

CFD Trading

FREDERICK
&
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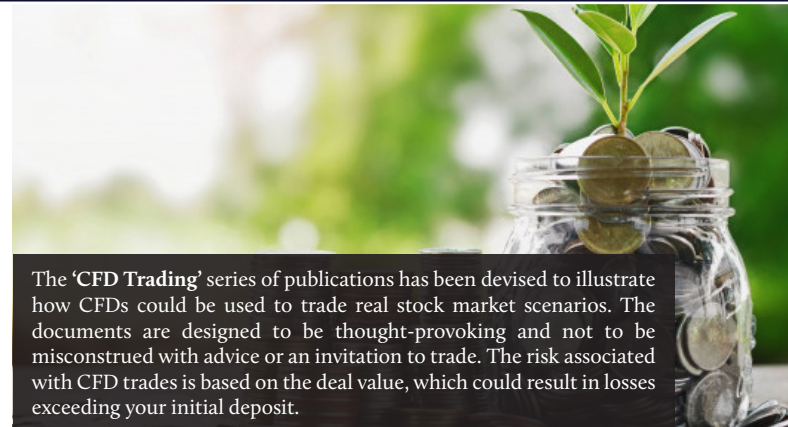


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Examples of how traders can utilise CFDs

INVESTOR CONUNDRUM - INCOME OR GROWTH? WHY NOT HAVE BOTH?!

- WHY CHOOSE BETWEEN INCOME OR GROWTH WHEN MANY STOCKS COULD DELIVER BOTH?
- SOME FTSE 100 STOCKS COULD DELIVER MORE THAN 60% COMBINED GROWTH AND INCOME



The 'CFD Trading' series of publications has been devised to illustrate how CFDs could be used to trade real stock market scenarios. The documents are designed to be thought-provoking and not to be misconstrued with advice or an invitation to trade. The risk associated with CFD trades is based on the deal value, which could result in losses exceeding your initial deposit.

INTRODUCTION

Traditionally, investors have had to identify their stock market objectives as seeking 'capital growth' or 'income'.

The Frederick & Oliver research team have unearthed a number of FTSE 100 **stocks which could deliver both capital growth and income**, for investors.

Screening for annual dividend yields of 5% or more, combined with ample dividend cover (the number of times earnings can cover payouts), we cross-referenced the average target prices issued by City analysts, looking for potential double-digit gains.

As you may have read in our recent report 'Bargain Bluechips', City analysts regularly issue 'buy', 'hold' or 'sell' recommendations on publicly traded companies, accompanied by a 12-month target price.

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

Analysts can have differing opinions on stocks, and so we have referenced the average target price for each stock, regardless of the analyst's bullish/bearish call.

The results are astounding!

Taylor Wimpey poses the greatest potential for combined growth and income, totalling 64% - **here is how you could potentially make £32k from £10k, using CFDs.**

When buying a position using CFDs, retail investors' initial outlay is 20% of the deal value, meaning **you could buy £50k of Taylor Wimpey for £10k**. If the shares appreciate to 206p, the gain of 57% is on the deal value (£50k) **resulting in a profit of £28.5k, plus a dividend payment of £3.5k equalling £32k.**

Frederick & Oliver has access to analyst ratings on all stocks listed in the UK, US and Europe, as well as dividend information including ex-div/payment dates. For more information, give us a call on **020 8054 7900**.

Stock	Current price	City Analysts' average target	Potential upside %	Dividend	Dividend Cover
Barclays	145p	227p	+57%	5.0%	3.00x
Lloyds	45p	59p	+31%	5.1%	2.40x
Natwest	221p	287p	+30%	5.7%	1.68x
Vodafone	127p	164p	+29%	5.7%	1.11x
Taylor Wimpey	131p	206p	+57%	6.9%	1.20x
BAT	3271p	3822p	+17%	6.9%	1.43x
Legal & General	271p	325p	+20%	7.0%	1.89x
Barratt Developments	515p	806p	+56%	7.6%	2.50x
Imperial Brands	1677p	2034p	+21%	8.4%	1.53x

(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.