

CFD Trading

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Examples of how traders can utilise CFDs

BARGAIN BLUECHIPS, THE STOCKS THE PRO'S ARE TIPPING - TIME TO BUY?

- EQUITY MARKETS HAVE RALLIED HARD SINCE 2020, MEANING 'VALUE STOCKS' ARE IN SHORT SUPPLY
- CITY ANALYSTS ARE TIPPING A NUMBER OF UK STOCKS TO RALLY IN 2022 - WHICH WILL YOU BUY?



When buying a position using CFDs, retail investors' initial outlay is 20% of the deal value. E.G. You could buy £10,000 of easyJet stock for £2,000 outlay. If the average target price of 801p is achieved, you would realise a profit of £5,500.

INTRODUCTION

City analysts regularly issue 'buy', 'hold' or 'sell' recommendations on publicly traded companies, often accompanied by a target price. These research notes are produced for the clients of the bank, hedge fund or brokerage the analyst works for.

These notes are often made publicly available, allowing retail investors to factor in the professional opinion to their own decision making process.

Cynics will rightfully question the merits of simply piggybacking the research of an investment bank. One should also consider the overall condition of global markets, individual sectors, and the challenges facing specific stocks.

Furthermore, we live in unprecedented times - the global health pandemic lingers, Russia has invaded Ukraine and inflation is at multi-decade highs - many reasons to be cautious.

But if us mere mortals are aware of the world's current challenges, then so too are the City's finest!

Equity markets have rallied spectacularly from the health pandemic lows of March 2020, meaning 'value stocks' are in short supply. That said, the table below comprises of 10 popular FTSE-listed stocks which could be described as 'bargain bluechips'.

The stocks are trading well below pre-pandemic prices, and according to City analysts, **have significant potential upside**.

Analysts' ratings vary for each stock. We have listed the average target price for each company.

Take IAG for example, there are 16 x 'buy', 12 x 'hold' and 2 x 'sell' recommendations with target prices as **bearish as 108p** from Kepler Cheureux and as **bullish as 300p** from Morningstar. **The average target price across all 30 analysts is 195p.**

Frederick & Oliver has access to analyst ratings on all stocks listed in the UK, US and Europe. For more information, give us a call on **020 8054 7901**.

Stock	Pre-Pandemic high	Current price	City Analysts' av. target	Potential upside %
BP	510p	390p	463p	+19%
Lloyds	70p	50p	60p	+20%
Rolls Royce	210p	92p	122p	+32%
Vodafone	160p	124p	168p	+35%
Barclays	185p	169p	237p	+40%
IAG	450p	136p	195p	+43%
ITV	166p	82p	118p	+44%
Marks & Spencer	220p	155p	228p	+46%
Taylor Wimpey	240p	138p	208p	+51%
easyJet	1565p	517p	801p	+55%

(Past performance is not indicative of future performance. Analysts target prices do not always come to fruition).

RISK WARNING

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CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **64.6% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Frederick & Oliver (F&O) is an Appointed Representative of Axi Financial Services (UK) Ltd (trading as One Financial Markets). Your account is held with Axi Financial Services (UK) Ltd and all dealing, administration and settlement is carried out by them. Axi Financial Services (UK) Ltd is registered in England with company number 6050593.