

**BUY**

TARGET	INR519.00
PRIOR TP	N/A
CLOSE	INR450.00
UP/DOWNSIDE	+15.3%

**HOW WE DIFFER FROM THE STREET**

	BNPP	Consensus	% Diff
Target Price (INR)	519.00	575.41	(9.8)
EPS 2012 (INR)	21.89	21.60	1.3
EPS 2013 (INR)	28.46	27.32	4.2
	Positive	Neutral	Negative
Market Recs	38	19	4

## INDUSTRY OUTLOOK ↔

**Consistency at its best****CHANGE**

Initiate coverage at BUY with a target price of INR519

We believe HDFC Bank will remain the most expensive and least risky bank we cover with steady earnings trajectory. FY11 trend suggests that HDFC Bank's retail portfolio is in a sweet spot, it has low exposure to infrastructure, it will achieve above-industry loan growth (FY12-13E) with stable to marginal decline in margins, and has decent earnings visibility.

**CATALYST**

Best stock to hide in times of uncertainty and risk aversion

If concerns about infrastructure continue to haunt the banking sector due to high interest rates and policy paralysis, and given the heightened risk aversion due to global recession fears and Euro debt problems, we believe HDFC Bank could continue to outperform the sector, especially if investors remain risk averse.

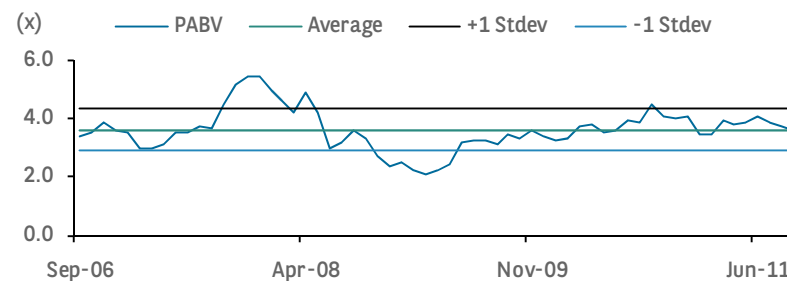
**VALUATION**

Good for investors keen to avoid infrastructure risk

HDFC Bank trades at 3.1x FY13E P/ABV (with average ROE of 20.4% over FY11-13E), which is in line with its long-term average multiple. Downside risk to TP and estimates are higher-than-expected slippage in retail loans. We expect the stock's premium valuation to be sustained due to its profitable growth and low exposure to infrastructure.

**KEY CHART**

1-year forward P/ABV in line with the 5-year average



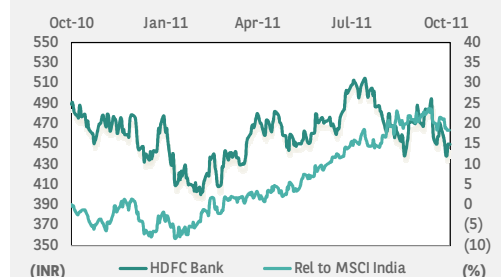
Sources: Bloomberg; BNP Paribas estimates



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**KEY STOCK DATA**

YE Mar (INR m)	2012E	2013E	2014E
Operating Profit	76,885	99,973	129,951
Rec. net profit	51,513	66,982	87,067
Recurring EPS (INR)	21.89	28.46	37.00
Prior rec. EPS (INR)	N/A	N/A	N/A
Chg. In EPS est. (%)	-	-	-
EPS growth (%)	30.2	30.0	30.0
Recurring P/E (x)	20.6	15.8	12.2
Dividend yield (%)	0.9	1.0	1.1
Price/book (x)	3.5	3.0	2.4
ROE (%)	18.7	20.6	22.3
ROA (%)	1.70	1.80	1.87



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.8)	(12.3)	(7.5)
Relative to country (%)	(3.3)	2.8	14.5
Next results	October 2011		
Mkt cap (USD m)	21,295		
3m avg daily turnover (USD m)	35.3		
Free float (%)	77		
Major shareholder	HDFC & HDFC Investments (23%)		
12m high/low (INR)	2,519.70/400.57		
3m historic vol. (%)	392.8		
ADR ticker	HDB US		
ADR closing price (USD, 7 Oct 2011)	29.49		
Issued shares (m)	2,326		

