

## Shell A, B Shrs Spread Reaches Record on Buyback, FTSE Reweight

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Feb. 18 (Bloomberg) -- Spread between Shell's more liquid B shares vs A shares has widened to a record ~7.5% following co.

update on B shares buyback and FTSE reweighting expected later in the week.

- \* Spread is trading below upper Bollinger Band, had been trading above previous 6 days

- \* Bollinger Band Entry and Exit strategy, which has 87.5% winning ratio, recommends selling short when close crosses below upper Bollinger Band from above and covers short when close crosses middle average band (~126.3p)

- \* Louis Capital Event Driven analyst David Noble says Shell is speeding up buyback (Feb. vs Jan.)

- \* Buying Bs makes sense to Shell, as buying A shares would cost them 17% of purchase price in taxes: Noble

- \* Market Securites special situations analyst Ken Menager says the spread is driven by EUR/GBP, buyback on B, scrip div. on A and stop loss from investors who were betting on spread to tighten

- \* NOTE: Shell A and B shares to see GBP222m and GBP147.9m total net reinvestment due to FTSE index reweight following Vodafone-Verizon deal payout this week, according to a Bloomberg News survey

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