

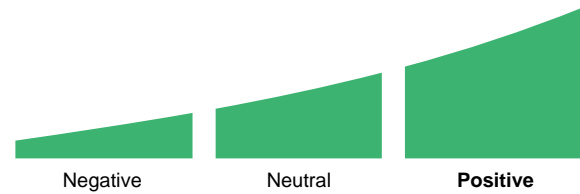
The sector Steel represents approximately 25% of the market capitalization of the group Basic Resources and less than 1% of the World market with 85 companies being followed regularly by the analysts.

The sector is currently trading at its 52 week high and 123% above its 52 week low (bi-weekly closing).

Performance since May 5, 2020: 123.1% vs. 61.7% for the group Basic Resources and 39.7% for the TSC\_World.

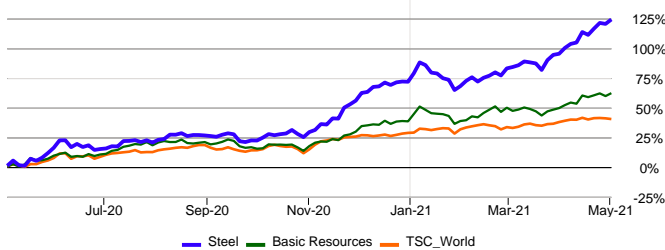
The current % of stocks over their Medium Term technical trend (MTT) is 84.7%.

### Global Evaluation



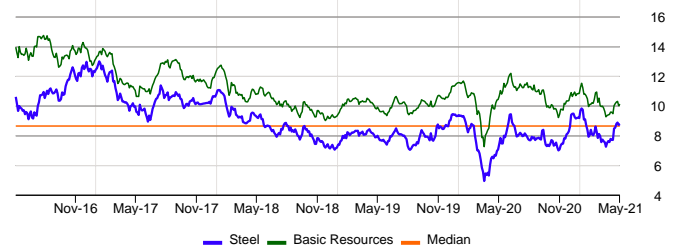
	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel Perf	Div	Global Evaluation
Steel (WO)	586.07	30.7%	85	850.13	★★★★★		8.7	26.0%	11.0%	5.9%	
Basic Resources (WO)	613.79	17.2%	325	3,343.98	★★★★★		10.1	18.2%	5.6%	5.4%	
TSC_World (WO)	397.86	9.1%	6,642	102,796.86	★★★★★		13.4	23.4%	1.0%	2.5%	

### Comparison May 5, 2020 - May 4, 2021



### "Price to Estimated Earnings" (PE) - Evolution over five years

The estimated PE is calculated on the basis of the underlying stocks. The sector is currently trading around its historical median of 8.6.



#### Price evaluation rating ★

In order to assess how an index is valued, we compare, among other, the projected earnings growth and dividend with the estimated PE ratio. Based on this approach, we feel this sector is currently strongly undervalued. The G/PE ratio of the sector is above 1.6. The projected high growth is due to a base effect caused by companies in an exceptional situation.

#### Earnings revision trend ★

Compared to seven weeks ago, the analysts have raised (7.4%) their earnings estimates. This positive trend began June 23, 2020 at a price of 307.8.

#### Technical Trend and Performance ★★

The 40-day Medium Term Technical Trend has been positive since February 9, 2021. The confirmed Technical Reverse point is currently 11% lower.



### Checklist

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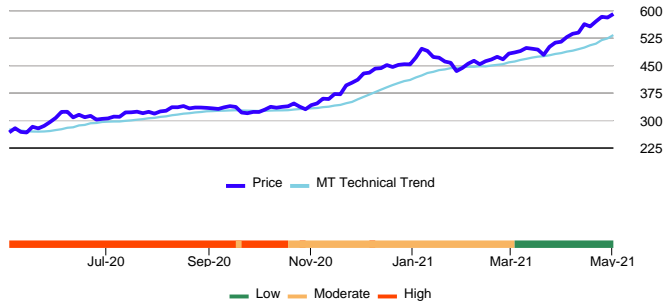
Global Evaluation		Positive
Interest	★★★★★	Very strong interest since February 23, 2021.
Earnings Rev Trend	★	Analysts positive since June 23, 2020
Valuation Rating	★	Strongly undervalued
MT Tech Trend	★	Market positive since February 9, 2021
4wk Rel Perf	★	vs. TSC_World
Sensitivity		The industry has been on the low-sensitivity level since March 5, 2021.

