



GIBRALTAR ASSET MANAGEMENT
STOCKBROKERS & INVESTMENT MANAGERS

Core Defensive Options

The objective is to sell quarterly out-of-the-money calls/puts on core defensive blue chip stocks with good earnings visibility, reasonable p/e ratios and decent dividend yields that will support the share price. Any option that is in-the-money at any time will be rolled forward to a suitable series.

BAE Systems Aerospace & Defence **325p** **Dividend to factor in: None**

BAE Systems is a premier global defence, security and aerospace company delivering a full range of products and services for land, sea and air.

Recommended option series:

March 340 calls	8p	strike price above 200 day moving average
March 300 puts	5p	strike price at a five year low

British American Tobacco Tobacco **2459p** **Dividend to factor in: 10/03/10 71.6p**

Global tobacco company with a rock solid dividend. Defensive sector with additional benefit of exposure to emerging markets.

Recommended option series:

March 2600 calls	30p	strike price above all time high
March 2100 puts	17p	strike price below 200 day moving average

Diageo Beverages **1200p** **Dividend to factor in: 03/03/10 14.6p**

Global drinks company producing such premier brands as Smirnoff, Johnnie Walker, Baileys, Jose Cuervo and Guinness.

Recommended option series:

March 1300 calls	9p	strike price above all time high
March 1100 puts	14p	strike price below 200 day moving average

GlaxoSmithKline Pharmaceuticals **1270p** **Dividend to factor in: 27/01/10 16p**

GlaxoSmithKline is one of the world's leading pharmaceutical research companies. A highly defensive company in an ageing population.

Recommended option series:

March 1350 calls	13p	strike price above two year high
March 1150 puts	16p	strike price below lower bollinger band

Royal Dutch Shell B Oil & Gas Producers **2077p** **Dividend to factor in: 03/02/10 42cts**

Global oil giant with a diversified business including upstream exploration and downstream production. Well covered dividend and low p/e ratio.

Recommended option series:

March 2200 calls	21p	strike price above two year high
March 1800 puts	10p	strike price below 200 day moving average



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Core Defensive Options - Continued

Scottish & Southern Energy Electricity **1199p** **Dividend to factor in: 26/01/11 22.4p**

Scottish & Southern Energy is the UK's second largest generation business, with an ownership interest in over 100 thermal and renewable power stations.

Recommended option series: Calls not recommended - takeover target
March 1100 puts 12p strike price at bottom of trading range

Tesco Food & Drug Retailers **432p** **Dividend to factor in: None**

Defensive growth story with 30% of the UK grocery market along with significant exposure to emerging markets.

Recommended option series: March 460 calls 4.5p strike price above two year high
March 400 puts 4.5p strike price below lower bollinger band

Unilever Food Producers **1981p** **Dividend to factor in: 10/02/10 18p**

Supplier of fast moving consumer goods across Foods, Home and Personal Care categories. Large exposure to emerging markets.

Recommended option series: March 2100 calls 22p strike price above five year high
March 1700 puts 10p strike price below lower bollinger band

United Utilities Gas, Water & Multiutilities **587p** **Dividend to factor in: None**

Utility company involved in the supply of water and the treatment and disposal of sewage. Good earnings visibility following recent regulatory review.

Recommended option series: March 620 calls 6p strike price above upper bollinger band
March 560 puts 8p strike price below 200 day moving average

Vodafone Mobile Telecommunications **170p** **Dividend to factor in: None**

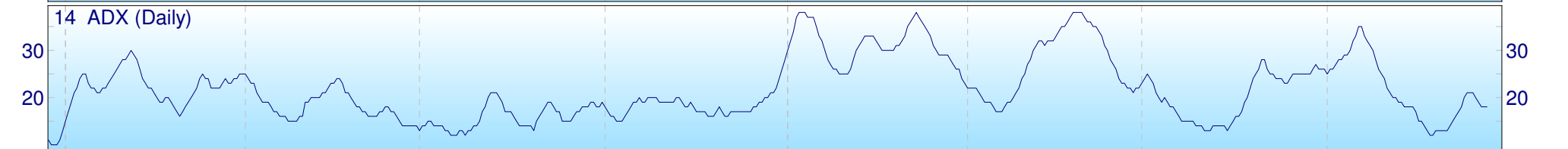
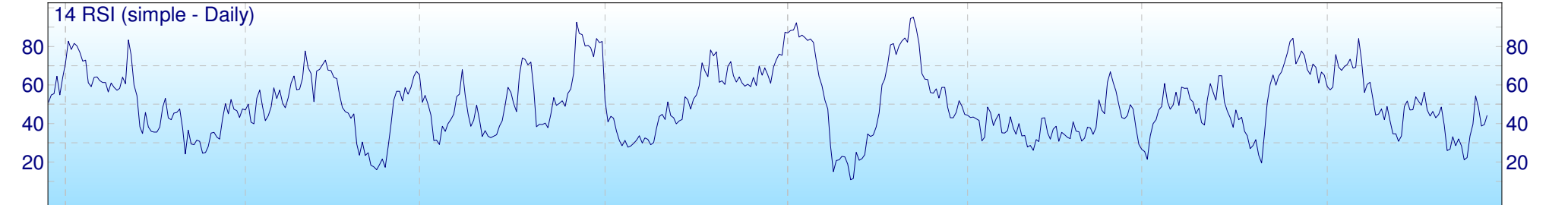
Vodafone is the largest mobile tele-communications network company in the world by turnover and has operations in thirty one countries.

