

## Strong operating performance; outlook encouraging

**About the stock:** IndusInd Bank is a Hinduja group promoted newer age private sector bank and is the fifth largest private bank in India.

- Vehicle finance forms around 26% of overall loans
- Strong pan-India presence with 5939 branches as on June 2022

**Q1FY23 Results:** IndusInd Bank reported a robust performance

- Loan growth up 17.7% YoY while deposits were up 13.1% YoY
- NII up 15.8% YoY, NIMs steady QoQ at 4.21%, PAT at ₹ 1603 crore
- GNPA up 8 bps QoQ to 2.35%. Restructured book down 50 bps to 2.1%
- Loan related provisions declined to 3.38% vs 3.5% of loans in Q4FY22

**What should investors do?** IndusInd Bank's share price has gained ~1.7x in the past 2 years. We believe the bank is poised to report improved business traction coupled with robust RoA. trajectory

- We retain our BUY rating on the stock

**Target Price and Valuation:** We value the bank at ~1.6x FY24E ABV and maintain a TP of ₹ 1150 per share.

**Key triggers for future price performance:**

- Focus on new growth engines, investment in retail franchise to aid growth
- Gradual retaliation of liabilities to support margin trajectory
- Healthy provision buffer of 3.4% to keep credit cost at normalised level
- Opex to remain elevated, though steady NIM, healthy collection to aid RoA

**Alternate Stock Idea:** Besides IndusInd, in our coverage we also like Axis Bank.

- Strong liability profile with healthy capitalisation makes the bank well placed to accrue earnings growth momentum. Healthy provision cover provides comfort on smoother earnings trajectory
- BUY with target price of ₹ 970

## IndusInd Bank

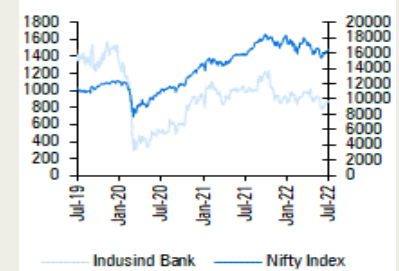
### Particulars

| Particulars           | Amount        |
|-----------------------|---------------|
| Market Capitalisation | ₹ 68124 crore |
| 52 week H/L           | 1242 / 763    |
| Net worth             | ₹ 49707 Crore |
| Face Value            | ₹ 10          |
| DII Holding (%)       | 45.8          |
| FII Holding (%)       | 21.0          |

### Shareholding pattern

| (in %)   | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 16.5   | 16.5   | 16.5   | 16.5   | 16.5   |
| FII      | 52.1   | 51.4   | 47.7   | 46.3   | 45.8   |
| DII      | 17.7   | 19.0   | 20.2   | 21.9   | 21.0   |
| Others   | 13.7   | 13.1   | 15.6   | 15.3   | 16.6   |

### Price chart



### Recent Event & Key risks

- Loan growth at 17.7% YoY; margins steady at 4.2%
- **Key Risk:** 1) Higher slippages in MFI; 2) pace of liabilities growth and mix

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### Key Financial Summary

| ₹ Crore | FY19  | FY20   | FY21   | FY22   | 3 year CAGR (FY19-FY22) | FY23E  | FY24E  | 2 year CAGR (FY22-24E) |
|---------|-------|--------|--------|--------|-------------------------|--------|--------|------------------------|
| NII     | 8,846 | 12,059 | 13,528 | 15,001 | 19%                     | 16,937 | 19,654 | 14%                    |
| PPP     | 8,088 | 10,773 | 11,727 | 12,839 | 17%                     | 14,165 | 16,419 | 13%                    |
| PAT     | 3,301 | 4,418  | 2,836  | 4,611  | 12%                     | 6,973  | 8,295  | 34%                    |
| ABV (₹) | 405   | 473    | 542    | 590    |                         | 643    | 735    |                        |
| P/E     | 16.0  | 13.8   | 24.0   | 14.8   |                         | 9.7    | 8.2    |                        |
| P/ABV   | 2.2   | 1.9    | 1.6    | 1.5    |                         | 1.4    | 1.2    |                        |
| RoA     | 1.3   | 1.5    | 0.8    | 1.2    |                         | 1.6    | 1.7    |                        |
| RoE     | 13.1  | 14.4   | 7.3    | 10.1   |                         | 14.0   | 15.0   |                        |