### Comparison May 6, 2016 - May 4, 2021



	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel Perf	Div	Global Evaluation
Steel (WO)	586.07	30.7%	85	850.13	★★★★★		8.7	26.0%	11.0%	5.9%	

## Price & Sensitivity Evolution



### Volatility

The volatility is also used as a sensitivity factor. It measures the magnitude of the upward and downward movements of a stock or index. The higher the volatility, the more sensitive a sector is considered to be.

As of the last update, the monthly volatility of (17.4%) is lower than the last few years' average of (20.5%). The low magnitude of short term price fluctuations indicates a lull in the market.

On the other hand, long term volatility 23.4% of the sector is similar to that of the group Basic Resources (18.8%), reflecting almost identical price variations between the sector and the group to which it belongs.

### Sensitivity factor in declining markets

The "Bear Market Factor" measures the behavior of a sector in declining markets. In this context, the sector Steel has a tendency to minimize the drops of the index TSC\_World.

This would indicate a low sensitive behaviour during market corrections. The sector Steel has a tendency to minimize drops in the index by -0.64%.

### Sensitivity factor in rising markets

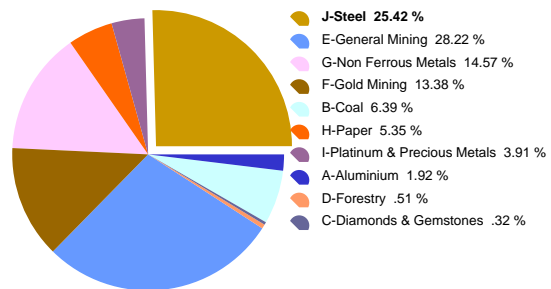
The "Bad News Factor" measures a sector's corrections in a rising market phase. In this configuration, the market slightly sanctions the sector Steel when there is specific pressure in this particular economic activity.

When the sector declines in a rising market its average deviation is -1.68%.

### Sensitivity analysis summary

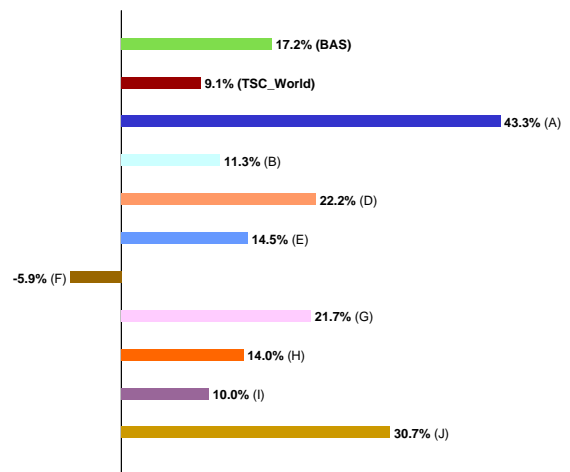
Generally speaking, the sector Steel is considered little sensitive in view of the Bear Market and Bad News factor which are both at a low level.

## Allocation by sector, of the group Basic Resources





The largest sector in terms of market capitalization General Mining represents 28.2% of the group Basic Resources. These sectors follow, in size order, Steel with 25.4% and Non Ferrous Metals with 14.6%.

## 2021 sector evolution

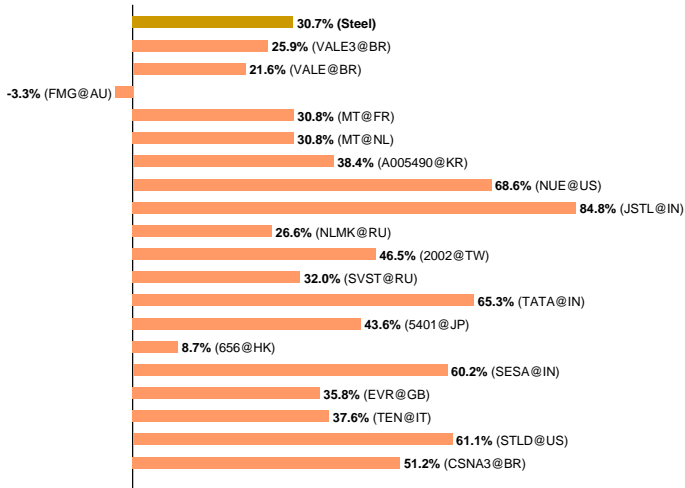


From the beginning of the year, the sector Steel recorded a variation of 30.7%, while the group Basic Resources evolved by 17.2%. This industry group is made up of 10 sectors, in which the extreme variations were from -5.9% to 43.3%.