Sources: Bloomberg consensus; BNP Paribas estimates

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# RISK EXPERTS

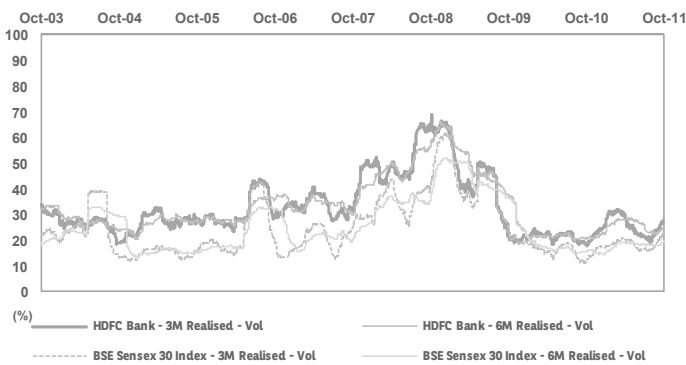
## Key Earnings Drivers & Sensitivity

- The key macro factors that can impact HDFC Bank's earnings are credit growth, interest rate environment and deterioration/improvement in asset quality
- In our bear case, we have built in 20bp and 30bp higher slippages in FY12E and FY13E. In our bull case, we have built in 15bp and 20bp lower slippages respectively over the base case

Year-end 31 Mar	----- 2012E -----			----- 2013E -----		
	Bear	Base	Bull	Bear	Base	Bull
Advance growth (%)	19.0	21.5	28.4	20.5	25.8	28.4
NIM (%)	4.31	4.40	4.43	4.23	4.37	4.41
Slippages (%)	1.25	1.05	0.90	1.50	1.20	1.00
EPS (INR)	20.6	22.1	23.7	24.7	28.8	32.5
ABV (INR)	121.3	123.2	124.9	137.7	146.8	149.9
ROE (%)	18.2	19.5?	20.7	18.8	21.3	23.5

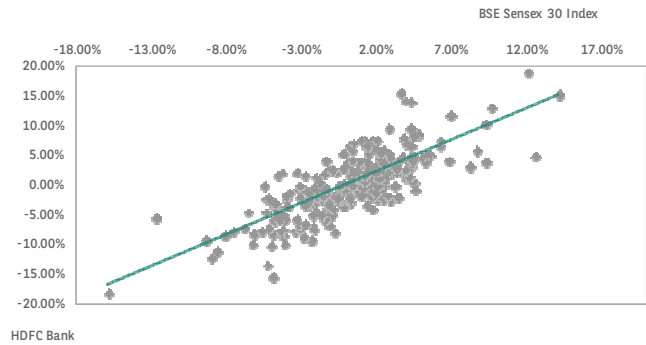
\* Networth excludes amalgamation reserve  
Source: BNP Paribas estimates

## HDFC Bank and SENSEX (3M and 6M Realised-Vol)



Sources: Bloomberg; BNP Paribas

## Regression -HDFC Bank to SENSEX



HDFC Bank = -105 + 0.0266 \* SENSEX Index  
R Square = 0.6122

Regression based on 260 observations of 5 years weekly data. Please refer to Appendix 1 for the explanation of R-square  
Sources: Bloomberg; BNP Paribas

## India sector correlation matrix at 25 July 2011

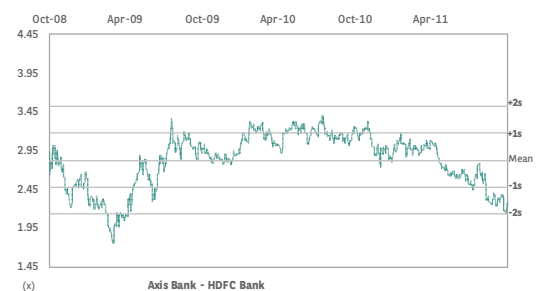
	Autos	Banks	Engineering & Construction	Metals & Mining	Oil & Gas	IT Services	Telecom	Utilities	Property
Autos	1.00	0.67	0.64	0.66	0.50	0.43	0.36	0.58	0.62
Banks		1.00	0.71	0.70	0.58	0.46	0.36	0.63	0.66
Engineering & Construction			1.00	0.71	0.58	0.46	0.41	0.65	0.68
Metals & Mining				1.00	0.66	0.50	0.40	0.69	0.72
Oil & Gas					1.00	0.40	0.30	0.57	0.57
IT Services						1.00	0.27	0.45	0.38
Telecom							1.00	0.43	0.43
Utilities								1.00	0.63
Property									1.00

Source: BNP Paribas Sector Strategy

## The Risk Experts

- Our starting point for this page is a recognition of the macro factors that can have a significant impact on stock-price performance, sometimes independently of bottom-up factors.
- With our Risk Expert page, we identify the key macro risks that can impact stock performance.
- This analysis enhances the fundamental work laid out in the rest of this report, giving investors yet another resource to use in their decision-making process