## Key takeaways of recent quarter & conference call highlights

### Q1FY23 Results: Lower than anticipated credit costs aids robust PAT growth

- NII was up 15.8% YoY, 3.5% QoQ to ₹ 4125 crore on the back driven by robust growth in business. Sequentially margins remained flat at 4.21% (up 15 bps YoY). Other income was up 8.3% YoY to ₹ 1929 crore, driven by healthy growth of 47% / 9% YoY / QoQ in core fee income at ₹ 1932 crore.
- C/I ratio largely steady QoQ at 43.9%, but on YoY basis it has increased by 252 bps. Provisions were down 14.5% / 32.2% QoQ / YoY to ₹ 1251 crore (utilized contingent buffer of ₹325 crore). Thus, net profit was up 64.4% YoY and 17.8% QoQ to ₹ 1603 crore
- GNPA and NNPA inched up slightly by 8 bps and 3 bps QoQ to 2.35% and 0.67%, respectively. Restructured book declined 50 bps QoQ to 2.1%. Slippages remained a tad higher at ₹ 2250 crore vs ₹ 2088 crore in Q4FY22, with slippage from restructured pool. GNPA's in consumer segment remained elevated during the quarter on QoQ basis. Overall loan related provisions declined to 3.38% vs 3.5% of loans in the previous quarter.
- Loans increased by 17.7% YoY and 3.7% QoQ to ₹ 2.47 lakh crore. Deposit growth was healthy at 13.1% YoY and 3.1% QoQ to ₹ 3.02 lakh crore, driven by 16% YoY uptick in CASA.

### Q1FY23 Earnings Conference Call highlights

- During the quarter growth momentum picked up sharply. Prospect from farm sector is encouraging led by good monsoon. Loan growth was witnessed across products. Maintained deposit growth momentum despite liquidity tightening and competitive intensity.
- Margins was supported by repricing on asset side as well as active management on liability side. Credit cost reduced to 50 bps from 61 bps QoQ.
- **Guidance** – Loan growth to be 15-18% YoY in FY23E (16-18% YoY growth in VF, 25-30% YoY growth in MFI book). Credit cost to be in the range of 120-150 bps. CI ratio to be at 41% to 43% levels (tech and marketing cost to go up). Aim to increase branch to 2500 by March 2023.
- Vehicle finance segment witnessed highest quarterly disbursements during Q1FY23. Disbursements were strong in CV, UV, cars and tractor segment, while disbursements were muted in 2W and 3W segment. Collection efficiency remained stable at pre-covid levels. Restructured book of VF segment has reduced from ₹ 3298 crore to ₹ 3131 crore. Overall yields improved in Q1FY23 and expect to improve further in coming quarters.
- MFI – Highest quarterly disbursement in Bharat Financial history witnessed in Q1FY23. Collection efficiency (std book) maintained at 99.1% QoQ. 30-90 DPD book including restructured book was at 2.2% in Q1FY23 vs 2.6% in Q4FY22. Higher emphasis was given on recoveries and were able to recover ₹ 57 crore. O/s restructured book reduced from ₹ 995 crore to ₹ 644 crore.
- Global diamond and jewellery – It slowed down in Q1FY23 due to Russia Ukraine conflict and lockdown in China and Hong Kong. Constitutes 4.2% of loan book. Overall management is comfortable on diamond portfolio.
- Corporate Book – remains healthy and growth was across segments with large corporate book / mid corporate and small corporate growing 3%, 5%, and 8% QoQ respectively. Mid corporate growth was driven by SME and healthcare segments. Majority of corporate loan book is on floating rate so bank was able to pass on the rates. Share of A and above rated book has improved from 70.6% to 73.5% YoY. Capex in auto component, steel, Infra, textile to improve. Corporate book to maintain a steady growth led by Mid and Small segment.
- Retail – Business banking and LAP seen intense competition in last few quarters. Credit card spends remained strong for the bank. Expect growth momentum in retail to continue further in FY23.
- NRI deposits momentum expected to be strong driven by recent regulatory guidelines. Borrowings reduced by 12% QoQ. Borrowings are now just 10% of total liabilities.