	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel Perf	Div	Global Evaluation
Steel (WO)	586.07	30.7%	85	850.13	★★★★		8.7	26.0%	11.0%	5.9%	

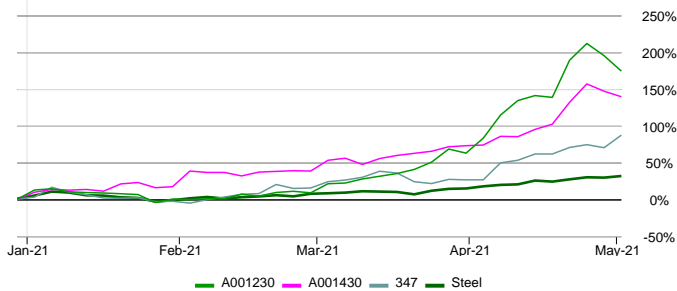
The performance of the 20 largest stocks of the sector is presented below.

### Year to date performance



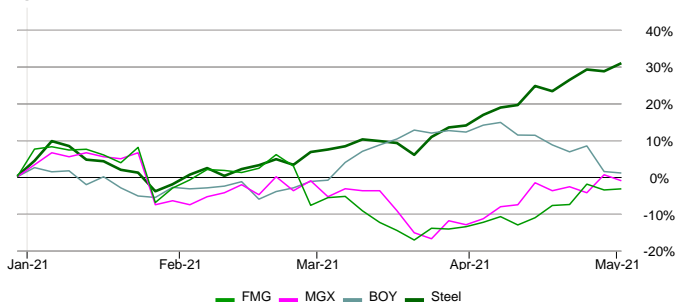
The analysis and details of the above stock can be found on page 6

### Top Stocks 2021



From the beginning of the year, the performance of the sector was 30.7%; as for the three best stocks, (DONGKUK STEEL MILL (A001230), SEAH BESTEEL (A001430) and ANGANG STEEL CO (347)), their performance was 174.0%, 139.2% and 87.0% respectively.

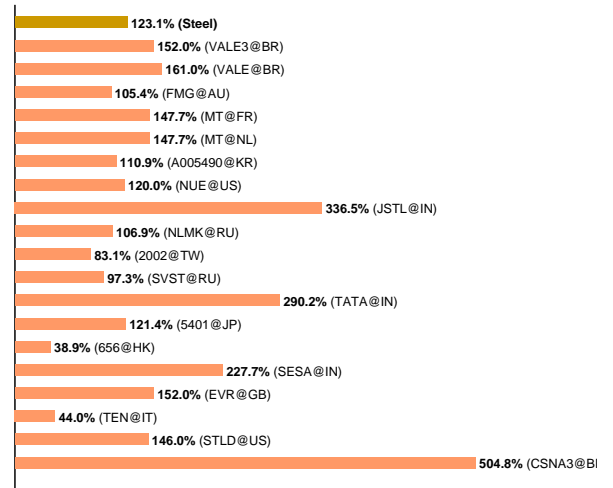
### Flop Stocks 2021



FORTESCUE METALS (FMG), MOUNT GIBSON IRON (MGX) and BODYCOTE (BOY) with -3.3%, -1.1% and 1.0% recorded the three worst performances from the beginning of the year. For the sector Steel, the variation was 30.7%.

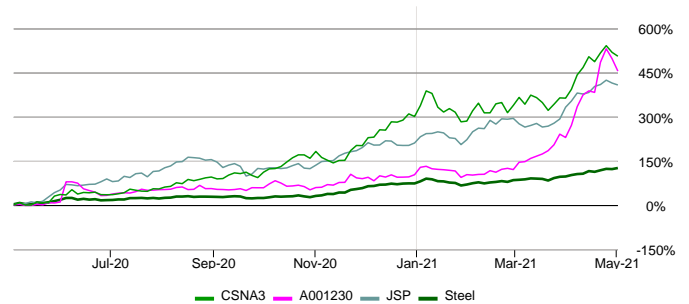
Only companies with a market capitalization exceeding \$500 million are mentioned.

