

FIRST GLOBAL

www.firstglobal.in

India Research



Sector: Power Utilities

What Happened Last Quarter

Reliance Energy Ltd. (RELE.IN/RLEN.BO)

Outperform (CMP: Rs. 513.8, Mkt. Cap: Rs. 117.4 bn, US\$ 2.86 bn, (May 10, '07)
Relevant Index: S&P CNX Nifty 4060, (May 10, '07)

Continuing to capitalise on opportunities in the power sector...

EPC division poised to become major revenue driver...

Last Report's recommendation: **Outperform** (OP: 502.45, Jan 25, 2007)
Relevant Index: CNX Nifty: (4147.7, Jan 25, 2007)
Relative performance since last rating change (Nov 3, 2006): CNX Nifty: Up 7.09%, REL Up 7.43%

May 10, 2007

Research Contact: Associate Director, Research: Hitesh Kuvelkar Mob. +91 9833 732633
Email: hiteshk@fglobal.com

Sales Offices: India Sales: Tel. No: +91-22-4001 2440 Email: indiasales@fglobal.com
fgindiasales@bloomberg.net

US Sales: Tel. No: 1-212-2276611 Email: us@fglobal.com

Asia & Europe Sales: Tel.: 44-207-959 5300 Email: uk@fglobal.com

Research Note issued by First Global Securities Ltd., India
FG Markets, Inc. is a member of NASD/SIPC and is regulated by the
Securities & Exchange Commission (SEC), US
First Global (UK) Ltd. is a member of London Stock Exchange and is regulated by
Financial Services Authority (FSA), UK
First Global Stockbroking is a member of Bombay Stock Exchange & National Stock Exchange, India

IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT.



Price and Rating History Chart

Ratings Key

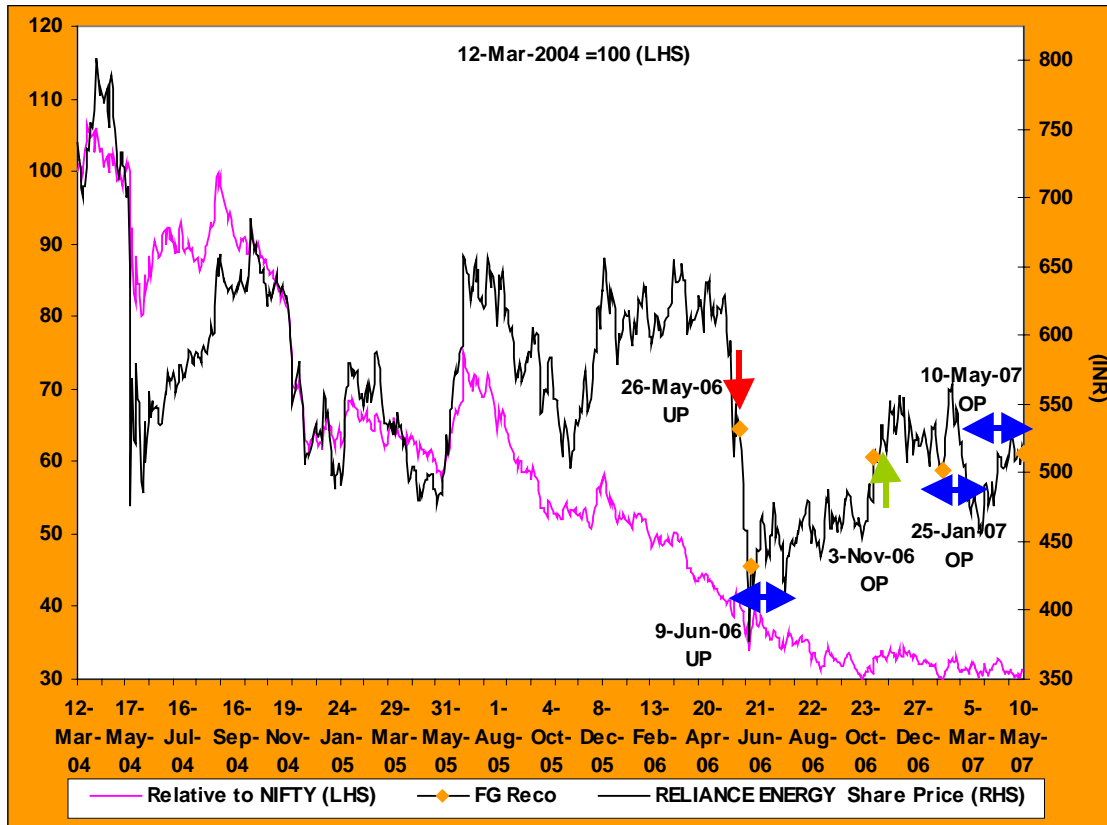
Positive Ratings	B = Buy	BD = Buy at Declines	OP = Outperform
	S-OP = Sector Outperform	M-OP = Market Outperform	MO-OP = Moderate Outperform
Neutral Ratings	H = Hold	MP = Market Perform	SP = Sector Perform
Negative Ratings	S = Sell	SS = Sell into Strength	UP = Underperform
	A = Avoid	MO-UP = Moderate Underperform	S-UP = Sector Underperform

