

CFD Trading

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Examples of how traders can utilise CFDs

IS NOW THE TIME TO BUY INTEREST RATE SENSITIVE GLOBAL EQUITIES?

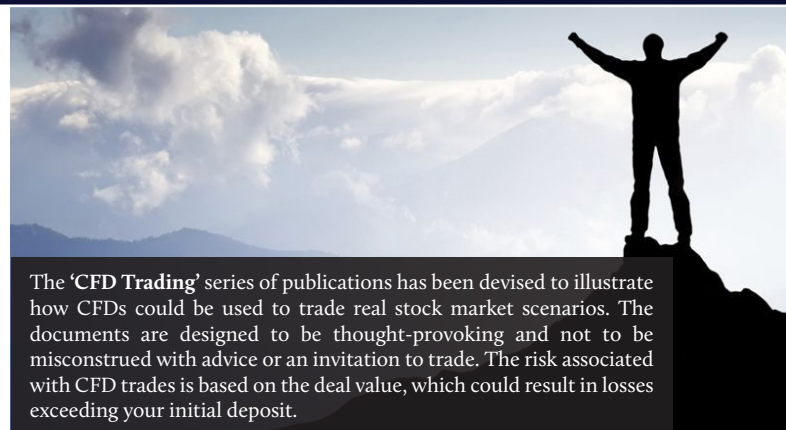
- RAMPANT INFLATION AND SUBSEQUENT INTEREST RATE HIKE HAVE WEIGHED ON STOCKS IN 2022
- ARE WE NEAR PEAK INFLATION? IS NOW THE TIME TO BUY THE MOST DISCOUNTED STOCKS?

INTRODUCTION

From January to September, some analysts were predicting 2022 would turn out to be one of the worst years for stocks, in decades. Then October came to the rescue. Partially.

A combination of **bargain-hunting** and hopes inflation would peak was enough to entice traders. October, for the Dow Jones, was the best month in almost 50 years! Speaking of peak inflation, last week's US CPI data sparked a **global market rally** after coming in cooler-than-expected. Will UK CPI data, due this Wednesday, be equally reassuring?

On the assumption that cooling inflation will lead to central banks calming their aggressive rate hiking - is now the time to consider buying the stocks that have suffered the most from this theme? **Technology and house builder stocks** have fallen the



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.

most, as much as 70% in some cases. Could they now start to recover towards year highs? Some City analysts believe so.

According to City analysts, shares in Amazon present 40% profit potential - **here is how you could potentially make £20k 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 Amazon for £10k.** If the shares appreciate to \$139, the gain of 40% is on the deal value (£50k) **resulting in a profit of £20k.**

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 7900.

Stock	Current price	2022 decline	% distance to 2022 high	City Analysts' average target price	% distance to target price
Meta	\$111	-67.4%	+207.2%	\$147	+32.4%
Persimmon	1324p	-54.8%	+120.9%	1605p	+21.2%
AMD	\$75	-50.6%	+102.7%	\$85	+13.3%
Alibaba	\$72	-40.9%	+93.1%	\$138	+91.6%
Baidu	\$90	-40.4%	+91.1%	\$173	+92.2%
Barratt Developments	403p	-46.8%	+88.6%	499p	+23.8%
Nvidia	\$165	-46.3%	+86.1%	\$192	+16.4%
Taylor Wimpey	102p	-43.3%	+76.4%	127p	+24.5%
Amazon	\$99	-42.1%	+72.7%	\$139	+40.4%
Disney	\$95	-39.5%	+70.5%	\$133	+40.0%
Scottish Mortgage Inv. Trust	810p	-40.3%	+67.2%	N/A	N/A
Alphabet	\$95	-34.9%	+61.1%	\$128	+34.7%
JD.com	\$51	-27.1%	+58.8%	\$78	+52.9%

(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. **82.4% 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.