## Long/Short Chart



Sources: Bloomberg; BNP Paribas

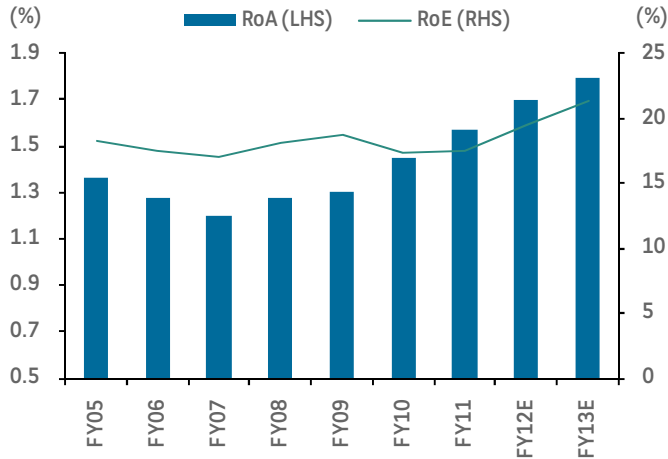
Sources: Bloomberg; BNP Paribas

## Consistency at its best

### Profitability and return ratios significantly higher after adjusting for contingency provisions

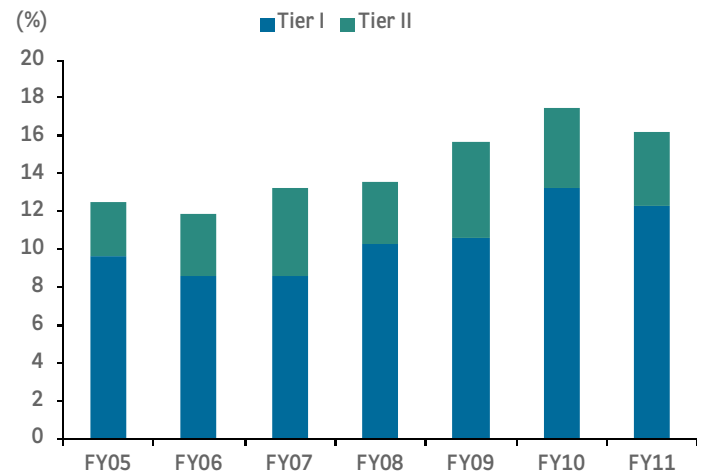
HDFC Bank has consistently delivered strong operational performance, although this is not truly reflected in RoE as it has maintained a reasonably high level of contingency provisions. Last year, the bank made INR6b-7b worth of extra provisions to meet future slippages in MFI, etc. If we add these back to PAT, ROE works out to around 20.6% (vs 17.5% reported) and PAT growth would have been 56% y-y (vs 33% reported) in FY11.

EXHIBIT 1: ROA has been improving consistently, but not fully reflected in ROE ...



Sources: HDFC Bank; BNP Paribas estimates

EXHIBIT 2: ... as HDFC Bank has maintained a high level of capital adequacy

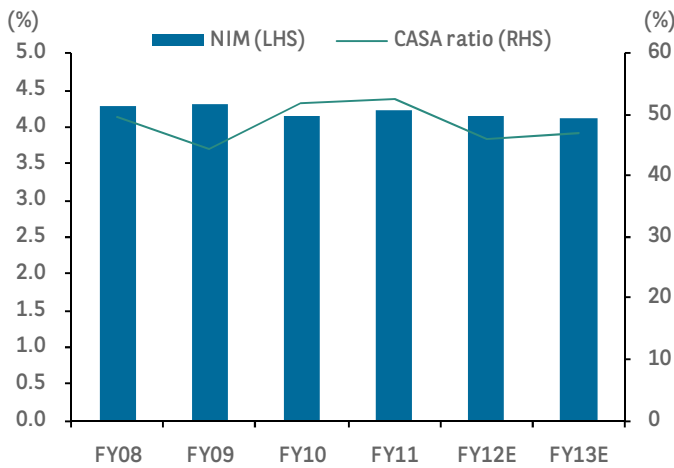


Sources: HDFC Bank; BNP Paribas

### Superior liability franchise

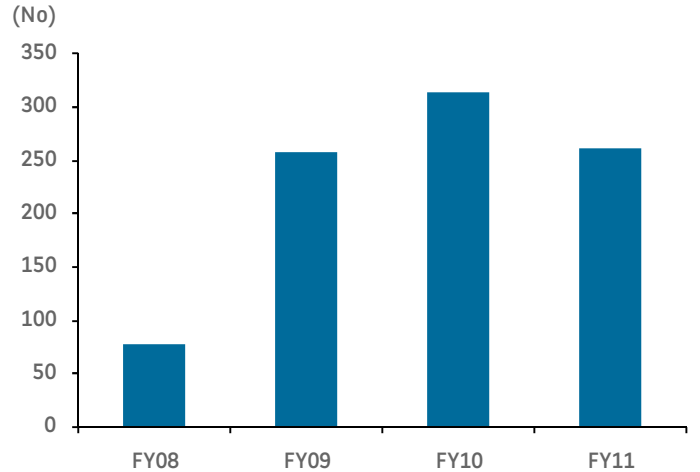
One of the greatest strengths of HDFC Bank has been its ability to create a strong low-cost deposit base by making inroads into key segments like salary accounts, IPO and capital-market-related businesses and CMS services for corporates. This has translated into consistently high NIM across cycles, and we believe HDFC Bank remains one of the best banks in the industry.