ST: Short Term

MT: Medium Term

LT: Long Term

Reliance Energy Ltd. (RELE.IN/RLEN.BO)



↑ Represents an Upgrade

↓ Represents a Downgrade

↔ Represents Reiteration of Existing Rating

Details of First Global's Rating System given at the end of the report



Financial Snapshot

Key Financials					
(YE March 31st) (Rs. mn)	2004	2005	2006	2007E*	2008E
Total Revenue	35,109	41,588	39,762	57,104	59,295
Revenue Growth (Y-o-Y)	-9.7%	18.5%	-4.4%	43.6%	3.8%
EBIDTA	8,177	6,152	6,265	4,538	6,760
EBIDTA Growth (Y-o-Y)	-48.4%	-24.8%	1.8%	-27.6%	49.0%
Net Profit	5,384	4,746	5,437	8,019	9,356
Net Profit Growth (Y-o-Y)	-59.8%	-11.8%	14.5%	47.5%	16.7%
Shareholders Equity	51,110	57,719	77,850	87,938	93,375
Number of Diluted shares(mn)	175	186	221	229	229
Key Operating Ratios					
(YE March 31st)	2004	2005	2006	2007E	2008E
EPS (Rs) (Diluted)	31.66	28.94	25.02	35.08	40.81
EPS Growth (Y-o-Y)	-67.5%	-8.6%	-13.6%	40.2%	16.7%
CEPS (Rs.)	49.9	47.6	40.8	45.6	51.1
EBIDTA (%)	23.3%	14.8%	15.8%	7.9%	11.4%
NPM (%)	15.3%	11.4%	13.7%	14.0%	15.8%
RoE (%)	15.8%	11.3%	9.1%	10.5%	11.1%
RoCE (%)	11.3%	7.8%	5.8%	7.9%	8.2%
Book Value per share (Rs.)	248.7	270.4	331.2	351.8	375.6
Debt/Equity (x)	0.47	0.75	0.61	0.56	0.55
Dividend Payout (%)	14.3%	18.4%	21.6%	20.5%	20.5%
Valuation Ratios					
(YE March 31st)	2004	2005	2006	2007E	2008E
P/E (x)					12.3
P/BV (x)					1.3
P/CEPS (x)					9.8
EV/EBIDTA (x)					10.9
Market Cap./ Sales (x)					1.9
Dividend Yield					1.41%