### 12 months performance



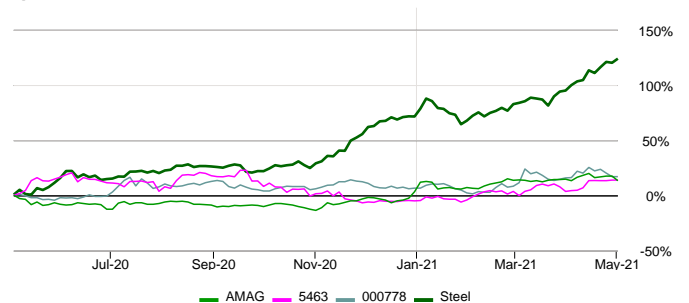
The analysis and details of the above stock can be found on page 6

### Top Stocks 12 months



Since 12 months ago, the performance of the sector has been 123.1%; the three best stocks, (CIA SIDERURGICA-CSN (CSNA3), DONGKUK STEEL MILL (A001230) and JINDAL STEEL & POWER (JSP)) recorded a performances of 504.8%, 454.2% and 407.0% respectively.

### Flop Stocks 12 months



The three worst performances in 12 months were recorded by AMAG AUSTRIA METALL (AMAG), MARUICHI STEEL TUBE (5463) and XINXING DUCTILE IRON (000778) with 13.1%, 13.6% and 16.8%. As for the sector Steel, it recorded a variation of 123.1%.



The stock selection below has been specifically chosen for this univers. **The proposals cannot consider the reader's personal financial situation nor his appetite or aversion to risk; stock ownership should not be assessed either if appropriate to the reader. Please request personalised alternatives from your financial advisor.**

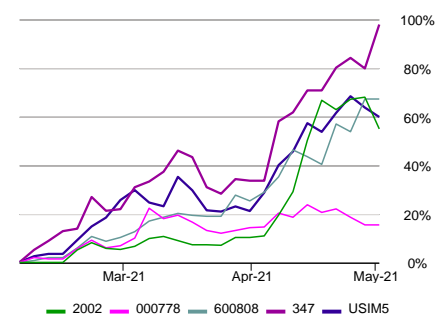
## Stocks of interest

Company Name	Market	Group	Best Evaluation	Defensive Stocks	High Dividends	Low PE
ANGANG STEEL CO	HK	Basic Resources	✓			
CHINA STEEL	TW	Basic Resources	✓			
EREGLI DEMIR CELIK	TR	Basic Resources		✓		
FANGDA SPECIAL STL.TECH. 'A'	CN	Basic Resources			✓	✓
FERREXPO	GB	Basic Resources			✓	
FOSUN INTERNATIONAL	HK	Basic Resources				✓
INDUSTRIAS CH	MX	Basic Resources		✓		
JINDAL STEEL & POWER	IN	Basic Resources		✓		
JSW STEEL	IN	Basic Resources		✓		
KARDEMIR KARABUK DEM	TR	Basic Resources				✓
MAANSHAN IRON&STEEL	CN	Basic Resources	✓		✓	
NANJING IRON & STEEL	CN	Basic Resources				✓
STEEL AUTHORITY OF INDIA	IN	Basic Resources		✓		
USINAS SIDERURGICAS DE MINAS GERAIS A PN	BR	Basic Resources	✓			
VALE ON ADR 1:1	BR	Basic Resources			✓	
VEDANTA	IN	Basic Resources			✓	
XINXING DUCTILE IRON	CN	Basic Resources	✓			✓

## Stocks with the best valuations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Sensitivity	Global Evaluation
2002 TW	CHINA STEEL Steel	36.25 TWD	20.54	69.4%	★★★★★		
000778 CN	XINXING DUCTILE IRON Steel	4.04 CNY	2.49	68.2%	★★★★★		
600808 CN	MAANSHAN IRON&STEEL Steel	4.23 CNY	4.79	66.4%	★★★★★		
347 HK	ANGANG STEEL CO Steel	5.91 HKD	7.09	65.7%	★★★★★		
USIM5 BR	USINAS SIDERURGICAS DE MINAS Steel	21.92 BRL	5.11	52.1%	★★★★★		