- Started building and scaling digital unassisted model. 96% of SA and FD, 90% of cards, and 54% of personal loans are originated digitally. 92% of branch transactions are digital.
- SMA 1 and SMA 2 book stood at 10 and 39 bps respectively. There was no sale to ARC in Q1FY23. Net SRs reduced from 83 bps to 72 bps. There will be lower surprise from restructured book going ahead.

## Peer comparison

### Exhibit 1: Peer Comparison

| Sector / Company      | CMP   |       |        | M Cap<br>(₹ Bn) | EPS (₹) |       |       |       | P/E (x) |       |       |       | P/ABV (x) |       |       |       | RoE (%) |       |       |       | ABV (₹) |       |       |       |
|-----------------------|-------|-------|--------|-----------------|---------|-------|-------|-------|---------|-------|-------|-------|-----------|-------|-------|-------|---------|-------|-------|-------|---------|-------|-------|-------|
|                       | (₹)   | TP(₹) | Rating |                 | FY21    | FY22E | FY23E | FY24E | FY21    | FY22E | FY23E | FY24E | FY21      | FY22E | FY23E | FY24E | FY21    | FY22E | FY23E | FY24E | FY21    | FY22E | FY23E | FY24E |
| Axis Bank (AXIBAN)    | 705   | 970   | Buy    | 2166            | 21.5    | 42.4  | 39.7  | 55.9  | 32.8    | 16.6  | 17.8  | 12.6  | 2.3       | 2.0   | 1.8   | 1.8   | 7.1     | 12.0  | 10.1  | 13.5  | 309     | 348   | 384   | 396   |
| Federal Bank (FEDBAN) | 105   | 110   | Hold   | 220             | 8.0     | 9.0   | 10.8  | 12.4  | 13.2    | 11.7  | 9.8   | 8.5   | 1.4       | 1.3   | 1.2   | 1.1   | 10.4    | 10.8  | 11.5  | 12.0  | 73      | 83    | 89    | 98    |
| HDFC Bank (HDFBAN)    | 1,366 | 1,650 | Buy    | 7,587           | 56.4    | 66.7  | 77.1  | 93.7  | 24.2    | 20.5  | 17.7  | 14.6  | 3.8       | 3.2   | 2.8   | 2.6   | 16.6    | 16.7  | 16.6  | 17.9  | 361     | 425   | 484   | 534   |
| IndusInd Bank (INDBA) | 879   | 1,150 | Buy    | 681             | 36.7    | 59.5  | 90.2  | 107.3 | 24.0    | 14.8  | 9.7   | 8.2   | 1.6       | 1.5   | 1.4   | 1.2   | 7.3     | 10.1  | 14.0  | 15.0  | 542     | 590   | 643   | 735   |
| Kotak Bank (KOTMAH)   | 1,825 | 2,150 | Buy    | 3,623           | 35.1    | 43.0  | 49.6  | 57.8  | 51.9    | 42.4  | 36.8  | 31.6  | 5.9       | 5.2   | 4.5   | 4.0   | 12.4    | 12.6  | 12.9  | 13.1  | 308     | 349   | 402   | 459   |
| CSB Bank (CSBBAN)     | 205   | 270   | Buy    | 36              | 12.6    | 28.2  | 29.4  | 34.8  | 16.3    | 7.3   | 7.0   | 5.9   | 1.9       | 1.5   | 1.2   | 1.0   | 10.5    | 20.2  | 17.6  | 17.6  | 107     | 133   | 166   | 198   |
| Bandhan (BANBAN)      | 282   | 365   | Buy    | 454             | 13.7    | 0.8   | 19.7  | 22.3  | 20.6    | 361.0 | 14.3  | 12.7  | 3.1       | 2.9   | 2.4   | 2.0   | 13.5    | 0.7   | 16.9  | 16.5  | 90      | 98    | 118   | 140   |