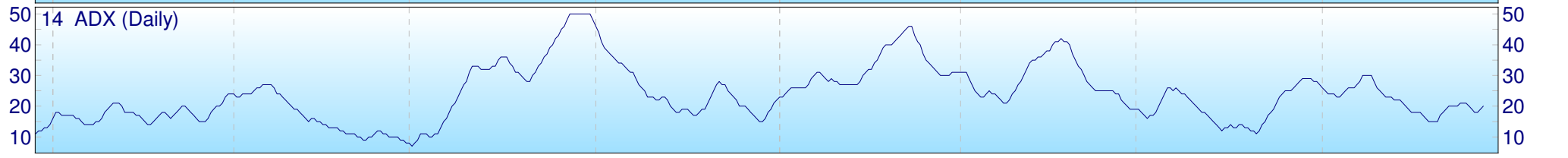
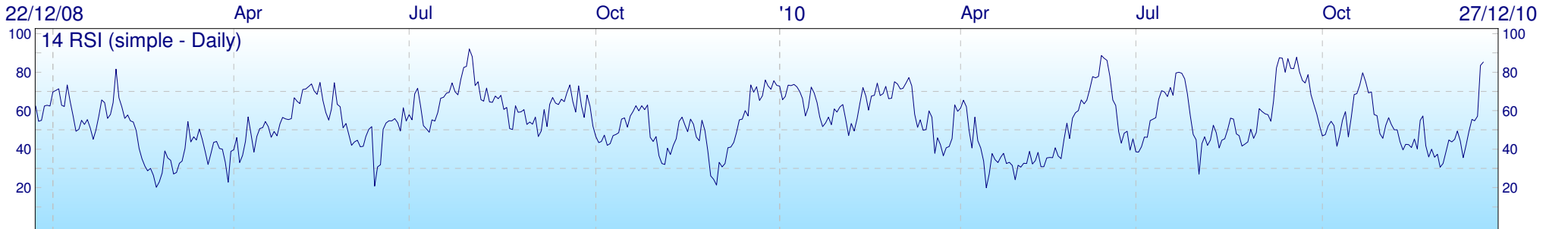
Recommended option series: March 180 calls 3p strike price above two year high
March 150 puts 1.5p strike price below 200 day moving average

Pence

BAE Systems PLC

Ord





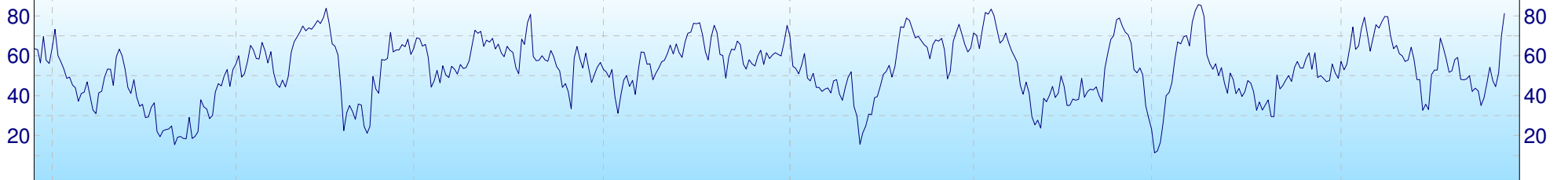
Pounds

Diageo PLC N

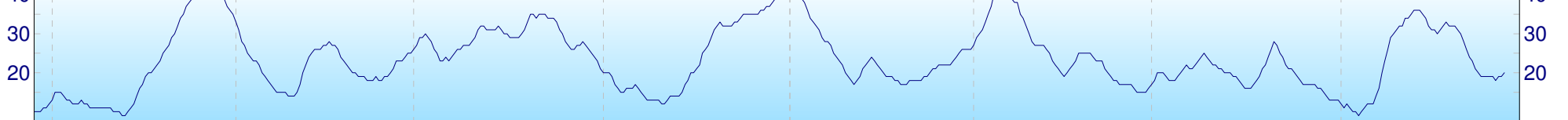
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14 RSI (simple - Daily)