EXHIBIT 3: Consistently high NIM as CASA best in the industry ...



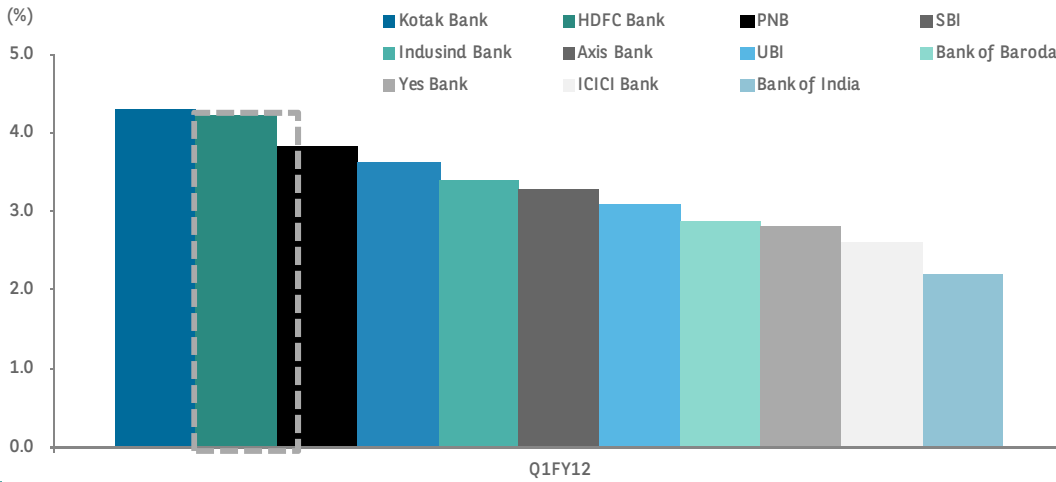
Sources: HDFC Bank; BNP Paribas estimates

EXHIBIT 4: ... led by focus on branch additions



Sources: HDFC Bank; BNP Paribas estimates

**EXHIBIT 5: NIM among the best-in-class**

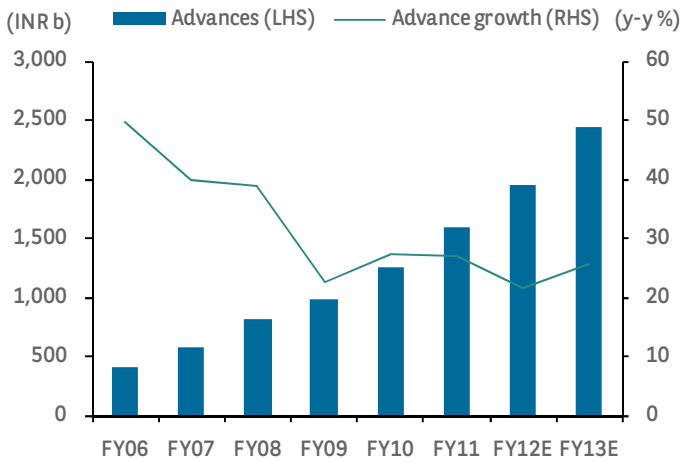


Sources: Companies' data; BNP Paribas

**Valuations should remain high on consistently healthy growth, no infrastructure risk and high return ratios**

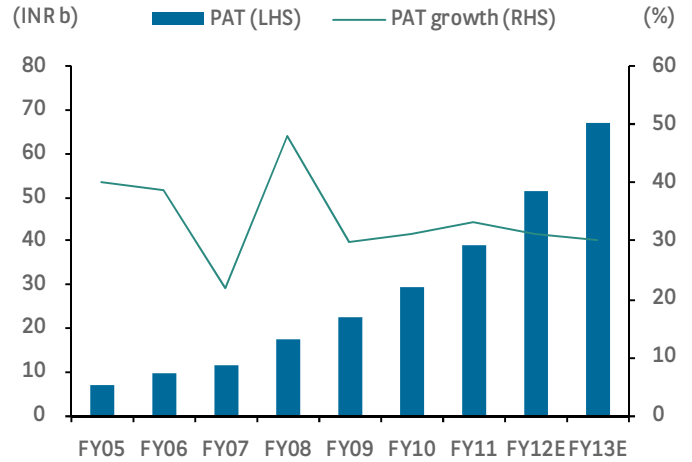
HDFC Bank has delivered steady growth in advances (unaffected by industry cycles) and net profit over the past several years. This, along with consistently improving asset quality and low exposure to risky infrastructure assets, has translated into premium valuations for the bank.

