FIRST LIGHT

06 November 2020

RESEARCH

Gujarat Gas | Target: Rs 400 | +33% | BUY

Strong beat on margins and volumes; upgrade to BUY

Apollo Tyres | Target: Rs 160 | +8% | ADD

Strong Q2; earnings estimates upgraded

eClerx Services | Target: Rs 600 | –16% | SELL

Strong growth driven by sharp CLX recovery

Greenply Industries | Target: Rs 150 | +79% | BUY

Results in line; balance sheet improves significantly

Lupin | Target: Rs 990 | +6% | ADD

Muted Q2; multiple near-term catalysts

Hindustan Petroleum Corp | Target: Rs 440 | +114% | BUY

GRMs recover, marketing margins remain elevated

SUMMARY

Gujarat Gas

Gujarat Gas' (GUJGA) Q2FY21 earnings were above estimates, surging 8x QoQ to Rs 4.8bn. Q2 highlights: (a) volumes beat estimates at 9.8mmscmd (+5.5% YoY, +2.4x QoQ), returning to pre-Covid levels, and (b) EBITDA margin outperformed at Rs 8.1/scm (+88% YoY). We raise FY21/FY22/FY23 earnings by 33%/20%/20% to factor in higher margins and volumes. Our Sep'21 TP rises to Rs 400 (from Rs 335). The strong V-shaped recovery reinforces our investment rationale on B2B gas utilities; raise to BUY from ADD.

Click here for the full report.

TOP PICKS

LARGE-CAP IDEAS

Company	Rating	Target
Cipla	Buy	850
GAIL	Buy	155
Petronet LNG	Buy	310
TCS	Buy	3,180
Tech Mahindra	Buy	980

MID-CAP IDEAS

Company	Rating	Target
Alkem Labs	Buy	3,600
Greenply Industries	Buy	150
Laurus Labs	Buy	410
Transport Corp	Buy	300
Mahanagar Gas	Sell	750

Source: BOBCAPS Research

DAILY MACRO INDICATORS

Indicator	Current	2D (%)	1M (%)	12M (%)
US 10Y yield (%)	0.76	(14bps)	6bps	(107bps)
India 10Y yield (%)	5.89	(1bps)	(11bps)	(61bps)
USD/INR	74.76	(0.5)	(2.2)	(5.3)
Brent Crude (US$/bbl)	41.20	3.8	5.0	(33.2)
Dow	27,848	1.3	0.6	1.3
Shanghai	3,277	0.2	1.8	10.0
Sensex	40,616	0.9	5.0	0.4
India FII (US$ mn)	**3 Nov**	**MTD**	**CYTD**	**FYTD**
FII-D	212.1	164.3	(14,065.5)	(4,306.0)
FII-E	207.6	322.8	6,869.3	13,472.2

Source: Bank of Baroda Economics Research

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Apollo Tyres

Apollo Tyres (APTY) surprised positively on both revenue and earnings in Q2FY21, led by strong replacement demand in Indian markets, better Europe operations and above-expected operating efficiency. Revenue was up 7% YoY and operating margin expanded 540bps YoY. We upgrade FY21/FY22/FY23 earnings by 30%/9%/9% to bake in robust revenue visibility and better margins, yielding a higher Sep'21 TP of Rs 160 (vs. Rs 135). But the 28% rally over the past three months limits upsides, leading to our downgrade from BUY to ADD.

Click here for the full report.

eClerx Services

eClerx (ECLX) reported a surprising growth and margin beat in Q2FY21 backed by CLX recovery and aggressive cost cuts. Dollar revenue grew 8.3% QoQ, ahead of our estimate led by higher utilisation. Management expects H2FY21 revenue to better H1. In our view, long-term demand visibility thereafter is bleak and margins do not look sustainable. We raise FY22-FY23 EPS by 4-10% to factor in the H2 outlook. On rollover, we have a new Sep'21 TP of Rs 600 (vs. Rs 580). Valuations at 11x FY22E P/E are cheap but lack catalysts. SELL.

Click here for the full report.

Greenply Industries

Greenply Industries' (GIL) consolidated Q2FY21 revenue slipped 22% YoY, but still bettered estimates. India operations declined 31% YoY (volumes down 27%), whereas Gabon subsidiary revenue surged 64% on better demand from Europe and higher trading revenue. Operating margins contracted 85bps YoY, causing EBITDA/PBT to drop ~28% each. Management expects a flattish H2 with margin improvement. Net debt has halved to Rs 1.3bn. We raise FY21-FY23 EPS 7-12% to bake in lower interest cost and roll to a new Dec'21 TP of Rs 150 (from Rs 135).