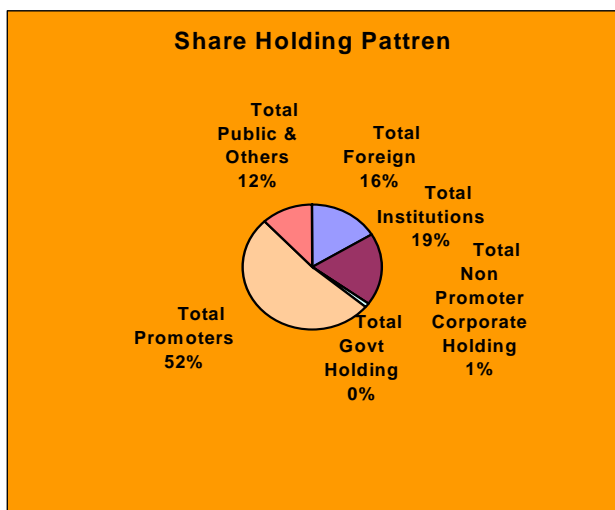
* P&L figures are actual



DuPont Model					
(YE March 31st)	2004	2005	2006	2007E	2008E
EBIDTA/Sales (%)	23%	15%	16%	8%	11%
Sales/Operating Assets (x)	1.0	1.0	0.9	1.1	1.1
EBIDTA/Operating Assets (%)	22.8%	14.2%	13.5%	8.8%	12.8%
Operating Assets/ Net Assets(x)	0.67	0.50	0.42	0.40	0.38
Net Earnings/ EBIDTA (%)	68%	87%	88%	177%	138%
Net Assets/ Equity (x)	1.56	1.83	1.83	1.71	1.67
Return on Equity (%)	16.0%	11.5%	9.2%	10.5%	11.1%
Common Sized Profit & Loss Account					
	2004	2005	2006	2007E*	2008E
Total Revenues	100%	100%	100%	100%	100%
Power & Fuel	26.8%	23.9%	29.0%	22.1%	25.5%
Manufacturing Expenses	17.4%	30.3%	21.8%	27.6%	29.3%
Selling, Distn & Admn Exps	2.6%	2.4%	2.9%	2.2%	2.4%
Personnel	5.8%	5.5%	5.8%	5.5%	5.3%
Miscellaneous Exp	5.0%	5.4%	4.4%	13.8%	4.5%
EBITDA	23.3%	14.8%	15.8%	7.9%	11.4%
Depreciation and Amortization	9.1%	8.3%	8.8%	4.2%	3.9%
Interest	2.0%	3.2%	4.8%	4.4%	6.1%
PBT	17.2%	14.1%	17.2%	15.3%	18.9%
PAT	15.8%	12.9%	13.9%	14.0%	15.8%

Source-Company reports, FG Research * P&L figures are actual

Key Statistics

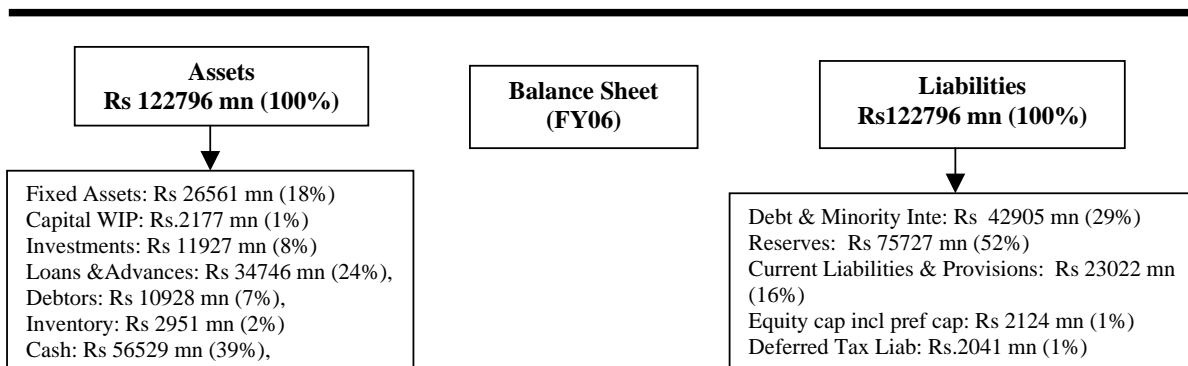
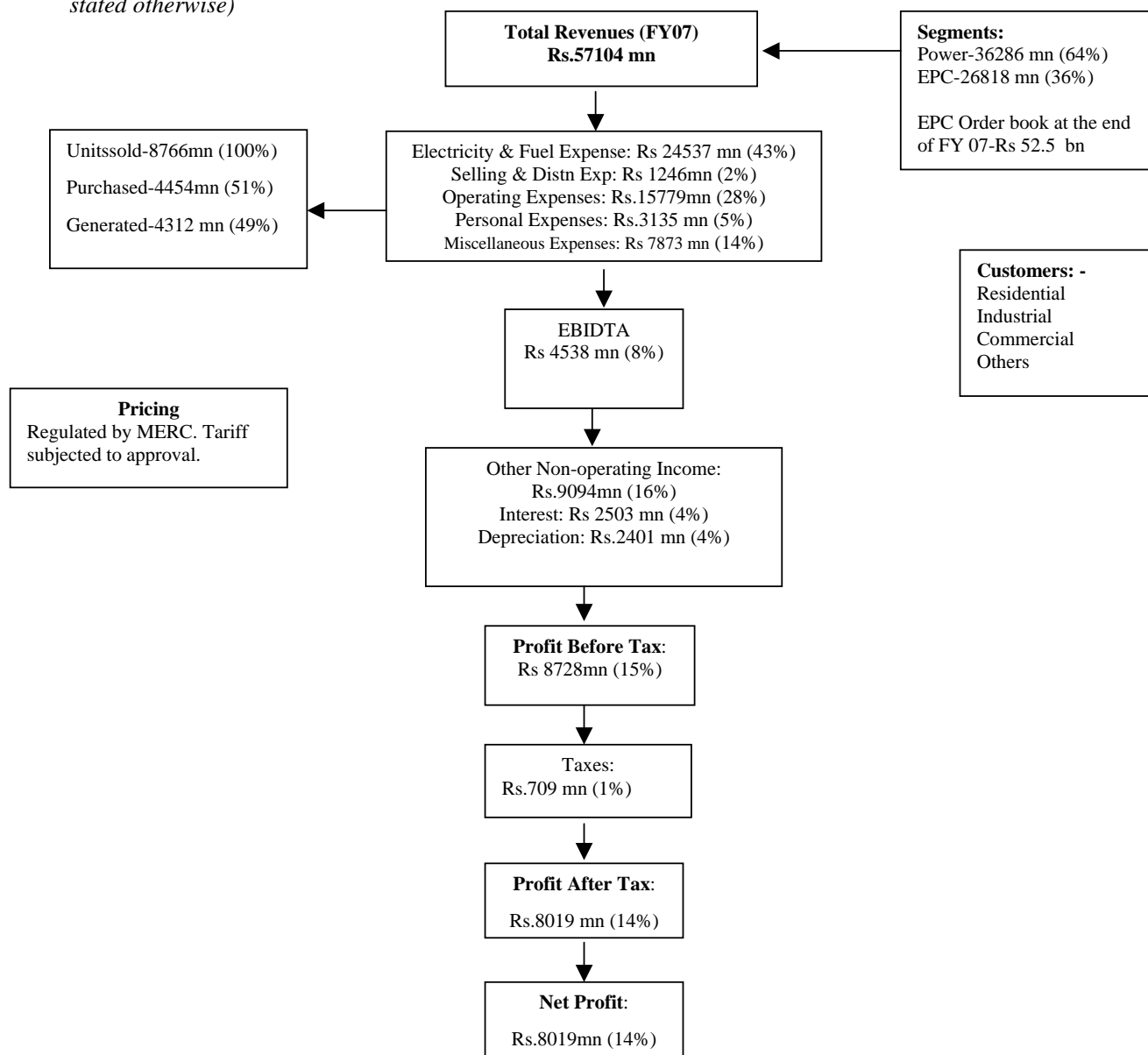


