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## **Gerdau and Usiminas upgraded to neutral**

*Sunday, 21 Jun, 2009*

Bloomberg reported that Gerdau SA and Usinas Siderurgicas de Minas Gerais SA were raised to 'neutral' from 'under perform' at Bank of America Corporation, which cited an improving steel outlook in the US. It also cut Cia Siderurgica Nacional SA to 'under perform' from 'neutral', citing valuation and lower iron ore sales.

Analysts led by Mr Felipe Hirai said that "Inventories are at 26 year low, companies are announcing price increases that we think will stick and capacity utilization ratios should start to improve. We see downside risk to iron ore volumes. Bank of America reduced sales estimates for 2009 given higher competition, lower spot price and high freight rates."

(Sourced from [www.bloomberg.net](http://www.bloomberg.net))

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