Click here for the full report.

Lupin

Lupin's (LPC) Q2 EBITDA was 5% below estimates. Sales were broadly in line as the miss in India was offset by a US beat (led by gProAir stocking and Glumetza gains). EBITDA margin fell short of estimates at 15.2%. Net debt increased by Rs 13bn QoQ. LPC is guiding for 18.5% EBITDA margin and full-scale gProAir benefits by Q4, with India sales growth of 6-8% in H2. We see several H2 catalysts (gProAir ramp-up, Fostair approval, Somerset/Goa unit clearance), aiding stock upsides. Retain ADD with a new Sep'21 TP of Rs 990 (vs. Rs 950).

Click here for the full report.

Hindustan Petroleum Corp

HPCL's Q2FY21 earnings remained robust at Rs 24.7bn (+2.4x YoY). Q2 highlights: (a) GRMs outperformed at US$ 5.1/bbl (incl. US$ 2.4/bbl inventory gains), (b) indicative marketing EBITDA at Rs 3,253/mt (+21% YoY) was below estimates, while sales volume recovered slightly to 8.43mmt (–10% YoY). H2FY21 looks better for marketing volumes even as low oil prices provide flexibility to sustain high marketing margins, making earnings countercyclical. We maintain our Sep'21 TP of Rs 440.

Click here for the full report.

BUY
TP: Rs 400 | ⮝ 33%

GUJARAT GAS | Oil & Gas | 05 November 2020

Strong beat on margins and volumes; upgrade to BUY

Gujarat Gas' (GUJGA) Q2FY21 earnings were above estimates, surging 8x QoQ to Rs 4.8bn. Q2 highlights: (a) volumes beat estimates at 9.8mmscmd (+5.5% YoY, +2.4x QoQ), returning to pre-Covid levels, and (b) EBITDA margin outperformed at Rs 8.1/scm (+88% YoY). We raise FY21/FY22/FY23 earnings by 33%/20%/20% to factor in higher margins and volumes. Our Sep'21 TP rises to Rs 400 (from Rs 335). The strong V-shaped recovery reinforces our investment rationale on B2B gas utilities; raise to BUY from ADD.

Rohit Ahuja | Harleen Manglani
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Accelerated volume recovery: Volumes rebounded in Q2 driven by the industrial segment (7.9mmscmd, +1.8x QoQ), followed by CNG (1.3mmscmd, +2x QoQ). Strong recovery in consumption from ceramic units (primarily in Morbi) and the chemicals segment aided a return to normalcy for industrial volumes. Domestic PNG continued to grow (0.6mmscmd, +16% YoY). Management has guided for improvement in volumes to ~10.5mmscmd in H2FY21, well above our estimates.

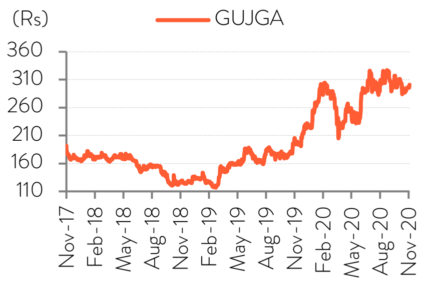
Margins hit near-historical highs: GUJGA outperformed our EBITDA margin estimate of Rs 5.1/scm, delivering Rs 8.1/scm in Q2, driven by a sharp reduction in gas costs. This kind of margin beat depicts strong pricing power besides benefits from the sharp increase in industrial volumes QoQ. Margins could retrace to ~Rs 5/scm in Q3 considering the recent surge in spot LNG prices (>US$ 5/mmbtu). We expect the company to consistently average at Rs 6-7/scm EBITDA as incremental volumes bring in scale advantage.

Upgrade to BUY: The stock is trading at 12.7x FY22E EPS after considering our large earnings upgrade – in our view, valuations leave ample room for upsides given the surge in margins and accelerating volumes. Sustained low oil prices augur well for margins and represent an upside risk to earnings.