Industry	Power
52 Week High/Low	Rs. 633/362
CMP	514
Avg. Daily Volume (20 days)	0.14 mn
Avg. Daily Value (20 days)	Rs.74.59 mn
Performance over 52 weeks	
REL	Down 18.1%
CNX NIFTY	Up 8.1%



REL's Business in Pictures... (FY07)*

*P&L numbers are for FY07 while those of balance sheet are for FY06.
(All figures are in Rs. Mn except where stated otherwise. All percentages are percent of revenues, unless stated otherwise)





What Happened Last Quarter...

Reliance Energy Ltd.'s (RELE.IN/RLEN.BO) exciting story of redeployment of surpluses continued into Q4 FY07 as well, with the company now capitalising on opportunities to deploy its cash pile through the EPC division and infrastructure projects this time around. REL bagged two road BOT

Reliance Energy Ltd.'s (RELE.IN/RLEN.BO) exciting story of redeployment of surpluses continued into Q4 FY07 as well, with the company now capitalising on opportunities to deploy its cash pile through the EPC division and infrastructure projects this time around.

projects – the development of the Namakkal-Karur highway, a stretch of 80 kms in Tamil Nadu for Rs.5.2 bn in March 2007 and a contract for developing the four-lane Trichy-Dindigul National Highway. The project covers a stretch of 88 kms and the construction cost would be Rs.5.8 bn. In the power business, the company won its single largest EPC bid from the Haryana Power Generation Corporation to set up a 1,200MW coal-based power project on a turnkey basis for Rs.37.6 bn, which would be implemented over a period of 35-38 months. The company also

bagged 'balance of plant package' from the Uttar Pradesh Rajya Vidyut Utpadan Nigam for the 500MW extension of the Parichha Thermal Power Station, for an order value of Rs.4 bn.