14 ADX (Daily)

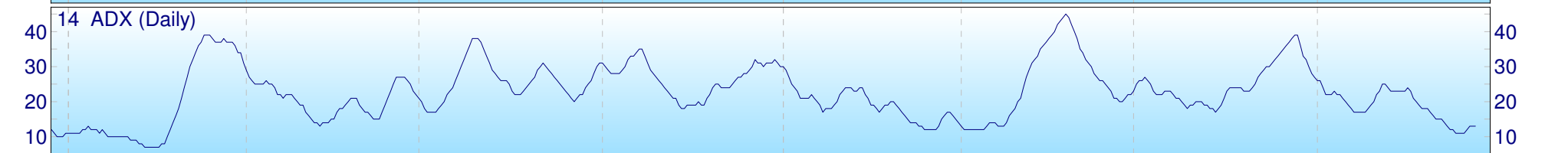
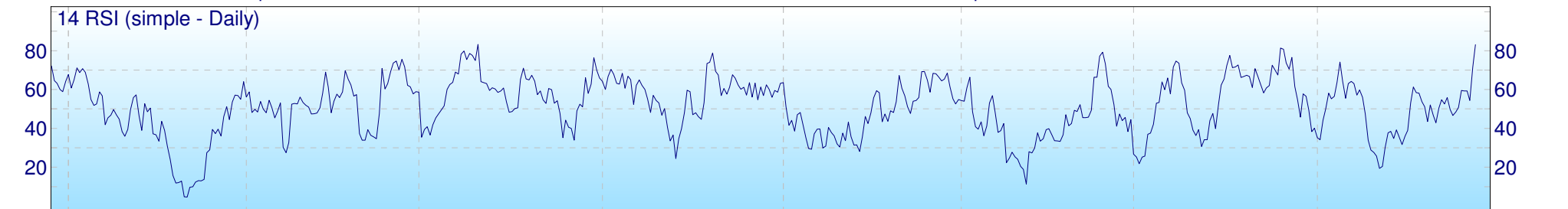


Pounds

GlaxoSmithKline PLC

N

Ord

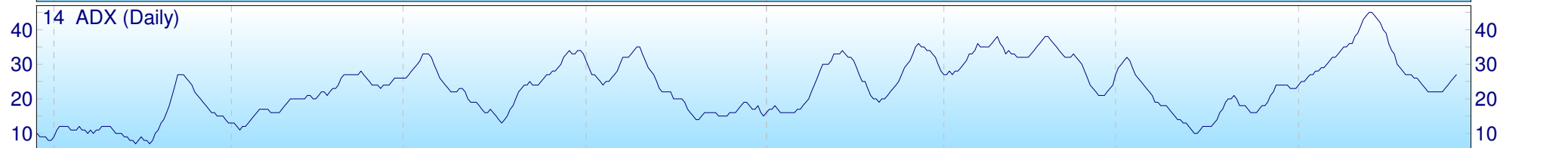
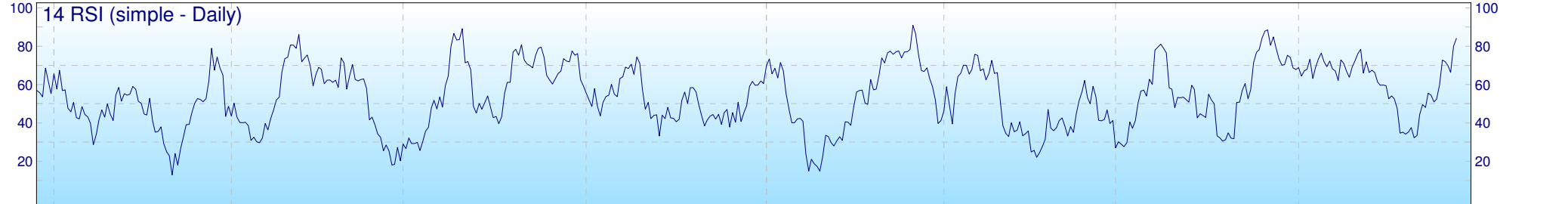


