Subject: Re: Paul, this looks cheap here -> (BFW) Ferroglobe Raised to Overweight on Valuation: JPMorgan [I]
From: Stewart Oldfield <[redacted]>
Date: Wed, 04 Apr 2018 15:17:33 -0400
To: Martin Zeman [redacted]

Out of sight, out of mind.

Stewart Oldfield, CFA, CAIA
Director

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On Apr 4, 2018, at 2:50 PM, Martin Zeman <[redacted]> wrote:

> Classification: For internal use only

Of course I somehow forgot to include you again, but you're not here anyway….

From: Martin Zeman
Sent: Wednesday, April 04, 2018 2:08 PM
To: 'Paul Barrett ([redacted])' <[redacted]>
Cc: Xavier Avila <[redacted]>; Joshua Shoshan <[redacted]>; Davide-A Sferrazza <[redacted]>; Liam Osullivan <[redacted]>
Subject: Paul, this looks cheap here -> (BFW) Ferroglobe Raised to Overweight on Valuation: JPMorgan

Have you ever looked at GSM? They sold off massively – see story below – and are being upgraded to Buy on the street. I think purely on a technical

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bounce, this is very cheap.

See below text from JPM upgrading the stock and also this link explaining why it sold off so much a couple weeks ago:

https://www.fool.com/investing/2018/03/23/why-ferroglobe-plcs-stock-is-tumbling-today.aspx

<image001.jpg>

Ferroglobe Raised to Overweight on Valuation: JPMorgan
2018-03-26 18:40:56.459 GMT

By Janet Freund
(Bloomberg) -- Ferroglobe raised to overweight from neutral by JPMorgan analyst Michael Gambardella who cites stock's "excessive" selloff after ITC "shocked the market" March 23 in overturning Dept. of Commerce's silicon metal tariffs (no anti-dumping or countervailing duties will be issued as a result). GSM drops as much as 6.2%, adding to Friday's 24% selloff.
* Lowers ests. for 2018 and 2019 EPS to 84c and 80c from $1.16 and $1.35, respectively, to reflect expectation of lower silicon metal prices; PT to $13.50 from $18, but believes current stock price presents attractive entry point
* Current stock price of ~$11 implies U.S. silicon metal selling price of $0.83/lb, all else being equal, which is a level not breached since 2006
* Gambardella adds that in second set of negative news, GSM's largest shareholder, Grupo Villar Mir (55% interest in stock), plans to sell 1.9m shares (Bloomberg data says Grupo owns 94.55m shares)
* GSM has 5 buys, 0 holds, 0 sells; avg PT $21: Bloomberg data
* NOTE: March 23, Ferroglobe Defended at Stifel, Oppenheimer After ITC Decision

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