Evolution over the last 3 months

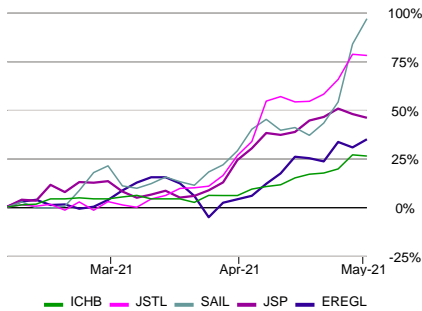


The Global Evaluation is a multi-criteria approach to identify the stocks with the best overall outlook. The assessment is the compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and sensitivity (behaviour in declining markets and sensitivity to bad news) factors. In order to present a relevant selection, only companies with a market capitalization above \$1bn and showing good earnings growth valuations, are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.

	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel Perf	Div	Global Evaluation
Steel (WO)	586.07	30.7%	85	850.13	★★★★		8.7	26.0%	11.0%	5.9%	

### The best defensive stocks

Evolution over the last 3 months



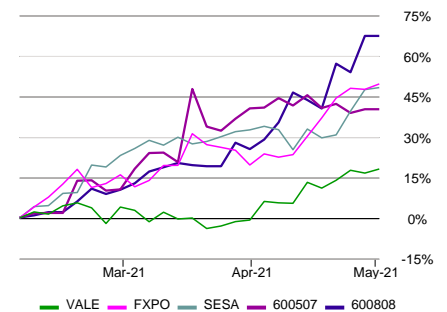
Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Sensitivity	Global Evaluation
ICHB MX	INDUSTRIAS CH Steel	139.30 MXN	3.00	-195	★★★★		
JSTL IN	JSW STEEL Steel	715.40 INR	23.33	-193	★★★★		
SAIL IN	STEEL AUTHORITY OF INDIA Steel	128.00 INR	7.16	-179	★★★★		
JSP IN	JINDAL STEEL & POWER Steel	435.75 INR	6.02	-171	★★★★		
EREGL TR	EREGLI DEMIR CELIK Steel	19.65 TRY	8.28	-158	★★★★		

The sensitivity assessment is based on essentially two criteria: the stock's "behaviour in declining markets" (Bear Market Factor), and the stock's "sensitivity to bad news" (Bad News Factor). By positioning a stock according to the world averages, three sensitivity levels can be attributed (low, moderate, high). Combining these elements makes it possible to create a final ranking of stocks in the market. To present the most useful selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. In case of a tie, the stock's "behaviour in declining markets" will act as the deciding classification element.

### The stocks with attractive dividends

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Div	Stars	Sensitivity	Global Evaluation
VALE BR	VALE ON ADR 1:1 Steel	20.38 USD	106.58	10.1%	★★★★		
FXPO GB	FERREXPO Steel	444.80 GBp	3.64	8.0%	★★★★		
SESA IN	VEDANTA Steel	258.55 INR	13.43	7.0%	★★★★		
600507 CN	FANGDA SPECIAL STL.TECH. 'A' Steel	9.16 CNY	3.05	6.7%	★★★★		
600808 CN	MAANSHAN IRON&STEEL Steel	4.23 CNY	4.79	6.0%	★★★★		

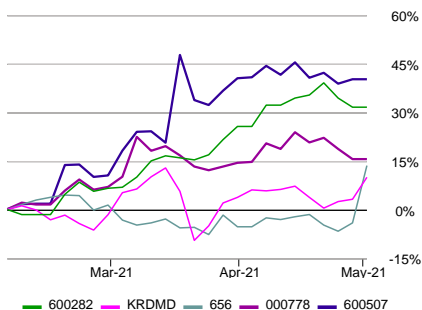
Evolution over the last 3 months



Within this category, the equities that have been chosen are based on the expected dividend yield over the next 12 months. The selection takes into consideration only companies with payout dividends totalling not more than 70% of their forecasted income. This is to ensure that only companies are included that show a strong potential for a continued payout of dividends in the future. This profile also requires a minimum of 2 stars and a market value greater than one billion USD.

