300p; **28-Nov**, Barclays, Overweight, TP 2500p (U); **28-Nov**, UBS, Buy, TP 2400p



Stock description

The Weir Group PLC is an engineering solutions provider focused on the minerals, oil and gas and power markets. The Company manufactures and supplies engineering products and services for mining and minerals processing, power generation, oil and gas production, water supply and other industrial uses. The Weir Group supplies pumps, valves, compressors and turbines

Graph: 1-Year (daily)

Stock last used as Trade Idea;
3-Oct-2011

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

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

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

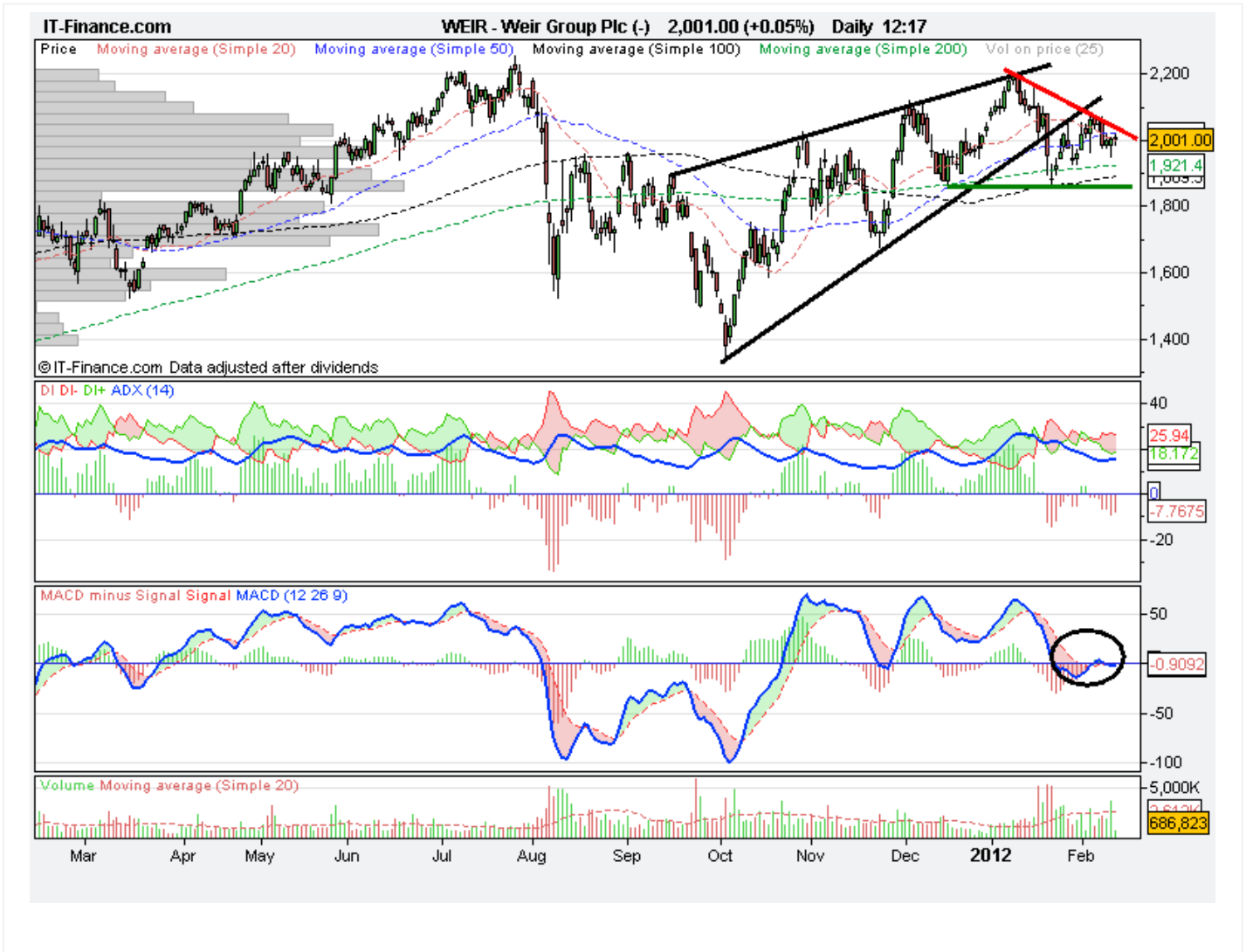
Our research is produced by Accendo Markets Limited. Research produced and disseminated by Accendo Markets is classified as non-independent research, and is therefore a marketing communication. Accendo Markets research has not been prepared in accordance with legal requirements designed to promote its 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 – Weir Group (WEIR)