In Q4 FY07, REL's revenues increased by a whopping 55% Y-o-Y to Rs.16143 mn, mainly due to a jump of 170 % Y-o-Y in revenues of the EPC division to Rs.7293 mn and a rise of 8.3% Y-o-Y in revenues in the Power business to Rs.8848 mn in Q4

FY07. The EBIDTA took a big hit and came in at Rs.598 mn for the quarter, as against our estimate of Rs.1232 mn. This was mainly on account of an increase in power purchase costs, which could not be charged immediately to the end consumers due to delay in approval from MERC. However, this was a temporary issue & will be rectified in subsequent quarters. Also, there was a higher-than-expected increase of 138% Y-o-Y in miscellaneous expenses to Rs.7517 mn, attributable mainly to EPC contracts for which the revenues will be booked in the subsequent years. However, higher-than-expected other income and huge tax write back received by the company in the quarter helped it post a net profit of Rs.2374 mn, up 40% Y-o-Y, as against our estimate of Rs.1664 mn.

The EBIDTA took a big hit and came in at Rs.598 mn for the quarter, as against our estimate of Rs.1232 mn. This was mainly on account of an increase in power purchase costs, which could not be charged immediately to the end consumers due to delay in approval from MERC. However, this was a temporary issue & will be rectified in subsequent quarters.

The EPC division's order book stood at Rs.52.5 bn at the end of Q4 FY07, up from Rs.17.1 bn in Q4 FY06, as the company managed to bag a huge order worth Rs.37.2 bn from the Haryana Power Generation Corporation. The EPC division continues to spring surprises and maintain a healthy order book. REL has bid for projects worth over Rs.100 bn and we expect the EPC division to become a major revenue driver for REL.

The EPC division continues to spring surprises and maintain a healthy order book. REL has bid for projects worth over Rs.100 bn and we expect the EPC division to become a major revenue driver for REL



Taking into account the higher than expected other income and the new tariff order allowing REL to recover expenses amounting to Rs.880 mn in FY08, we are raising our FY08E EPS estimate by

The stock trades at a P/BV of 1.3x FY08E and a P/E of 12.7x FY08E. As we've said before, while it may not have the potential of a go-go stock; the valuation is reasonable enough to allow for some expansion. we continue to maintain our rating of 'Outperform' on REL

13.2% to Rs.40.81, from our earlier estimate of Rs.36.08. The stock trades at a P/BV of 1.3x FY08E and a P/E of 12.3x FY08E. As we've said before, while it may not have the potential of a go-go stock; the valuation is reasonable enough to allow for some expansion. We continue to maintain our rating of 'Outperform' on REL.

Comparative Valuations

Company	P/E (x)		P/S (x)		P/BV (x)		EV/SALES (x)		EV/EBITDA (x)		EBITDA	ROE (%)	ROCE (%)	Annual EPS Growth (%)	Annual Sales Growth (%)
	08E	09E	08E	09E	08E	09E	08E	09E	08E	09E		08E	08E	08E	(08/07)
NTPC LTD	17.1	15.7	3.8	3.3	2.5	2.3	4.2	3.9	13.6	12.5	27.9%	15.1%	12.4%	19.6%	13.6%
CESC LTD	13.1	12.5	1.2	1.1	1.5	1.4	2	1.9	7.6	7.2	25.20%	11.40%	9.10%	8.60%	5.10%
Tata Power Co Ltd	18.6	17.5	1.8	1.7	1.9	1.8	2.5	2.4	13.1	12.4	18.7%	10.3%	8.30%	7.20%	6.10%
Reliance Energy Ltd.	12.3	11.7	1.9	1.8	1.3	1.2	2.1	2.0	9.3	8.9	11.4 %	11.1%	8.2%	16.7%	3.8%