### The stocks with the lowest PE

Evolution over the last 3 months



Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Sensitivity	Global Evaluation
600282 CN	NANJING IRON & STEEL Steel	4.21 CNY	4.00	4.4	★★★★		
KRDM TR	KARDEMIR KARABUK DEM Steel	7.63 TRY	1.00	4.8	★★★★		
656 HK	FOSUN INTERNATIONAL Steel	13.24 HKD	14.28	4.9	★★★★		
000778 CN	XINXING DUCTILE IRON Steel	4.04 CNY	2.49	5.1	★★★★		
600507 CN	FANGDA SPECIAL STL.TECH. 'A' Steel	9.16 CNY	3.05	5.8	★★★★		

The price to earnings ratio (PE) may help to find undervalued stocks. If the PE of a stock is much lower than the PE of its reference market, the stock could have upside price potential. In order to present a relevant selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have: a minimum rating of two stars, a neutral to positive valuation, a low to moderate sensitivity. When the PE ratios are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel Perf	Div	Global Evaluation
Steel (WO)	586.07	30.7%	85	850.13	★★★★★		8.7	26.0%	11.0%	5.9%	

## The 20 top stocks classified by market capitalization

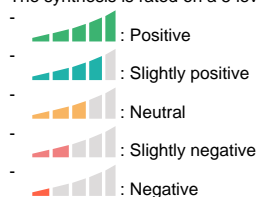
Symbol Market	Name Sector	Price Ccy	Perf YtD	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel Perf	Div	Global Evaluation
VALE3 BR	VALE ON Steel	110.10 BRL	25.9%	106.58	★★★★★		7.5	15.2%	10.9%	8.7%	
VALE BR	VALE ON ADR 1:1 Steel	20.38 USD	21.6%	106.58	★★★★★		6.6	12.6%	16.9%	10.1%	
FMG AU	FORTESCUE METALS Steel	22.66 AUD	-3.3%	53.75	★★★★★		13.0	-7.6%	8.2%	11.7%	
MT FR	ARCELORMITTAL Steel	24.70 EUR	30.8%	32.77	★★★★★		8.9	55.5%	1.2%	1.4%	
MT NL	ARCELORMITTAL Steel	24.70 EUR	30.8%	32.77	★★★★★		8.9	55.5%	1.2%	1.4%	
A005490 KR	POSCO Steel	376,500.00 KRW	38.4%	29.24	★★★★★		7.6	23.9%	18.6%	2.9%	
NUE US	NUCOR Steel	89.66 USD	68.6%	26.78	★★★★★		16.4	29.0%	8.6%	2.0%	
JSTL IN	JSW STEEL Steel	715.40 INR	84.8%	23.33	★★★★★		12.6	19.1%	44.2%	0.6%	
NLMK RU	NOVOLIPETSK STEEL OJSC Steel	35.12 USD	26.6%	21.27	★★★★★		9.5	16.2%	11.0%	11.3%	
2002 TW	CHINA STEEL Steel	36.25 TWD	46.5%	20.54	★★★★★		11.7	2800.4%	38.3%	5.1%	
SVST RU	PUB.JSC.SEVERSTAL Steel	23.20 USD	32.0%	19.65	★★★★★		9.3	11.4%	16.3%	11.6%	
CHMF RU	SEVERSTAL Steel	1,757.80 RUB	32.8%	19.65	★★★★★		8.2	16.2%	12.6%	11.6%	
TATA IN	TATA STEEL Steel	1,063.85 INR	65.3%	17.23	★★★★★		9.1	21.8%	26.8%	1.2%	
5401 JP	NIPPON STEEL Steel	1,907.00 JPY	43.6%	16.60	★★★★★		6.1	95.5%	7.9%	3.8%	
656 HK	FOSUN INTERNATIONAL Steel	13.24 HKD	8.7%	14.28	★★★★★		4.9	18.0%	21.3%	3.6%	
SESA IN	VEDANTA Steel	258.55 INR	60.2%	13.43	★★★★★		8.0	13.2%	15.4%	7.0%	
EVR GB	EVRAZ Steel	640.40 GBp	35.8%	12.95	★★★★★		8.7	9.6%	13.0%	9.3%	
TEN IT	TENARIS Steel	9.11 EUR	37.6%	12.94	★★★★★		17.4	57.9%	-6.0%	2.6%	
STLD US	STEEL DYNAMICS Steel	59.41 USD	61.1%	12.55	★★★★★		11.3	23.9%	13.0%	1.9%	
CSNA3 BR	CIA SIDERURGICA-CSN Steel	48.14 BRL	51.1%	12.24	★★★★★		8.2	29.2%	30.5%	4.6%	