February 13, 2012

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: 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

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

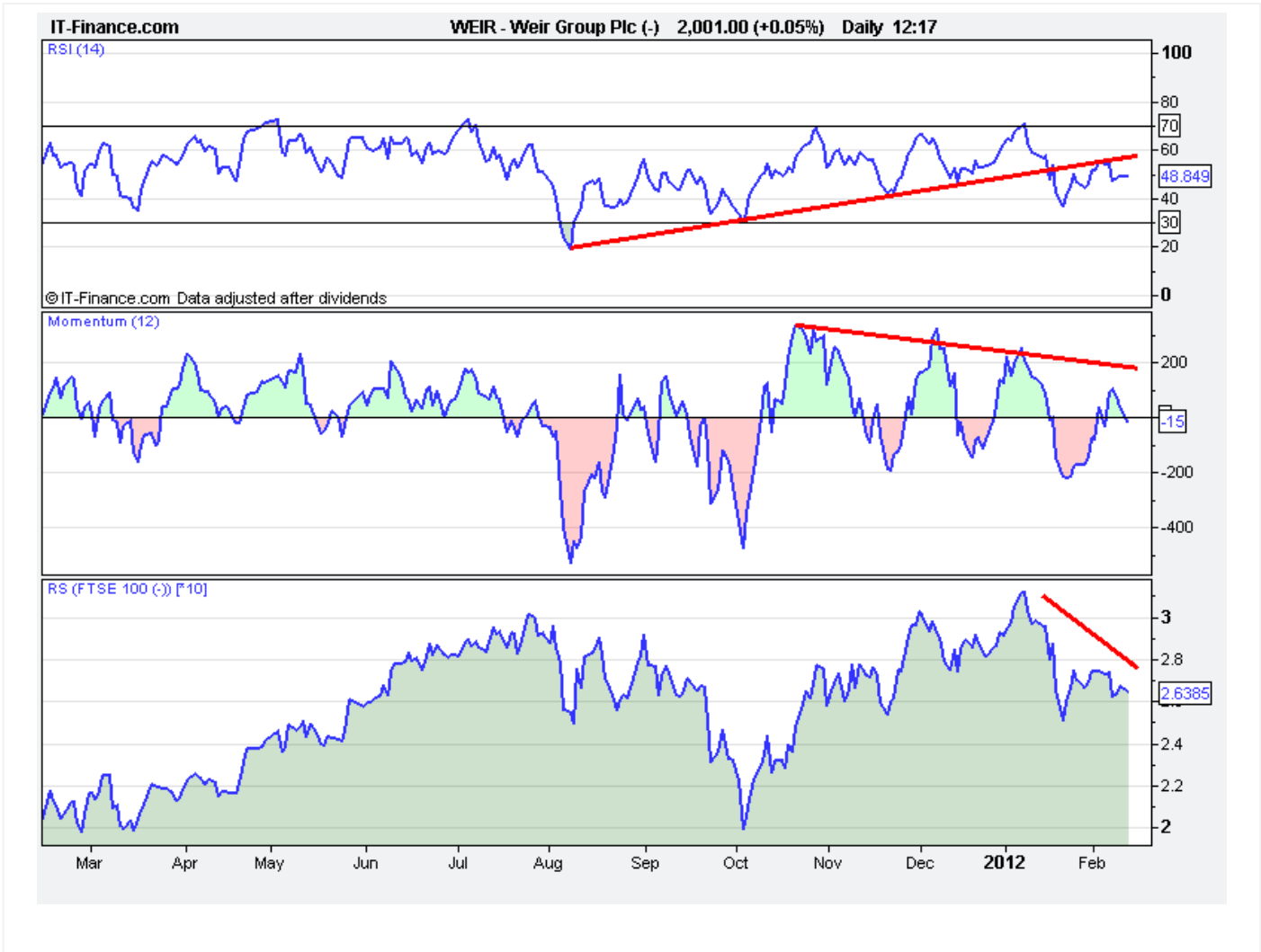
Need help with Technical Analysis? [Click](#)

Sell – Weir Group (WEIR)

February 13, 2012

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: 1-Year (daily) - RSI, Momentum and Performance relative to FTSE 100



Share Perf %:	1wk	1m	6m	1yr	2yr	5yr
	-2.96	-5.17	16.81	18.05	168.23	242.93

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

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