Source: - Company Reports, FG Estimates



Quarterly Results Analysis

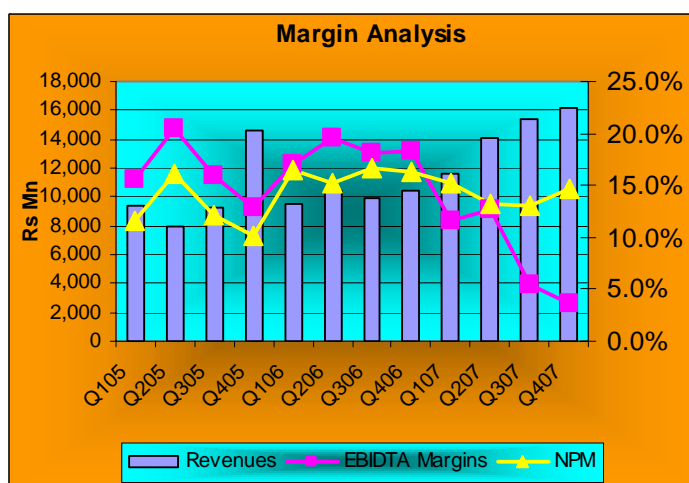
YE March 31st	2007	2007	Sequential	2006	Y-o-Y	2007	2006	Y-o-Y
Figures in mn of Rs.	Q4	Q3	Q-o-Q Change	Q4	Change	12M	12M	Change
Net Sales Revenue	16143	15337	5%	10382	55%	57104	40191	42.1%
Power & fuel	6766	6799	0%	4622.7	46%	24537	18997	29%
Selling, Distn & Admn Exps	295	322	-8%	272.7	8%	1246	1140	9%
Personnel	967	734	32%	428	126%	3135	2366	33%
Miscellaneous Exp	7517	6656	13%	3157	138%	23652	10345	129%
Total Cost	15545	14510	7%	8480	83%	52570	32847	60%
EBIDTA	598	827	-28%	1901	-69%	4534	7344	-38%
Other Non-Operating Income	2754	2867	-4%	1863	48%	9094	5888	54%
Less: Depreciation	535	612	-13%	891	-40%	2401	3486	-31%
EBIT	2817	3083	-9%	2873	-2%	11227	9746	15%
Less: Interest	823	551	49%	477	72%	2503	1931	30%
PBT	1994	2532	-21%	2396	-17%	8724	7815	12%
Less: Total Tax	-380	522	-173%	701	-154%	709	1312	-46%
Profit After Tax	2374	2010	18%	1695	40%	8015	6503	23%
EBITDA Margin (%)	3.70%	5.39%	-1.69%	18.31%	-14.61%	7.94%	18.27%	-10.33%
EBIT Margin (%)	17.45%	20.10%	-2.65%	27.67%	-10.22%	19.66%	24.25%	-4.59%
PBT Margin (%)	12.35%	16.51%	-4.15%	23.07%	-10.72%	15.28%	19.44%	-4.17%
NPM (%)	14.71%	13.11%	1.60%	16.32%	-1.62%	14.03%	16.18%	-2.15%
Effective Tax Rate (%)	-19.04%	20.60%		29.25%		8.13%	16.79%	



Financial Highlights

- REL's revenues rose by a whopping 55% Y-o-Y from Rs.10382 mn in Q4 FY06 to Rs.16143 mn in Q4 FY07, mainly due to a jump of 170% in the EPC division; revenues to Rs.7293 mn from Rs.2671 mn in Q4 FY06, as well as a rise of 14.7% in revenues of the Power business to Rs.8848 mn from Rs.7710 mn in Q4 FY06.
- Total units sold increased by 8.3% Y-o-Y to 2,129 mn in Q4 FY07, mainly due to a strong demand growth in its Mumbai distribution circle. The PLF of the Dahanu plant rose to 108% in the quarter, marking the highest level achieved by any plant in the country. However, the PLF of the Samalkot plant was 50.6% in Q4 FY07, as the non-availability of gas kept the PLF down. The PLF for the Goa plant was stable at 94% in Q4 FY07.

Total units sold increased by 8.3% Y-o-Y to 2,129 mn in Q4 FY07, mainly due to a strong demand growth in its Mumbai distribution circle. The PLF of the Dahanu plant rose to 108% in the quarter, marking the highest level achieved by any plant in the country.
- The EPC business reported an EBIT of Rs.661 mn and an EBIT margin of 9% in Q4 FY07, as against Rs.295 mn and 10.5% respectively in Q4 FY06. **The EPC's order book stood at Rs.17.1 bn at the end of the quarter, comprising of Rs.15 bn from the Yamunagar project and the rest from rural electrification projects.**



- The EBIDTA margin took a huge hit in the quarter and declined by 1461bps Y-o-Y to 3.7% in Q4 FY07. Power & fuel cost increased by 46% Y-o-Y in Q4 FY07 to Rs.6766 mn, due to a rise in power purchase cost, miscellaneous expenses, which increased by 138% in Q4 FY07, primarily due to increased expensed of the EPC division an increase of 126% in personnel costs. All these factors led to the total cost rising by 83% in Q4 FY07 to Rs.15545. The under recovery of higher power purchase cost approved by MERC pulled down the EBIDTA margin for the quarter.
- Other income grew by 48% Y-o-Y, driven primarily by higher interest income.



- The NPM came in at 14.71%, down 161 bps Y-o-Y, in spite of a decline of 40% in depreciation expense, as interest expenses were up 72% due to higher debt in the company's books.
- The net profit for the quarter increased by 40% Y-o-Y to Rs.2374 mn on account of tax write back received by the company.

