



16th March 2011

FTSE 100 stock recommendation

Sell Johnson Matthey

Sell Johnson M
Technical
Fundamental



Research by Mark Ridgway & Mark Sturdy
Seven Days Ahead
+44 (0) 7849 922573

Authorised and regulated
by the FSA



Sell Johnson Matthey @ 1749 (close 16th). Stop @ 1852

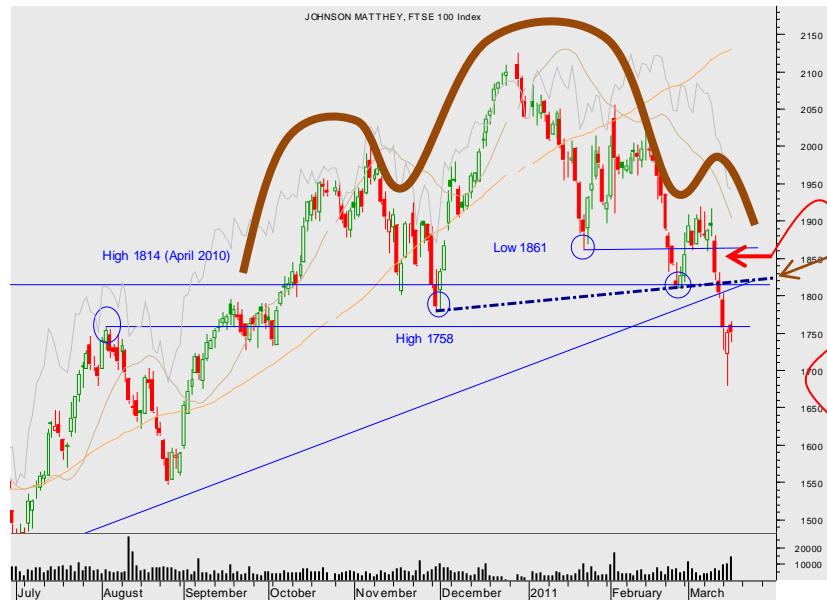
Sell Johnson M
Technical
Fundamental



WEEKLY Chart
The market has broken down through the Prior High support from 1814 – **AND** simultaneously, broken the rising diagonal bull trendline support from 2008.

Note too the overall bearish picture of the market having failed **twice** at 2115.

There may be some small support at the falling diagonal from the Prior Highs just beneath the market ...



DAILY Bar chart
The short-term chart shows the double failure, but also, the possible completion of a complex Head and Shoulders Top, at more or less the same level.

And successive levels of good resistance from Prior Lows lie above the market which it will run into on any rallies – at 1814 (from April 2010) and 1861.

Stops @ 1852





Sell Johnson Matthey @ 1749 (close 16th). Stop @ 1852

Sell Johnson M
Technical
Fundamental

FUNDAMENTALS:

- This trade is very much driven by technical factors as described in preceding slides. However, while the fundamental situation remains neutral there are some points worth taking into account.
- Johnson Matthey is a global business with close connections to both energy and commodities. Following the earthquake in Japan there are now questions as to whether the global economy will be able to stay on its fragile but positive growth path.
- Commodity prices have risen significantly over the past year. This has benefited the company greatly especially its precious metals division. However, in recent trading sessions commodity prices have come under pressure and if they continue to fall this will negatively impact Johnson Matthey.
- Overall while currently reasonably neutral the fundamentals for the company are skewed towards a negative turn.

Authorised and regulated
by the FSA



Sell Johnson M
Technical
Fundamental

Risk Disclaimer

SEVEN DAYS AHEAD

Authorised and Regulated by the FSA

124 REGENTS PARK ROAD LONDON NW18XL

TEL +44 (0) 7849 922573 E-MAIL msturdy@sevendaysahead.com,

WEB SITE: SEVENDAYS Ahead.COM

The material and information set out in this research is not intended to be a quote of an offer to buy or sell any financial products. Any expression of opinion is based on sources believed to be reasonably reliable but is not guaranteed as to accuracy or completeness.

The material and information herein is general and for informational purposes only. Although Seven Days Ahead endeavours to provide useful information they make no guarantee as to the accuracy or reliability of the research.

The derivative market comprises volatility and considerable risks. To the maximum extent permitted by law no responsibility or liability can be accepted by Seven Days Ahead, any company or employee within its group for any action taken as a result of the information contained in this presentation. You are requested not to rely on any representation in this research and to seek specific advice from your accountant, legal adviser or financial services adviser when dealing with specific circumstances.

Seven Days Ahead is regulated by the UK Financial Services Authority.