Ticker/Price	GUJGA IN/Rs 301
Market cap	US$ 2.8bn
Shares o/s	688mn
3M ADV	US$ 2.8mn
52wk high/low	Rs 334/Rs 189
Promoter/FPI/DII	61%/9%/30%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	77,544	103,003	80,419	96,998	106,288
EBITDA (Rs mn)	9,846	16,343	20,746	24,890	27,091
Adj. net profit (Rs mn)	4,170	9,058	13,005	16,349	18,285
Adj. EPS (Rs)	6.1	13.2	18.9	23.7	26.6
Adj. EPS growth (%)	43.1	117.2	43.6	25.7	11.8
Adj. ROAE (%)	20.7	33.1	35.1	36.7	36.2
Adj. P/E (x)	49.8	22.9	16.0	12.7	11.3
EV/EBITDA (x)	23.3	13.9	10.7	8.7	7.8

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

ADD
TP: Rs 160 | 8%

APOLLO TYRES | Auto Components | 05 November 2020

Strong Q2; earnings estimates upgraded

Apollo Tyres (APTY) surprised positively on both revenue and earnings in Q2FY21, led by strong replacement demand in Indian markets, better Europe operations and above-expected operating efficiency. Revenue was up 7% YoY and operating margin expanded 540bps YoY. We upgrade FY21/FY22/FY23 earnings by 30%/9%/9% to bake in robust revenue visibility and better margins, yielding a higher Sep'21 TP of Rs 160 (vs. Rs 135). But the 28% rally over the past three months limits upsides, leading to our downgrade from BUY to ADD.

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Strong operating performance: Consolidated Q2FY21 revenue was 10% ahead of our estimate at Rs 42.8bn (+7% YoY), mainly led by better volume growth in the replacement segment and revenue from European operations. Higher operating efficiencies further augmented EBITDA margins which expanded 540bps YoY to 16.2%. Adj. PAT surged 2.4x to Rs 2bn.

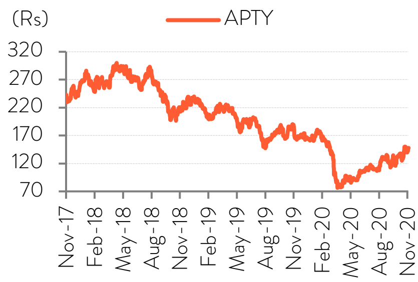
Maintain healthy outlook: Given APTY's product profile spanning MHCV, LCV and PV tyres, strong branding and high exposure to the domestic replacement market, we model for a brisk 8% revenue CAGR over FY20-FY23. With lower borrowings than earlier planned, we expect a healthy balance sheet position. This will not only assist return ratios (ROE to improve from 3.3% in FY21E to 5.5% by FY23E) but also augment overall earnings.

Valuations full, downgrade to ADD: We raise our earnings estimate for FY21 by 30% (on a low base) and for FY22-FY23 by ~9% each, given strong Europe revenue visibility and a better operating margin outlook (estimates raised ~50bps for FY21-FY23). Our Sep'21 TP now stands at Rs 160, set at 16x one-year fwd EPS (vs. 15x earlier). However, the recent ~28% rally in the last three months caps upside potential; we thus downgrade the stock to ADD (vs. BUY).

Ticker/Price	APTY IN/Rs 148
Market cap	US$ 1.1bn
Shares o/s	572mn
3M ADV	US$ 15.2mn
52wk high/low	Rs 182/Rs 73
Promoter/FPI/DII	41%/23%/17%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	175,488	163,270	159,895	186,584	203,924
EBITDA (Rs mn)	17,762	19,155	21,270	24,610	26,977
Adj. net profit (Rs mn)	6,798	4,764	3,803	5,809	6,825
Adj. EPS (Rs)	15.4	8.3	6.6	9.1	10.7
Adj. EPS growth (%)	(6.1)	(29.9)	(20.2)	37.6	17.5
Adj. ROAE (%)	6.8	4.8	3.3	4.9	5.5
Adj. P/E (x)	9.6	17.7	22.2	16.2	13.8
EV/EBITDA (x)	6.8	6.6	6.4	5.7	5.1

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

SELL
TP: Rs 600 | ∨ 16%

ECLERX SERVICES | IT Services | 05 November 2020

Strong growth driven by sharp CLX recovery

eClerx (ECLX) reported a surprising growth and margin beat in Q2FY21 backed by CLX recovery and aggressive cost cuts. Dollar revenue grew 8.3% QoQ, ahead of our estimate led by higher utilisation. Management expects H2FY21 revenue to better H1. In our view, long-term demand visibility thereafter is bleak and margins do not look sustainable. We raise FY22-FY23 EPS by 4-10% to factor in the H2 outlook. On rollover, we have a new Sep'21 TP of Rs 600 (vs. Rs 580). Valuations at 11x FY22E P/E are cheap but lack catalysts. SELL.