Earnings Model: Reliance Energy Ltd.

Rs. Million	Q1	Q2	Q3	Q4	FY07	Q1E	Q2E	Q3E	Q4E	FY08E
Net Sales Revenue	11,549	14,076	15,337	16,143	57,104	13,341	14,231	14,527	17,195	59,299
Power & fuel	5,480	5,492	6,799	6,766	24,537	6,342	6,461	6,406	6,732	25,941
Selling, Distn & Admn Exps	314	315	322	295	1,246	378	371	342	466	1,557
Personnel	686	749	734	967	3,135	902	885	817	953	3,558
Miscellaneous Exp	3,734	5,744	6,656	7,517	23,652	4,390	5,026	5,081	6,986	21,483
Total Cost	10,214	12,301	14,510	15,545	52,570	12,013	12,743	12,647	15,136	52,539
EBIDTA	1,334	1,775	827	598	4,534	1,329	1,487	1,881	2,059	6,756
Other Non-Operating Income	1,711	1,761	2,867	2,754	9,094	2,401	2,562	2,615	2,751	10,329
Less: Depreciation	619	635	612	535	2,401	578	578	578	578	2,312
EBIT	2,426	2,901	3,083	2,817	11,227	3,152	3,471	3,917	4,232	14,773
Less: Interest	459	671	551	823	2,503	899	899	899	899	3,595
PBT	1,967	2,230	2,532	1,994	8,724	2,253	2,572	3,019	3,334	10,599
Less: Total Tax	201	366	522	-380	709	225	386	543	667	1,590
Profit After Tax	1,766	1,864	2,010	2,374	8,015	2,028	2,186	2,475	2,667	9,356
Earnings Per Share (In Rs.)	8.32	8.72	9.41	10.39	36.92	8.86	9.55	10.76	11.65	40.81
Diluted share (mn)	212.3	213.7	213.7	228.6	217.1	229.0	229.0	230.0	229.0	229.3
EBIDTA Margin (%)	11.6%	12.6%	5.4%	3.7%	7.9%	10.0%	10.5%	12.9%	12.0%	11.4%
EBIT (%)	21.0%	20.6%	20.1%	17.5%	19.7%	23.6%	24.4%	27.0%	24.6%	24.9%
PBT Margin (%)	17.0%	15.8%	16.5%	12.4%	15.3%	16.9%	18.1%	20.8%	19.4%	17.9%
NPM (%)	15.3%	13.2%	13.1%	14.7%	14.0%	15.2%	15.4%	17.0%	15.5%	15.8%
Effective Tax Rate (%)	10.2%	16.4%	20.6%	-19.0%	8.1%	10.0%	15.0%	18.0%	20.0%	15.0%

Source: Company Reports, FG estimates, Standalone figures



IMPORTANT DISCLOSURES

Price Target

Price targets (if any) are derived from a subjective and/or quantitative analysis of financial and non financial data of the concerned company using a combination of P/E, P/Sales, earnings growth, Discounted Cash Flow (DCF) and its stock price history

The risk factors that may impede achievement of the price target/investment thesis are -

- The change in assured returns by the regulators.
- Regulatory Changes that could effect the industry in an adverse manner
- Introduction of competition in the license area due to open accesses
- Serious non-availability of fuel to the company.
- Significant change is the Tariff structure by regulatory commission.



Rating system of First Global

Our rating system consists of three categories of ratings: Positive, Neutral and Negative. Within each of these categories, the rating may be absolute or relative. When assigning an absolute rating, the price target, if any, and the time period for the achievement of this price target, are given in the report. Similarly when assigning a relative rating, it will be with respect to certain market/sector index and for a certain period of time, both of which are specified in the report.

Rating in this report is relative to: S&P CNX Nifty

Positive Ratings

(i) Buy (B) – This rating means that we expect the stock price to move up and achieve our specified price target, if any, over the specified time period.

(ii) Buy at Declines (BD) – This rating means that we expect the stock to provide a better (lower) entry price and then move up and achieve our specified price target, if any, over the specified time period.

(iii) Outperform (OP) – This is a relative rating, which means that we expect the stock price to outperform the specified market/sector index over the specified time period.

Neutral Ratings

(i) Hold (H) – This rating means that we expect no substantial move in the stock price over the specified time period.

