

Buy – Evraz (EVR)

February 28, 2013

Leveraged products involve a high level of risk and you can lose more than your original investment. They are not suitable for everyone so please ensure you understand the risks involved and if necessary please obtain investment advice from a financial adviser before investing. This report is not a personal recommendation and does not take into account your personal circumstances or appetite for risk.

Trade parameters:				
Current Price	Stop Loss	Limit/Target	Reward vs. Risk	CFD Margin
268.5p	13.5p away (255p)	315p	3.4x	10%

- Observations - For**
- Shares back at recent support
 - Shares back at 200-day moving average
 - RSI back at rising support
 - Stochastics bounced from oversold
 - ADX (trend strength) ticked back up after weakness

- Observations - Against**
- Momentum broken negative, so support yet
 - MACD close to previous low but not yet bounced
 - Directional indicators still bearish
 - Shares not yet made decisive bounce off 260p
 - Shares been underperforming FTSE100

News / Broker Comments / Important Dates / Observations **

Citigroup upgrades to Buy from Neutral (4 Feb). Credit Suisse revisits EEMEA materials expecting sector 2013 performance to remain muted and forecasts combined sector EBITDA almost flat before growth of 10% in 2014, and so upgrades Evraz to Neutral from underperform, target 280p from 200p. (23 Jan). Shares rallied on 18 Jan Q4 results show steel production -6% and outlook is for coking coal +15% in Q1. Shares topped out soon after. Limited company newsflow/broker comment. **Next Event:** FY prelim, 11 Apr,

Latest Broker 12m Consensus: 9 x Buy, 8 x Hold, 2 x Sell (Source: Digital Look, AlphaTerminal, Brokerforecasts.com) (U = Upgrade / D = Downgrade) **21-Feb,** Goldman Sachs, Neutral, 340p (U); **4-Feb,** Citigroup, Buy (U); **23-Jan,** Credit Suisse, Neutral (U), TP 280p (U); **15-Jan,** Deutsche, Buy, TP 311p (D); **15-Nov,** Morgan Stanley, Equalweight, TP 254p; **14-Nov,** SocGen, Sell; **16-Oct,** HSBC, O'weight, TP 320p



Stock description

Evraz PLC mines iron ore and coal, and manufactures steel. The Company mines iron ore in Russia and Ukraine, and coal in Western Siberia. Evraz produces steel beams, channels, reinforcement bars, slabs, billets, railroad rails, armor plate, and tubular products. The Company produces steel in Russia, North America, Ukraine, Italy, the Czech Republic, and South Africa. (FTSE100)

Graph: 1-year (daily)

Stock last used as Trade Idea; 31-Jul 2012 ([link](#))

**Source: DowJones Newswires, Reuters News or Company Press releases, Bloomberg.com

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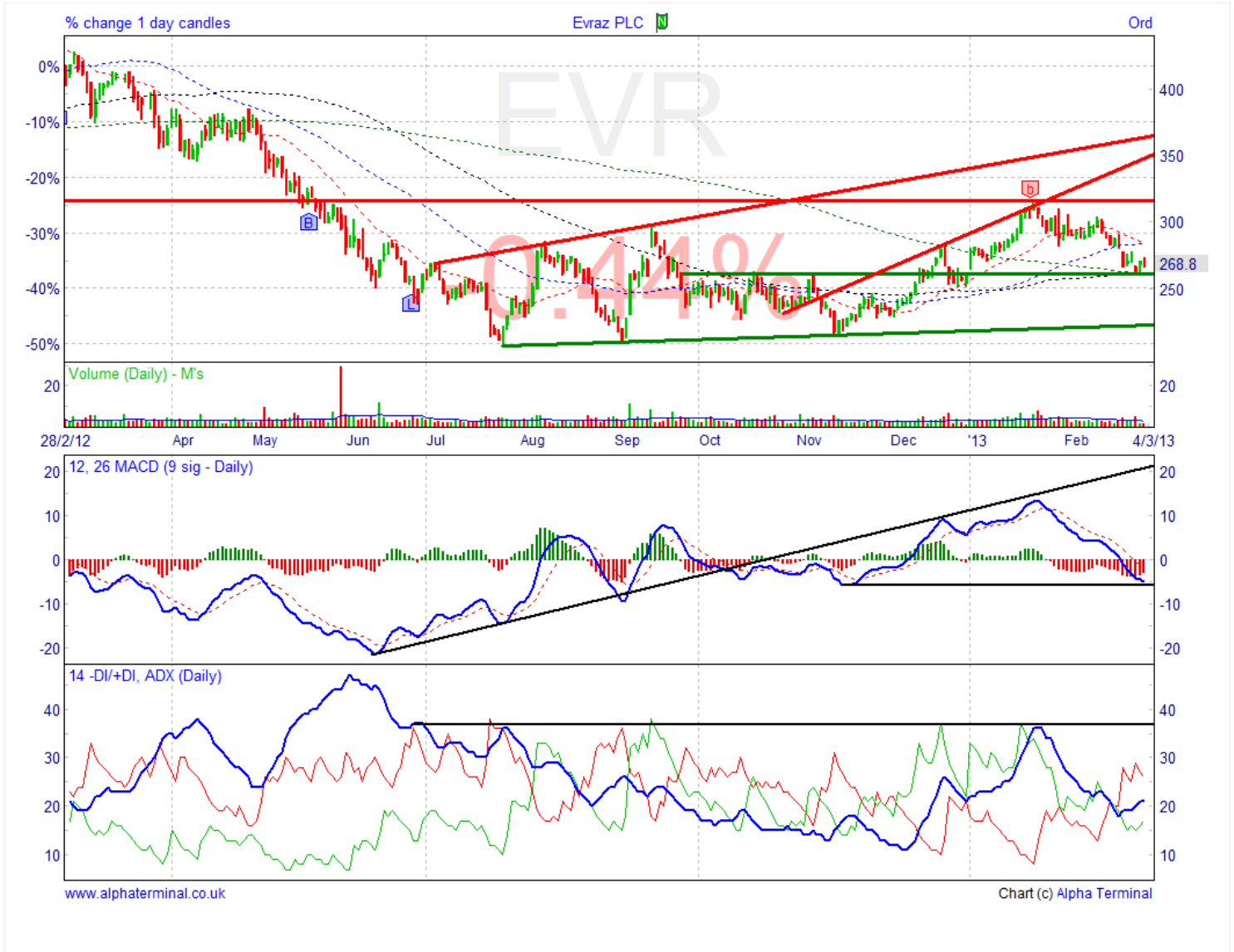
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Graph: 1-year (daily) - MACD, ADX and Directional Indicators



