



TRADE ALERT: MONSANTO COMPANY (MON.NYSE)



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TRADE ALERT: ANALYSIS - LAST PRICE - \$114.91

Monsanto Company is a provider of agricultural products for farmers. The Company's seeds, biotechnology trait products and herbicides provide farmers with solutions that improve productivity, reduce the costs of farming, produce better foods for consumers and better feed for animals.

Monsanto's shares are trading off of recent highs after the company announced an augmentation of its share repurchase program that would be financed with new debt. The company intends to finance the \$10 billion of repurchases over two years with debt. This is the company's biggest buyback initiative ever.

On June 25th the company raised its outlook for its fiscal year that ends Aug. 31, forecasting earnings of \$5.10 to \$5.20 a share. It also announced that the company is expected to double earnings over the next five years.

From a technical perspective, we can see Monsanto currently respecting its 200 day moving average on the daily chart. Monsanto has seen heavy selling as of late and the Relative Strength Index is indicating that the stock is heavily oversold, which can imply a buying opportunity. There is a key support below current levels at \$110.00, the company has strong fundamentals for future growth and with recent share price weakness; we see this as a long trade entry opportunity.

Please call the Luke Pilkington if you require any further information on +61 03 8660 7260

STRATEGY IMPLEMENTATION

OPENING TRADE:

Option 1: BUY JAN 2016 105.00 CALL @ LMT \$16.20

Cost example: One contract will cost \$1620.00 USD

Option 2: Buy CFD at MKT with stop loss at \$100.00 (app. 10% retracement) (leveraged position)

Option 3: Buy Stock at MKT with stop loss at \$100.00 (app. 10% retracement)

MAXIMUM RISK

- 1: Maximum risk on this trade is the cost of the Call Option.
- 2: Stock price falling to stop loss level or gapping below and getting filled.
- 3: Stock price falling to stop loss level or gapping below and getting filled.

MAXIMUM UPSIDE

Potentially unlimited for all three options.

Written By: Luke Pilkington



Monsanto Company Daily Chart - Chart Provided By BBY Online Trader



PLEASE CALL THE TRADING DESK IF YOU HAVE ANY QUESTIONS OR WOULD LIKE OUR DEALERS TO IMPLEMENT THIS STRATEGY FOR YOU ON +61 3 8660 7260.

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