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Growth outperforms: Dollar revenue at US$ 48.5mn (US$ 45.4mn est.) increased 8.3% QoQ and 4% CC. Demand recovery has been faster than management expected, driven by (1) improvement in CLX and managed services business, and (2) increased utilisation (+620bps QoQ to 79.1%) post stabilisation in the 'work-from-home' environment. EBIT margin at 24.5% (vs. 20.1% est.) was up 490bps QoQ, contributed by improvement across all cost efficiency levers. Wage hike has been carried out partially in Q1 and hike for upper management will be done from Q3FY21. Management expects margin levels to reverse back to pre-covids level over the long term.

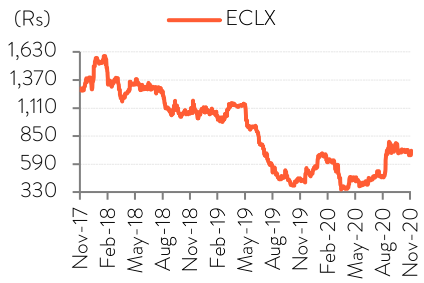
CLX weakness subsides: CLX business has recovered sharply following a 20-30% QoQ dip in Q1. Management does not expect current restrictions in Europe to affect operations as these are mostly for discretionary activities. But we remain wary of the volatile nature of the CLX business.

Upbeat H2 outlook: Post a stellar second quarter, management expects H2FY21 dollar revenue to be better than H1, partly helped by the extremely weak base of Q1. However, the elevated utilisation level is expected to normalise. This will lead to margins declining from current levels as well.

Ticker/Price	ECLX IN/Rs 714
Market cap	US$ 362.8mn
Shares o/s	38mn
3M ADV	US$ 1.5mn
52wk high/low	Rs 812/Rs 320
Promoter/FPI/DII	50%/25%/25%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	14,305	14,376	14,474	17,092	18,993
EBITDA (Rs mn)	3,092	3,249	3,743	4,090	4,530
Adj. net profit (Rs mn)	2,283	2,087	2,231	2,542	2,795
Adj. EPS (Rs)	60.1	55.5	64.3	73.2	80.5
Adj. EPS growth (%)	(19.4)	(7.7)	16.0	13.9	10.0
Adj. ROAE (%)	20.2	17.5	16.2	17.2	17.7
Adj. P/E (x)	11.9	12.9	11.1	9.7	8.9
EV/EBITDA (x)	7.4	7.4	6.4	5.4	4.6

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 150 | ⮝ 79%

GREENPLY INDUSTRIES | Construction Materials | 05 November 2020

Results in line; balance sheet improves significantly

Greenply Industries' (GIL) consolidated Q2FY21 revenue slipped 22% YoY, but still bettered estimates. India operations declined 31% YoY (volumes down 27%), whereas Gabon subsidiary revenue surged 64% on better demand from Europe and higher trading revenue. Operating margins contracted 85bps YoY, causing EBITDA/PBT to drop ~28% each. Management expects a flattish H2 with margin improvement. Net debt has halved to Rs 1.3bn. We raise FY21-FY23 EPS 7-12% to bake in lower interest cost and roll to a new Dec'21 TP of Rs 150 (from Rs 135).

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Gabon revenues robust, India tepid: GIL's consolidated Q2 revenue declined 22% YoY to Rs 2.95bn as India revenues dropped 31% to Rs 2.4bn due to tepid demand. The Gabon subsidiary (face veneer operations) posted a 64% YoY increase to Rs 571mn due to better traction in Europe and higher trading sales (+120% YoY to Rs 108mn). GIL expects H2FY21 to be flat YoY with India operations reviving due to opening up of all major cities.

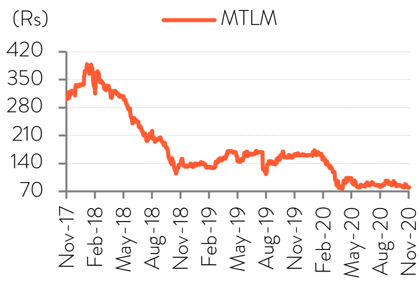
Margins contract: Consolidated operating margins contracted 85bps YoY to 10.9%, resulting in EBITDA/PBT declines of ~28% YoY each. India plywood margins declined by 110bps YoY to 9.9% due to negative operating leverage, whereas Gabon margins decreased 435bps to 15.4% due higher sales in the low-margin trading business. Management has guided for double-digit margins in FY21.