Source: Company, ICICI Direct Research

### Exhibit 2: Variance Analysis

|                          | Q1FY23   | Q1FY23E  | Q1FY22   | YoY (%) | Q4FY22   | QoQ (%) | Comments                                                     |
|--------------------------|----------|----------|----------|---------|----------|---------|--------------------------------------------------------------|
| NII                      | 4,125    | 4,063    | 3,564    | 15.8    | 3,985    | 3.5     | Growth aided by business traction                            |
| NIM (%)                  | 4.21     | 4.23     | 4.06     | 15 bps  | 4.20     | 1 bps   | Margins maintained by repricing assets                       |
| Other Income             | 1,929    | 1,926    | 1,781    | 8.3     | 1,902    | 1.4     | Core fee up 47% YoY                                          |
| Net Total Income         | 6,054    | 5,989    | 5,345    | 13.3    | 5,887    | 2.8     |                                                              |
| Staff cost               | 660      | 699      | 608      | 8.6     | 659      | 0.3     |                                                              |
| Other Operating Expenses | 2,000    | 2,008    | 1,606    | 24.5    | 1,900    | 5.3     | Uptick in business activities and tech spends increased opex |
| PPP                      | 3,394    | 3,282    | 3,131    | 8.4     | 3,329    | 2.0     |                                                              |
| Provision                | 1,251    | 1,372    | 1,844    | -32.2   | 1,463.5  | -14.5   | Loan related provisions declined by 12 bps QoQ               |
| PBT                      | 2,143    | 1,910    | 1,287    | 66.5    | 1,865    | 14.9    |                                                              |
| Tax Outgo                | 539      | 481      | 312      | 73.1    | 503.6    | 7.1     |                                                              |
| PAT                      | 1,603    | 1,429    | 974.95   | 64.4    | 1,361    | 17.8    | Lower credit costs aid robust PAT growth                     |
| Key Metrics              |          |          |          |         |          |         |                                                              |
| GNPA                     | 5,933    | 5,320    | 6,186    | -4.1    | 5,517    | 7.5     | GNPAs in consumer segment remained elevated                  |
| NNPA                     | 1,661    | 1,408    | 1,760    | -5.6    | 1,530    | 8.6     |                                                              |
| Credit book              | 2,47,960 | 2,49,541 | 2,10,727 | 17.7    | 2,39,052 | 3.7     |                                                              |
| Deposit book             | 3,02,719 | 3,03,094 | 2,67,630 | 13.1    | 2,93,681 | 3.1     | CASA rises 16% YoY                                           |

Source: Company, ICICI Direct Research

### Exhibit 3: Change in Estimates

| ₹ Crore)             | FY23E  |        |          | FY24E  |        |          |
|----------------------|--------|--------|----------|--------|--------|----------|
|                      | Old    | New    | % Change | Old    | New    | % Change |
| Net Interest Income  | 17,121 | 16,937 | -1.1     | 19,405 | 19,654 | 1.3      |
| Pre Provision Profit | 14,169 | 14,165 | 0.0      | 15,663 | 16,419 | 4.8      |
| NIM(%) (calculated)  | 4.6    | 4.5    | -8 bps   | 4.6    | 4.6    | 1 bps    |
| PAT                  | 6,371  | 6,973  | 9.5      | 7,814  | 8,295  | 6.2      |
| ABV per share (₹)    | 611.7  | 643    | 5.1      | 699    | 735    | 5.2      |

Source: Company, ICICI Direct Research

**Exhibit 4: Assumptions**

|                          | Current |         | Earlier |         |         |
|--------------------------|---------|---------|---------|---------|---------|
|                          | FY22    | FY23E   | FY24E   | FY22E   | FY23E   |
| Credit growth (%)        | 12.4    | 14.7    | 16.1    | 13.6    | 14.8    |
| Deposit Growth (%)       | 14.6    | 16.2    | 17.1    | 16.2    | 16.3    |
| NIM Calculated (%)       | 10.9    | 12.9    | 16.0    | 14.1    | 13.3    |
| Cost to income ratio (%) | 38.5    | 43.4    | 42.6    | 43.4    | 43.7    |
| GNPA (₹ crore)           | 5,795.0 | 6,069.2 | 5,750.9 | 4,844.7 | 2,507.7 |
| NNPA (₹ crore)           | 1,692.7 | 1,666.9 | 1,757.8 | 1,849.6 | -381.3  |
| Credit cost (%)          | 2.8     | 1.8     | 1.7     | 2.1     | 1.7     |