Pounds

Royal Dutch Shell PLC

N

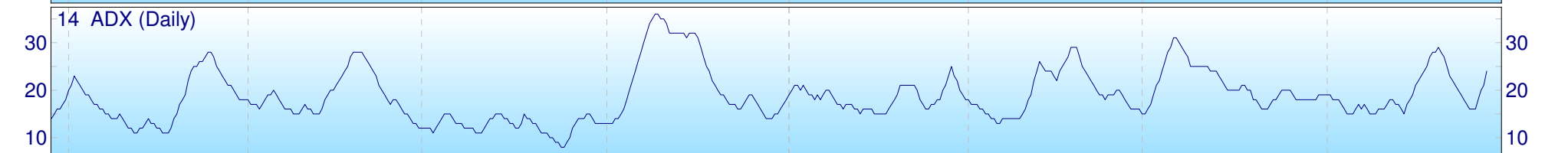
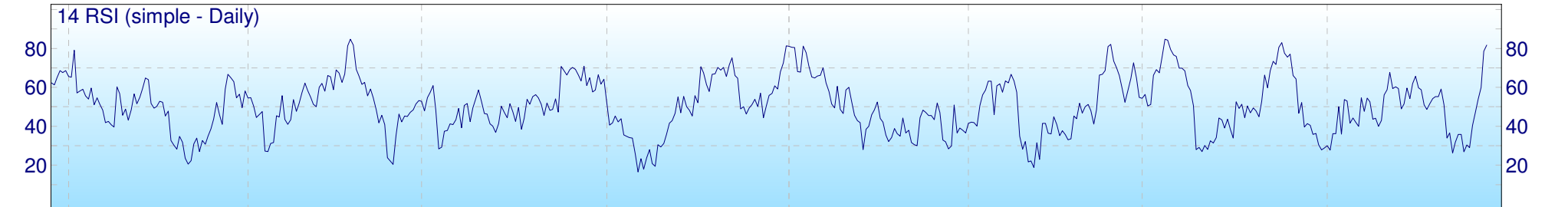
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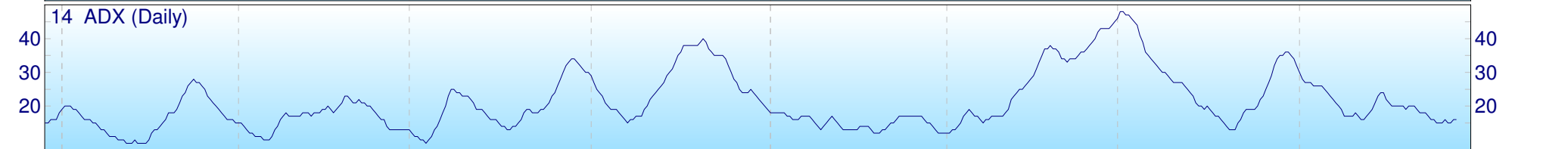
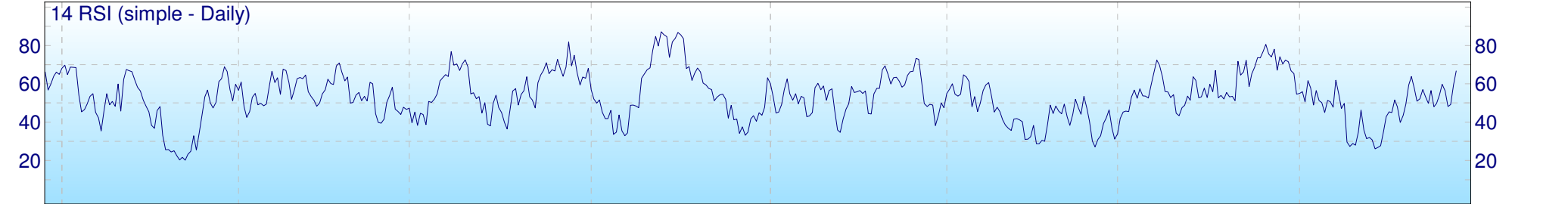