Maintain BUY: GIL's consolidated net debt has come down by Rs 1.27bn to Rs 1.3bn in H1FY21, mainly aided by reduction in debtors. The company is planning to cut debt further in H2. Alongside this significant improvement in balance sheet, management is guiding for improved profitability in H2. We maintain BUY and roll over to a revised Dec'21 TP of Rs 150 (earlier Rs 135), set at an unchanged 18x forward P/E.

Ticker/Price	MTLM IN/Rs 84
Market cap	US$ 139.0mn
Shares o/s	123mn
3M ADV	US$ 0.6mn
52wk high/low	Rs 179/Rs 73
Promoter/FPI/DII	52%/7%/41%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	14,122	14,204	11,693	13,816	15,278
EBITDA (Rs mn)	1,507	1,562	1,156	1,524	1,727
Adj. net profit (Rs mn)	852	841	577	891	1,083
Adj. EPS (Rs)	6.9	6.9	4.7	7.3	8.8
Adj. EPS growth (%)	236.1	(1.3)	(31.4)	54.4	21.5
Adj. ROAE (%)	14.0	23.6	14.3	19.1	19.9
Adj. P/E (x)	12.1	12.2	17.8	11.6	9.5
EV/EBITDA (x)	10.1	9.5	11.0	8.0	6.7

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

ADD
TP: Rs 990 | ⮝ 6%

LUPIN | Pharmaceuticals | 05 November 2020

Muted Q2; multiple near-term catalysts

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Lupin's (LPC) Q2 EBITDA was 5% below estimates. Sales were broadly in line as the miss in India was offset by a US beat (led by gProAir stocking and Glumetza gains). EBITDA margin fell short of estimates at 15.2%. Net debt increased by Rs 13bn QoQ. LPC is guiding for 18.5% EBITDA margin and full-scale gProAir benefits by Q4, with India sales growth of 6-8% in H2. We see several H2 catalysts (gProAir ramp-up, Fostair approval, Somerset/Goa unit clearance), aiding stock upsides. Retain ADD with a new Sep'21 TP of Rs 990 (vs. Rs 950).

India miss offset by US/EMEA sales beat: US sales rebounded to US$ 190mn (+17% QoQ), mainly due to gProAir stocking (US$ 7mn-10mn in our view) and higher contribution from Apriso AG and Myfortic DR. LPC has started gaining share after the Glumetza relaunch amidst supply disruption. Levo market share gains are gradual (~13%). Full benefits from several high-value launches, including gProAir (pricing stable), Divalproex S and Fosaprepitant inj., plus flu seasonality (with some delay) should be visible in H2. EMEA sales momentum (+30% QoQ) can sustain with NaMuscla ramp-up and gEnbrel launch in new markets (France, Belgium). India (flat YoY) is expected to recover to 6-8% in H2, per LPC.

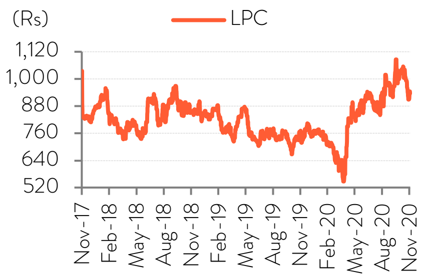
Margins a tad below estimates; 20-22% guided in medium term: EBITDA margin improved QoQ to 15.2% (15.7% est.), led by exceptional staff cost reduction (–14%) but this was more than negated by SGA spend (+34%). Management expects costs to sustain at current levels and targets margins of 18.5% by Q4 and 20-22% in the medium term, led by operating leverage.

Earnings call takeaways: (1) H2 sales guided to grow 10% YoY. (2) gProAir: ramping up supply, Covid second wave can potentially boost demand. (3) Spiriva US remains FY23 launch opportunity. (4) Fostair approval in Q4. (5) Somerset site FDA inspection still ongoing. (6) Solosec QoQ scripts/sales flat.