Source: Company, ICICI Direct Research

## Financial summary

| Exhibit 5: Profit and loss statement |         |        |        |        |        |        |
|--------------------------------------|---------|--------|--------|--------|--------|--------|
|                                      | ₹ Crore |        |        |        |        |        |
| (Year-end March)                     | FY19    | FY20   | FY21   | FY22   | FY23E  | FY24E  |
| Interest Earned                      | 22,261  | 28,783 | 29,000 | 30,822 | 37,573 | 43,667 |
| Interest Expended                    | 13,415  | 16,724 | 15,472 | 15,822 | 20,636 | 24,012 |
| Net Interest Income                  | 8,846   | 12,059 | 13,528 | 15,001 | 16,937 | 19,654 |
| Growth (%)                           | 18      | 36     | 12     | 11     | 13     | 16     |
| Non Interest Income                  | 5,647   | 6,951  | 6,559  | 7,397  | 8,079  | 8,933  |
| Net Income                           | 14,493  | 19,010 | 20,087 | 22,398 | 25,016 | 28,588 |
| Employee cost                        | 1,854   | 2,208  | 2,214  | 2,577  | 2,916  | 3,295  |
| Other operating Exp.                 | 4,551   | 6,029  | 6,146  | 6,982  | 7,935  | 8,874  |
| Operating Income                     | 8,088   | 10,773 | 11,727 | 12,839 | 14,165 | 16,419 |
| Provisions                           | 3,108   | 4,652  | 7,943  | 6,665  | 4,805  | 5,284  |
| PBT                                  | 4,980   | 6,121  | 3,784  | 6,174  | 9,360  | 11,135 |
| Taxes                                | 1,679   | 1,703  | 948    | 1,563  | 2,387  | 2,839  |
| Net Profit                           | 3,301   | 4,418  | 2,836  | 4,611  | 6,973  | 8,295  |
| Growth (%)                           | (8.5)   | 33.8   | (35.8) | 62.6   | 51.2   | 19.0   |
| EPS (₹)                              | 54.8    | 63.7   | 36.7   | 59.5   | 90.2   | 107.3  |

Source: Company, ICICI Direct Research

| Exhibit 6: Key Ratios      |       |       |       |       |       |       |
|----------------------------|-------|-------|-------|-------|-------|-------|
| (Year-end March)           | FY19  | FY20  | FY21  | FY22  | FY23E | FY24E |
| Valuation                  |       |       |       |       |       |       |
| No. of shares (crore)      | 60.3  | 69.4  | 77.3  | 77.5  | 77.3  | 77.3  |
| EPS (₹)                    | 54.8  | 63.7  | 36.7  | 59.5  | 90.2  | 107.3 |
| DPS (₹)                    | 7.7   | 7.8   | -     | 6.4   | 10.1  | 12.0  |
| BV (₹)                     | 442.6 | 500.3 | 560.7 | 611.5 | 664.4 | 757.9 |
| ABV (₹)                    | 405.3 | 473.1 | 541.6 | 589.6 | 642.9 | 735.2 |
| P/E                        | 16.0  | 13.8  | 24.0  | 14.8  | 9.7   | 8.2   |
| P/BV                       | 2.0   | 1.8   | 1.6   | 1.4   | 1.3   | 1.2   |
| P/ABV                      | 2.2   | 1.9   | 1.6   | 1.5   | 1.4   | 1.2   |
| Yields & Margins (%)       |       |       |       |       |       |       |
| Net Interest Margins       | 3.8   | 4.5   | 4.7   | 4.7   | 4.5   | 4.6   |
| Yield on assets            | 9.6   | 10.7  | 10.0  | 9.6   | 10.1  | 10.1  |
| Avg. cost on funds         | 6.2   | 6.6   | 5.4   | 5.5   | 5.5   | 5.6   |
| Yield on average advances  | 11.0  | 12.2  | 11.5  | 12.3  | 12.3  | 12.4  |
| Avg. Cost of Deposits      | 6.1   | 6.5   | 5.0   | 5.4   | 5.4   | 5.5   |
| Quality and Efficiency (%) |       |       |       |       |       |       |
| Cost to income ratio       | 44.2  | 43.3  | 41.6  | 38.5  | 43.4  | 42.6  |
| Credit/Deposit ratio       | 95.7  | 102.3 | 83.0  | 81.4  | 80.4  | 79.7  |
| GNPA                       | 2.1   | 2.5   | 2.7   | 2.4   | 2.2   | 1.8   |
| NNPA                       | 1.2   | 0.9   | 0.7   | 0.7   | 0.6   | 0.6   |
| ROE                        | 13.1  | 14.4  | 7.3   | 10.1  | 14.0  | 15.0  |
| ROA                        | 1.3   | 1.5   | 0.8   | 1.2   | 1.6   | 1.7   |