**EXHIBIT 6: Consistently strong growth in advances**



Sources: HDFC Bank; BNP Paribas estimates

**EXHIBIT 7: Consistently strong growth in bottom line**

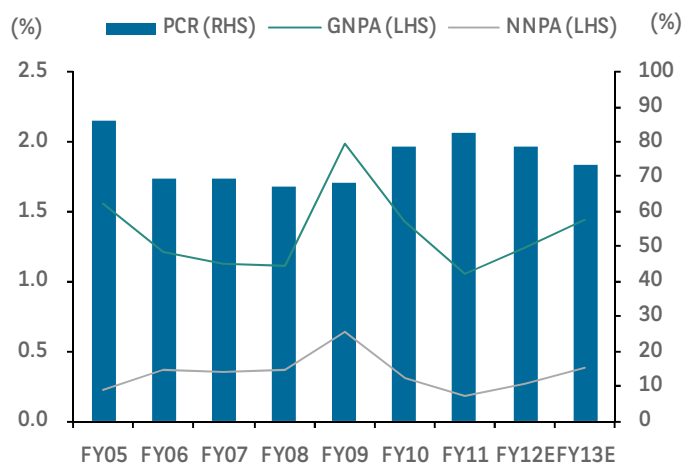


Sources: HDFC Bank; BNP Paribas estimates

**Asset quality remains excellent**

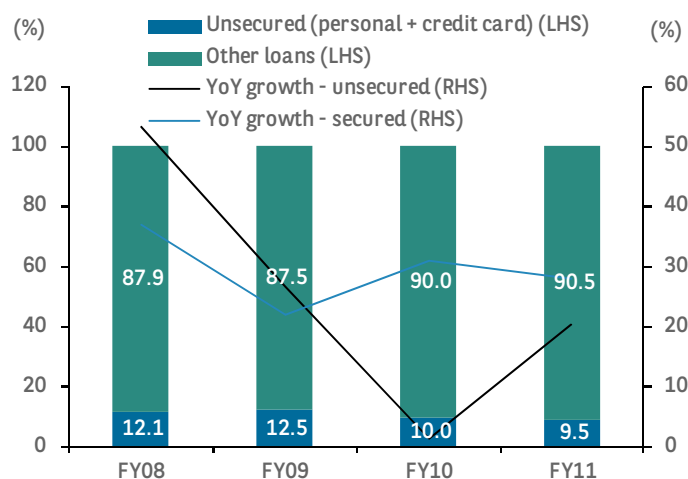
HDFC Bank has maintained healthy asset quality across cycles. The sharp jump in GNPA in FY09 was due to the merger of Centurion Bank of Punjab with HDFC Bank. As a result of the focus on underwriting, the bank's GNPA remains among the lowest in the industry despite its large scale of retail operations. HDFC Bank has a healthy proportion of unsecured loans (personal + credit card) in its total loan mix, but its asset quality remained intact through the downturn. In fact, the bank continues to maintain relatively similar levels of unsecured loans in the overall loan mix.

EXHIBIT 8: Consistently maintained healthy asset quality ...



Sources: HDFC Bank; BNP Paribas estimates

EXHIBIT 9: ... despite maintaining a healthy proportion of unsecured loan book



Sources: HDFC Bank; BNP Paribas

## Valuation

### GGM valuation (base case)

In our base case, we value HDFC Bank on a two-stage Gordon Growth Model, and further assigned it a premium of 25%, taking into account the consistently stable and healthy performance delivered by the bank over the years. Based on this, we arrive at an implied FY13E P/ABV of 3.89x. Adjusted book value is calculated assuming 75% provision coverage ratio (PCR). Our GGM-based fair value for HDFC Bank is INR570/share.

EXHIBIT 10: HDFC Bank – two-stage Gordon growth model

High growth	
Number of years	5
ROE (%)	21.30
Payout (%)	20
Growth (%)	17
Beta	0.98
Risk-free return (%)	8.25
Risk premium (%)	7.00
Cost of equity (%)	15.10
Stable growth	
ROE (%)	20.00
Payout (%)	75
Growth (%)	5.00
Beta	0.90
Risk-free return (%)	6.00
Risk premium (%)	5.00
Cost of equity (%)	10.50
P/ABV (x)	3.89
Fair value/share (INR)	570

Source: BNP Paribas estimates

### Probability-based target price

We arrive at our target price for HDFC Bank using probability-based pricing, where we assign 75% probability to case 1 (which is based on GGM as discussed above) and 25% probability to case 2 (which is the worst case). For the worst case, our FY13E P/ABV is 2.5x, which takes into account the trough P/ABV valuation of HDFC Bank (25% higher than 2x) post the Lehman crisis. Taking these into account, we arrive at a target price of INR519 (for details of calculations see Exhibit 11 below). At our target price, the stock has 15% upside potential from current levels. Therefore, we initiate with a BUY rating.