Ticker/Price	LPC IN/Rs 936
Market cap	US$ 5.7bn
Shares o/s	453mn
3M ADV	US$ 61.7mn
52wk high/low	Rs 1,122/Rs 505
Promoter/FPI/DII	47%/25%/12%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	167,010	153,528	159,884	180,636	196,620
EBITDA (Rs mn)	27,020	23,330	25,408	31,309	36,586
Adj. net profit (Rs mn)	9,464	3,541	8,761	12,691	15,599
Adj. EPS (Rs)	20.9	7.8	19.4	28.0	34.5
Adj. EPS growth (%)	(44.8)	(62.6)	147.4	44.9	22.9
Adj. ROAE (%)	6.9	2.6	6.6	9.3	10.8
Adj. P/E (x)	44.8	119.6	48.3	33.4	27.2
EV/EBITDA (x)	17.6	20.3	17.9	14.0	11.8

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 440 | ⮝ 114%

HINDUSTAN PETROLEUM CORP | Oil & Gas | 05 November 2020

GRMs recover, marketing margins remain elevated

HPCL's Q2FY21 earnings remained robust at Rs 24.7bn (+2.4x YoY). Q2 highlights: (a) GRMs outperformed at US$ 5.1/bbl (incl. US$ 2.4/bbl inventory gains), (b) indicative marketing EBITDA at Rs 3,253/mt (+21% YoY) was below estimates, while sales volume recovered slightly to 8.43mmt (–10% YoY). H2FY21 looks better for marketing volumes even as low oil prices provide flexibility to sustain high marketing margins, making earnings countercyclical. We maintain our Sep'21 TP of Rs 440.

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Marketing margins make earnings countercyclical: HPCL's marketing margins normalised to Rs 3,253/mt (still up 21% YoY). Management sounded optimistic on volume growth recovery in H2FY21 as India emerges from the pandemic induced lockdown. Oct'20 has seen YoY growth in petrol and diesel consumption. Unlike private peers, the large dependence of HPCL – and OMCs in general – on domestic markets (with a dominant >80% market share) gives them a massive advantage. With oil prices sustaining at lower levels, OMC marketing margins are expected to remain elevated, enabling them to make up for low GRMs.

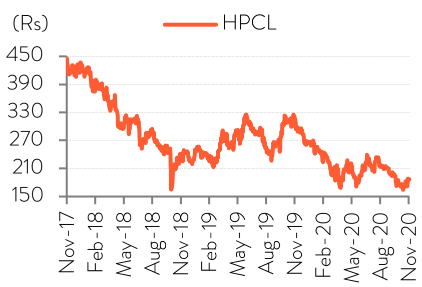
GRMs outperform: HPCL outperformed its OMC peers to report one of the best core GRMs (ex-inventory) at US$ 2.75/bbl. Oct'20 looks better for margins, as the Singapore benchmark has turned positive. HPCL's relatively high exposure to light-distillate product output (petrol, lubricants) aided the margin beat.

Valuations undemanding: Management announced a very optimistic buyback offer for 6.5% equity, at a price upto Rs 250/sh (34% premium to the closing price of 4 November). With valuations at 3.5x FY22E EV/EBITDA and ROE at >30%, a buyback is clearly the most attractive proposition. Management has ruled out any dilution in dividend payouts. We reiterate our view that risk-reward in HPCL remains at one of the historical best levels. BUY.

Ticker/Price	HPCL IN/Rs 205
Market cap	US$ 4.2bn
Shares o/s	1,524mn
3M ADV	US$ 21.2mn
52wk high/low	Rs 317/Rs 150
Promoter/FPI/DII	51%/15%/33%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20A	FY21E	FY22E	FY23E
Total revenue (Rs mn)	2,742,552	2,679,238	1,917,613	2,472,832	3,217,817
EBITDA (Rs mn)	102,919	44,947	149,138	152,040	172,015
Adj. net profit (Rs mn)	48,312	45,580	73,969	85,588	103,306
Adj. EPS (Rs)	31.7	29.9	48.5	56.2	67.8
Adj. EPS growth (%)	(33.1)	(5.7)	62.3	15.7	20.7
Adj. ROAE (%)	17.3	14.9	23.1	24.8	27.6
Adj. P/E (x)	6.5	6.9	4.2	3.7	3.0
EV/EBITDA (x)	3.9	9.1	3.3	3.8	3.5

Source: Company, BOBCAPS Research

Disclaimer

Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

ADD – Expected return from >+5% to +15%

REDUCE – Expected return from -5% to +5%

SELL – Expected return <-5%

Note: Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

Rating distribution

As of 31 October 2020, out of 88 rated stocks in the BOB Capital Markets Limited (BOBCAPS) coverage universe, 42 have BUY ratings, 14 have ADD ratings, 10 are rated REDUCE and 22 are rated SELL. None of these companies have been investment banking clients in the last 12 months.

Analyst certification

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