Source: Company, ICICI Direct Research

| Exhibit 7: Balance sheet       |          |          |          |          |          |          |
|--------------------------------|----------|----------|----------|----------|----------|----------|
|                                | ₹ Crore  |          |          |          |          |          |
| (Year-end March)               | FY19     | FY20     | FY21     | FY22     | FY23E    | FY24E    |
| Sources of Funds               |          |          |          |          |          |          |
| Capital                        | 603      | 694      | 773      | 775      | 773      | 773      |
| Employee Stock Options         | 11       | 9        | 5        | 16       | 16       | 16       |
| Reserves and Surplus           | 26,072   | 34,003   | 42,587   | 46,906   | 50,926   | 58,155   |
| Networth                       | 26,686   | 34,706   | 43,365   | 47,697   | 51,716   | 58,945   |
| Deposits                       | 1,94,868 | 2,02,040 | 2,56,205 | 2,93,681 | 3,41,231 | 3,99,623 |
| Borrowings                     | 47,321   | 60,754   | 51,323   | 47,323   | 55,638   | 60,093   |
| Other Liabilities & Provisions | 8,944    | 9,558    | 12,080   | 13,273   | 13,473   | 14,366   |
| Total                          | 2,77,819 | 3,07,058 | 3,62,973 | 4,01,975 | 4,62,059 | 5,33,026 |
| Application of Funds           |          |          |          |          |          |          |
| Fixed Assets                   | 1,710    | 1,820    | 1,809    | 1,849    | 2,273    | 2,438    |
| Investments                    | 59,266   | 59,980   | 69,695   | 70,971   | 86,967   | 97,402   |
| Advances                       | 1,86,394 | 2,06,783 | 2,12,595 | 2,39,052 | 2,74,254 | 3,18,353 |
| Other Assets                   | 15,666   | 22,471   | 22,546   | 21,829   | 47,325   | 58,205   |
| Cash with RBI & call money     | 14,783   | 16,004   | 56,327   | 68,274   | 51,240   | 56,628   |
| Total                          | 2,77,819 | 3,07,058 | 3,62,973 | 4,01,975 | 4,62,059 | 5,33,026 |

Source: Company, ICICI Direct Research

| Exhibit 8: Key ratios |       |      |        |      |       |       |
|-----------------------|-------|------|--------|------|-------|-------|
| (Year-end March)      | FY19  | FY20 | FY21   | FY22 | FY23E | FY24E |
| Total assets          |       |      |        |      |       |       |
| Total assets          | 25.4  | 10.5 | 18.2   | 10.7 | 14.9  | 15.4  |
| Advances              |       |      |        |      |       |       |
| Advances              | 28.6  | 10.9 | 2.8    | 12.4 | 14.7  | 16.1  |
| Deposit               |       |      |        |      |       |       |
| Deposit               | 28.5  | 3.7  | 26.8   | 14.6 | 16.2  | 17.1  |
| Total Income          |       |      |        |      |       |       |
| Total Income          | 26.7  | 28.0 | (0.5)  | 14.4 | 12.3  | 15.2  |
| Net interest income   |       |      |        |      |       |       |
| Net interest income   | 18.0  | 36.3 | 12.2   | 10.9 | 12.9  | 16.0  |
| Operating expenses    |       |      |        |      |       |       |
| Operating expenses    | 14.5  | 28.6 | 1.5    | 14.3 | 13.5  | 12.1  |
| Operating profit      |       |      |        |      |       |       |
| Operating profit      | 21.5  | 33.2 | 8.9    | 9.5  | 10.3  | 15.9  |
| Net profit            |       |      |        |      |       |       |
| Net profit            | (8.5) | 33.8 | (35.8) | 62.6 | 51.2  | 19.0  |
| Net worth             |       |      |        |      |       |       |
| Net worth             | 12.0  | 30.1 | 25.0   | 9.2  | 8.5   | 14.1  |
| EPS                   |       |      |        |      |       |       |
| EPS                   | (8.8) | 16.3 | (42.4) | 62.3 | 51.5  | 19.0  |

Source: Company, ICICI Direct Research

## RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: > 15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: < -15%



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