EXHIBIT 11: Calculation of probability-based target price

Banks	Fair P/BV (x)	Min P/BV (x)	Adj P/BV (x)	FY13E ABV (INR)	Base case (INR)	Worst case (INR)	Core bank (INR)	Subs (INR)	TP (INR)
HDFC Bank	3.9	2.5	3.5	147	570	367	519	-	519

Source: BNP Paribas estimates

## DuPont analysis

Below we analyse the return ratio breakdown for HDFC Bank, indicating the key parameters impacting overall profitability. ROEs and ROAAs to improve steadily going forward.

### EXHIBIT 12: DuPont analysis

Year-end 31 Mar		2009	2010	2011	2012E	2013E	2014
		(%)	(%)	(%)	(%)	(%)	(%)
% of average assets							
Interest income	A	9.50	7.97	7.97	8.53	8.52	8.23
Interest expense	B	5.18	3.84	3.76	4.39	4.40	4.09
Net interest income	C = (A-B)	4.32	4.13	4.22	4.14	4.12	4.14
Non-interest income	D	0.26	0.31	0.33	0.36	0.36	0.36
Fee income	E	1.43	1.40	1.44	1.34	1.27	1.27
Treasury income	F	0.22	0.17	(0.03)	0.01	0.07	0.04
Operating income	G = (C+D+E+F)	6.23	6.01	5.95	5.85	5.81	5.81
Staff cost	H	1.30	1.13	1.13	1.15	1.13	1.05
Other expenses	I	1.92	1.71	1.73	1.66	1.61	1.55
Operating costs	J = (H+I)	3.22	2.84	2.86	2.80	2.73	2.60
Pre-provision operating profit	K = (G-J)	3.01	3.17	3.09	3.05	3.07	3.21
Loan loss provisions	L	0.93	0.96	0.31	0.46	0.33	0.37
Other provisions and exceptional	M	0.16	0.10	0.46	0.05	0.05	0.05
Total provisions	N = (L+M)	1.09	1.05	0.76	0.51	0.39	0.42
Pre-tax profit	O = (K-N)	1.92	2.11	2.33	2.54	2.68	2.79
Taxes	P	0.61	0.66	0.76	0.84	0.89	0.92
ROAA	Q = (O-P)	1.31	1.45	1.57	1.70	1.80	1.87
Avg assets/Avg net worth (x)	R	14.33	11.92	11.72	11.47	11.87	12.27
ROAE	S = (Q*R)	18.7	17.3	18.4	19.5	21.3	22.90

Sources: HDFC Bank; BNP Paribas estimates

## Financial statements

## HDFC Bank

Profit and Loss (INR m) Year Ending Mar	2010A	2011A	2012E	2013E	2014E
Interest income	161,729	199,282	258,673	317,150	383,366
Interest expense	(77,863)	(93,851)	(133,243)	(163,814)	(190,358)
<b>Net interest income</b>	<b>83,866</b>	<b>105,431</b>	<b>125,429</b>	<b>153,337</b>	<b>193,008</b>
Net fees & commission	28,306	35,967	40,755	47,182	58,929
Foreign exchange trading income	6,102	9,208	11,058	13,271	16,788
Securities trading income	3,451	(837)	250	2,500	1,750
Dividend income	0	5	5	5	5
Other income	217	(992)	0	0	0
<b>Non interest income</b>	<b>38,076</b>	<b>43,352</b>	<b>52,068</b>	<b>62,958</b>	<b>77,472</b>
<b>Total income</b>	<b>121,942</b>	<b>148,783</b>	<b>177,497</b>	<b>216,294</b>	<b>270,479</b>
Staff costs	(22,892)	(28,360)	(34,797)	(41,906)	(48,856)
