



Sell HSBC September 580 Puts at 7.5p

Price	625p
Dividend to consider	~ 17th August 12cts
Risk Rating	High
Forward P/E Ratio	11.3x
Forward Dividend Yield	4.1%

Technicals:

Primary Trend:

HSBC has traded in a range over the last two years, predominantly between 620p and 720p indicating the stock is currently at the lower of end of the trading range.

Support Levels:

Natural support lies at the 600p level with further support at the lower bollinger band lying at 597p.

Fundamentals:

HSBC is one of the world's largest banks with high exposure to fast growing emerging markets such as Hong Kong, Asia Pacific and Latin America,.

The stock is supported by a good dividend yield of 4.1% and trades at a discount to rival Standard Chartered despite offering similar growth prospects.

Morgan Stanley has just issued a 760p price target, indicating 21.6% potential upside.

Chart Legend:

	20 day moving average	(signifies the short-term direction of the security. prices tend to gyrate around their 20 day m/a)
	50 day moving average	(signifies the medium-term direction of the security)
	200 day moving average	(signifies the long-term direction of the security - whether it is in a bull or bear market)
	bollinger bands	(an indicator that measures 2 standard deviations away from the 20 day m/a)

Technical Analysis Guide:

ADX (average directional index) - indicates whether a security is in a trend (above 20) or not in a trend (below 20). For trending markets moving averages work best when considering lines of support/resistance. For non-trending markets bollinger bands work best (sell at upper band, buy at lower band).

RSI (relative strength index) - indicates whether a security is overbought (above 70) or oversold (below 30). Also when the RSI moves above 50 that is considered bullish (or vice versa).

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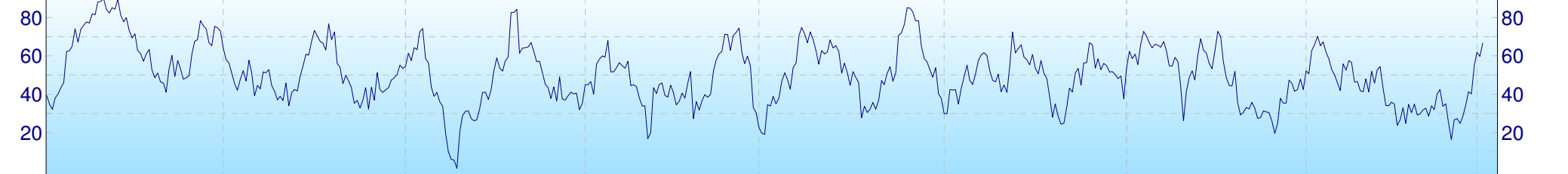
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6/7/09 Oct '10 Apr Jul Oct '11 Apr 12/7/11

14 RSI (simple - Daily)



14 ADX (Daily)