Pounds

Scottish & Southern Energy PLC

Ord





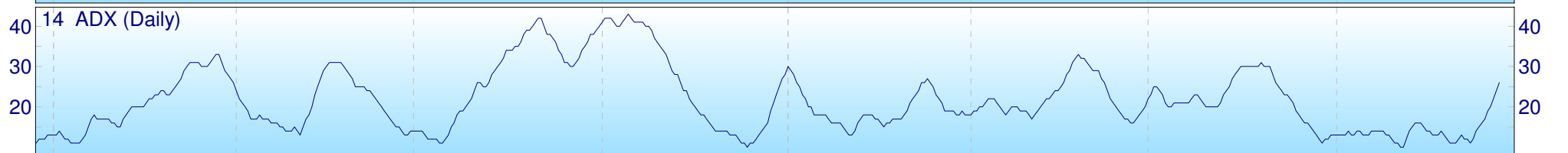
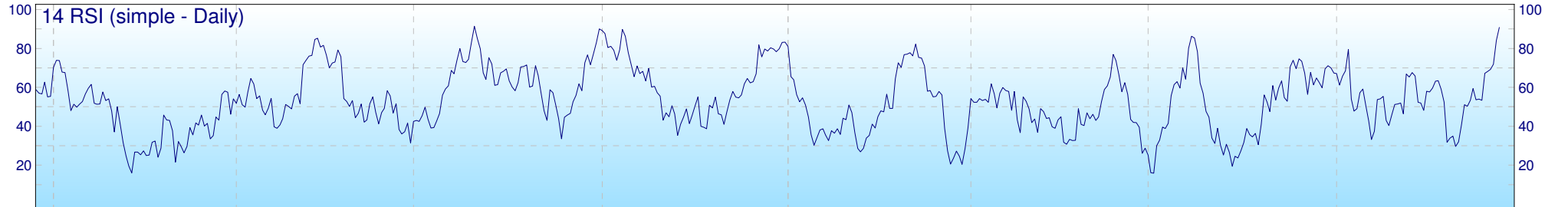
Pounds

Unilever PLC N

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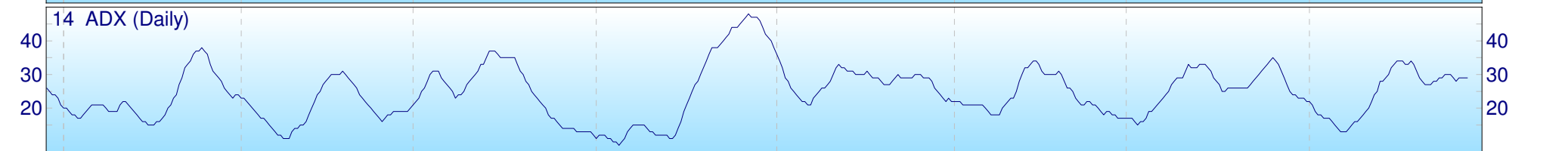
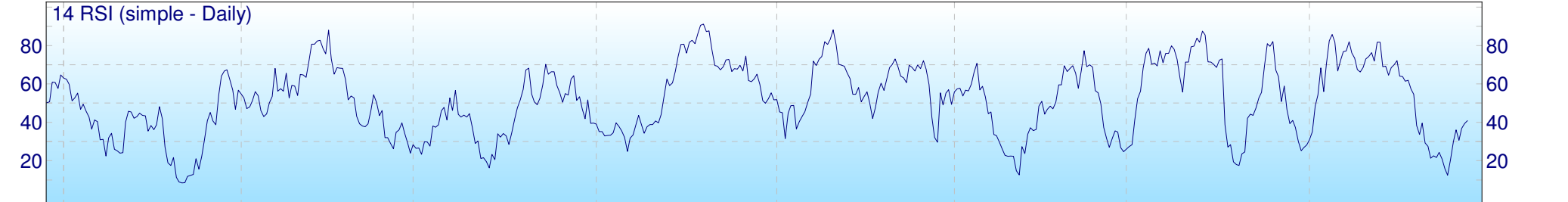
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Pence

United Utilities Group PLC N

Ord



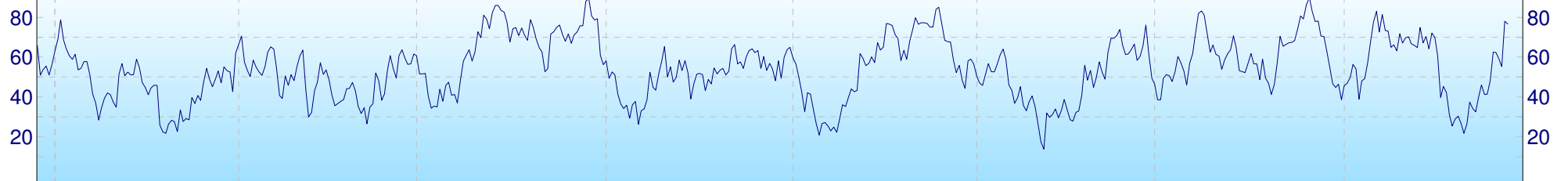
Pence

Vodafone Group PLC N

Ord



14 RSI (simple - Daily)



14 ADX (Daily)