Other operating costs	(34,753)	(43,169)	(50,233)	(59,942)	(72,263)
<b>Operating costs</b>	<b>(57,645)</b>	<b>(71,529)</b>	<b>(85,030)</b>	<b>(101,848)</b>	<b>(121,120)</b>
<b>Pre provision operating profit</b>	<b>64,297</b>	<b>77,254</b>	<b>92,467</b>	<b>114,447</b>	<b>149,360</b>
Provisions for bad and doubtful debts	(19,389)	(7,630)	(14,025)	(12,466)	(17,036)
Other provisions	(2,017)	(11,437)	(1,557)	(2,008)	(2,373)
<b>Operating profit</b>	<b>42,891</b>	<b>58,187</b>	<b>76,885</b>	<b>99,973</b>	<b>129,951</b>
Recurring non operating income	0	0	0	0	0
Associates	0	0	0	0	0
Goodwill amortization	0	0	0	0	0
Non recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>42,891</b>	<b>58,187</b>	<b>76,885</b>	<b>99,973</b>	<b>129,951</b>
Tax	(13,404)	(18,923)	(25,372)	(32,991)	(42,884)
<b>Profit after tax</b>	<b>29,487</b>	<b>39,264</b>	<b>51,513</b>	<b>66,982</b>	<b>87,067</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>29,487</b>	<b>39,264</b>	<b>51,513</b>	<b>66,982</b>	<b>87,067</b>
Non recurring items & goodwill (net)	0	0	0	0	0
<b>Recurring net profit</b>	<b>29,487</b>	<b>39,264</b>	<b>51,513</b>	<b>66,982</b>	<b>87,067</b>
<b>Per share (INR)</b>					
Recurring EPS *	13.37	16.81	21.89	28.46	37.00
Reported EPS	13.51	17.00	22.15	28.80	37.43
DPS	2.80	3.85	3.87	4.58	4.93
<b>Growth</b>					
Net interest income (%)	13.0	25.7	19.0	22.2	25.9
Non interest income (%)	15.7	13.9	20.1	20.9	23.1
Pre provision operating profit (%)	24.2	20.2	19.7	23.8	30.5
Operating profit (%)	30.0	35.7	32.1	30.0	30.0
Reported net profit (%)	31.3	33.2	31.2	30.0	30.0
Recurring EPS (%)	27.2	25.7	30.2	30.0	30.0
Reported EPS (%)	27.8	25.8	30.2	30.0	30.0
<b>Income breakdown</b>					
Net interest income (%)	68.8	70.9	70.7	70.9	71.4
Net fees & commission (%)	23.2	24.2	23.0	21.8	21.8
Foreign exchange trading income (%)	5.0	6.2	6.2	6.1	6.2
Securities trading income (%)	2.8	(0.6)	0.1	1.2	0.6
Dividend income (%)	0.0	0.0	0.0	0.0	0.0
Other income (%)	0.2	(0.7)	0.0	0.0	0.0
<b>Operating performance</b>					
Gross interest yield (%)	8.30	8.39	9.08	9.04	8.71
Cost of funds (%)	4.69	4.65	5.46	5.43	5.00
Net interest spread (%)	3.62	3.74	3.61	3.61	3.71
Net interest margin (%)	4.31	4.44	4.40	4.37	4.38
Cost/income (%)	47.3	48.1	47.9	47.1	44.8
Cost/assets (%)	2.84	2.86	2.80	2.74	2.60
Effective tax rate (%)	31.3	32.5	33.0	33.0	33.0
Dividend payout on recurring profit (%)	21.0	22.9	17.7	16.1	13.3
ROE (%)	16.3	16.7	18.7	20.6	22.3
ROE - COE (%)	1.2	1.6	3.6	5.5	7.2
ROA (%)	1.45	1.57	1.70	1.80	1.87
RORWA (%)	2.07	2.23	2.35	2.43	2.52