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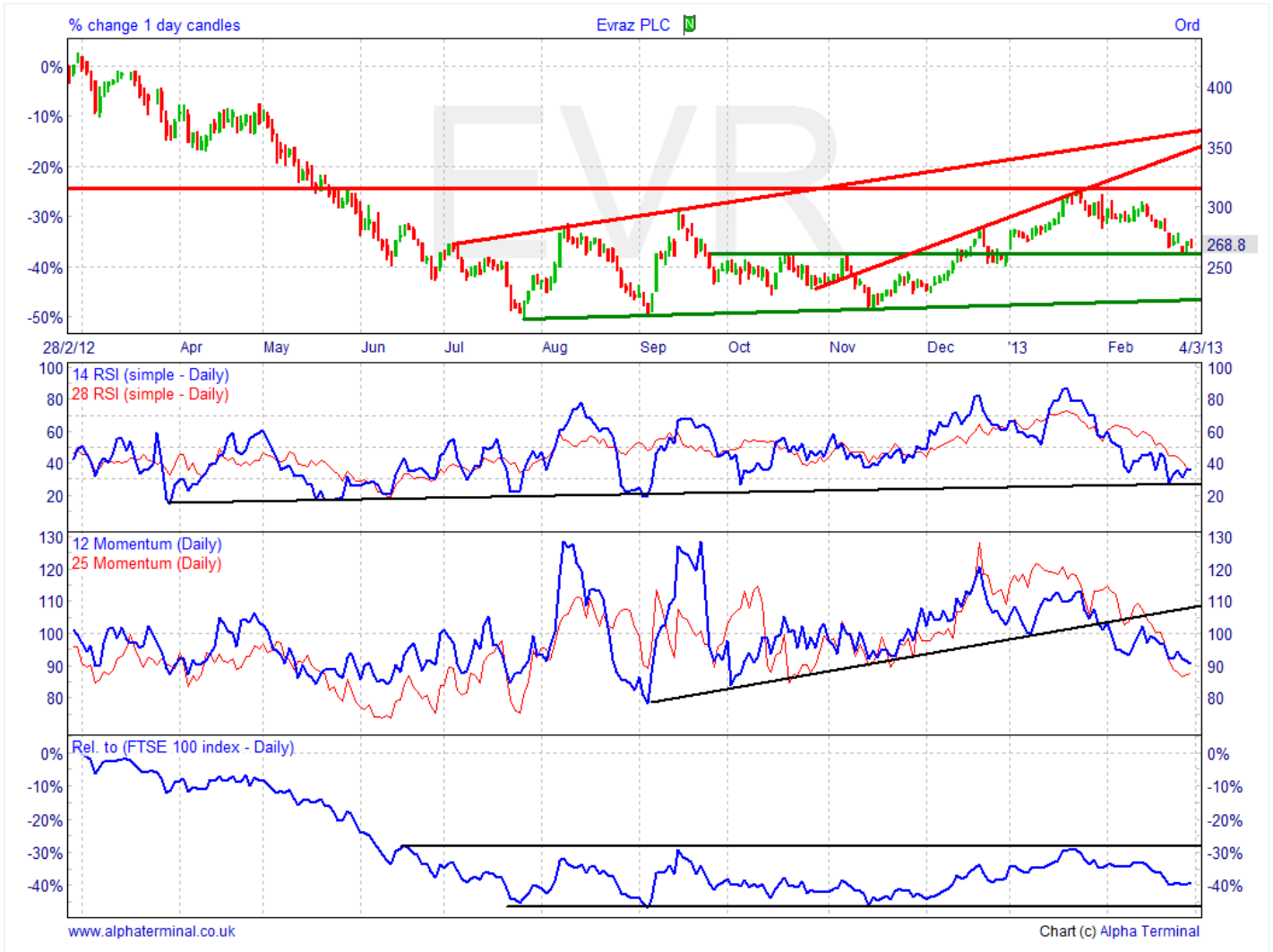
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Graph: 1-year (daily) - RSI, Performance relative to FTSE 100



Share Perf %	1wk	1m	3m	1yr	2yr	3yr	4yr	5yr
	11.49	-7.69	14.77	-36.56	n/a	n/a	n/a	n/a

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