



FTSE ASE 25 Index: Valuations under Country Risk Scenarios

Following the latest political turmoil in Greece and the forthcoming snap elections of the 25th of January 2015, yields on the Basic Hellenic sovereign fixed income issues have spiked to crisis levels. The current inverted curve as depicted by the 3- year GGB yield of 13,5% vs 5- year GGB 11,5% and 10- year GGB 9.5% indicates strong short term Country Risk and forces us to re evaluate our Fair Value Thesis.

Consequently we attempted to run an alternative valuation scenario for our FTSE 25 Universe utilizing an increased Risk Free rate and subsequently, an increased Market Risk rate. Specifically we repriced the Risk Free rate at 9% from 6% previously (in order to correspond to the 10- year GGB yield) and Market Risk to 19% from 14.75% respectively.

This iteration leads to a Fair Value of 334 points for the FTSE ASE 25 Index down from 375 points, showing that at levels Hellenic Large Caps trading about 26% lower than Fair Value (Undervalued). Unfortunately, Large Cap P/Es (unweighted remain high (20,36x 2014 projected EPS) and Average Dividend Yield only at 0.83%. Last but not least, cheap valuations can always get cheaper.

In summary, it is apparent that given any type of stabilization during 2015, Hellenic Large Caps have the Fundamental Value to attain higher Capitalizations (circa 2014 Highs) and we will be closely monitoring any changes in sentiment to upgrade our estimates.

Οδηγός Συστάσεων/Ratings

Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price			
MCAP:	Κεφαλαιοποίηση	Capitalization	UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share	UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Stock Price < 20% of Fair Underpriced/ Risk
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio	FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Stock Price < 10% of Fair Fairly Priced/ Small Risk
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio	OV1	Σωστή Αποτίμηση/ Κίνδυνος	10%<Stock Price<10% Fairly Priced/ Risk
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio	OV	Υπερτιμημένη Μετοχή	Stock Price >10% of Fair Overvalued Stock Price >20% of Fair
DY:	Απόδοση Μερίσματος	Dividend Yield			
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity			
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price			

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. δεν ευθύνεται για την εγκυρότητα, ορθότητα ή αξιοπιστία τους και διατηρεί το δικαίωμα αλλαγής τους χωρίς πρότερη ειδοποίηση. Τόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι διευθύνοντες και υπάλληλοι της δεν φέρουν ουδεμία ευθύνη για οποιαδήποτε συνέπεια των πληροφοριών αυτών. **Το παρόν δεν αποτελεί προσφορά, προτροπή ή επενδυτική πρόταση για αγορά ή πώληση μετοχών ή άλλων κινητών αξιών. Οι επενδύσεις που αναφέρονται ενδέχεται να μην είναι οι ενδειγμένες για ορισμένους επενδυτές.**

Disclaimer:

This report has been issued by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A., a member of the Athens Stock Exchange, and may not be reproduced in any manner or provided to any other persons. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. The information contained herein has been obtained from sources believed to be reliable but has not been verified by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. The opinions expressed herein may not necessarily coincide with those of any member of N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility of liability whatsoever or howsoever arising is accepted in relation to the contents hereof by N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. or any of its directors, officers or employees. **This report is not an offer to buy or sell or a solicitation of an offer to buy or sell securities mentioned herein.** N. CHRYSOCHOIDIS STOCK BROKERAGE I.S.S.A. may effect transactions in or perform or seek to perform brokerage services for companies covered. The investments discussed in this report may be unsuitable for investors, depending on their specific investment objectives and financial position.