\*Pre exceptional, pre-goodwill and fully diluted

Reported NIM for FY10 and FY11 were 4.3% and 4.3% respectively. NIMs as indicated here are calculated by dividing net interest income by average interest earning assets

We expect ROA to improve on the back of improved operational efficiency and lower contingency provisions

Sources: HDFC Bank; BNP Paribas estimates

## HDFC Bank

Balance Sheet (INR m) Year Ending Mar	2010A	2011A	2012E	2013E	2014E
Gross customer loans	1,272,553	1,613,806	1,963,262	2,471,171	3,070,494
Total provisions	(14,247)	(13,979)	(19,183)	(26,241)	(33,648)
Interest in suspense	0	0	0	0	0
<b>Net customer loans</b>	<b>1,258,306</b>	<b>1,599,827</b>	<b>1,944,078</b>	<b>2,444,930</b>	<b>3,036,846</b>
Bank loans	144,591	45,680	164,545	207,752	257,931
Government securities	510,499	536,513	661,118	823,875	1,036,533
Trading securities	0	0	0	0	0
Investment securities	75,577	172,781	120,768	224,597	274,057
Cash & equivalents	154,833	251,008	203,421	221,812	279,067
Other interest earning assets	0	0	0	0	0
Tangible fixed assets	21,228	21,707	21,758	21,816	21,879
Associates	0	0	0	0	0
Goodwill	0	0	0	0	0
Other intangible assets	0	0	0	0	0
Other assets	59,551	146,011	175,213	210,256	252,307
<b>Total assets</b>	<b>2,224,586</b>	<b>2,773,526</b>	<b>3,290,902</b>	<b>4,155,038</b>	<b>5,158,619</b>
Customer deposits	1,674,044	2,085,864	2,482,178	3,177,188	3,971,485
Bank deposits	0	0	0	0	0
Other interest bearing liabilities	129,157	143,941	164,545	207,752	257,931
Non interest bearing liabilities	206,159	289,929	347,914	417,497	500,997
Hybrid Capital	0	0	0	0	0
<b>Total liabilities</b>	<b>2,009,361</b>	<b>2,519,733</b>	<b>2,994,638</b>	<b>3,802,437</b>	<b>4,730,413</b>
Share capital	4,577	4,652	4,652	4,652	4,652
Reserves	210,648	249,140	291,612	347,949	423,554
<b>Total equity</b>	<b>215,225</b>	<b>253,793</b>	<b>296,264</b>	<b>352,601</b>	<b>428,206</b>
Minority interests	0	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>2,224,586</b>	<b>2,773,526</b>	<b>3,290,902</b>	<b>4,155,038</b>	<b>5,158,619</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	1,549,830	1,969,603	2,409,919	3,094,894	3,820,359
Average interest earning assets	1,947,940	2,374,807	2,849,870	3,508,449	4,403,700
Average interest bearing liabilities	1,661,477	2,016,503	2,438,264	3,015,832	3,807,178
Tier 1 capital	205,489	237,184	285,642	341,454	416,534
Total capital	270,408	314,622	298,314	355,604	432,527
Gross non performing loans (NPL)	18,168	16,943	24,433	35,724	53,729
<b>Per share (INR)</b>					
Book value per share	94.04	109	127	152	184
Tangible book value per share	94.04	109	127	152	184
<b>Growth</b>					
Gross customer loans (%)	26.9	26.8	21.7	25.9	24.3
Average interest earning assets (%)	18.1	21.9	20.0	23.1	25.5
Total assets (%)	21.3	24.7	18.7	26.3	24.2
Risk weighted assets (%)	19.8	27.1	22.4	28.4	23.4
Customer deposits (%)	17.2	24.6	19.0	28.0	25.0
<b>Leverage &amp; capital measures</b>					
Customer loans/deposits (%)	75.2	76.7	78.3	77.0	76.5
Equity/assets (%)	9.7	9.2	9.0	8.5	8.3
Tangible equity/assets (%)	9.7	9.2	9.0	8.5	8.3
RWA/assets (%)	69.7	71.0	73.2	74.5	74.1
Tier 1 CAR (%)	13.3	12.0	11.9	11.0	10.9
Total CAR (%)	17.4	16.0	12.4	11.5	11.3
<b>Asset quality</b>					
Change in NPL (%)	(8.6)	(6.7)	44.2	46.2	50.4
NPL/gross loans (%)	1.4	1.0	1.2	1.4	1.7
Total provisions/gross loans (%)	1.1	0.9	1.0	1.1	1.1
Total provisions/NPL (%)	78.4	82.5	78.5	73.5	62.6
<b>Valuation</b>					
Recurring P/E (x) *	33.6	26.8	20.6	15.8	12.2
Recurring P/E @ target price (x) *	38.8	30.9	23.7	18.2	14.0
Reported P/E (x)	33.3	26.5	20.3	15.6	12.0
Dividend yield (%)	0.6	0.9	0.9	1.0	1.1
Price/book (x)	4.8	4.1	3.5	3.0	2.4
Price/tangible book (x)	4.8	4.1	3.5	3.0	2.4
Price/tangible book @ target price (x)	5.5	4.8	4.1	3.4	2.8

ABVPS- FY10: INR89.7, FY11: INR105.1, FY12E: INR123.2, FY13E: INR146.8, FY14E: INR174.5. ABVPS is calculated by subtracting revaluation reserve and standard PCR at 75% for all banks. Hence, if PCR is below (or above) 75% we reduce (or add back) the difference from (to) total shareholder equity

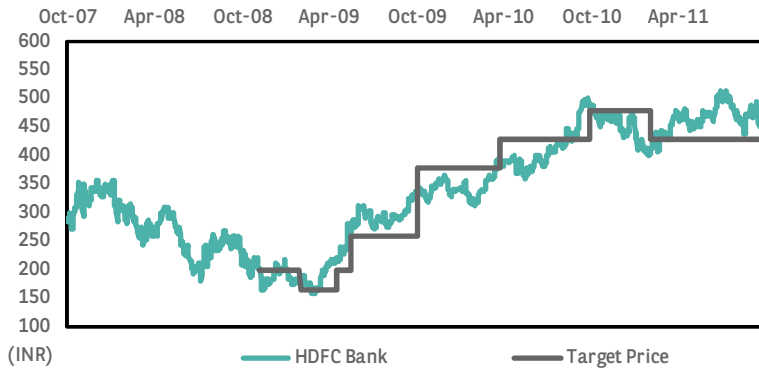
\* Pre exceptional, pre-goodwill and fully diluted

Sources: HDFC Bank; BNP Paribas estimates



## History of change in investment rating and/or target price

## HDFC Bank (HDFCB IN)



Date	Reco	TP
16-Nov-08	HOLD	200.00
11-Oct-09	BUY	380.00
7-Oct-10	HOLD	480.00

Abhijit Majumder started covering this stock from 12 October 2011

Price and TP are in local currency

**Valuation and risks:** Downside risk to our probability-based TP and estimates are higher-than-expected slippage in retail loans

Sources: Bloomberg; BNP Paribas

## Disclaimers and Disclosures

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-	-

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Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

*\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.*

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Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

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Hold	158	Hold	2.53
Reduce	54	Reduce	1.85

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