# Glossary - Equities

## Global Evaluation

The rating results from several factors : fundamental and technical analysis, measure of sensitivity and benchmark trend.

The synthesis is rated on a 5 level scale:



The synthesis for the Indices and Industries is rated on a 3 level scale: Positive, Neutral and Negative.

## Number of Stocks

The number of stocks in the index that can be analyzed.

## Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

## Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued to strongly overvalued .

## Stars

theScreener.com's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

In this easy-to-use rating system, stars are earned for each element specified below:

- Earnings Rev Trend = ★★★★★
- Valuation Rating , , = ★★★★★
- MT Tech Trend = ★★★★★
- 4 week Relative Performance > 1% = ★★★★★

Therefore, a stock can earn a maximum of four stars.

The lowest rating a stock can have is no stars.

Once a stock has earned a star, it will keep it until:

- Earnings Rev Trend becomes negative
- Valuation Rating becomes negative ,
- MT Tech Trend becomes negative
- 4 week Relative Performance drops below -1% (<-1%)

## Div

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

## Earnings Rev. Trend

The symbol shows that compared with their earnings revisions of seven weeks ago, the analysts have now raised their estimates (7wk EPS Rev; > 1%); the symbol indicates that compared with their earnings revisions of seven weeks ago, the analysts have now lowered their estimates (7wk EPS Rev < -1%).

When the earnings revisions (7wk EPS Rev) fall between +1% and -1%, the trend is considered to be neutral .

The symbol indicates that the last significant revisions have been trending positive.

The symbol indicates that the last significant revisions have been negative.

## 7wk EPS Rev

This is an abbreviation for 7 week Earnings Per Share Revision. This column indicates the value of these revised earnings. A figure of 2.8 signifies that compared with seven weeks

ago, the analysts have now revised and raised their estimates by 2.8%. On the contrary, a negative number means that the earnings would have been revised lower.

## G/PE Ratio

In order to establish our Valuation Rating, we calculate the estimated growth of future earnings (LT Growth) plus dividend in %, divided by the estimated future PE ratio (Long Term P/E).

## LT PE

This is the relationship between the price (P) and the estimated long-term future earnings.

## LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

## MT Tech Trend

The MT Tech Trend indicates the current trend, positive or negative , and the Tech Reverse indicates up to which price this trend will remain valid.

When a price falls to 1.75% above or below the Tech Reverse, the MT Tech Trend is considered neutral .

Once the price breaks out of the +1.75% neutral zone, the MT Tech Trend will change to positive.

The symbol indicates that the previous MT Tech Trend was positive.

The symbol indicates that the previous MT Tech Trend was negative.

## 4wk (Rel) Perf.

This figure measures the dividend-adjusted performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

## Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. In this purely objective analysis, the actual reasons for a stock's behavior are not important. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news. The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

## Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period. The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

## Sensitivity

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.

"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.

There are three grades of sensitivity levels:

- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

## Volatility 12 M

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

## % of Stocks in Uptrend

This is the percentage of stocks in a given list that have a positive Medium Term Technical Trend. If, for example, the aggregate of Technology / World, (which is made up of 458 stocks) has 8% "of stocks in Uptrend," it means that 38 of the stocks within that aggregate have a positive Medium Term Technical Trend.

## Beta

Beta is often used as a measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

## Correlation

Correlation is the degree of similarity in which a stock fluctuates in relation to its reference index.

### Disclaimer:

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If the investment currency differs from the currency of the investment instrument, currency fluctuations can have a strong influence on the performance of the investment instrument, so that it can be significantly higher or lower.

More information: [www.thescreener.com/home/method/](http://www.thescreener.com/home/method/)

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