(ii) Marketperform (MP) – This is a relative rating, which means that we expect the stock price to perform in line with the performance of the specified market/sector index over the specified time period.

Negative Ratings

(i) Sell (S) – This rating means that we expect the stock price to go down and achieve our specified price target, if any, over the specified time period.

(ii) Sell into Strength (SS) – This rating means that we expect the stock to provide a better (higher) exit price in the short term, by going up. Thereafter, we expect it to move down and achieve our specified price target, if any, over the specified time period.

(iii) Underperform (UP) – This is a relative rating, which means that we expect the stock price to underperform the specified market/sector index over the specified time period.

(iv) Avoid (A) – This rating means that the valuation concerns and/or the risks and uncertainties related to the stock are such that we do not recommend considering the stock for investment purposes.



FIRST GLOBAL

Nirmal, 6th Floor, Backbay Reclamation,
Nariman Point, Mumbai - 400 021, India.

Dealing Desk (India):

Tel.: +91-22-400 12 400
email: fgindiasales@bloomberg.net

FG Markets, Inc.

90 John Street, Suite 703,
New York, NY 10038

Dealing Desk (US):

Tel. No: +1-212-227 6611
email: us@fglobal.com

FIRST GLOBAL (UK) Ltd.

The Cobalt Building, 19-20, Noel Street,
London W1F 8GW, United Kingdom

Dealing Desk (UK & Europe):

Tel. No: +44-207-959 5300
email: uk@fglobal.com

The information and opinions in this report were prepared by First Global. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to its accuracy or completeness. Any statements nonfactual in nature constitute only current opinions, which are subject to change. First Global does not undertake to advise you of changes in its opinion or information. First Global and others associated with it may make markets or specialize in, have positions in and effect transactions in securities of companies mentioned and may also perform or seek to perform investment banking services for those companies.

Whilst all reasonable care has been taken to ensure the facts stated and the opinions given are fair, neither First Global (UK) Limited nor FG Markets, Inc. nor any of their affiliates shall be in any way responsible for its contents, nor do they accept any liability for any loss or damage (including without limitation loss of profit) which may arise directly or indirectly from use of or reliance on such information.

First Global (or one of its affiliates or subsidiaries) or their officers, directors, analysts, employees, agents, independent contractors, or consultants may have positions in securities or commodities referred to herein and may, as principal or agent, buy and sell such securities or commodities. An employee, analyst, officer, agent, independent contractor, a director, or a consultant of First Global, its affiliates, or its subsidiaries may serve as a director for companies mentioned in this report.

First Global and its affiliates may, to the extent permitted under applicable law, have acted upon or used the information prior to or immediately following its publication, provided that we could not reasonably expect any such action to have a material effect on the price. This memorandum is based on information available to the public. No representation is made that it is accurate or complete. This memorandum is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned.

The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment. There may be instances when fundamental, technical, and quantitative opinions may not be in concert.

Past performance is not necessarily a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors. There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities.

The value of investments and the income from them may vary and you may realize less than the sum invested. Part of the capital invested may be used to pay that income. In the case of higher volatility investments, these may be subject to sudden and large falls in value and you may realize a large loss equal to the amount invested. Some investments are not readily realizable and investors may have difficulty in selling or realizing the investment or obtaining reliable information on the value or risks associated with the investment. Where a security is denominated in a currency other than sterling (for UK investors) or dollar (for US investors), changes in exchange rates may have an adverse effect on the value of the security and the income thereon. The tax treatment of some of the investments mentioned above may change with future legislation. The investment or investment service may not be suitable for all recipients of this publication and any doubts regarding this should be addressed to your broker.

While First Global has prepared this report, First Global (UK) Ltd. and FG Markets, Inc. is distributing the report in the UK & US and accept responsibility for its contents. Any person receiving this report and wishing to effect transactions in any security discussed herein should do so only with a representative of First Global (UK) Ltd. or FG Markets, Inc.

First Global (UK) Limited is regulated by FSA and is a Member firm of the London Stock Exchange.

FG Markets, Inc. is regulated by SEC and is a member of National Association of Security Dealers (NASD) and Securities Investor Protection Corporation (SIPC). FG Markets, Inc., its affiliates, and its subsidiaries make no representation that the companies which issue securities which are the subject of their research reports are in compliance with certain informational reporting requirements imposed by the Securities Exchange Act of 1934. Sales of securities covered by this report may be made only in those jurisdictions where the security is qualified for sale. Additional information on recommended securities is available on request.

This report may not be resold or redistributed without the prior written consent of First Global.